

**SMEs will be major adopters of
virtualised, software-based IP telephony, says Swyx**

***- Key Analyst report names Swyx as one of Europe's leading vendors of
pure IP-PBX technology to SMEs***

Reading, UK, 13th July 2005 - According to IP telephony specialist **Swyx**, the market adoption for pure software-based IP-PBX systems over the next 2-3 years is set to increase dramatically, altering the trend for SMEs and larger enterprises who previously have invested in IP-enabled PBXs and traditional TDM systems. This is borne out by recent research by analyst company Infonetics, predicting that by 2008, pure IP solutions will have increased market share by 23%.

SVP Worldwide Marketing for Swyx, Dave Smith commented, "This is particularly the case for SMEs, where IP Telephony has overcome the major market adoption hurdles of credibility, reliability & security. So far, traditional voice and network vendors have adapted their legacy voice & data systems to enable cost-saving "packet transmission" over IP infrastructures, but the market is now clearly heading towards software-based IP communications systems that not only deliver the reduced voice and data costs associated with IP telephony, but also enable the end-user to take advantage of a Virtualised Communications Service Architecture (VCSA) approach that can deliver distributed applications and services to establish a competitive edge."

He added, "The benefit of a virtualised IP based solution, such as that offered by Swyx, is that it allows an organisation to not only introduce distributed applications beyond traditional voice, such as web conferencing, instant & unified messaging and integration of voice with business processes (e.g. with ERP and/or CRM systems), but to "operationalise" these services across a network infrastructure in a similar way to other software applications and services." However Dave Smith stresses, "these benefits will clearly not be possible with a traditional voice or data hardware system, and therefore the virtualised telephony infrastructures of the future will have to rely on a pure software based IP PBX platform."

According to a leading analyst company, MZA, (Source: The European Corded PBX/IP-PBX Market Full 2004 Shipment Review), Swyx has already been gaining considerable market share in this area across the European theatre in 2004, and MZA has accredited Swyx with being one of the top 4 IP PBX vendors in Western Europe in its key SME target segment (systems with less than 100 extensions), rapidly overtaking some of the leading traditional players in the market. In Switzerland, MZA cites Swyx as the market leader for Voice over IP extensions in the SME market representing less than 100 users, whilst coming a close second in Germany only to the traditional market leader with almost identical market share in the same segment whilst based on a software solution.

Dave Smith explains Swyx's market strategy, "Although Swyxware is scalable beyond 1,000 users, we view the sub-250 user market as our 'sweetspot'

and growth has been phenomenally strong in the 20-100 user segment; Swyxware has a distinct competitive business advantage and value proposition for SMEs over rival offerings in the market, with key business features such as unified messaging, "follow-me" call routing, Microsoft Office/CRM integration, individual client billing capability and call recording all bringing unique business value and differentiation to its customers across the SME segment."

"In addition, the design, software licensing structure and simplified deployment capability of the product range also makes it an attractive proposition to channel partners not only within the traditional voice market looking to address the SME segment with a software-base IP telephony, but also to partners within non-traditional voice channels that are looking to expand their touch into IP communications such as the software applications, data networking and SME server applications channel partners."

According to MZA, the number of Voice over IP extensions enabled by Swyx for 2004 was close to 50,000 ports across Europe, the majority of which were in the SME sub-100 user market segments. The company's key markets in 2004 were Germany, UK, Netherlands, Austria, Italy and Switzerland. Swyx is experiencing strong year on year growth and in 2004 increased port counts and revenues by more than double that of 2003, with similar growth patterns expected in 2005 to at least double the number of ports deployed in the SME market over 2004.

Swyx will be also open a new UK headquarters that will serve also as the centre for Worldwide Marketing activities, located in Reading, UK.

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Editor's notes:

About Swyx:

Swyx was founded in April 1999 to develop and sell an IP-based telephony solution. Launched in summer 2000, "SwyxWare" the software-based IP-PBX now supports Microsoft® Windows® Server 2003 and is now SIP compatible. Since its launch, SwyxWare has been installed in more than 2,800 sites in Europe to provide cost-effective competitive advantage through more powerful, easier to use and cost-effective telephony solutions. SwyxWare has been tested by several independent groups and journalists with excellent results including 'Best Buy - What to Buy for Business 2005', and key vendors such as Deutsche Telekom position Swyx as part of their own portfolio for addressing the SME market for IP PBX across key European geographies. Larger companies turning to the benefits of converging voice and data solutions have recognised that the future of telephony lies within the convergence of networks and applications, all of which are already available with SwyxWare. Today, more than 400 trained and authorised resellers in Europe sell SwyxWare. These resellers consult and sell SwyxWare to SMEs with up to 500 or more employees.

Press contact : Jane Moores, TTA Communications Ltd,
Tel : 01454 318722 Fax : 01454 318733 email: jmoores@ttauk.com

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