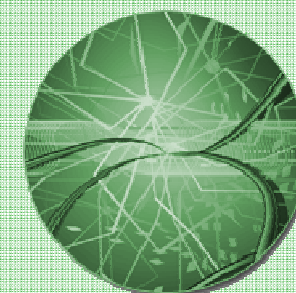


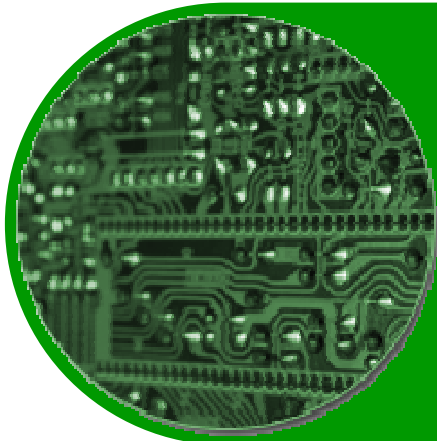
# The World PBX/IP PBX Market

Competitive Environment Volume  
2008 Edition



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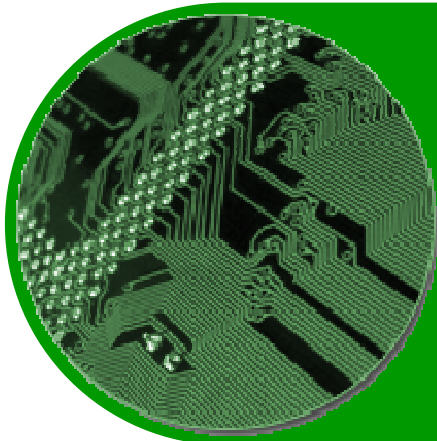
**Whilst all reasonable efforts will be made to ensure accuracy and completeness of the information provided, MZA Ltd accepts no liability for consequential loss.**



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# Contents

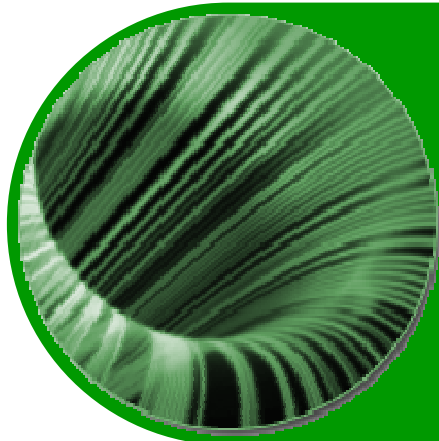
- ▶ Introduction
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# Introduction

# Introduction

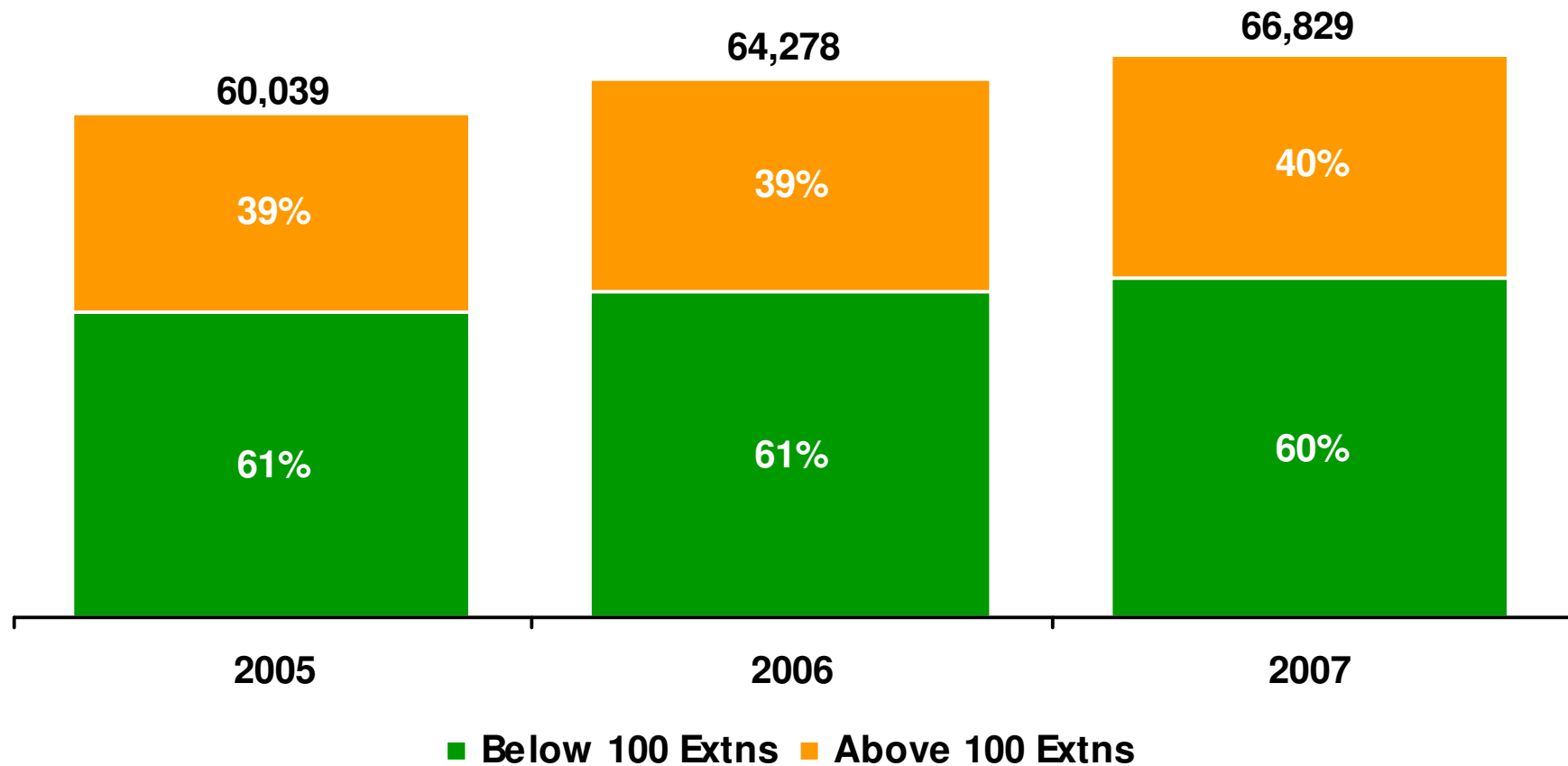
- ▶ The Corded PBX/IP PBX Competitive Environment World volume assesses the market for corded PBX/IP PBXs for the World. Information is examined at a regional level for the following regions:
  - ▶ Western Europe
  - ▶ Eastern Europe
  - ▶ North America
  - ▶ Latin America
  - ▶ Middle East and Africa
  - ▶ Asia Pacific



