

GLOBAL IP SOUND AND SKYPE EXPAND RELATIONSHIP TO BRING UNMATCHED VOICE QUALITY TO VOIP-ENABLED HARDWARE DEVICES

Voice Processing Technology Aimed at Skype-Compatible IP Phones

SAN FRANCISCO — August 21, 2006 —Global IP Sound (GIPS), the leading provider of embedded voice processing technology for the Voice over IP (VOIP) market, today announced it has extended its relationship with Skype. This relationship will enable hardware manufacturers the ability to offer Skype-compatible IP phones. These hardware solutions will utilize GIPS technology, specifically, GIPS Voice Engine™ Embedded.

The two companies have enjoyed a long, productive relationship, beginning with Skype's licensing of GIPS VoiceEngine PC in the summer of 2003. The result was the first PC-to-PC VoIP deployment to reach critical mass, allowing at first hundreds and then millions of users to connect and make free, high-quality phone calls. The rapid uptake of this technology signaled the beginning of a telecommunications revolution.

The agreement will help further accelerate VoIP migration as the North American market for IP phones is expected to double between 2006 and 2009, according to Infonetics Research.

"Skype has clearly revolutionized global personal communications with its offering," said Gary Hermansen, President and CEO of Global IP Sound. "This latest step in our relationship helps to solidify this growing market by expanding the options for Skype-enabled hardware devices and the ability for consumers to have a consistent, high-quality user experience regardless of platform."

About Global IP Sound

Founded in 1999, Global IP Sound develops embedded voice processing technologies for real-time communications over packet networks. GIPS SoundWare™ provides better than PSTN voice quality and fidelity in end-to-end IP communications with robustness against packet loss. Global IP Sound's world-renowned speech processing and IP telephony experts deliver these solutions to applications developers, gateway and chip manufacturers. Companies using GIPS SoundWare™ products include Nortel Networks, Skype, WebEx, Yahoo!, AOL, EarthLink and other key players in the VoIP market. Global IP Sound is a member of the Intel® PCA Developer Network, the Motorola Design Alliance, Symbian

Platinum Partners and Texas Instruments' third party developer network. Global IP Sound has headquarters in San Francisco and offices in Stockholm, Hong Kong and Boston. More information is available at www.globalipsound.com.

About Skype

Skype is the world's fastest-growing Internet communication offering, allowing people everywhere to make unlimited voice and video communication for free between the users of Skype software. Skype is available in 27 languages and is used in almost every country around the world. Skype generates revenue through its premium offerings such as making and receiving calls to and from landline and mobile phones, voicemail, call forwarding and personalization including ringtones and avatars. Skype also has relationships with a growing network of hardware and software providers.

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