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VIOLATION OF THE RELEVANT LAWS IN THAT JURISDICTION**

12 January 2007

**Recommended Cash Offer
of 37.3 pence in cash for each Ubiquity Share
to be made by
Avaya International Enterprises Limited
a wholly-owned subsidiary of Avaya Inc.
for
Ubiquity Software Corporation plc**

Summary

- The Boards of Avaya International Enterprises Limited (“Avaya”) and Ubiquity Software Corporation plc (“Ubiquity” or the “Company”) announce the terms of a recommended cash offer, to be made by Avaya, a wholly-owned subsidiary of Avaya Inc., for the entire issued and to be issued share capital of Ubiquity (the “Offer”).
- The Offer Price of 37.3 pence in cash for each Ubiquity Share values the entire existing issued share capital of Ubiquity at approximately £69.3 million and the entire issued and to be issued share capital of Ubiquity at approximately £76.4 million. After adjusting for the assumed proceeds from the exercise of options over Ubiquity Shares, the value of the Offer is approximately £74.3 million.
- The Offer Price represents an 86.5 per cent. premium to 20 pence per share, being the Closing Price of a Ubiquity Share on 20 December 2006, being the last Business Day prior to the announcement by Ubiquity that it was in discussions with a third party in relation to a possible offer.
- The Ubiquity Directors, who have been so advised by Citigroup, consider the terms of the Offer to be fair and reasonable and therefore unanimously recommend that the Ubiquity Shareholders accept the Offer. In providing its advice, Citigroup has taken into account the commercial assessments of the Ubiquity Directors.
- Those Ubiquity Directors who hold Ubiquity Shares have provided irrevocable undertakings to accept the Offer in respect of all of their own beneficial shareholdings of Ubiquity Shares, (and, where applicable, of their connected persons) amounting, in aggregate, to 4,105,880 Ubiquity Shares, representing, as at the date of this announcement, approximately 2.21 per cent. of the entire existing issued share capital of Ubiquity. These undertakings will continue to be binding even in the event of a higher competing offer for Ubiquity, unless the Offer lapses or is withdrawn.
- Avaya has also received irrevocable undertakings to accept, or procure the acceptance of, the Offer from the holders of 77,773,118 Ubiquity Shares, representing, in aggregate,

approximately 41.88 per cent. of Ubiquity's entire existing issued share capital. These undertakings will continue to be binding even in the event of a higher competing offer for Ubiquity, unless the Offer lapses or is withdrawn.

- Avaya has also received irrevocable undertakings to accept, or procure the acceptance of, the Offer from the holders of 18,235,300 Ubiquity Shares, representing, in aggregate, approximately 9.82 per cent. of Ubiquity's entire existing issued share capital. This undertaking will cease to be binding in the event that (i) the Offer Document is not despatched on or before 09 February 2007, or (ii) a competing offer of at least 42 pence for each Ubiquity Share is announced within ten days of the posting of the Offer Document.
- In addition, a non-binding letter of intent to accept the Offer has been obtained from a shareholder of Ubiquity in respect of a total of 7,504,325 Ubiquity Shares beneficially held by them, representing a further 4.04 per cent of Ubiquity's entire existing issued share capital.
- Accordingly, Avaya has received, in aggregate, irrevocable undertakings to accept, or procure the acceptance of the Offer, and a non-binding letter of intent to support, the Offer, from Ubiquity Shareholders in respect of 107,618,623 Ubiquity Shares, representing approximately 57.95 per cent. of Ubiquity's entire existing issued share capital.

Commenting on the Offer, Micky Tsui, vice president of global communications solutions of Avaya Inc. said:

"We believe that the addition of Ubiquity's next generation software platform to Avaya's portfolio will help customers and developers enhance the integration of communications technologies and business processes. We believe that Ubiquity bridges a wide range of fragmented technologies that cost customers' money, time and speed-to-market."

Ian McLaren, Chief Executive of Ubiquity, said:

"The offer by Avaya marks an important milestone in the development of Ubiquity. We believe that there are strong synergies between Ubiquity's core software platform, service creation framework and applications and Avaya's portfolio of enterprise products. As part of the Avaya group, we believe that Ubiquity will be well positioned to gain access to Avaya's customer base and the resources to exploit the opportunities we see in the emerging telecommunications marketplace."

This summary should be read in conjunction with, and is subject to, the full text of the following announcement. Appendix 2 to this announcement contains the sources and bases of certain information used in this summary and in the following announcement. Appendix 3 to this announcement contains definitions of certain terms used in this summary and the following announcement. The Offer will be subject to the Conditions and to the full terms and conditions to be set out in the

Offer Document and (in respect of certificated Ubiquity Shares) the Form of Acceptance.

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*This announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by means of the Offer Document and the Form of Acceptance accompanying the Offer Document, which together will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **Avaya and Ubiquity urge Ubiquity Shareholders to read the Offer Document when it becomes available because it will contain important information relating to the Offer.***

Credit Suisse, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Avaya and no-one else in connection with the Offer and is not advising any other person and will accordingly not be responsible to anyone other than Avaya for providing the protections afforded to clients of Credit Suisse nor for providing advice in relation to the Offer, the content of this announcement or any other matter referred to herein.

Citigroup, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Ubiquity and no-one else in connection with the Offer and is not advising any other person and will accordingly not be responsible to anyone other than Ubiquity for providing the protections afforded to clients of Citigroup nor for providing advice in relation to the Offer, the content of this announcement or any other matter referred to herein.

The availability of the Offer to Ubiquity Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Such persons (including, without limitation, nominees, trustees and custodians) should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Ubiquity Shareholders will be contained in the Offer Document. Any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intend to, forward this announcement, the Offer Document and/or the Form of Acceptance or any accompanying document to any jurisdiction where to do so would violate the laws in that jurisdiction should refrain from doing so and seek appropriate professional advice before taking any action.

US AND CANADIAN SHAREHOLDERS OF UBIQUITY SHOULD NOTE THAT THE OFFER IS MADE FOR THE SECURITIES OF A NON-US OR CANADIAN COMPANY. THE OFFER IS SUBJECT TO THE DISCLOSURE REQUIREMENTS OF A COUNTRY THAT ARE DIFFERENT FROM THOSE OF THE UNITED STATES OR CANADA. THE FINANCIAL INFORMATION RELATING TO UBIQUITY INCLUDED IN THIS ANNOUNCEMENT HAS BEEN PREPARED IN ACCORDANCE WITH ACCOUNTING STANDARDS THAT MAY NOT BE COMPARABLE TO THE FINANCIAL STATEMENTS OF US OR CANADIAN COMPANIES.

Copies of this announcement and any formal documentation relating to the Offer are not being and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from (including, without limitation, electronically or telephonically) any jurisdiction where to do so would violate the laws in that jurisdiction. Persons receiving this announcement (including custodians, nominees and trustees) must not mail or otherwise distribute or send this announcement in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction.