# World Market – 2005 to 2007

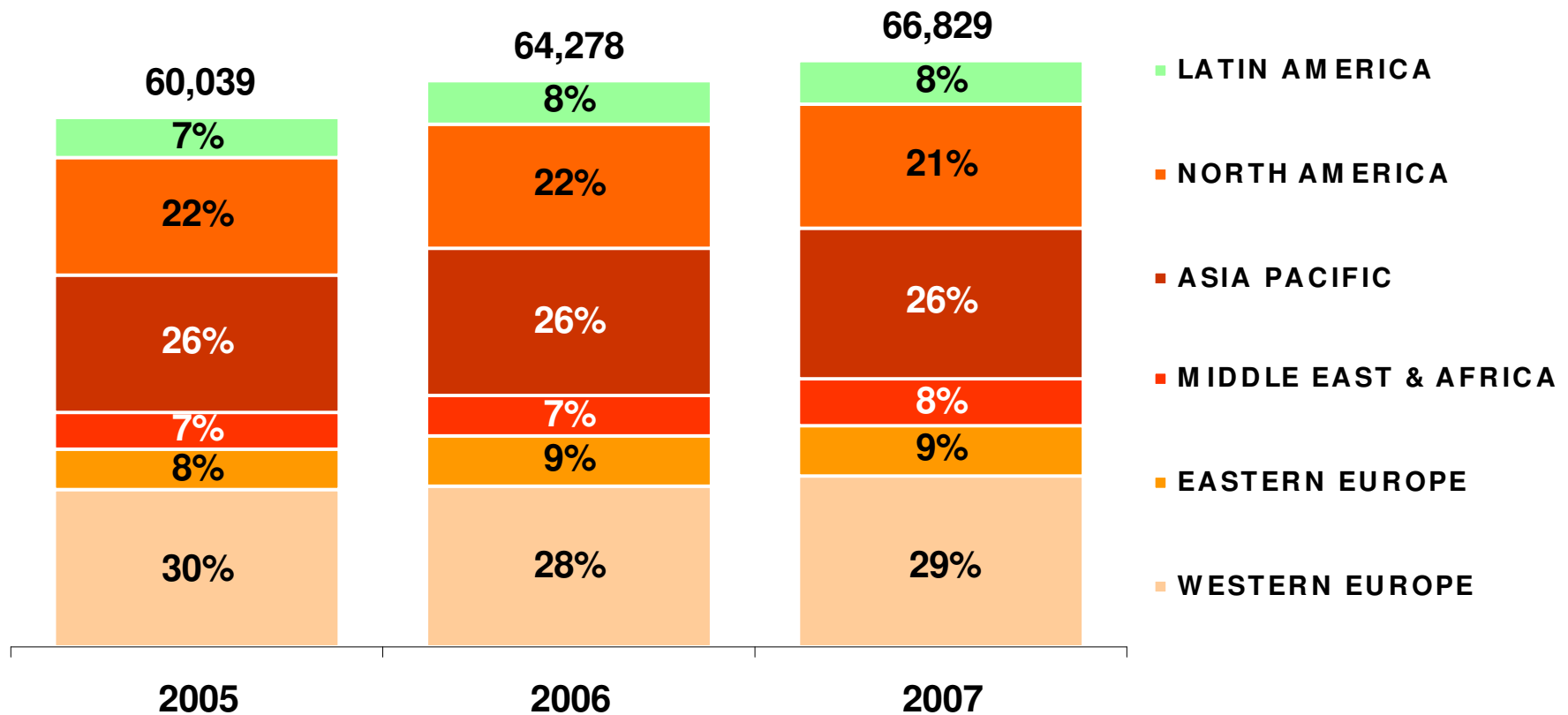
# Market Analysis

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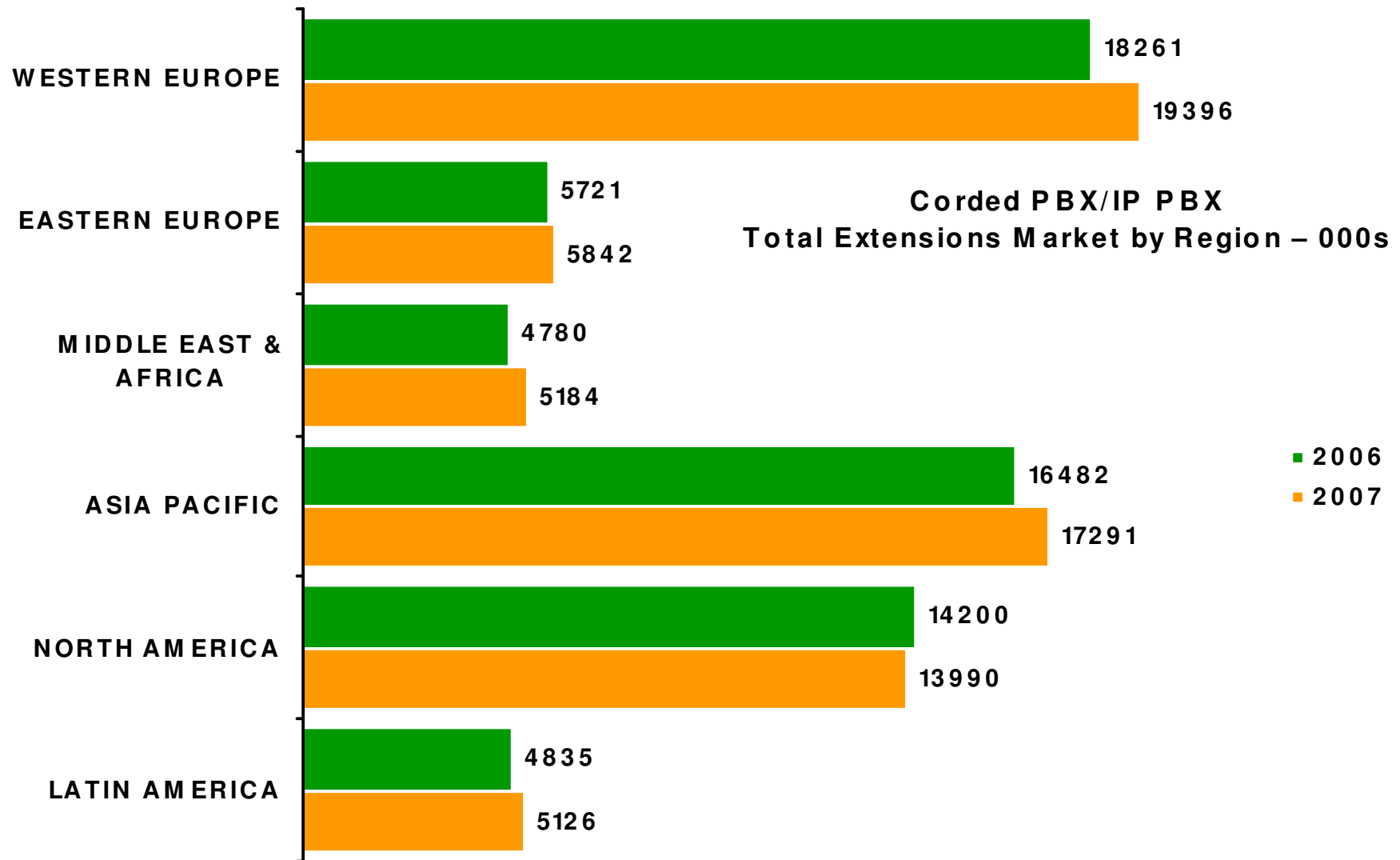


