




Investor Presentation

January 9, 2007



 GLOBAL IP SOUND

www.globalipsound.com

Agenda

- Q4 2006 Financial Review
- 2007 Perspective
- Results and Conclusions
- Q & A

Q4 2006

- Continuing quarter over quarter growth
- 25 Deals signed in 4Q'06, vs. 20 in 3Q'06
- 21 Design Wins
 - New Key Customers include Oracle & SK Communications
 - Expanded relationships with Texas Instruments, Yahoo! & Net2Phone

Investor Program

- Objective
 - To improve time and quality of communication to investors
 - Promote GIPS investment value
 - Address investor concerns immediately

Current Global IP Sound Vision and Strategy

- Global IP Sound has set a vision to become *the* premier voice-processing company providing world leadership in embedded solutions to the VoIP industry – an industry transforming and revolutionizing the face of telecommunications for individuals around the globe
- More simply stated, our vision is to have every IP-enabled media powered by GIPS
- Our strategy is to target manufacturers of chips, gateways, ATAs, IP Phones, application developers and ISPs with comprehensive, embedded media processing solutions

Global IP Sound Vision and Strategy

- Our vision also includes reaching \$100M (US) in revenue
- How do we reach \$100M
 1. More of what we are doing
 2. Expansion of our product offering
 3. Change of business model
 4. All of the above!

Global IP Sound Vision and Strategy

- To date, GIPS has seen great success in the market
 - De facto standard
 - Marquee client roster
 - Achieving revenue targets
- Identified opportunities to accelerate this success
 - Expand Sales
 - Capitalize on new markets
 - Evolve the business model

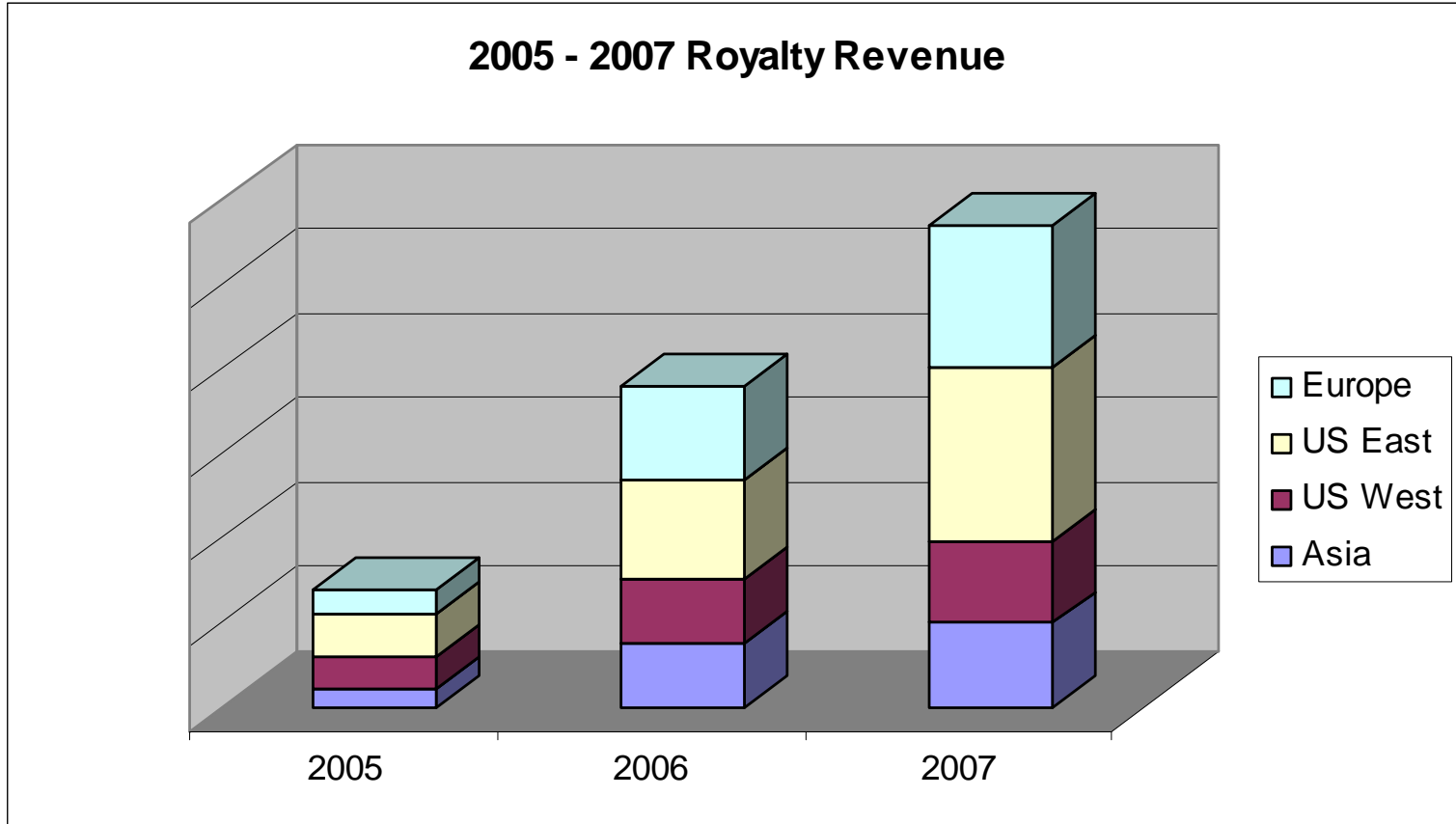
Expanding Sales

- Accelerate the pipeline
 - 800 + Accounts
- Increase in GIPS Sales Force
 - Double the size of GIPS sales force
 - All regions
- Focus on royalty revenue
 - Farming accounts to ensure deployments
 - Modified compensation plans to accelerate royalties
- Development into new territories
 - South America
 - Further Asian expansion