Forward Looking Statements

This announcement includes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act 1995. These statements are based on the current expectations of the management of Avaya and Ubiquity and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained herein include statements about the expected effects on Ubiquity and Avaya of the Offer, the expected timing and scope of the Offer, anticipated earnings enhancements, estimated cost savings and other synergies, other strategic options and all other statements in this announcement other than historical facts. Forward-looking statements include, without

limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “believes” and words of similar import and the negative thereof. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements, which as such, are not guarantees of future performance and involve risks and uncertainties and actual results may differ materially from those in the forward-looking statements as a result of the various factors. These factors include, but are not limited to, the satisfaction of the conditions to the Offer and Avaya’s ability to successfully integrate the operations and employees of Ubiquity, as well as additional factors, such as changes in economic conditions, changes in the level of capital investment, success of business and operating initiatives and restructuring objectives, customers’ strategies and stability, changes in the regulatory environment, the ability to integrate Ubiquity’s products with, and leverage Ubiquity’s products in the development of, Avaya’s products, dependence on new product development, the successful and timely introduction of new products, risks related to inventory, the mix of products and services, customer demand for products and services, control of costs and expenses, the ability to attract and retain qualified employees, the ability to form and implement alliances, fluctuations in interest and exchange rates, the outcome of litigation, government actions and natural phenomena such as floods, earthquakes and hurricanes. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Neither Avaya nor Ubiquity undertakes any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in one per cent. or more of any class of “relevant securities” of Ubiquity, all “dealings” in any “relevant securities” of Ubiquity (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Ubiquity, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of Ubiquity by Avaya or Ubiquity, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

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to be made by
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a wholly-owned subsidiary of Avaya Inc.
for
Ubiquity Software Corporation plc**

1. Introduction

The Boards of Avaya and Ubiquity announce the terms of a recommended cash offer, to be made by Avaya, a wholly-owned subsidiary of Avaya Inc., for the entire issued and to be issued share capital of Ubiquity.

The Ubiquity Directors, who have been so advised by Citigroup, consider the terms of the Offer to be fair and reasonable. In providing its advice, Citigroup has taken into account the commercial assessments of the Ubiquity Directors. Accordingly, the Ubiquity Directors unanimously recommend that Ubiquity Shareholders accept the Offer.

Those Ubiquity Directors who hold Ubiquity Shares, and their connected persons, have irrevocably undertaken to accept the Offer in respect of their own beneficial holdings of, in aggregate, 4,105,880 Ubiquity Shares, representing, as at the date of this announcement, approximately 2.21 per cent. of the entire existing issued share capital of Ubiquity.

2. The Offer

The Offer, which will be subject to the Conditions and to the full terms and conditions to be set out in the Offer Document and (in respect of certificated Ubiquity Shares) the Form of Acceptance, will be made by Avaya on the following basis:

for each Ubiquity Share

37.3 pence in cash

The Offer values the entire existing issued share capital of Ubiquity at approximately £69.3 million and the entire issued and to be issued share capital of Ubiquity at approximately £76.4 million. After adjusting for the assumed proceeds from the exercise of options over Ubiquity Shares, the value of the Offer is approximately £74.3 million.

The Offer Price represents an 86.5 per cent. premium to 20 pence per share being the Closing Price of a Ubiquity Share on 20 December 2006, being the last Business Day prior to the announcement by Ubiquity that it was in discussions with a third party in relation to a possible offer for Ubiquity.

The Offer extends to all Ubiquity Shares unconditionally allotted while the Offer remains open for acceptance (or such earlier date as Avaya may, subject to the City Code, decide).

The Ubiquity Shares will be acquired pursuant to the Offer by Avaya fully paid and free from liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights or interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including all voting rights and the right to receive and retain all dividends and other distributions announced, declared, made or paid on or after the date of this announcement together with all interest accrued thereon.

Where the aggregate amount payable to any Ubiquity Shareholder upon acceptance of the Offer in respect of their aggregate shareholding would otherwise include a fraction of a penny, the amount will be rounded up to the nearest whole penny.

There are no agreements or arrangements to which Avaya is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Condition of the Offer.

Details of the Conditions and certain further terms of the Offer are set out below and in Appendix 1 to this announcement.

3. **Recommendation**

The Ubiquity Directors, who have been so advised by Citigroup, consider the terms of the Offer to be fair and reasonable. In providing advice to the Ubiquity Directors, Citigroup has taken into account the commercial assessments of the Ubiquity Directors.

Accordingly, the Ubiquity Directors unanimously recommend that the Ubiquity Shareholders accept the Offer, as those Ubiquity Directors who hold shares in Ubiquity have irrevocably undertaken to do in respect of all of their own beneficial shareholdings (and, where applicable, of their connected persons) in Ubiquity Shares amounting, in aggregate, to 4,105,880 Ubiquity Shares, representing approximately 2.21 per cent. of the entire existing issued share capital of Ubiquity.

4. **Background to, and reasons for, the Recommendation**

The Board of Ubiquity believes that the Offer delivers substantial value for Ubiquity Shareholders, recognising both the attractive growth potential of Ubiquity's business and the level of investment otherwise required to deliver this growth.

The Ubiquity Directors believe that the telecoms industry is beginning to migrate its services from legacy network infrastructures towards new, all-IP (Internet Protocol) networks. The Ubiquity Directors anticipate that these new infrastructures will enhance the ability of network operators and service providers to deliver new services to their customers, whilst reducing operating costs. Ubiquity's software products are compliant with the new, standards-based IP network architecture being adopted and have been selected by a number of network operators and service providers and by their equipment vendors to form part of their new service development and delivery infrastructure.

As well as delivering benefits for existing network operators and service providers, the transition to all-IP network architectures is also creating opportunities for large enterprises that increasingly manage their own internal communications services. Ubiquity's software products are starting to generate interest from such enterprises and from their equipment and service vendors.

To date, Ubiquity has invested in growing what it considers to be the key software engineering capabilities and intellectual property to exploit the growth opportunity presented by the telecoms industry's transition to the new all-IP architectures. The Ubiquity Directors believe that Ubiquity's core software product, the SIP A/S, is one of the leading software platforms for the development and delivery of SIP end-user applications. Ubiquity has also launched two end-user IP applications for voice and conferencing services, and has set up a third-party developer network to stimulate the development and roll-out of new services on Ubiquity's software platform.

The Board of Ubiquity also considers that the future growth potential of the business can be delivered most effectively as part of a larger entity, which can bring to bear the increasing level of resources required to exploit all of the opportunities that Ubiquity is currently facing. In particular, the Ubiquity Directors believe that the opportunities that are emerging in the enterprise communications sector will require technical and distribution resources on a scale that Ubiquity by itself cannot currently deploy.

Avaya is a leading vendor in the global enterprise communications market. The Ubiquity Directors believe that there is strong strategic and operational fit between Avaya's range of IP-based products and services and Ubiquity's service development and delivery platform. As part of Avaya, the Ubiquity Directors believe that Ubiquity will significantly benefit from having access to a broader distribution platform, an enlarged base of existing customers, in particular in the enterprise segment, and the requisite financial and technical resources to exploit this opportunity. Avaya believes that by acquiring Ubiquity, Avaya will add to its product

and service offering to its enterprise customers and that this will also enhance its presence in the telecoms carrier market.

The Board of Ubiquity therefore believes that the level of the Offer, which represents a substantial premium to the Closing Price of a Ubiquity Share on 20 December 2006, being the last Business Day prior to the announcement by Ubiquity that it was in discussions with a third party in relation to a possible offer for Ubiquity, reflects the long-term growth potential of the Ubiquity business when combined with Avaya. As such, the Board of Ubiquity unanimously recommends that Ubiquity Shareholders accept the Offer as the Ubiquity Directors (and their connected persons) have irrevocably undertaken so to do in respect of their own beneficial interests in Ubiquity Shares comprising, in aggregate, 4,105,880 Ubiquity Shares, representing approximately 2.21 per cent. of Ubiquity's existing entire issued share capital.