# Market Analysis

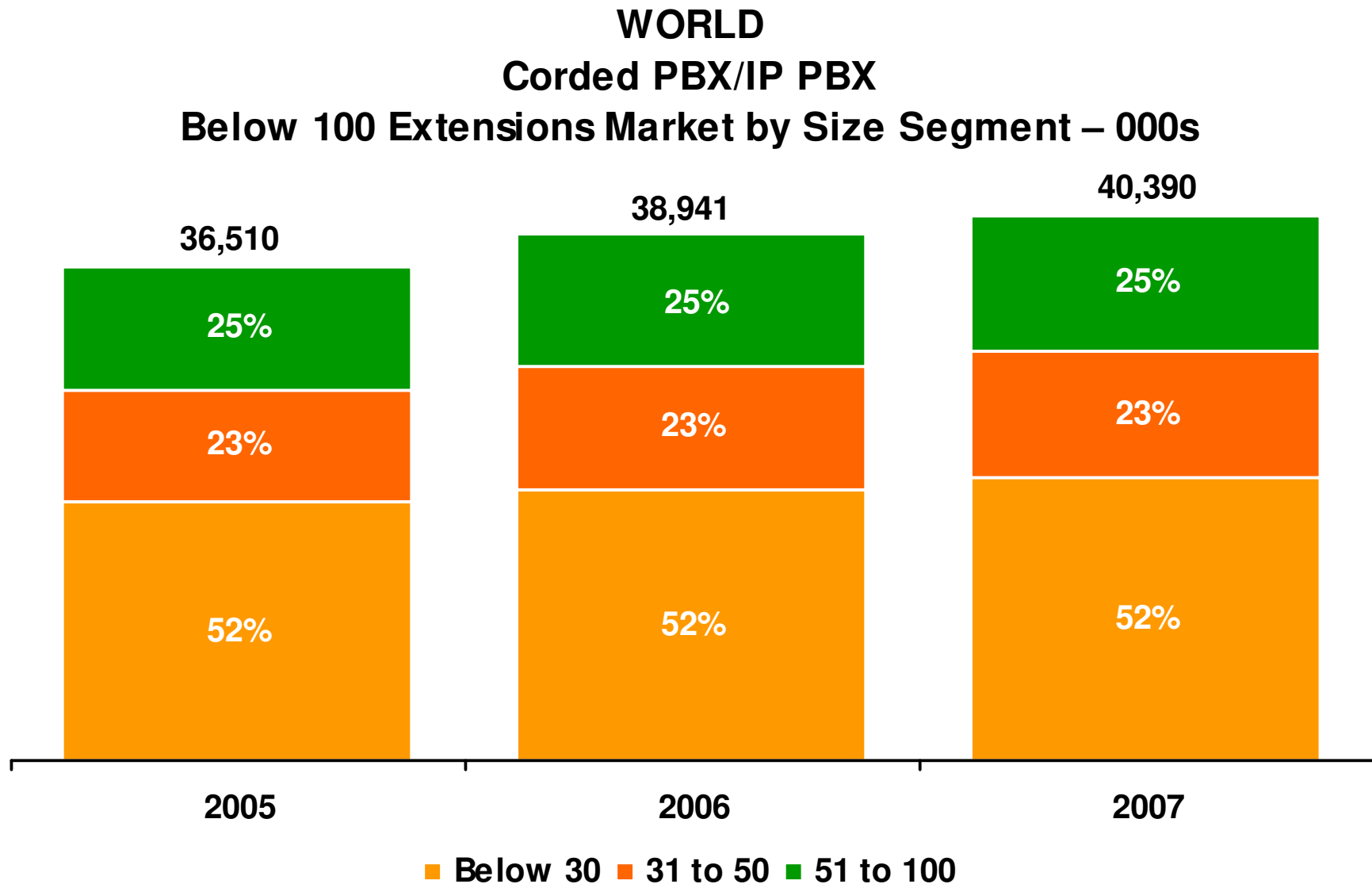
## WORLD Corded PBX/IP PBX Total Extensions Market by Region – 000s



