



## **Aware, Inc. to Sell Home Networking and DSL Technology to Lantiq**

BEDFORD, Mass., Oct. 20 /PRNewswire-FirstCall/ -- Aware, Inc. (Nasdaq: AWRE) today announced it has agreed to sell assets associated with its Home Networking and DSL product lines for \$6.75 million to Lantiq Broadband Holdco, Inc. and Lantiq Deutschland GmbH ("Lantiq"). Lantiq is a newly formed fabless semiconductor company being spun out of Infineon Technologies AG and funded by Golden Gate Capital.

The sale includes Aware's home networking and digital subscriber line (DSL) technology and related fixed assets, an approximately 40-person silicon IP development team, and certain patents relating to these technologies.

Additionally, Aware and Lantiq have formed a strategic cooperation with respect to embedded wireline diagnostic technology and products that is expected to benefit both parties in their respective target markets. The transaction is expected to close by the end of 2009 and is subject to the closing of the acquisition of Infineon's Wireline Division by Golden Gate Capital/Lantiq in addition to standard closing conditions.

"This transaction represents the positive outcome we have been seeking for our DSL and home networking silicon IP licensing business. We have had a long and very successful working relationship with what is now known as Lantiq, and are excited about the potential of our future cooperation in embedded wireline diagnostics," said Michael Tzannes, Chairman and Chief Executive Officer.

Going forward, Aware will focus on DSL test and diagnostics opportunities, strategic monetization of its patent portfolio and its biometrics and imaging business.

Aware will be hosting an earnings release conference call today at 5:00 p.m. Eastern Time which will include a discussion of the transaction with Lantiq. To listen to the call, please go to [www.aware.com/ir](http://www.aware.com/ir). The conference call may also be heard by calling 719-325-2338 and referencing the confirmation number 4184148. A replay of the call will be archived on our website after the call.

### *About Aware*

Aware is a leading technology and software supplier for the telecommunications and biometrics industries. Aware has pioneered innovations at telecommunications standards-setting organizations for DSL and home networking. Telecom equipment vendors and phone companies use Aware's DSL test and diagnostics modules and Dr. DSL® software to provision and troubleshoot 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. [www.aware.com](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 future revenue and earnings and the growth of the DSL 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. General factors include, but are not limited to: our quarterly results are unpredictable and may fluctuate significantly; our business is subject to rapid technological change; we face intense competition from a wide range of competitors; current economic conditions, including the credit crisis affecting the financial markets; our intellectual property is subject to limited protection; our ability to obtain or enforce patents could be affected by new laws, regulations or rules; and our business may be affected by government regulations. DSL factors include, but are not limited to: our DSL licensing and DSL test and diagnostic businesses depend upon a limited number of customers; there has been and may continue to be a cyclical demand for DSL chipsets; the success of our DSL licensing and test and diagnostics products businesses requires telephone companies to install DSL service in volume; our test and diagnostic hardware and software products could have quality problems; we depend on a single source contract manufacturer for the manufacture of our DSL hardware products; and we are dependent on single source suppliers for components in our DSL hardware products. Biometric factors include, but are not

limited to: market acceptance of our biometric technologies and products; changes in contracting practices of government or law enforcement agencies; the failure of the biometrics market to experience continued growth; announcements or introductions of new technologies or products by our competitors; failures or problems in our biometric software products; delays in the adoption of new industry biometric standards; growth of proprietary biometric systems which do not conform to industry standards; our ability to sell services contracts in a manner that is consistent with our business model; our ability to deliver service contract milestones; and our dependence on third party contractors and consultants to deliver certain services contract milestones. 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, 2008 and other reports and filings made with the Securities and Exchange Commission.

*Aware and Dr. DSL are trademarks or registered trademarks of Aware, Inc.*

SOURCE Aware, Inc.

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