5. **Current trading for Ubiquity**

On 21 December 2006, Ubiquity announced that its revenue for the year ending 31 December 2006 ("YE 2006") would be significantly below the current range of market expectations, due to a number of material new contracts that it expected to sign towards the end of that period being delayed until 2007.

Ubiquity's revenue growth, at this stage of its development, is driven primarily by signing new large-scale software deployment contracts with major telecoms service providers. During the first half YE 2006, Ubiquity signed two new software supply contracts with BT and Global Crossing, which accounted for approximately two-thirds of Ubiquity's total first half YE 2006 revenue of £6.1 million. The remaining revenue in the first half was generated by approximately 40 other active projects, comprising smaller-scale software licence sales, as well as support and maintenance and professional services charges.

In the second half of YE 2006, one smaller scale new deployment contract was signed and a number of active projects generated additional software licence, support and maintenance and professional services revenues. However, contrary to previous expectations, Ubiquity did not sign any major new deployment contracts in the second half of YE 2006. As a result, Ubiquity's revenue for YE 2006 is expected to be approximately £8 million, which will be materially below the current range of market expectations.

At this stage, a meaningful portion of the contracts initially envisaged to be signed in the second half of YE 2006 are still being negotiated and the Ubiquity Directors believe that a meaningful portion of these contracts will be signed in the first half of 2007. However, there can be no guarantee that all or any of these contracts will be concluded.

6. **Background to, and reasons for, the Offer**

The Avaya Directors believe that:

- the Acquisition will accelerate Avaya's value proposition to its customers by providing a single platform that can deliver scalable, distributed communications applications for both service providers and enterprises;
- Ubiquity's technologies represent a leading solution for service providers to quickly develop and deploy innovative and scalable applications and services to bridge a wide range of currently non-integrated technologies;
- by integrating Ubiquity's SIP-based application servers, development tools and integration technology with Avaya's existing communications solutions, Avaya can provide the opportunity for .Net and J2E developers to leverage a single platform to integrate communications services into business processes and applications; and
- Ubiquity brings with it a highly talented group of employees, including a number of whom are educated in next-generation communications technologies.

7. **Information on Ubiquity**

Ubiquity is a public limited company registered in the United Kingdom and quoted on the AIM Market of the London Stock Exchange.

Ubiquity develops and markets SIP-based communications software for fixed and mobile communications service providers, systems integrators, independent software vendors and channel partners. Ubiquity's range of products has been developed to take advantage of the telecommunications industry's migration towards all-IP networks, which will enable carriers and service providers to offer a wider range of advanced services to their customers, at lower cost.

Ubiquity's core product is the SIP A/S and associated application creation capability, which enables telecommunications carriers and service providers to develop and deploy multiple "converged" services combining voice, video and data. Ubiquity has also developed and launched two end-user IP applications, for voice and conferencing, and has set up a third-party developer network to stimulate development and roll-out of new services on the SIP A/S.

Founded in 1993, Ubiquity began developing the SIP A/S in 1999 and was admitted to trading on AIM in May 2005. Ubiquity is headquartered in Cardiff and has operations in California and Ottawa, as well as representation in Japan and China.

For the six months ended 30 June 2006, Ubiquity reported revenues from continuing operations of £6.1 million (2005: £3.5 million), an operating loss from continuing operations of £4.4 million (2005: loss of £4.3 million) and basic and diluted loss per

share of 2.0 pence (2005: loss of 6.1 pence). As at 30 June 2006, Ubiquity had net assets of £16.4 million (2005: £22.0 million).

For the year ended 31 December 2005, Ubiquity reported revenues of £7.5 million (2004: £5.3 million), an operating loss of £9.2 million (2004: loss of £6.5 million) and basic and diluted loss per share of 5.0 pence (2004: loss of 44.0 pence). As at 31 December 2005, Ubiquity had net assets of £19.6 million (2004: £5.8 million).

8. **Information on Avaya**

Avaya is a company formed under the laws of Ireland and is a wholly-owned subsidiary of Avaya Inc.

Avaya Inc. is a leading provider of communications solutions, comprised of equipment hardware, software and services that aim to help enterprises transform their businesses by redefining the way they work and interact with their customers, employees, business partners, suppliers and others. Avaya Inc.'s strategy is to evolve its communication solutions into intelligent communications. A key component of its strategy is to leverage its substantial experience and expertise in traditional voice communications systems to capitalise on the transition of these traditional voice systems to the adoption of IP telephony solutions. Avaya Inc. believes its comprehensive suite of IP telephony solutions, communications applications and appliances, as supported by its global services organisation and extensive network of business partners, transforms the enterprise communications system into a strategic asset for businesses, by enabling them to communicate to "anyone, at any place, at any time and in any way" they choose.

Avaya Inc. supports its broad customer base with comprehensive global services offerings that enable its customers to plan, design, implement, integrate, monitor and manage their communications networks. Avaya Inc. believes its global services organisation is an important consideration for customers purchasing its products and applications and is a source of significant revenue for Avaya Inc., primarily from maintenance contracts. The skilled professionals of Avaya Inc.'s services organisation, together with its network of business partners and its ability to diagnose customer network faults remotely, can provide 24-hour-a-day, seven-day-a-week service to its customers around the world. Avaya Inc.'s end-to-end portfolio of services offerings provides a single point of accountability.

For the year ended 30 September 2006, Avaya Inc. reported revenues of US\$5.1 billion (2005: US\$4.9 billion), operating income of US\$263 million (2005: US\$298 million) and basic earnings per share of US\$0.43 (2005: US\$1.95). As at 30 September 2006, Avaya had total stockholders' equity of US\$2,086 million (2005: US\$1,961 million).

9. **Management and employees**

Avaya will ensure that the existing employment rights, including accrued pension rights, of the employees of Ubiquity will be fully safeguarded upon the completion of

the Offer. Avaya values highly the skills, knowledge and expertise of Ubiquity's management and employees and Avaya has given considerable thought to the compensation which would be made available to Ubiquity management and employees upon completion of the Offer.

In order to ensure that a number of important Ubiquity employees are incentivised to remain with Ubiquity and develop the business going forward, Avaya intends, upon completion of the Offer, to offer retention awards to certain Ubiquity employees. Within this group are three Ubiquity Directors and five other senior individuals (together, the "Senior Individuals"). Avaya has already approached the Senior Individuals regarding their proposed remuneration including their retention awards and possible remuneration including their bonus arrangements. Further details of these arrangements are as follows:

Individual	Proposed Retention Award (US\$)	Target Bonus as % of Base Salary
Ian McLaren, Chief Executive Officer	572,022	40%
Michael Doyle, Executive Director and Chief Technology Officer	2,000,000	25%
Five other senior individuals	2,850,000	up to 25%
Total	5,422,022	n/a

It is proposed that Chris Burke, Ubiquity's current non-executive Chairman, will enter into a one year consultancy agreement with a member of the Avaya Group, pursuant to which he will be paid a consultancy fee of US\$400,000. The precise terms and conditions of this consultancy agreement have yet to be finalised.

It is proposed that Ian McLaren's retention award will be paid in cash at the end of year one. Michael Doyle's retention award will be paid one third in cash at the end of year one, one third in cash and one sixth in Avaya restricted stock units (RSUs) at the end of year two and the final instalment in RSUs at the end of year three.

Discussions with other employees who may be eligible for retention awards will take place as soon as practicable, which may not be until the Offer has become or been declared unconditional in all respects.

