



For additional information, contact:
Frederick Reynolds
freynolds@taqua.com
972-692-1866

TAQUA NAMED CLASS 5 SWITCHING LEADER IN NEXT GEN VOICE PRODUCTS REPORT FROM INFONETICS RESEARCH

RICHARDSON, Texas – February 23, 2004 -- Taqua[®], Inc., a leading provider of next-generation voice switching systems and technologies, today announced that Infonetics Research has named Taqua a market leader in its 4Q03 Next GenVoice Products Report. Taqua's quarterly revenue market share increased each quarter during 2003 within the Class 5 Packet Switch market segment, one of nine categories tracked by Infonetics within the report. As the market share leader in 2002, Taqua continued to build on its leadership position with its revenue market share increasing from 25% in the first quarter of 2003 to 32% in the fourth quarter. Overall, the Class 5 Packet Switch segment experienced a 195% increase in worldwide sales in 2003 with strong growth expected from 2004–2007.

“For the second year in a row, Taqua led the shipment of next gen packet switches used to deliver Class 5 voice services,” said Kevin Mitchell, directing analysts for service provider networks at Infonetics Research. “North America is leading the adoption of Class 5 packet switching, where Taqua has shipped the lion's share of switches being utilized for legacy Class 5 replacements and competitive greenfield deployments. Taqua's market traction and broadening product line should help the company leverage its market position in a segment that Infonetics believes will reach \$518 million in 2007.”

Founded in 1998, Taqua began shipments of the iX7000[™] (formerly branded the OCX[®]) next-generation Class 5 packet switch in 2000. Based on a switch-on-a-card architecture, the iX7000 dramatically reduces footprint and deployment cost, allowing service providers to easily scale by adding functionality through additional interface cards. With over 140 switches shipped to more than 85 customers, a variety of incumbent (ILEC) and competitive (CLEC) carriers across North

America have embraced Taqua's approach to pushing switching intelligence to the edge of their telephony networks.

"2003 was an important year at Taqua, adding 40 new customers and receiving several repeat orders from companies that purchased their initial switches over the last three years," said Charlie Vogt, president and CEO of Taqua, Inc. "We continue to receive strong demand from incumbent telephone companies looking for ways to reduce operational costs and, at the same time, provide additional revenue streams through new services. Many of these carriers are looking for ways to upgrade their legacy switching systems to support local number portability (LNP) and CALEA compliance. Others are driven to upgrade for GR303 or Packet (IP) capabilities needed to roll-out triple play service offerings across DSL or fiber (PON) access infrastructures."

For CLECs, the iX7000 provides an open platform for flexible programmability of new service introduction and its end office functionality eliminates dependence on the incumbent's network for the provisioning and switching of voice services. Because of the compact footprint, conservative resource needs, and VoIP capabilities, the iX7000 is the choice for a growing number of cable companies, municipalities, and existing voice resellers looking to establish a facilities-based offering. "A challenging regulatory environment has helped many UNE-P CLECs choose to go facilities-based with the iX7000," said Mr. Vogt. "Over the course of 2003, Taqua added about a dozen UNE-P CLECs to its customer base, while several more cable companies and municipalities purchased the iX7000 to provide the voice in their competitive triple play service offerings."

About Taqua, Inc.

Founded in 1998, Taqua is the market share leader in next-generation telephony systems and technologies. The Company focuses on improving local (ILEC) and competitive (CLEC) exchange carrier deployment and operational costs, while delivering new and differentiated revenue generating broadband services. Taqua offers a complete line of circuit and IP voice switching products and services, including full-featured next-generation packet Class 5 switches, intelligent line access gateways, application servers, and an element management system. In addition, the Company offers a full suite of professional services including network design and capacity planning, as well as installation and cutover services. More information about Taqua can be accessed on the Internet at www.taqua.com.

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