# Market Analysis

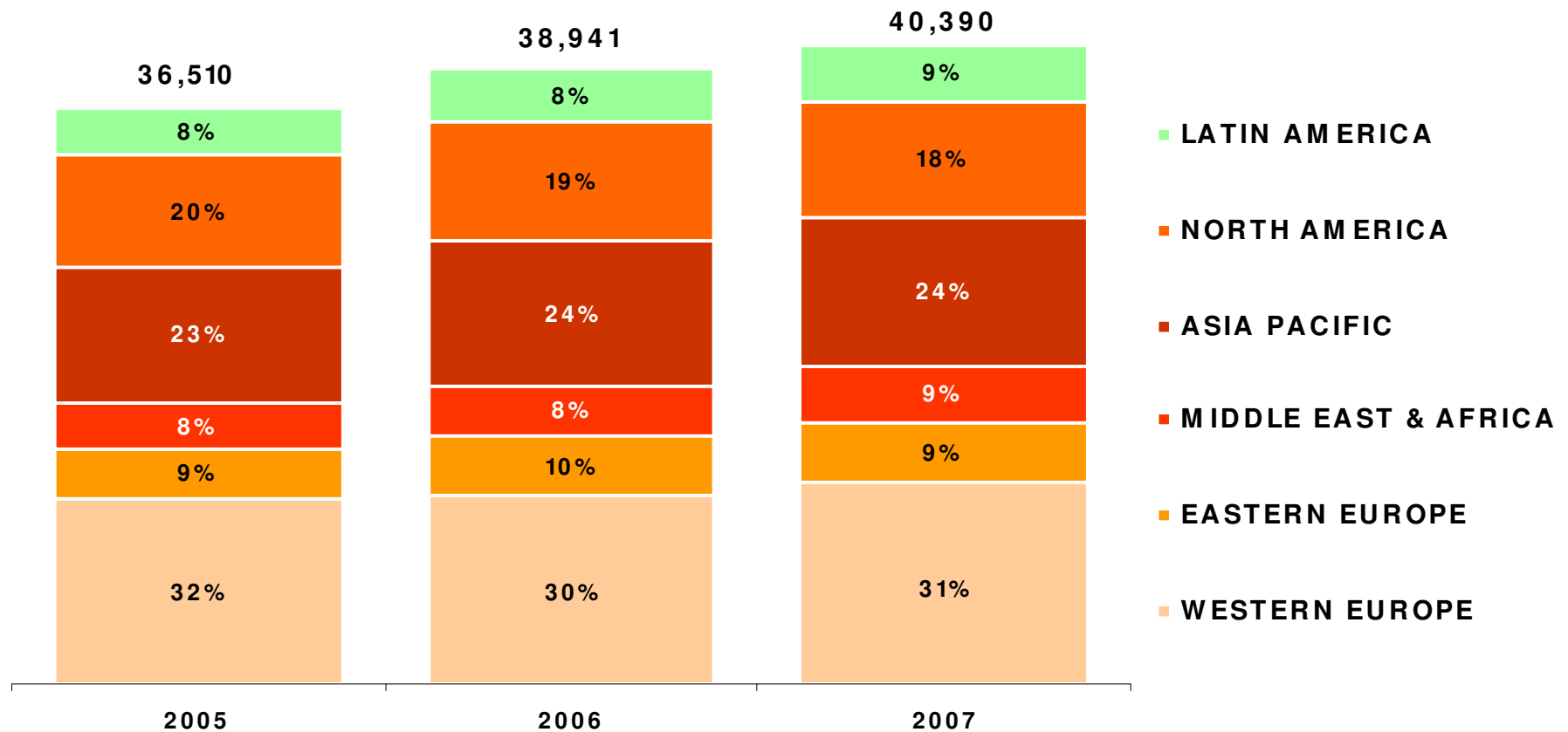


# Market Analysis



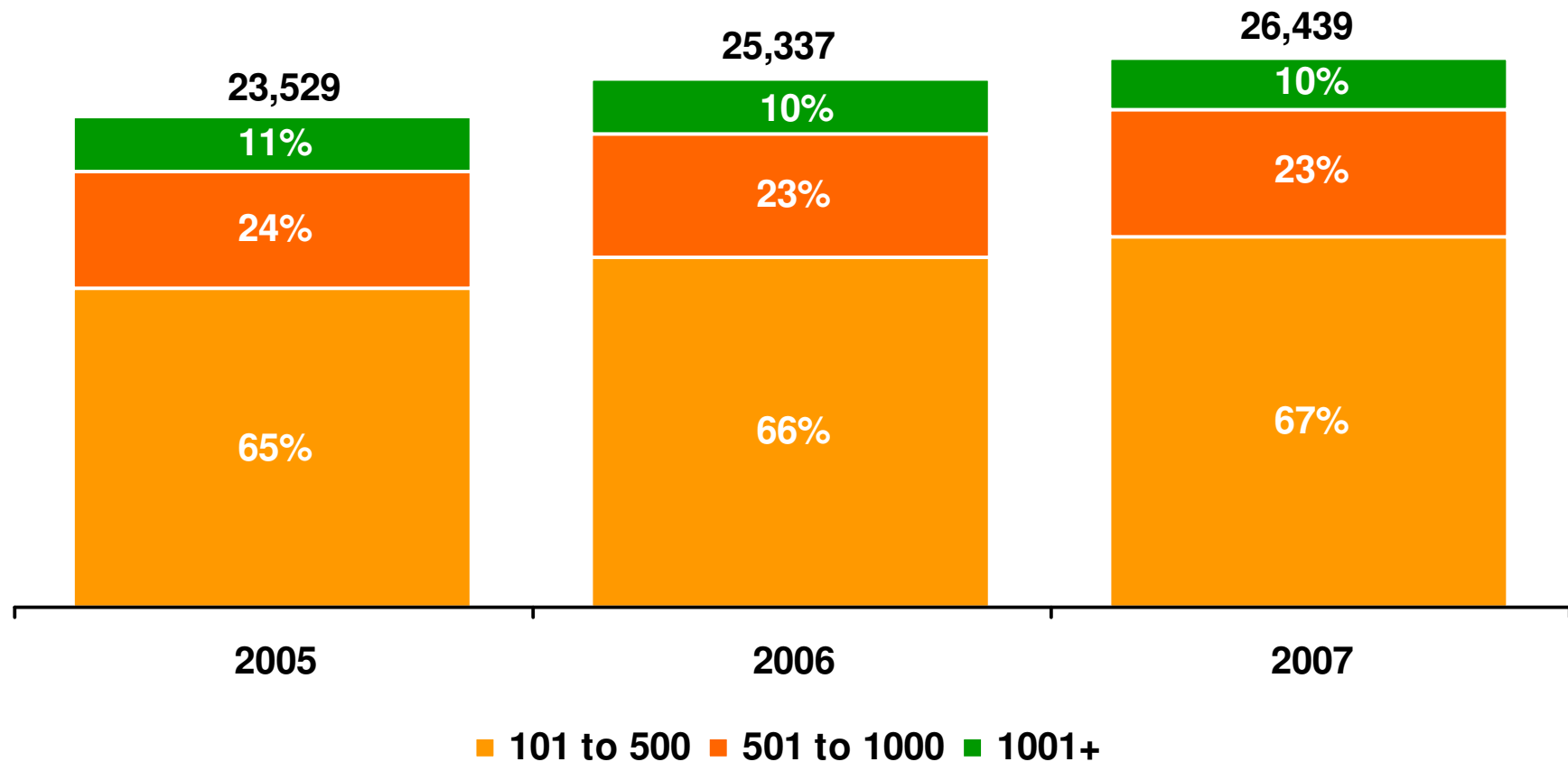
# Market Analysis

## WORLD Corded PBX/IP PBX Below 100 Extensions Market by Region – 000s



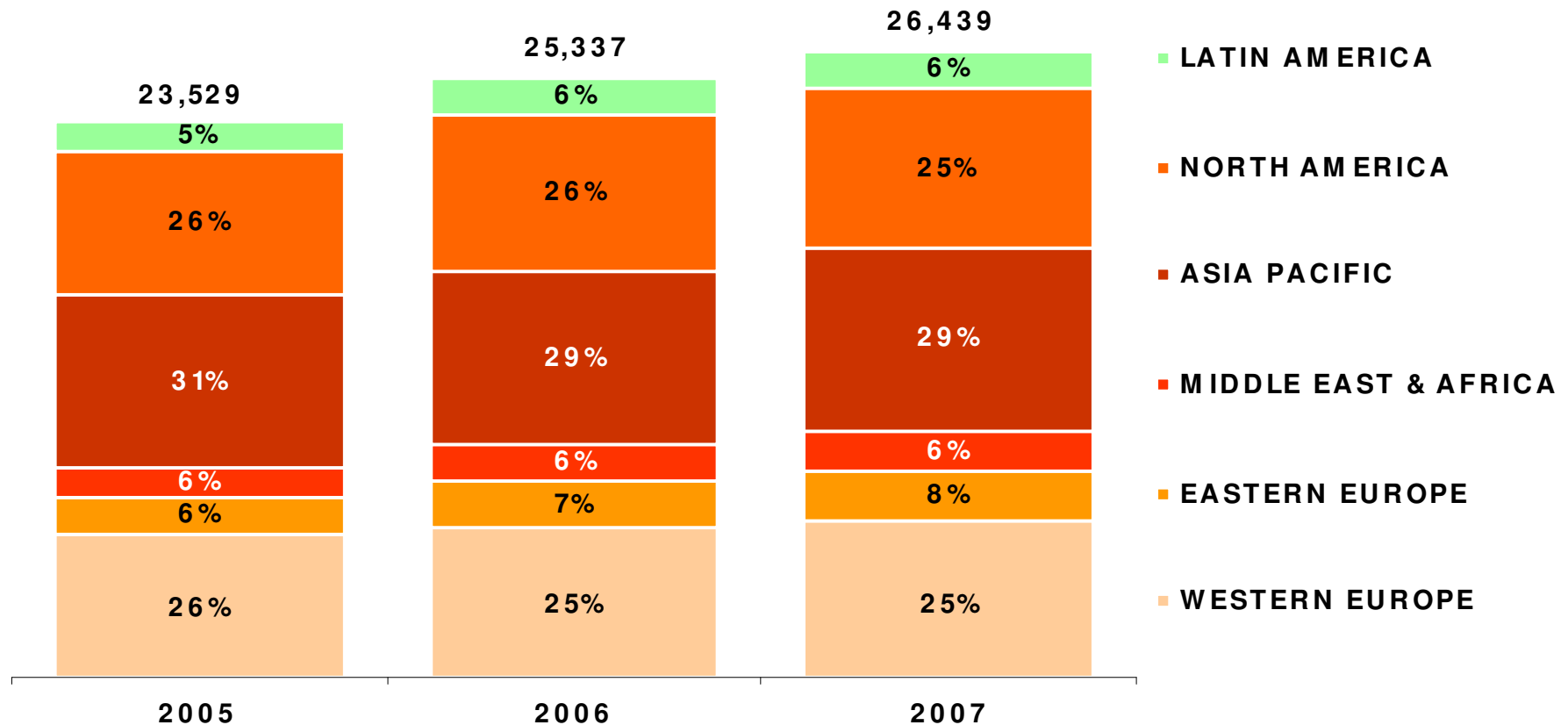