In most cases, including with respect to Michael Doyle and Ian McLaren, cash retention awards will be subject to employee performance conditions which will be measured according to defined criteria for each of the employees eligible for an award. With certain exceptions, including those noted above, the awards would be typically payable over two years.

Citigroup has reviewed the proposed remuneration arrangements and in its opinion the proposed retention awards and possible bonus arrangements for the Senior Individuals are fair and reasonable insofar as Ubiquity's shareholders are concerned.

10. Irrevocable Undertakings

Avaya has received undertakings to accept or procure the acceptance of the Offer, and confirmations of intent to support the Offer, in respect of a total of 107,618,623 Ubiquity Shares, representing approximately 57.95 per cent. of the entire existing issued share capital of Ubiquity as set out below:

- those Ubiquity Directors who hold Ubiquity Shares have undertaken to accept the Offer in respect of their beneficial holdings of Ubiquity Shares (and, where applicable, their connected persons) by no later than 3.00 p.m. on the seventh day after the despatch of the Offer Document, being 4,105,880 Ubiquity Shares, representing approximately 2.21 per cent. of Ubiquity's entire existing issued share capital, further details of which are set out in paragraph 7 of Appendix 2 to this announcement. All of these undertakings remain binding, even in the event of a higher competing offer for Ubiquity, unless the Offer lapses or is withdrawn;
- Avaya has also received irrevocable undertakings to accept, or procure the acceptance of, the Offer from the holders of 77,773,118 Ubiquity Shares, representing, in aggregate, approximately 41.88 per cent. of Ubiquity's entire existing issued share capital, further details of which are set out in paragraphs 8 to 13 of Appendix 2 to this announcement. These undertakings will continue to be binding even in the event of a higher competing offer for Ubiquity, unless the Offer lapses or is withdrawn;
- Avaya has also received an irrevocable undertaking to accept, or procure the acceptance of, the Offer from the holder of 18,235,300 Ubiquity Shares, representing, in aggregate, approximately 9.82 per cent. of Ubiquity's entire existing issued share capital, further details of which are set out in paragraphs 14 of Appendix 2 to this announcement. This undertaking will cease to be binding in the event that (i) the Offer Document is not despatched on or before 09 February 2007, or (ii) a competing offer of at least 42 pence for each Ubiquity Share is announced within ten days of the posting of the Offer Document; and
- a non-binding letter of intent to accept the Offer has been obtained from a shareholder of Ubiquity in respect of a total of 7,504,325 Ubiquity Shares beneficially held by them, representing a further 4.04 per cent. of Ubiquity's entire existing issued share capital, further details of which are set out in paragraph 15 of Appendix 2 to this announcement.

11. Financing of the Offer

The cash consideration payable to Ubiquity Shareholders under the terms of the Offer will be funded using the existing cash resources of Avaya.

Credit Suisse confirms that it is satisfied that the necessary cash resources are available to Avaya sufficient to satisfy full acceptance of the Offer.

12. **Implementation Agreement**

Avaya Inc. has entered into an Implementation Agreement with Ubiquity under which Ubiquity has undertaken, amongst other things, and subject to certain conditions and exceptions: not to solicit, encourage or initiate another offer for Ubiquity and to notify Avaya Inc. of any approach concerning such an offer; to provide Avaya Inc. with the opportunity to match any other offer for Ubiquity prior to Ubiquity accepting, recommending or approving such other offer; and to pay Avaya Inc. an inducement fee of £692,700 in the event that Ubiquity recommends another offer for Ubiquity or if any such other offer is successful. Avaya Inc. has confirmed to the Ubiquity Board that it would not make the Offer without entering into this Implementation Agreement.

13. **Ubiquity Share Option Schemes**

The Offer will extend to any Ubiquity Shares unconditionally allotted or issued whilst the Offer remains open for acceptance (or by such earlier date as Avaya may, subject to the City Code, decide), pursuant to the exercise of options granted under the Ubiquity Share Option Schemes or otherwise.

To the extent that the options under the Ubiquity Share Option Schemes are not so exercised, and if the Offer becomes or is declared unconditional in all respects, Avaya will make appropriate proposals to holders of options under the Ubiquity Share Option Schemes. Details of these proposals are expected to be sent to members of the Ubiquity Share Option Schemes in due course.

14. **Overseas Ubiquity Shareholders**

The availability by the Offer to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Further details in relation to overseas Ubiquity Shareholders will be contained in the Offer Document.

The Offer will be made for the securities of a non-US company. The Offer will be made in accordance with the requirements of the City Code and will be subject to disclosure and other procedural requirements that are different from those under US law. Any financial statements included or incorporated in this announcement and to be included or incorporated in the Offer Document may have been prepared in accordance with non-US accounting standards that may not be comparable to the financial statements of US companies.

The Offer Document and (in respect of certificated Ubiquity Shares) the accompanying Form of Acceptance will contain important information about the Offer. Avaya and Ubiquity urge Ubiquity Shareholders resident in the United States to read the Offer Document and (in respect of certificated Ubiquity Shares) the Form of Acceptance in their entirety before any decision is made as to the Offer. Neither Avaya nor Ubiquity make any representation as to the adequacy or fairness of the Offer.

15. **Disclosure of interests in Ubiquity**

As at 11 January 2007, the last practicable date prior to this announcement, save for the irrevocable undertakings referred to in paragraph 10 of this announcement, neither Avaya nor, so far as Avaya is aware, any person acting in concert with Avaya had an interest in or right to subscribe for relevant securities of Ubiquity or had any short position in relation to relevant securities of Ubiquity (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of any relevant securities of Ubiquity, has borrowed or lent any Ubiquity Shares (save for any borrowed shares which have been either on-lent or sold) or has any arrangement in relation to Ubiquity Shares.

For these purposes, "arrangement" includes any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery and borrowing or lending of Ubiquity Shares. An "arrangement" also includes any indemnity or option arrangement, any agreement or understanding, formal or informal, of whatever nature relating to Ubiquity Shares which may be an inducement to deal or refrain from dealing in such securities. "Interest" includes any long economic exposure, whether conditional or absolute, to changes in the price of securities and a person is treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

In the interests of secrecy prior to this announcement, Avaya has not made any enquiries in this respect of certain parties who may be deemed by the Panel to be acting in concert with it for the purposes of the Offer. Enquiries of such parties will be made as soon as practicable following the date of this announcement and any material disclosure in respect of such parties will be included in the Offer Document.

16. **Compulsory Acquisition, Cancellation of Admission to Trading on AIM and Re-registration**

If Avaya receives acceptances of the Offer in respect of, and/or otherwise acquires, 90 per cent. or more of the Ubiquity Shares to which the Offer relates (and in the case where the Ubiquity Shares to which the Offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares) and assuming that all other conditions of the Offer have been satisfied or waived (if they are capable of being waived), Avaya intends to exercise its rights pursuant to the provisions of the Act to acquire the remaining Ubiquity Shares to which the Offer relates on the same terms as the Offer.

Assuming the Offer becomes or is declared unconditional in all respects and subject to any applicable requirements of the London Stock Exchange, Avaya intends to procure the making of an application by Ubiquity to the London Stock Exchange for the cancellation of admission to trading on AIM of the Ubiquity Shares. If this cancellation occurs, it will significantly reduce the liquidity and marketability of any

Ubiquity Shares not assented to the Offer. It is anticipated that the cancellation of admission to trading will take effect no earlier than the expiry of 20 Business Days after Avaya has acquired or agreed to acquire 75 per cent. of the voting rights attaching to the Ubiquity Shares.

