NICE Systems Files Patent Infringement Lawsuit Against Witness Systems

NICE believes Witness' Core VoIP Products Infringe Patent Owned by wholly-owned Subsidiary of NICE

Ra'anana, Israel, July 20, 2004 — NICE Systems (NASDAQ: NICE), a worldwide leader of multimedia recording solutions, applications and related professional services for business interaction management, today announced that its wholly-owned subsidiary, STS Software Systems Ltd. (STS), has filed a lawsuit in the U.S. District Court for the Southern District of New York charging Witness Systems, Inc. (NASDAQ: WITS) with infringement of U.S. Patent No. 6,122,665 ('665 patent). NICE's wholly owned subsidiary, STS Software Systems Ltd., is seeking an injunction against Witness, preventing the sale of any solution which infringes the '665 patent.

In this lawsuit, NICE claims that Witness infringes its VoIP patent by marketing and selling products that incorporate methods of detecting, monitoring and recording information – all fully protected by NICE's `665 patent.

Realizing that VoIP would be a key driver of growth for the multimedia recording market, NICE acquired STS, a world pioneer in developing innovative technology for recording in VoIP environments and the owner of the "Communication Management System for Computer Network-Based Telephones" patent. Since the acquisition of STS, NICE has steadily invested in the development of the VoIP technology and integrated it into its entire product suite.

NICE's CEO, Haim Shani, said, "NICE was the first company to enter and develop technology for VoIP recording and has since made significant investments to enhance and develop it further. It is our duty to protect our intellectual property against anyone who has or will make use of this asset illegally. One of the reasons NICE is the market leader for VoIP solutions, with a large number of installations worldwide, mostly with Fortune 500 corporations, is because we spend more on research and development than any other company in the industry. We cannot allow the competition to take unfair advantage of this investment."

About NICE
NICE Systems (NASDAQ: NICE) headquartered in Ra'anana, Israel, is a worldwide leader of multimedia digital recording solutions, applications and related professional services for business interaction management. NICE products and solutions are used in contact centers, trading floors, air traffic control (ATC) sites, CCTV (closed circuit television) security installations and government markets. NICE's synergistic technology platform enables customers to capture, evaluate and analyze business interactions in order to improve business processes and gain competitive advantage. NICE's subsidiaries and local offices are based in the United States, Germany, United Kingdom, France and Hong Kong. The company operates in more than 100 countries through a network of partners and distributors. (NICE website: www.nice.com)

NICE's worldwide clients include: ABN Amro, Bank of England, Boston Communications, Compaq Computer Corporation, Deutsche Bank, Dresdner Bank, Emeraude Group, US Federal Aviation Administration, Hong Kong Airport, Japan Ministry of Transport, NAV Canada, Nokia, SNT Group, Software Spectrum and Sydney Airport.

NiceSoft, NICE Storage Center, NiceTrack, NiceUniverse, NiceUniverse LIVE, NiceVision, NiceVision Harmony, NiceVision Mobile, NiceVision Pro, NiceVision Virtual, NiceWatch, Renaissance, Secure Your Vision, Tienna, Wordnet and other product names and services mentioned herein are trademarks and registered trademarks of NICE Systems Ltd. All other registered and unregistered trademarks are the property of their respective owners.

** In Australia only*

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