



NICE joins forces with IBM to deliver fully-integrated digital media solutions and related services

Joint development and marketing agreement leverages complementary capabilities and drives global commercial collaboration

Ra'anana, Israel, January 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 it is working with IBM to pursue various joint opportunities on a global basis, in digital video surveillance and Voice over IP for contact centers, financial trading and command and control.

As part of the agreement, NICE has become an Advanced IBM Business Partner, in IBM's PartnerWorld for Developers program for independent software vendors who build solutions using IBM technologies. Together IBM and NICE will provide solutions that include IBM servers, middleware and storage products fully-integrated with NICE voice and video recording platforms and enhanced applications such as content analytics.

Recently, NICE and IBM, working together, won the first contracts for voice and VoIP recording solutions for compliance with financial services customers in Europe involved in retail banking and multi-site trading. The solutions were designed as a centralized recording capability for networked remote branches and trading rooms. The key success factor was the combination of NICE product functionality and IBM services for the design and integration of networking solutions for mission critical business environments. In addition, IBM and NICE are proactively offering integrated intelligent digital video surveillance solutions for improved security and business operation management.

"Central to IBM's digital media strategy is collaborating with leading application providers such as NICE, said Gabi Tal, Manager of IBM's GTU. "NICE's industry leadership, global presence, technology superiority and large installed base of customers will provide additional business opportunities for IBM in areas where we have a strong focus." Global Technology Unit (GTU) is headquartered in Petah Tikva, Israel and is responsible for promoting world-wide business for IBM with Israeli-based technology companies. The GTU's mission is to evaluate and develop a new generation of partners for IBM whose innovative solutions incorporate IBM products and services, thus ensuring a strong value proposition for both IBM and the partner in joint sales initiatives

IBM's consulting and integration services for digital video surveillance systems are an excellent complement to NICE's digital video recording, video analytics and proactive security management applications. NICE sees growth potential as legacy analog tape-based systems are replaced with digital systems running on IP-based networks, as well as an increasing interest to link security applications, based on video content analytics, with the improvement of business processes and operations.

Recently NICE installed a digital video surveillance system at IBM EMEA's official briefing center in La Gaude, France, which will be used to demonstrate the next generation digital video capabilities to IBM customers, as part of IBM digital media offering.

Koby Huberman, Corporate VP Business Development and Strategic Alliances for NICE, commented, "We are already working closely with IBM on a variety of opportunities in both digital video surveillance and VoIP recording with several airports and banks. We are committed to building on this foundation and developing a strong, multi-opportunity, long term strategic partnership on a global basis. Relationships with companies like IBM will be instrumental in translating our vision into reality."

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.

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uncertainties affecting the company, refer to the Company's reports filed from time to time with the Securities and Exchange Commission.

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