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T3i Group Report Attributes Double-Digit Global Messaging Shipment Decline to Economic Downturn

Parsippany NJ (November 16, 2009) - T3i Group's latest "InfoTrack for Converged Applications (ICA)" research on voice and unified messaging (UM) found global mailbox shipments decreased by more than 4 million during the first six months of 2009 (down 28.4%) compared with the first half of 2008. Manufacturer revenue dropped even more sharply year over year, down 32.9%, to $405 million.

According to the ICA report, "*First Half 2009 Global Messaging Mailbox and System Shipments,"* UM shipments, while down 12.4% in mailboxes and 21.3% in revenues, were the one bright spot. For the first time, UM revenues exceeded those of voice mail (VM), both globally and in the United States, and UM mailboxes exceeded VM in the United States. Global acceptance of UM, as measured by the percentage of total mailboxes, increased by 7.6 percentage points. While prices eroded for both VM and UM, the combination of improved UM penetration with its higher-priced mailboxes kept the messaging industry revenue from falling even further.

Avaya led in global revenues while Nortel, as expected, experienced the most severe downturn in its messaging business, with shipments declining close to 50%. Only three manufacturers -- Siemens, ShoreTel and Panasonic -- increased their global shipments during the first half of 2009.

All global regions experienced declines, with CALA (Caribbean and Latin America) down 43%, North America down 35% and APAC (Asia Pacific) down 32%. EMEA (Europe, Middle East, Africa) appeared comparatively healthy, down only 13%. From a global market share point of view, the United States lost 5 percentage points, due in part to the breakup of Nortel. EMEA increased its global market share by 6.5 percentage-points due to in-region manufacturer strength; specifically, Siemens grew, and Alcatel and Aastra declined less than the large U.S.-based competitors operating in EMEA.

Such promotional activity as free mailboxes and reduced prices on upgrades, which had been prominent in all regions during the first half of 2008, was less evident in the first half of 2009. Instead, manufacturers achieved success by bundling messaging with other applications, including Unified Communication (UC) packages. This strategy drove sales, helped boost the penetration rate of UM as a UC application and exerted upward price pressure.

"*Despite price cuts and attractive bundling, the growth trend established during the past few years could not compete with the economy and resulting job declines, which forced enterprises to cut growth plans that could have required additional messaging capabilities*," said Ken Dolsky, Senior Program Director at T3i Group. "*Going forward, we expect manufacturers to increase their use of UC bundling to offer attractively priced options, tie messaging to other powerful applications, improve mobile access and begin to reduce reliance on telephony sales as a pull-through for messaging.*"

About the InfoTrack for Converged Applications (ICA) Program

InfoTrack for Converged Applications (ICA) analyzes and forecasts UC application shipments, installed base, revenues and share globally and regionally by six size segments. Separate databases address Messaging, Contact Centers (systems, hosted) and Interactive Voice Response. For more information about the ICA program or about "*First Half 2009 Global Messaging Mailbox and System Shipments,"* please contact Ken Dolsky, (kdolsky@t3igroup.com, 973-602-0109)

T3i Group recently published an Enterprise and Small to Medium-sized Business (SMB) primary research report addressing acceptance of Microsoft's Exchange Server 2007 UM product. Overall, three-fourths of respondents, both enterprise and SMB, indicated little or no interest in this offering. However, those respondents who have purchased this server indicated a high satisfaction with Exchange Server 2007 UM.

About T3i Group LLC

T3i Group LLC provides market research, data, analysis, and consulting and advisory services to the telecommunications industry. It has clients in 46 countries and conducts its business through four operating units: InfoTrack publishes reports that analyze shipment, revenue, market share and other pertinent data of importance to telecommunications equipment manufacturers; TelecomTactics maintains a database of the features and functionality of major telephony systems; Tarifica maintains a database of pricing-related information covering 400 telecommunications carriers operating in 130 countries; and T3i's web site (www.t3igroup.com) serves as T3i Group's primary delivery mechanism for distributing its reports, analyses and data to subscribers.

T3i Group LLC is headquartered in Parsippany, N.J; with additional offices in New York City, London; and Cherry Hill, N.J.

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