

Global Business Communications Revenues Rise More Than 4% in the First Quarter of 2010

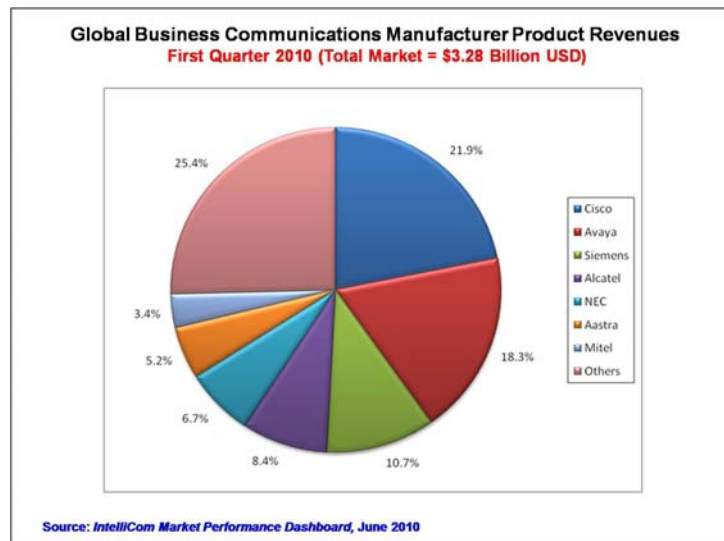
Cisco Outpaces Merged Avaya and Former Nortel Enterprise Solutions for Overall Leadership

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Parsippany, NJ -- According to new research contained in industry analyst firm IntelliCom Analytics' IntelliCom Market Performance Dashboard First Quarter 2010 Report, global Business Communications market revenues increased by 4.5% in the first three months of 2010 compared to the same period a year earlier – the first quarterly increase since the onset of the global recession. These figures are based on total manufacturer product revenues associated with premise-based communication platform hardware, software applications, and end user devices.

“After five straight quarters of historic, double-digit declines, the Business Communications market showed some signs of overall recovery in the first quarter,” stated Frank Stinson, Partner and Senior Analyst at IntelliCom Analytics, *“but significant shifts in market share are taking place due to both the lingering effects of the recession and the accelerating market shift to software-based Unified Communications solutions.”*

The first quarter of 2010 was the first period that the IntelliCom report has reflected Avaya and the former Nortel Enterprise Solutions on an integrated basis. The newly combined company achieved leadership in call control, unified messaging, and contact center software revenues, although sales for the combined company were down 17% on a year-over-year basis, with Avaya trailing overall market leader Cisco by more than 3 percentage points for total product revenues across all software, hardware, and end user device categories. *“Purchase decisions for products shipped in the first quarter were likely made mid-to-late last year during the height of the uncertainty surrounding the future of the Nortel enterprise business,”* explained Stinson, *“so this disruption was not entirely unexpected, and future quarters are more likely to be indicative of how broadly the Nortel base will embrace the combined organization.”*



These factors, combined with a 27% increase in total product revenues, helped Cisco secure overall leadership with a nearly 22% share in aggregate product revenues. Much of this growth was attributed to the successful launch of Cisco's next-generation Integrated Services Routers (ISR) which boosted sales of the jointly packaged Unified Communication Manager Express and Unified Survivable Remote Site Telephony (SRST) solutions. *“Cisco was clearly able to build momentum during the first quarter by leveraging synergies with its core business and capitalizing on the uncertainties surrounding key competitors,”* added Stinson.

The IntelliCom Market Performance Dashboard is a quarterly market tracking service that measures vendor performance across all layers of the Business Communications value stack. Key areas of focus include core telephony software, platform hardware, end user devices, and Unified Communications applications.

About IntelliCom Analytics

IntelliCom Analytics is a professional services and business research provider focused on the rapidly evolving intelligent communications market. Tight integration between custom consulting initiatives, research databases and market transformation tracking programs gives IntelliCom the ability to deliver highly differentiated client value that blends in-depth analysis with holistic perspectives on the dynamics that are shaping the industry. For further information, visit www.intellicom-analytics.com.

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