It is also proposed that following the Offer becoming or being declared unconditional in all respects and after the cancellation of the admission to trading of Ubiquity Shares on AIM, Ubiquity will be re-registered as a private company under the relevant provision of the Act.

17. **General**

The Offer will be made on the terms and subject to the Conditions set out herein and in Appendix 1 to this announcement, and to be set out in the Offer Document and (in respect of the certificated Ubiquity Shares) the accompanying Form of Acceptance. These will be posted to Ubiquity Shareholders and, for information only, to participants in the Ubiquity Share Option Schemes (other than to persons with addresses in Restricted Jurisdictions), as soon as practicable and in any event within 28 days of the date of this announcement unless agreed otherwise with the Panel.

The Offer and acceptance thereof will be governed by English law. The Offer will be subject to the applicable requirements of the City Code, the Panel and the London Stock Exchange.

The bases and sources of certain financial information contained in this announcement are set out in Appendix 2 to this announcement. Certain terms used in this announcement are defined in Appendix 3 to this announcement.

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*This announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security nor is it a solicitation of any note or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by means of the Offer Document and the Form of Acceptance accompanying the Offer Document, which together will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **Ubiquity and Avaya urge Ubiquity Shareholders to read the Offer Document when it becomes available because it will contain important information relating to the Offer.***

Credit Suisse, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Avaya and no-one else in connection with the Offer and is not advising any other person and will accordingly not be responsible to anyone other than Avaya for providing the protections afforded to clients of Credit Suisse nor for providing advice in relation to the Offer, the content of this announcement or any other matter referred to herein.

Citigroup, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Ubiquity and no-one else in connection with the

Offer and is not advising any other person and will accordingly not be responsible to anyone other than Ubiquity for providing the protections afforded to clients of Citigroup nor for providing advice in relation to the Offer, the content of this announcement or any other matter referred to herein.

The availability of the Offer to Ubiquity Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Such persons (including nominees, trustees and custodians) should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Offer Document. Any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intend to, forward this announcement, the Offer Document and/or the Form of Acceptance or any accompanying document to any jurisdiction where to do so would violate the laws in that jurisdiction should refrain from doing so and seek appropriate professional advice before taking any action.

US AND CANADIAN SHAREHOLDERS OF UBIQUITY SHOULD NOTE THAT THE OFFER IS MADE FOR THE SECURITIES OF A NON-US OR CANADIAN COMPANY. THE OFFER IS SUBJECT TO THE DISCLOSURE REQUIREMENTS OF A COUNTRY THAT ARE DIFFERENT FROM THOSE OF THE UNITED STATES OR CANADA. THE FINANCIAL INFORMATION RELATING TO UBIQUITY INCLUDED IN THIS ANNOUNCEMENT HAS BEEN PREPARED IN ACCORDANCE WITH ACCOUNTING STANDARDS THAT MAY NOT BE COMPARABLE TO THE FINANCIAL STATEMENTS OF US OR CANADIAN COMPANIES.

If the Offer is carried out by way of offer, the offer will not be made, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. Accordingly, copies of this announcement and formal documentation relating to the offer will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from (including, without limitation, electronically or telephonically) any jurisdiction where to do so would violate the laws in that jurisdiction. Persons receiving this announcement (including, without limitation, custodians, nominees and trustees) must not mail or otherwise distribute or send this announcement in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction.

Forward Looking Statements

This announcement includes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act 1995. These statements are based on the current expectations of the management of Avaya and Ubiquity and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained herein include statements about the expected effects on Ubiquity and Avaya of the Offer, the expected timing and scope of the Offer, anticipated earnings enhancements, estimated cost savings and other synergies, other strategic options and all other statements in this announcement other than historical facts. Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”,

“targets”, “estimates”, “believes” and words of similar import and the negative thereof. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements, which as such, are not guarantees of future performance and involve risks and uncertainties and actual results may differ materially from those in the forward-looking statements as a result of the various factors. These factors include, but are not limited to, the satisfaction of the conditions to the Offer and Avaya’s ability to successfully integrate the operations and employees of Ubiquity, as well as additional factors, such as changes in economic conditions, changes in the level of capital investment, success of business and operating initiatives and restructuring objectives, customers’ strategies and stability, changes in the regulatory environment, the ability to integrate Ubiquity’s products with, and leverage Ubiquity’s products in the development of, Avaya’s products, dependence on new product development, the successful and timely introduction of new products, risks related to inventory, the mix of products and services, customer demand for products and services, control of costs and expenses, the ability to attract and retain qualified employees, the ability to form and implement alliances, fluctuations in interest and exchange rates, the outcome of litigation, government actions and natural phenomena such as floods, earthquakes and hurricanes. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Neither Avaya nor Ubiquity undertakes any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in one per cent. or more of any class of “relevant securities” of Ubiquity, all “dealings” in any “relevant securities” of Ubiquity, (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Ubiquity, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of Ubiquity by Avaya or Ubiquity, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

APPENDIX 1
CONDITIONS AND CERTAIN FURTHER TERMS
OF THE OFFER

1. Conditions of the Offer

The Offer

The Offer will comply with the applicable rules and regulations of the London Stock Exchange and the City Code, will be governed by English law and will be subject to the jurisdiction of the courts of England and to the terms and conditions set out below, in the Offer Document and (in respect of the certificated Ubiquity Shares) in the Form of Acceptance.

The Offer will be subject to the following conditions:

- (A) valid acceptances being received (and not, where permitted, withdrawn) by not later than 3.00 p.m. on the First Closing Date (or such later time(s) and/or date(s) as Avaya may, subject to the rules of the City Code, decide) in respect of not less than 90 per cent. (or such lesser percentage as Avaya may decide) in nominal value of Ubiquity Shares to which the Offer relates and not less than 90 per cent. (or such lesser percentage as Avaya may decide) of the voting rights carried by the Ubiquity Shares to which the Offer relates, provided that this condition will not be satisfied unless Avaya shall have acquired, or agreed to acquire, whether pursuant to the Offer or otherwise, and whether directly or indirectly, Ubiquity Shares carrying, in aggregate, more than 50 per cent. of the voting rights then normally exercisable at general meetings of Ubiquity.

For the purposes of this condition:

- (i) Ubiquity Shares which have been unconditionally allotted shall be deemed to carry the voting rights they will carry upon being entered in the register of members of Ubiquity; and
 - (ii) the expression "Ubiquity Shares to which the Offer relates" shall be construed in accordance with sections 428 to 430(F) (inclusive) of the Act; and
 - (iii) valid acceptances shall be deemed to have been received in respect of Ubiquity Shares which are treated for the purposes of section 428 of the Act as having been acquired or contracted to be acquired by Avaya by virtue of acceptances of the Offer.
- (B) the waiting period under any applicable anti-trust or competition laws of any affected jurisdictions expiring, and all material related consents, licences, registrations, or declarations of, or filings with any competent authority in any such jurisdictions required to be obtained or made prior to the implementation of such acquisition having been obtained or made on a basis reasonably satisfactory to Avaya;

