



Aware, Inc. Raises Revenue Guidance for Fiscal 2008

Annual Revenues Expected in the \$28M - \$31M Range

BEDFORD, Mass., Dec. 23 /PRNewswire-FirstCall/ -- Aware, Inc. (Nasdaq: AWRE), a leading supplier of broadband technology and biometrics software, announced today that fourth quarter revenues will exceed previous expectations and that annual revenues for 2008 are now expected to be between \$28M and \$31M. The Company expects to be profitable on a GAAP basis for the year ended December 31, 2008.

Aware's strategy includes selling and/or licensing portions of its patent portfolio in the ordinary course of its business. Over the past year, the Company has seen an increased interest in its patents relating to communications and signal processing technology. During the fourth quarter, Aware executed a contract involving the sale of selected communications patents with an undisclosed third party.

Aware will hold its fourth quarter and 2008 annual earnings release conference call in early February 2009. Details regarding the date, time and dial-in information will be provided during January 2009.

About Aware

Aware is a leading technology and software supplier for the telecommunications and biometrics industries. For more than ten years, Aware has pioneered innovations at telecommunications standards-setting organizations and continues to develop and market DSL silicon intellectual property and test and diagnostics products. Its StratiPHY™ IP product line supports DSL standards, including ADSL2+ and VDSL2, and has been broadly licensed to leading semiconductor companies. Telecom equipment vendors and phone companies use Aware's DSL test and diagnostics modules and Dr. DSL® software to help provision DSL circuits globally. Aware is also a veteran of the biometrics industry, providing biometric and imaging software components used in government systems worldwide since 1992. Aware's interoperable, standard-compliant, field-proven imaging products are used in a number of applications, from border management to criminal justice to medical imaging. Aware is a publicly held company (Nasdaq: AWRE) based in Bedford, Massachusetts. <http://www.aware.com>

Safe Harbor Warning

Portions of this release contain forward-looking statements regarding future events and are subject to risks and uncertainties, such as estimates or projections of revenue and earnings for 2008, future revenue and earnings, and the growth of the DSL market and biometrics markets. Aware wishes to caution you that there are factors that could cause actual results to differ materially from the results indicated by such statements. The estimates given for 2008 revenue and profitability are preliminary and are subject to possible year-end and audit adjustments. The DSL factors include, but are not limited to: we have a unique business model, our quarterly results are difficult to predict, our DSL licensing and DSL test and diagnostic businesses depend upon a limited number of customers, we derive a significant amount of revenue from a small number of customers, we depend on equipment companies to incorporate our technology into their products, we face intense competition from other DSL vendors, DSL technology competes with other technologies for broadband access, our business could be harmed if our test and diagnostic hardware and software products have quality problems, we depend on a single source contract manufacturer for the manufacture of our DSL hardware products, our manufacturing systems may not be adequate for our DSL test and diagnostics hardware products, we depend on single source suppliers for components in our DSL hardware products, and our business is subject to rapid technological change. The biometric factors include, but are not limited to: market acceptance of our biometric products, changes in contracting practices of government or law enforcement agencies, announcements or introductions of new products by our competitors, delays, failures or problems in our biometric products, problems in our biometrics services business, delays in the adoption of new industry biometric standards, and competitive pressures resulting in lower software product revenues. We refer you to the documents Aware files from time to time with the Securities and Exchange Commission, specifically the section titled Risk Factors in our annual report on Form 10-K for the fiscal year ended December 31, 2007 and other reports and filings made with the Securities and Exchange Commission.

Aware, StratiPHY and Dr. DSL are trademarks or registered trademarks of Aware, Inc. Any other trademarks appearing herein are the property of their respective owners.

SOURCE Aware, Inc. 12/23/2008

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