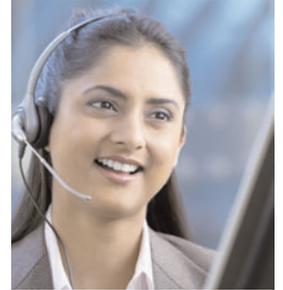


Vertical Communications, Inc.

Vertical Communications helps organizations transform their businesses by unlocking the hidden potential of phone systems and voice applications. By doing so, organizations can deliver exceptional customer service, dramatically reduce communications costs and significantly improve the operational efficiency of their businesses.



Vertical Communications was formed through the September, 2004 acquisition of Vertical Networks Inc. (VNI) by Artisoft, Inc. The company changed its name in January 2005 to Vertical Communications, reflecting our focus on deep domain experience in and knowledge of the key vertical markets we serve. Both Artisoft and VNI were pioneers in their space - with a history of delivering award-winning IP-PBX products that solved real customer problems. These skills and experiences are central to the formation and value of Vertical Communications, as a company uniquely positioned to meet the IP telephony and applications needs of organizations of all sizes.

As a leader in the IP telephony space, Vertical is extremely well positioned to serve the needs of SMB and large distributed enterprise customers alike. Specifically:

PROVEN PRODUCTS

Both InstantOffice and TeleVantage have won numerous awards in their respective categories, and have been consistently cited for delivering real value to customers. Thousands of small and medium-sized businesses and many of the world's leading retailers have turned to Vertical to help improve their business operations, enhance the customer experience and increase their businesses' productivity and profitability. To date, Vertical has more than 6,000 customers, with more than 16,000 total systems installed worldwide.

DYNAMIC MARKET

Vertical plays in a hot space, and we are well positioned for growth and leadership.

According to Infonetics Research, an international market research and consulting firm covering the data networking and telecommunications industries, the IP-PBX telephony market is projected to grow by 10% annually to more than \$9.1 billion by 2008. Billions of dollars in venture capital investments were poured into this space over the last five years, and Vertical is one of the only firms to distance itself from the start-up pack as a leader.

PRACTICAL IP

Many companies are building their story around the industry groundswell of support for IP - and Vertical is no different. But unlike our competition, who want to play in a pure IP world, Vertical is in touch with the reality of our customers' environments. We recognize that IP for IP sake is not the win, and that it is unrealistic to think that most companies will forsake all their infrastructure investments solely to play in IP. Rather, Vertical helps customers fulfill on the true promise of IP - by making the telephony system part of the network and thereby leveraging existing data and applications to enhance customer service, deliver new capabilities and maximize revenue. We call it "practical" IP, and we have plenty of customers for whom it resonates - resoundingly.

FOCUS ON THE APPLICATION

At Vertical, we know that the true value in any telephony system is in the applications that run on it. For example, the real value of our InstantOffice integrated communications platform is in the suite of value-added applications that can be deployed on IO by retail customers.

Vertical Backgrounder

Message on hold, prescription refill and return-to-stock applications are what truly make a difference in a customer's life. With TeleVantage, too, it's the ViewPoint GUI application that brings the power of TV to life for customers. Our commitment is to continue to deliver a full suite of best-in-class applications, built on business intelligence and our deep domain experience, to add value to customers in vertical segments.

STRATEGIC PARTNERS

A key driver of Vertical's growth has been our powerhouse set of relationships with technology, consulting and business partners, who make help make our products and deployments the best possible for customers. Intel, a key technology partner, has helped make TeleVantage the most feature-rich IP-PBX today for SMB customers. And for large, distributed enterprise customers, our partnerships with Fujitsu, AT&T and IBM ensure the success of every installation and deployment.

COMMITTED CUSTOMERS

Vertical currently can boast more than 6,000 customers and more than 16,000 systems installed worldwide to date. We have momentum on our side - as of Q4 of last year, we shipped more than 90,000 lines, making us the # 8 supplier worldwide of IP-based systems. Our LDE customer list includes the largest single enterprise-wide multi-site deployment in CVS, with more than 5,000 sites currently deployed.

VALUE THROUGH FOCUS

The real value we bring to customers is through our singular, ruthless focus on the needs of their businesses. We do not approach this game with a "one size fits all" solutions approach. (They don't, by the way.) As our name implies, we understand and truly focus on the business needs of customers, by vertical segment. We are not just experts in telephony systems, but in their application to specific environments, such as retail, legal, real estate, etc. We believe that once you turn the cus-

tomers dialogue away from bits and bytes, and towards business process, workflow and customer service, only then will you gain traction and affect change in an organization. That is the Vertical way.

The new Vertical is growing and expanding - with 10+% top-line growth per quarter. Over the last year, we have retained a strong new management team - with proven success in growing small companies into large, profitable enterprises - as well as new investors who are committed to scaling the business. To that end, on September 6, Vertical Communications announced the success of our bid to acquire Comdial Corporation. The combination of Vertical and Comdial will create a significant player within the IP-PBX space, with the momentum to make a greater impact on the IP telephony market. With reported revenues of \$39.58 million for the 12 months ended December 31, 2004, the addition of Comdial approximately doubles the size of Vertical from a revenue perspective. Since its inception in 1982, Comdial has delivered digital and IP-PBX phone systems to approximately 400,000 small and medium-sized business customers, representing more than \$1 billion in installed systems. In 2004 alone, the company shipped 278,900 total PBX/IP-PBX lines. Comdial sells to SMB customers through an active channel of value-added resellers and systems integrators, and today has more than 800 authorized dealers in the US.

Vertical believes that dealers and customers will benefit from the company's larger combined research and development spend, which will accelerate the development and delivery of next-generation products. They will also benefit from a larger consolidated marketing spend, which will allow the company to launch more robust awareness and demand generation programs designed to raise the company's profile, increase the number of deals the company participates in, and improve the company's win rate. In addition, the company believes that the combined Vertical and Comdial product set will create a more complete end-to-end product offering for customers.



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