- (C) no government or governmental or quasi-governmental authority (whether supranational, national, regional, local or otherwise) or statutory or regulatory or investigative body or other authority (including any anti-trust or merger control authority), court, tribunal, arbitrary body, trade agency, association, institution or professional or environmental body or (without prejudice to the generality of all the foregoing) any other person or body in any jurisdiction (each a “Relevant Authority”) having decided to take, institute, implement or threaten any action, proceedings, suit, investigation, enquiry or reference, or made, proposed or enacted any statute, regulation, order, decision or judgment, or taken any other steps which, in the reasonable opinion of Avaya, would or might be expected to:
- (i) make the Offer, or its implementation, or the proposed acquisition of any Ubiquity Shares by the Wider Avaya Group or the subscription by, or allotment to, any member of the Wider Avaya Group of Ubiquity Shares or any matter arising therefrom or relating thereto, void, illegal or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly, restrain, prohibit, restrict or delay the Offer, its implementation or such proposed acquisition by any member of the Wider Avaya Group or any matter arising therefrom or relating thereto, or material additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;
 - (ii) result in a delay in the ability of any member of the Wider Avaya Group, or render any member of the Wider Avaya Group unable, to acquire all or some of the Ubiquity Shares or other securities in Ubiquity or require, prevent or delay a divestiture by any member of the Wider Avaya Group of any such shares or securities;
 - (iii) require, prevent or delay the divestiture or surrender by Avaya or any member of the Wider Avaya Group or by Ubiquity or any of the Wider Ubiquity Group of all or any material portion of their respective businesses, assets or properties, or of any consent, licence, permission or approval necessary to carry on their respective businesses or which would or might impose any material limitation on the ability of any of them to conduct all or any material portion of their respective businesses or to own all or any material portion of their respective assets or properties;
 - (iv) impose any limitation on the ability of Avaya or any other member of the Wider Avaya Group or of the Wider Ubiquity Group to acquire, or to hold or exercise effectively, directly or indirectly, any rights of ownership in respect of shares or other securities (or the equivalent) in any member of the Wider Ubiquity Group or to exercise management control over Ubiquity or any other member of the Ubiquity Group;
 - (v) otherwise materially and adversely affect the business, profits or prospects of any member of the Wider Avaya Group or of the Wider Ubiquity Group;
 - (vi) except pursuant to Part XIII A of the Act, require any member of the Wider Avaya Group or any member of the Wider Ubiquity Group to acquire, or offer to acquire, any Ubiquity Shares or other securities (or the equivalent) in any member of the Wider Ubiquity Group owned by any third party; or

- (vii) to an extent which is material in the context of the Wider Ubiquity Group, result in any member of the Wider Ubiquity Group ceasing to be able to carry on business under the name which it presently does so; or
- (viii) result in any member of the Wider Avaya Group having to dispose of any shares or other securities (or the equivalent) in any member of the Wider Ubiquity Group or the Wider Avaya Group,

and all applicable waiting and other time periods during which any Relevant Authority could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or otherwise intervene having expired, lapsed or been terminated;

- (D) all necessary filings and applications in connection with the Offer or its implementation having been made, all appropriate waiting periods (including extensions thereof) in respect of the Offer or its implementation under any applicable legislation or regulations of any jurisdiction having expired, lapsed or been terminated and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals (“Authorisations”) necessary or reasonably considered necessary or appropriate for or in respect of the Offer and the proposed acquisition of any Ubiquity Shares or other securities in, or control of, Ubiquity by the Wider Avaya Group, or which are necessary for any member of the Wider Ubiquity Group to carry on its business, having been obtained in terms and in a form satisfactory to Avaya from all appropriate Relevant Authorities or other bodies with whom any member of the Wider Avaya Group or the Wider Ubiquity Group has entered into contractual arrangements in each case where the absence of such authorisation is material in the context of the Offer and all such Authorisations remaining in full force and effect at the time at which the Offer becomes otherwise unconditional and all appropriate waiting periods (including extensions thereof) under any applicable legislation and regulations of any jurisdiction having expired, lapsed or been terminated and no intimation or notice of an intention to revoke or not to renew any of the same having been received and all necessary statutory or regulatory obligations in connection with the Offer and its implementation in any relevant jurisdiction having been complied with;
- (E) save as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Ubiquity Group is a party or by or to which any such member or any of their assets is or are or may be bound, entitled or subject or any circumstance which, as a consequence of the making of the Offer or the acquisition or proposed acquisition by any member of the Wider Avaya Group of some or all of the share capital or other securities in Ubiquity or because of a change in control or management of Ubiquity or otherwise, could or might result in (in each case to an extent which, in the reasonable opinion of Avaya, is material and adverse in the context of the Wider Ubiquity Group taken as a whole):
 - (i) any monies borrowed by or other indebtedness (actual or contingent) of any member of the Wider Ubiquity Group which is not already repayable on demand being or becoming repayable or being capable of being declared repayable immediately or prior to the stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited;

- (ii) the creation of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Wider Ubiquity Group or any such security (whenever arising or having arisen) becoming enforceable;
 - (iii) any such arrangement, agreement, licence, permit, franchise or other instrument, or the rights, liabilities, obligations or interests or business of any member of the Wider Ubiquity Group under any such arrangement, agreement, licence, permit, franchise or other instrument, being terminated or adversely modified or adversely affected or any action being taken or any obligation arising thereunder;
 - (iv) otherwise than in the ordinary course of business, any assets or interest of any member of the Wider Ubiquity Group being or failing to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
 - (v) the interest or business of any member of the Wider Avaya Group or the Wider Ubiquity Group in or with any person, firm, company or body (or any arrangements relating to such interest or business) being terminated or adversely modified or affected;
 - (vi) any member of the Wider Ubiquity Group ceasing to be able to carry on business under any name under which it presently does so; or
 - (vii) the value of, or the financial or trading position or prospects of, any member of the Wider Ubiquity Group being prejudiced or adversely affected;
- (F) save as Disclosed, no member of the Wider Ubiquity Group having since 30 June 2006:
- (i) issued, agreed or authorised or proposed the issue of additional shares of any class, or securities convertible into, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save as between Ubiquity and its wholly-owned subsidiaries (“Intra-Ubiquity Group Transactions”) and save for shares issued or options or other subscription rights granted under the Ubiquity Share Option Schemes);
 - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution to Ubiquity or a wholly-owned subsidiary of Ubiquity;
 - (iii) save for Intra-Ubiquity Group Transactions, merged with any body corporate or acquired or disposed of, or transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments), or authorised, proposed or announced any intention to propose any merger, demerger, acquisition, disposal, transfer, mortgage, charge or security interest (other than in the ordinary course of business), in each case to an extent which is, in the reasonable opinion of Avaya, material and adverse in the context of the Wider Ubiquity Group taken as a whole;

- (iv) issued, authorised or proposed the issue of any debentures or incurred or increased any indebtedness or contingent liability;
 - (v) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or redeemed or reduced or made any other change to any part of its share or loan capital;
 - (vi) entered into, or varied, or authorised, proposed or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, onerous or unusual nature or magnitude, or which involves or is reasonably likely to involve an obligation of a nature or magnitude and which, in any event, in the reasonable opinion of Avaya, is material and adverse in the context of the Wider Ubiquity Group taken as a whole;
 - (vii) save for Intra-Ubiquity Group Transactions, implemented, authorised, proposed or announced its intention to implement or enter into any reconstruction, amalgamation, commitment, scheme or other transaction or arrangement otherwise than in the ordinary course of business;
 - (viii) entered into or made an offer (which remains open for acceptance) to enter into or vary the terms of any service agreement or any other agreement or arrangement with any directors or senior executives or any connected person of any such person (within the meaning of section 346 of the Act);
 - (ix) waived or compromised any claim (other than in the ordinary course of business) and which is, in the reasonable opinion of Avaya, material and adverse in the context of the Wider Ubiquity Group taken as a whole;
 - (x) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally, proposed any voluntary winding up or ceased or threatened to cease carrying on all or a substantial part of its business;
 - (xi) made or authorised or proposed or announced, an intention to propose, any material change in its share or loan capital;
 - (xii) entered into any contract, transaction or arrangement which is or is likely to be, in the reasonable opinion of Avaya, materially restrictive on the business of any member of the Wider Avaya Group or the Wider Ubiquity Group;
 - (xiii) made any material alteration to its Memorandum or Articles of Association or other incorporation documents; or
 - (ivx) entered into or made an offer (which remains open for acceptance) to enter into an agreement or commitment or passed any resolution or announced or made any proposal with respect to any of the transactions or events referred to in this sub-paragraph (F);
- (G) save as Disclosed, since 30 June 2006 and prior to the date when the Offer would otherwise become or be declared unconditional in all respects:

- (i) there having been no material and adverse change, and no other circumstance having arisen which would or, in the reasonable opinion of Avaya, might reasonably be likely to result in any material and adverse change, in the business, assets, financial or trading position or profits of any member of the Wider Ubiquity Group;
 - (ii) there not having been instituted or remaining outstanding any litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Ubiquity Group is a party (whether as claimant or respondent or otherwise) and no such proceedings having been announced or threatened against any such member and no investigation by any government or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, authority or court (including any anti-trust or merger control authority) against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member, in each case to an extent which Avaya reasonably considers is material and adverse in the context of the Wider Ubiquity Group taken as a whole;
 - (iii) there having been no receiver, administrative receiver or other encumbrancer appointed over any of the assets of any member of the Wider Ubiquity Group or any analogous proceedings or steps having taken place under the laws of any jurisdiction and there having been no petition presented or resolution passed for the administration of any member of the Wider Ubiquity Group or any analogous proceedings or steps having taken place under the laws of any jurisdiction, in each case to an extent which Avaya reasonably considers is material and adverse in the context of the Wider Ubiquity Group taken as a whole; and
 - (iv) no contingent or other liability having arisen, become apparent or having been incurred which would or might reasonably be expected adversely to affect any member of the Wider Ubiquity Group which is material in the context of the Wider Ubiquity Group, taken as a whole;
- (H) save as Disclosed, Avaya not having discovered prior to the date when the Offer would otherwise become unconditional in all respects that any financial, business or other information concerning Ubiquity or the Wider Ubiquity Group publicly disclosed at any time is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading; or

- (I) Avaya not having discovered prior to the date when the Offer would otherwise become unconditional in all respects that any member of the Wider Ubiquity Group has not complied with all applicable legislation and regulations of any jurisdiction, with regard to the disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or otherwise relating to environmental matters, or that there has otherwise been any such disposal, discharge, spillage, leak, or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations and wherever the same may have taken place) from any land or other asset now or previously owned, occupied or made use of by any past or present member of the Wider Ubiquity Group which would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider Ubiquity Group and which is material and adverse in the context of the Wider Ubiquity Group taken as a whole.

2. Certain further terms of the Offer

Subject to the requirements of the Panel, Avaya reserves the right to waive, in whole or in part, all or any of conditions (B) to (I) inclusive. If Avaya is required by the Panel to make an offer for Ubiquity Shares under the provisions of Rule 9 of the City Code, Avaya may make such alterations to the above conditions, including condition (A), as are necessary to comply with the provisions of that Rule.

The Offer will lapse if the Acquisition, or any matter arising therefrom, is referred to the UK Competition Commission before 3.00 p.m. on the First Closing Date or the time and date when the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

Conditions (B) to (I) inclusive must be fulfilled, be determined by Avaya to be or remain satisfied or, (if capable of waiver) be waived by midnight on the twenty-first day after whichever is the later of the date which is 21 days after the First Closing Date and the date on which condition (A) is satisfied. Avaya shall be under no obligation to waive or treat as fulfilled or satisfied any of conditions (B) to (I) inclusive by a date earlier than the latest date specified above for the fulfilment or satisfaction thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled or satisfied and that there are at such earlier date no circumstances indicating that any such conditions may not be capable of fulfilment or satisfaction.

If the Offer lapses, the Offer will cease to be capable of further acceptance and Avaya and holders of Ubiquity Shares shall thereupon cease to be bound by prior acceptances delivered on or before the time when the Offer lapses.

The attention of the holders of Ubiquity Shares not resident in the United Kingdom is drawn to the relevant provisions of the formal Offer Document which will be despatched by Avaya.

APPENDIX 2
BASES, SOURCES AND OTHER INFORMATION

Unless otherwise stated in this announcement:

1. The value attributed to the basic share capital of Ubiquity is based upon 185,723,431 Ubiquity Shares in issue as at 11 January 2007
2. The value of the entire issued and to be issued share capital of Ubiquity is based on the sum of:
 - (i) 185,723,431 Ubiquity Shares in issue; and
 - (ii) 18,990,291 options granted under the Ubiquity Share Option Schemes which are currently exercisable if the Offer becomes or is declared unconditional in all respects and have an exercise price which is lower than the Offer Price which would therefore be expected to be exercised in connection with the Offer (representing the to be issued share capital of Ubiquity)

3. The weighted average exercise price for each option granted under the Ubiquity Share Option Schemes is 10.7 pence based on 18,990,291 options.
4. Unless otherwise stated, the financial information on Ubiquity is extracted from Ubiquity's annual report and accounts for the year ended 31 December 2005 and for the year ended 31 December 2004 and from Ubiquity's interim report and accounts for the six months ended 30 June 2006 and for the six months ended 30 June 2005.

Unless otherwise stated, the financial information on Avaya is extracted from Avaya's 10-K for the year ended 30 September 2006.

5. The Closing Price for a Ubiquity Share of 20 pence per share on 20 December 2006 is derived from the AIM Appendix of the Daily Official List of the London Stock Exchange.
6. Disclosures in paragraph 15 of this announcement regarding interests in Ubiquity securities are based on the position as at 11 January 2007, being the last practicable date prior to this announcement.
7. The Ubiquity Directors who hold Ubiquity Shares have provided irrevocable undertakings to accept the Offer on the terms summarised in paragraph 10 of this announcement in respect of their own beneficial shareholdings in Ubiquity's Shares (and, where applicable, of their connected persons) as follows:

Name	Number of Ubiquity Shares
Chris Burke	340,000
Michael Doyle	1,452,500 (for himself) 400,000 (for his wife Marion Doyle)
Simon Gibson	1,908,936 (for himself) 4,444 (for his wife Sheila Gibson)

8. Avaya has received an irrevocable undertaking to accept the Offer from CapVest Equity Partners L.P. in respect of a total of 44,778,594 Ubiquity Shares.
9. Avaya has received an irrevocable undertaking to accept the Offer from CapVest Special Partners L.P. in respect of a total of 1,032,554 Ubiquity Shares.
10. Avaya has received an irrevocable undertaking to accept the Offer from Wesley Clover Corporation in respect of a total of 12,405,632 Ubiquity Shares.
11. Avaya has received an irrevocable undertaking to accept the Offer from JK&B Capital III, L.P. in respect of a total of 18,382,956 Ubiquity Shares.
12. Avaya has received an irrevocable undertaking to accept the Offer from JK&B Capital III, Civil Law Partnership in respect of a total of 195,566 Ubiquity Shares.
13. Avaya has received an irrevocable undertaking to accept the Offer from JK&B Capital III QIP, L.P. in respect of a total of 977,816 Ubiquity Shares.
14. Avaya has received an irrevocable undertaking to accept the Offer from Hermes Investment Management Limited in respect of a total of 18,235,300 Ubiquity Shares.
15. Avaya has received a non-binding letter of intent to accept the Offer from Morley Fund Management Limited in respect of a total of 7,504,325 Ubiquity Shares. Morley has reserved its right to withdraw its proposed acceptance of the Offer in the event a higher competing offer is forthcoming for Ubiquity.

