

January 10, 2006

## **Dutton Associates Announces Investment Opinion: Forgent Networks Strong Buy Rating by Dutton Associates**

EL DORADO HILLS, Calif., Jan 10, 2006 (BUSINESS WIRE) -- Dutton Associates updates its coverage of Forgent Networks (Nasdaq:FORG), maintaining a Strong Buy rating and a \$5.00 price target. The 10-page report by Dutton senior analyst Richard West, CFA is available at [www.jmdutton.com](http://www.jmdutton.com) as well as from First Call, Bloomberg, Zacks, Reuters, Knobias, and other leading financial portals.

Forgent Networks, Inc.'s (Forgent's) aggressive and, thus far, successful program of licensing its intellectual property continues to result in the licensing of additional companies for its US Patent No. 4,698,672 (the '672 Patent). Over the past four years, Forgent has licensed the '672 patent to 50 companies that include a wide variety of businesses and recorded revenues of \$105.0 million in license fees. Forgent announced on October 3, 2005, reconfirmation of a Markman hearing date of February 13, 2006 for a lawsuit alleging infringement of the '672 Patent. Forgent announced on November 9, 2005, it had received notification that a date in July 2006 had been set for a Markman hearing on claim construction in Forgent's patent infringement case involving US Patent No. 6,285,746 (the '746 Patent) relating to a computer-controlled video system allowing playback during recording. Considering the possible additional fees that Forgent may receive in the coming quarters before the trial dates, and assuming a possible judgment of \$100 to \$200 million from the '672 patent litigation and a possible judgment of \$50 million to \$100 million from the '746 patent litigation, we believe that our price target of \$5.00 per share or a market valuation of \$125 million is a conservative target. At current price levels, with a market capitalization of approximately \$68.5 million, we believe an investment in Forgent presents minimal downside risk and a most attractive upside potential. We reiterate our Strong Buy rating.

### **About Dutton Associates**

Dutton Associates is one of the largest independent investment research firms in the U.S. Its 27 senior analysts are primarily CFAs®, and have expertise in many industries. Dutton Associates provides continuing analyst coverage of over 120 enrolled companies, and its research, estimates, and ratings are carried in all the major databases serving institutions and online investors.

The cost of enrollment in our one-year continuing research program is US \$35,000 prepaid for 4 Research Reports, typically published quarterly, and requisite Research Notes. We received \$63,000 from the Company for 7 quarterly Research Reports with coverage commencing on 12/21/2004. The Firm does not accept any equity compensation. Our principals and analysts are prohibited from owning or trading in securities of covered companies. The views expressed in this research report accurately reflect the analyst's personal views about the subject securities or issuer. Neither the analyst's compensation nor the compensation received by us is in any way related to the specific ratings or views contained in this research report or note. Please read full disclosures and analyst background at [www.jmdutton.com](http://www.jmdutton.com) before investing.

SOURCE: Forgent Networks

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