# Market Analysis

## WORLD Corded PBX/IP PBX Above 100 Extensions Market by Size Segment – 000s



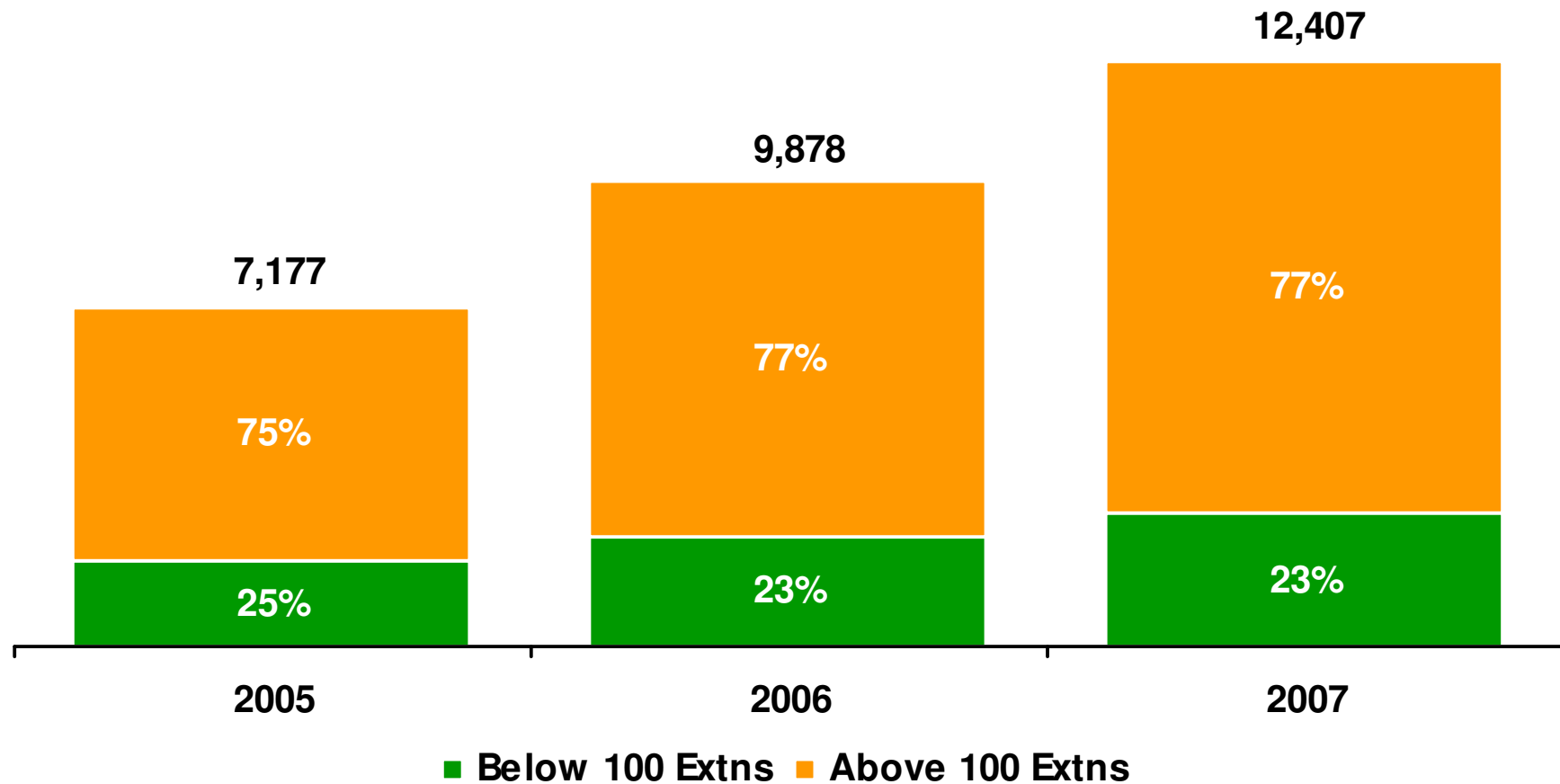
# Market Analysis

## WORLD Corded PBX/IP PBX Above 100 Extensions Market by Region – 000s



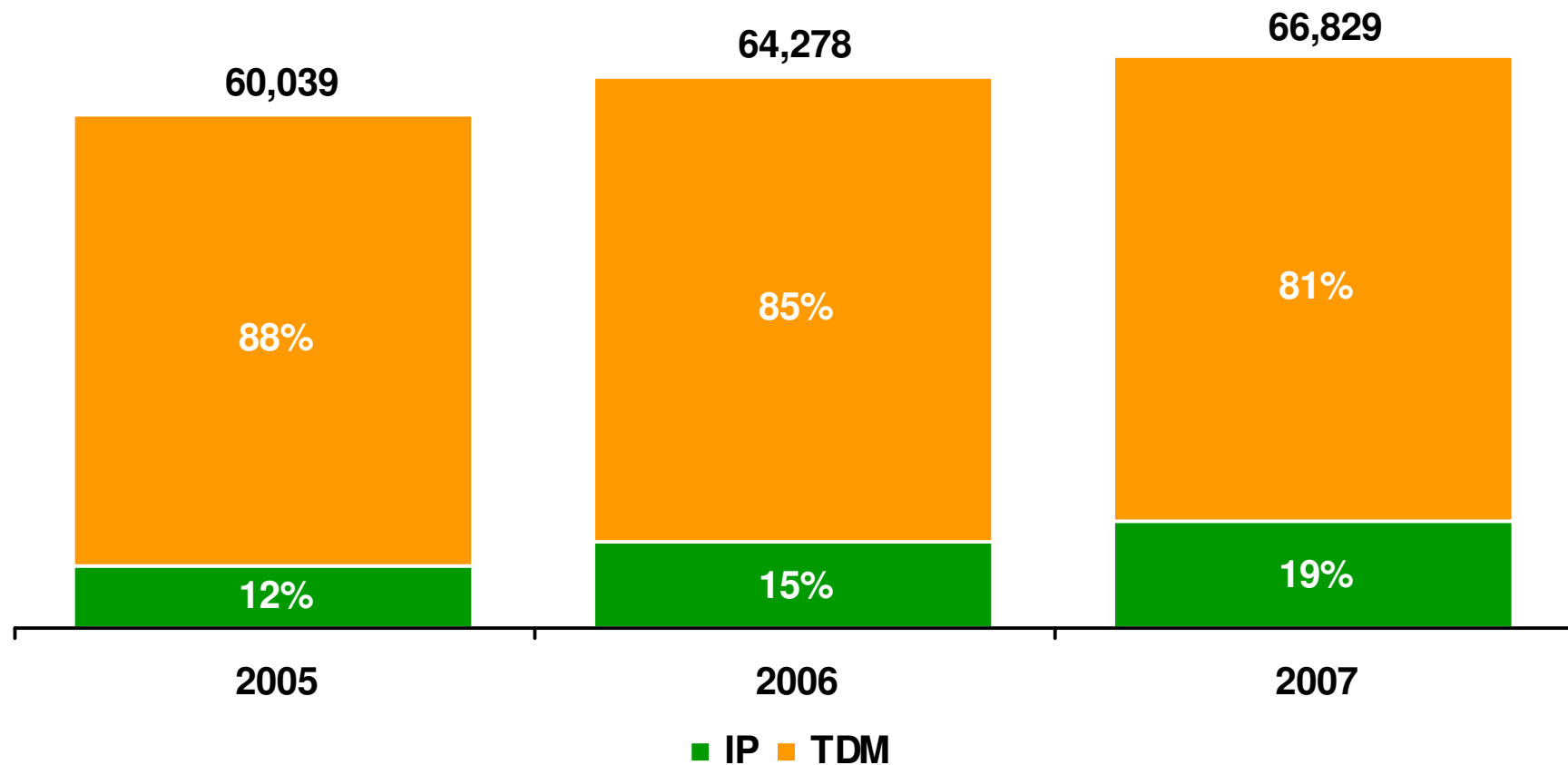
# Market Analysis

## WORLD Corded PBX/IP PBX