APPENDIX 3

DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

<i>Acquisition</i>	the proposed acquisition of shares in Ubiquity by Avaya to be effected by means of the Offer
<i>Act</i>	the Companies Act 1985, as amended from time to time
<i>AIM</i>	the AIM Market of the London Stock Exchange plc
<i>AIM Rules</i>	the rules governing the admission to, and operation of, AIM as set out in the AIM Rules for Companies published by the London Stock Exchange from time to time
<i>Avaya</i>	Avaya International Enterprises Limited, a wholly-owned subsidiary of Avaya Inc.
<i>Avaya Directors or Avaya Board</i>	the directors of Avaya at the date of this announcement
<i>Avaya Inc.</i>	Avaya Inc. and its subsidiaries and subsidiary undertakings
<i>Business Day</i>	a day, (other than a public holiday, Saturday or Sunday) on which clearing banks in the City of London, UK and the City of New York, USA are open for normal business
<i>certificated or in certificated form</i>	in relation to a share or other security, not in uncertificated form (that is, not in CREST)
<i>Citigroup</i>	Citigroup Global Markets Limited
<i>City Code</i>	the City Code on Takeovers and Mergers
<i>Closing Price</i>	the closing middle market quotation of a share as derived from the AIM Appendix of the Daily Official List
<i>Conditions</i>	the conditions set out in Appendix 1 to this announcement
<i>connected person</i>	as defined in section 346 of the Act
<i>Credit Suisse</i>	Credit Suisse Securities (Europe) Limited

CREST	the relevant system (as defined in the Regulations) in respect of which CRESTCo is the operator
Disclosed	means (a) as disclosed in Ubiquity's report and accounts for the year ended 31 December 2005 and Ubiquity's interim accounts for the six months ended 30 June 2006; (b) as publicly announced by Ubiquity (by the delivery of an announcement to an authorised Regulatory Information Service prior to this announcement; (c) as disclosed in this announcement; and (d) solely for the purposes of the following paragraphs of the Conditions 1(E) (iii) to (vi) (inclusive), 1(F) (vi), (vii) and (viii), as otherwise fully and fairly disclosed in writing, or in the documentation or written information provided, to Avaya or its advisers by or on behalf of Ubiquity prior to this announcement
First Closing Date	the date which is 20 Business Days after the posting of the Offer Document
Form of Acceptance	the form of acceptance and authority for use in connection with the Offer (in respect of certificated Ubiquity Shares) which will accompany the Offer Document
Ireland	the Republic of Ireland
Listing Rules	the Listing Rules of the UK Listing Authority as amended from time to time
London Stock Exchange	London Stock Exchange plc
Offer	the proposed recommended cash offer to be made by Avaya on the terms and subject to the Conditions and to the full terms and conditions to be set out in the Offer Document and (in respect of certificated Ubiquity Shares) in the Form of Acceptance, to acquire the Ubiquity Shares and, where the context admits, any subsequent revision, variation,

	extension or renewal thereof
Offer Document	the document proposed to be sent to holders of Ubiquity Shares containing, inter alia, details of the Offer
Offer Period	the period commencing on (and including) 20 December 2006 and ending on the First Closing Date or, if later, on the date on which the Offer becomes or is declared unconditional as to acceptances or lapses
Offer Price	37.3 pence per Ubiquity Share
Overseas Shareholders	holders of Ubiquity Shares resident in or nationals or citizens of, jurisdictions outside the UK or who are nominees of, or custodians, trustees or guardians for, citizens or nationals of other countries
Panel	the Panel on Takeovers and Mergers
“p”, “pence” or “£”	the lawful currency of the United Kingdom
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
Regulatory Information Service	any of the services set out in Schedule 12 to the Listing Rules published by the Financial Services Authority
Restricted Jurisdictions	jurisdictions in which the release, publication or distribution of this announcement may be restricted
SIP	Session Initiation Protocol, a signalling control protocol which manages multi-media sessions between different applications and devices
SIP A/S	Session Initiation Protocol Application Server
subsidiary and subsidiary undertaking	a “subsidiary” within the meaning of section 736 of the Act
Substantial Interest	a direct or indirect interest in 20 per cent. or more of the equity share capital (as defined in section 744 of the Act) of an

	undertaking
<i>Ubiquity Directors or Ubiquity Board</i>	the directors of Ubiquity at the date of this announcement
<i>Ubiquity or the Company</i>	Ubiquity Software Corporation plc and its subsidiaries and subsidiary undertakings
<i>Ubiquity Shareholders</i>	the registered holders of Ubiquity Shares
<i>Ubiquity Share Option Schemes</i>	each of the share option schemes operated by Ubiquity, including; <ul style="list-style-type: none"> (i) the Ubiquity Software Corporation PLC 2005 Discretionary Share Option Plan; (ii) the Ubiquity Software Corporation PLC 2005 Discretionary Share Option Plan UK Approved Addendum; (iii) the Ubiquity Software Corporation PLC 2005 Discretionary Share Option Plan ISO Sub-Plan Addendum; (iv) the Ubiquity Software Corporation PLC 2005 Discretionary Share Option Plan Canadian Approved Addendum; (v) the Ubiquity Software Corporation Limited UK Employee Share Option Plan (as amended); (vi) the Ubiquity Software Corporation Limited Enterprise Management Incentives Sub-plan; (vi) the Ubiquity Software Corporation Limited Canadian Employee Stock Option Plan; (viii) the Ubiquity Software Corporation PLC Savings-Related Share Option Scheme; (ix) the Ubiquity Software Corporation PLC Savings-Related Share Option Scheme Canadian Approved Addendum;

(x) the Ubiquity Software Corporation Limited U.S. Employee Share Option Plan; and

(xi) the Ubiquity Software Corporation Share Savings Plan

Ubiquity Shares or Shares

the existing unconditionally allotted or issued fully paid ordinary shares of 1.25p each in Ubiquity and any such further ordinary shares of 1.25p each in Ubiquity which are unconditionally allotted or issued after the date hereof and before the date on which the Offer closes (or such earlier date or dates as Avaya may, subject to the City Code, decide) or pursuant to the exercise of options under the Ubiquity Share Option Scheme

UK or United Kingdom

the United Kingdom of Great Britain and Northern Ireland

UKLA or UK Listing Authority

the Financial Services Authority acting as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000

US or United States

the United States of America, its territories and possessions, any state of the United States and the District of Columbia

US\$

US dollars, the lawful currency of the United States

Wider Ubiquity Group

Ubiquity or any of its subsidiaries, subsidiary undertakings, associated undertakings or any joint venture, partnership, firm or company in which any of them has a Substantial Interest

Wider Avaya Group

Avaya or any of its subsidiaries, subsidiary undertakings, associated undertakings or any joint venture, partnership, firm or company in which any of them has a Substantial Interest

All references to time in this announcement are to London time unless otherwise stated.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.