IP Extensions Market by Size Segment – 000s



# Market Analysis

## WORLD Corded PBX/IP PBX Total Extensions Market, IP v TDM – 000s





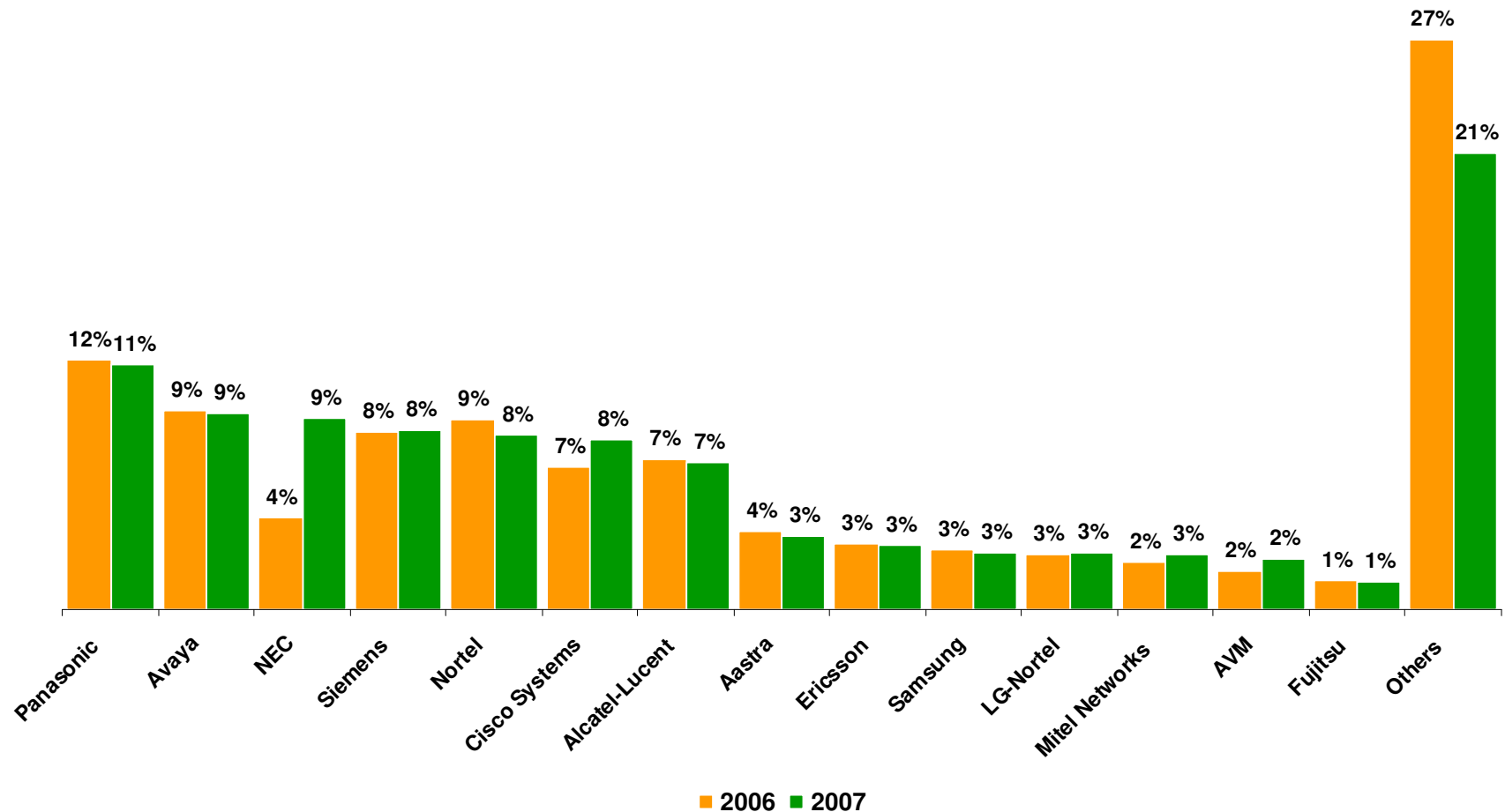
# World Market Shares – 2006 to 2007

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## WORLD

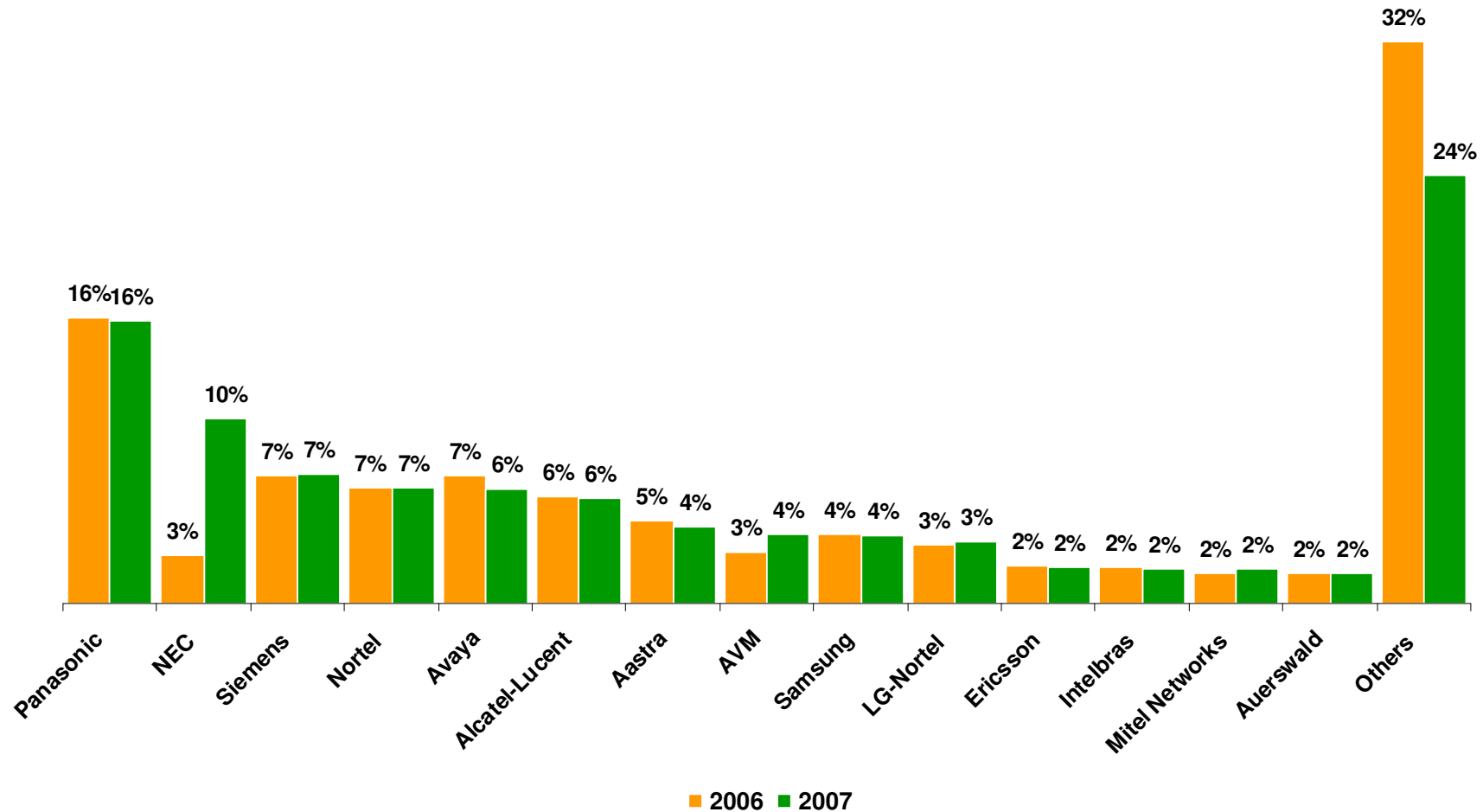
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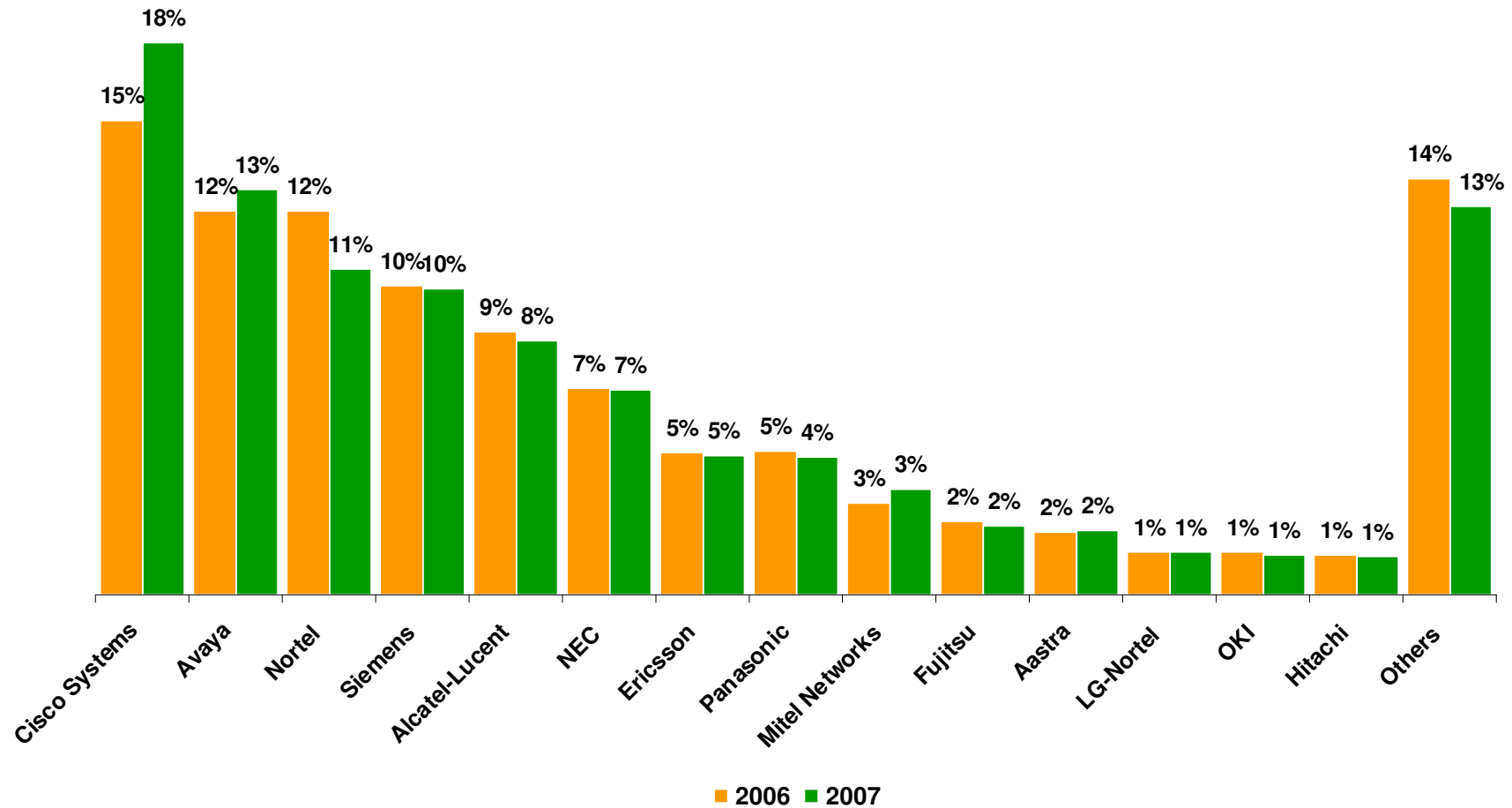
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**Corded PBX/IP PBX**  
**Below 100 Extensions Market, Manufacturer Shares, by Volume of Extensions Sold**



# Market Share Analysis

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**Corded PBX/IP PBX**  
**Above 100 Extensions Market, Manufacturer Shares, by Volume of Extensions Sold**

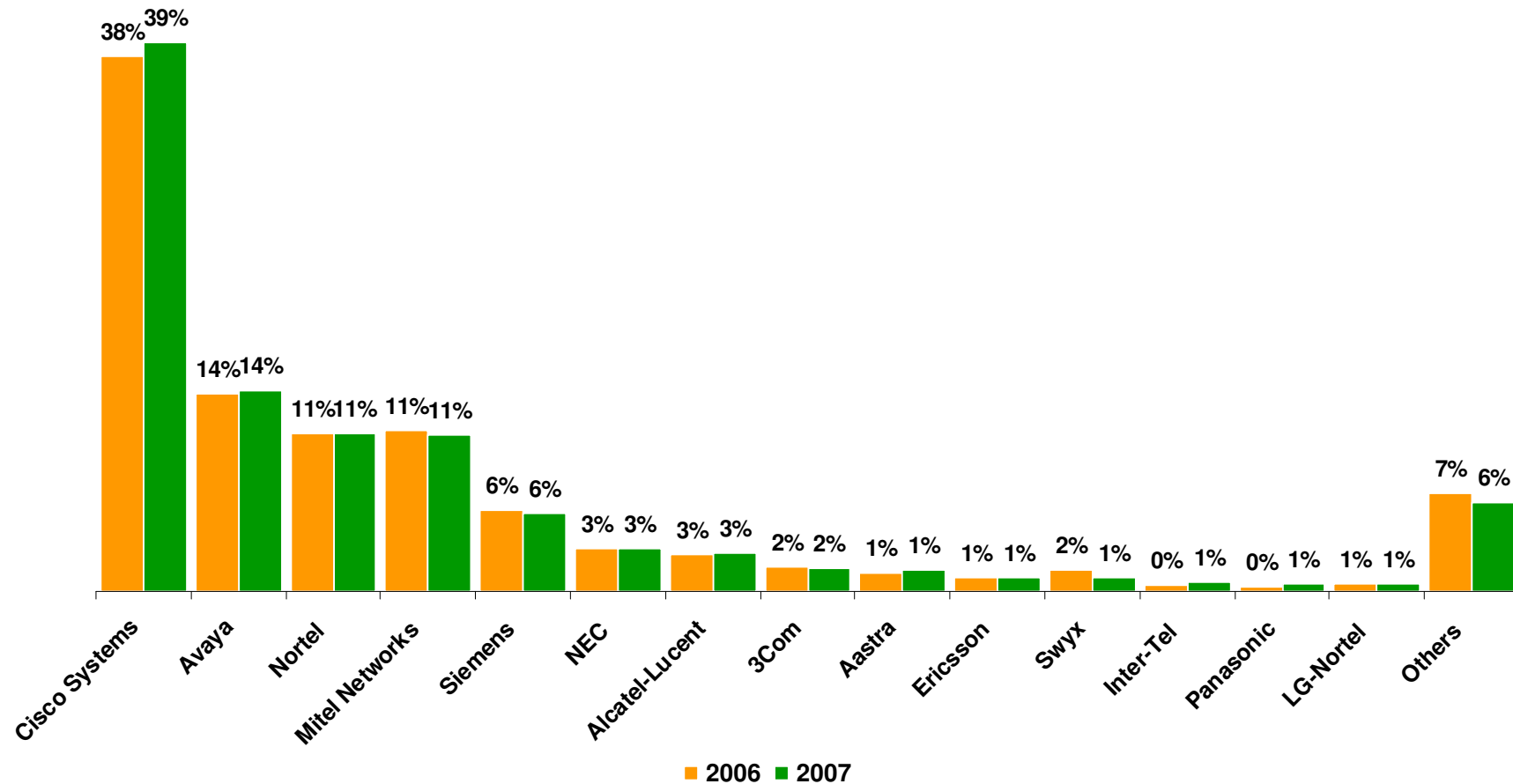


# Market Share Analysis

## WORLD

### Corded PBX/IP PBX

#### IP Extensions Market, Manufacturer Shares, by Volume of Extensions Sold

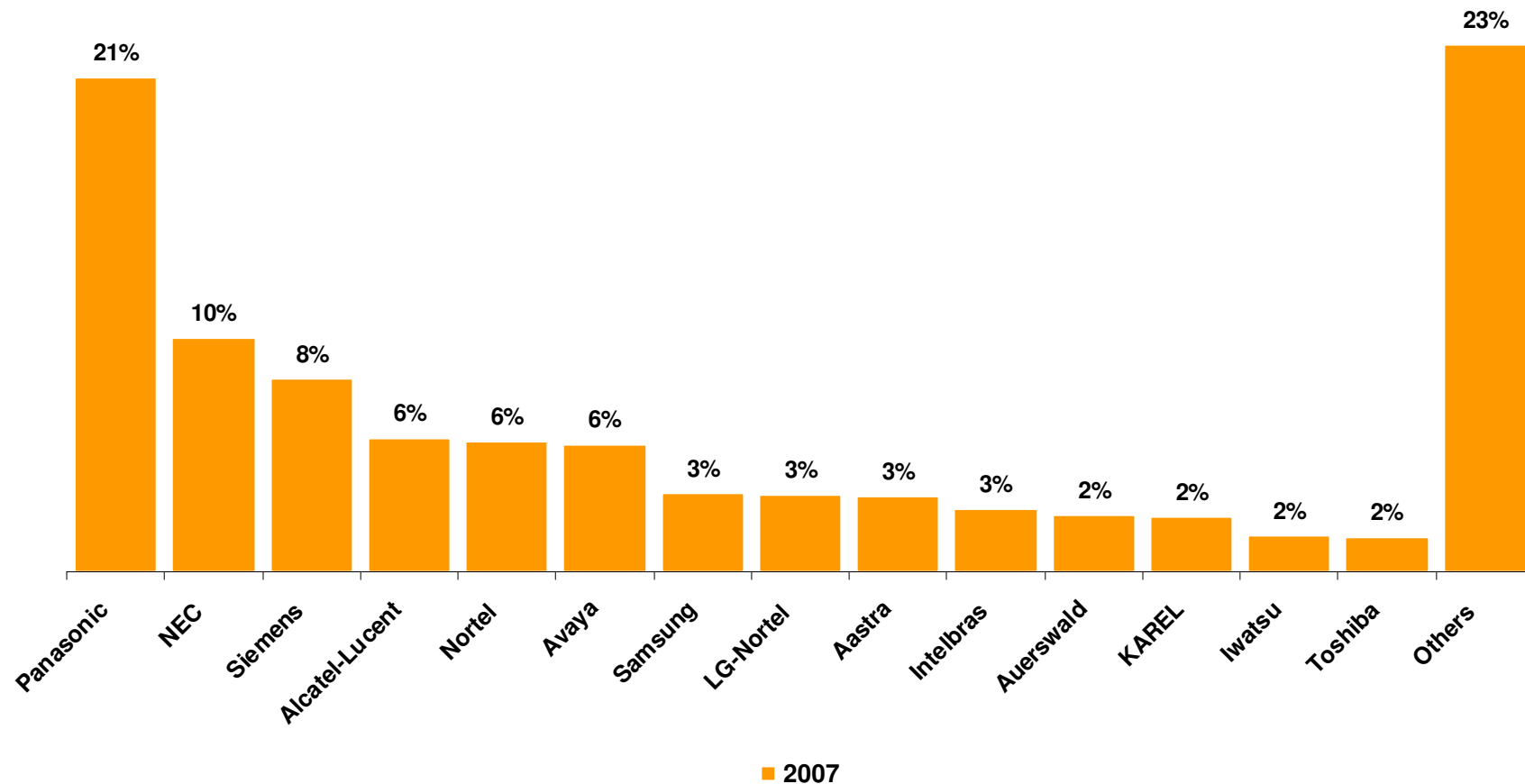


# Market Share Analysis

## WORLD

### Corded PBX/IP PBX

Total Systems Market, Manufacturer Shares, by Volume of Systems Sold, (Excl Micro PBX)



# World Market Main Findings

- ▶ The world market for corded PBX/IP PBX extensions increased by 4% in 2007 following growth of 7% in 2006
- ▶ The corded PBX/IP PBX extension market in the Middle East and Africa, Western Europe, and Latin America experienced the highest levels of growth in 2007, increasing by 8%, 6% and 6% respectively
- ▶ Western Europe, Asia Pacific and North America jointly accounted for 76% of the world market for corded PBX/IP PBX extensions in 2007
- ▶ Western Europe is the largest region in the world, accounting for 29% of worldwide sales in 2007 followed by Asia Pacific with 26%
- ▶ The world market for corded PBX/IP PBX extensions grew to 66.8 million extensions in 2007
- ▶ The below 100 extensions market increased by 4% in 2007 to reach just over 40 million extensions
- ▶ In 2007, the above 100 extensions market also increased by 4%, with the highest levels of growth seen in the 101 to 500 extension segment
- ▶ The world market for IP extensions grew by 26% in 2007, reaching just over 12.4 million IP extensions
- ▶ IP extensions represented 19% of all corded PBX/IP PBX extensions sold in 2007, an increase from 15% in 2006

# World Market Main Findings

- ▶ The above 100 IP extension market has developed significantly faster than the below 100 extension market due to many manufacturers targeting enterprise customers with IP ready solutions that can bring benefits that are not always relevant to organisations in the small to medium-sized business market
- ▶ The above 100 IP extensions market accounted for a constant 77% of all IP extensions sold in 2007
- ▶ Panasonic maintained their leadership of the world corded PBX/IP PBX extension market in 2007, although their share fell from 12% in 2006 to 11%
- ▶ Panasonic are active in every region of the world corded PBX/IP PBX market and were market leaders in the Middle East and Africa, Eastern Europe and Latin America in 2007
- ▶ Avaya and NEC (including NEC Infrontia) both accounted for 9% of the world corded PBX/IP PBX extension market in 2007
- ▶ NEC are active in a number of regions around the world and were market leader in the Asia Pacific region in 2007
- ▶ Siemens, Nortel and Cisco Systems all registered shares of 8% in 2007
- ▶ Siemens were the market leader in Western Europe and the second most important manufacturer in Latin America as well as being active in the other regions of the world in 2007

# World Market Main Findings

- ▶ Nortel led the North American market in 2007 with activities in all of the other world regions
- ▶ Cisco Systems improved their position in almost every world region in 2007 and notably moved into second position in the North American market
- ▶ Alcatel-Lucent maintained their 7% share of the world corded PBX/IP PBX extension market in 2007, performing well in a number of world regions but particularly in Western Europe where they held second position in the largest region for corded PBX/IP PBX extensions in the world
- ▶ In the below 100 extension market, Panasonic maintained their leadership position with a constant 16% share in 2007. NEC (including NEC Infrontia) provided the strongest competition to Panasonic with a 10% share in 2007.
- ▶ In the above 100 extension market, Cisco Systems extended their market leadership with an 18% share followed by Avaya with 13%
- ▶ The IP extension market continued to be dominated by Cisco Systems who slightly increased their share to 39% in 2007 and were the market leader in IP extensions in every region of the world
- ▶ Avaya, Nortel and Mitel networks followed Cisco Systems in the IP extension market in 2007 with shares of 14%, 11% and 11% respectively



# Definitions

# Definitions

The following terms are used throughout this presentation:

<b>TDM Extension:</b>	TDM extensions refer to extensions that support switched voice transmission using timed division multiplex on traditional corded PBXs and IP Hybrid PBXs
<b>IP Extension:</b>	IP extension refers to extensions that support packet switched voice transmissions from the desktop on IP Hybrid PBXs
<b>Micro PBX:</b>	Systems in this category are small capacity systems with a maximum capacity of three exchange lines and up to eight extensions. These products cannot be expanded into larger capacity systems. In this report Micro PBXs are included in the below 30 segment unless otherwise stated on the chart.
<b>Additional Extensions:</b>	Additional extensions or after sales are extensions installed to increase the capacity of an existing corded PBX/IP PBX system. Additional extensions can be either TDM or IP.
<b>Market:</b>	The amount of a product sold within a given period. In terms of this report all market figures refer to a calendar year.



# Mergers and Acquisitions

# Mergers & Acquisitions

- ▶ Aastra/DeTeWe - During 2005 Aastra acquired the German manufacturer DeTeWe. For the purpose of this report Aastra DeTeWe has been included within the Aastra market share for 2006 and 2007 but is shown separately for 2005.
- ▶ Aastra/EADS Telecom - Aastra's acquisition of EADS Telecom completed in Q1 2005. EADS Telecom were renamed Aastra Matra. For the purpose of this report Aastra Matra has been included within the Aastra market share for 2006 and 2007 but is shown separately for 2005.
- ▶ Alcatel/Lucent - It was announced on November 30, 2006 that Alcatel and Lucent Technologies had completed their merger transaction and that they will begin operations as Alcatel-Lucent on December 1st, 2006. For the purposes of this report all instances of Alcatel have been replaced with Alcatel-Lucent.
- ▶ Funkwerk/Elmeg - Elmeg Communication Systems was integrated into the Funkwerk organization in January 2005. For the purpose of this report all instances of the Elmeg name have been replaced with Funkwerk.
- ▶ LG Electronics/Nortel - LG-Nortel Co. Ltd. is a Joint Venture of LG Electronics and Nortel that was established on November 3, 2005. LG-Nortel is responsible for the existing range of LG Electronics' PBX equipment and for the purpose of this report LG Electronics has been renamed LG-Nortel. Nortel's PBX solutions are included under Nortel.

# Mergers & Acquisitions (continued)

- ▶ Mitel Networks/Inter-Tel - It was announced on August 16, 2007 that Mitel Networks and Inter-Tel had completed their merger transaction and as a result, Inter-Tel (including Lake Communications) is now a wholly-owned subsidiary of Mitel Networks. For the purposes of this report Mitel Networks, Inter-Tel and Lake Communications are published separately.
- ▶ NEC/Philips – On the 12 April 2006 NEC Corporation and Royal Philips Electronics announced they had completed the transaction regarding their joint venture in enterprise communications. With NEC holding 60% and Philips holding 40% of shares, the new company, NEC Philips Unified Solutions, commenced operation on 3rd April 2006. For this report NEC and Philips are recorded separately for 2005 but for 2006 and 2007 are recorded as NEC Philips except in Asia, Latin America and North America where they are still recorded as Philips.
- ▶ NEC/NEC Infrontia - NEC Infrontia was the merger of Nitsuko and NEC's small PBX business. For the purpose of this report, in 2007 NEC Infrontia and NEC will be reported as NEC; in the historic years, 2006 and 2005, they are reported separately.