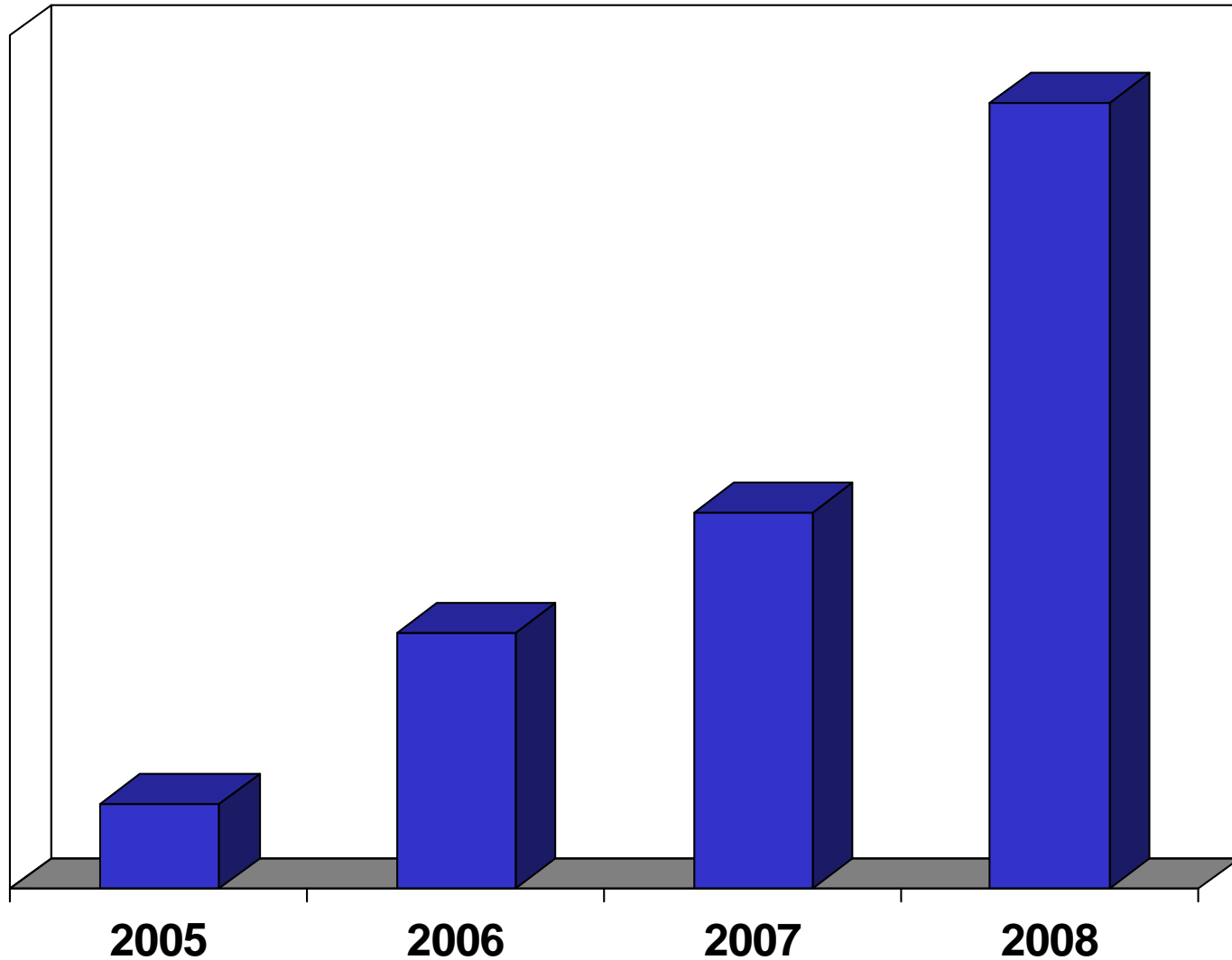
Sales Pipeline

Sales Pipeline Summary as of		Dec-2006											
Category	Explore		Discovery		Evaluation		Biz Dev		Negotiation		Launch		
	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous	
Chips	12	17	21	18	7	5	8	4	3	5	18	16	
Systems	39	41	49	63	33	25	24	18	8	3	40	39	
Servic Providers	100	107	36	44	15	10	7	4	7	6	37	37	
Applications	128	127	52	43	31	36	24	24	21	9	62	58	
Total	279	292	158	168	86	76	63	50	39	23	157	150	
Total Previous Active Account		759											
Total Current Active Accounts		782											

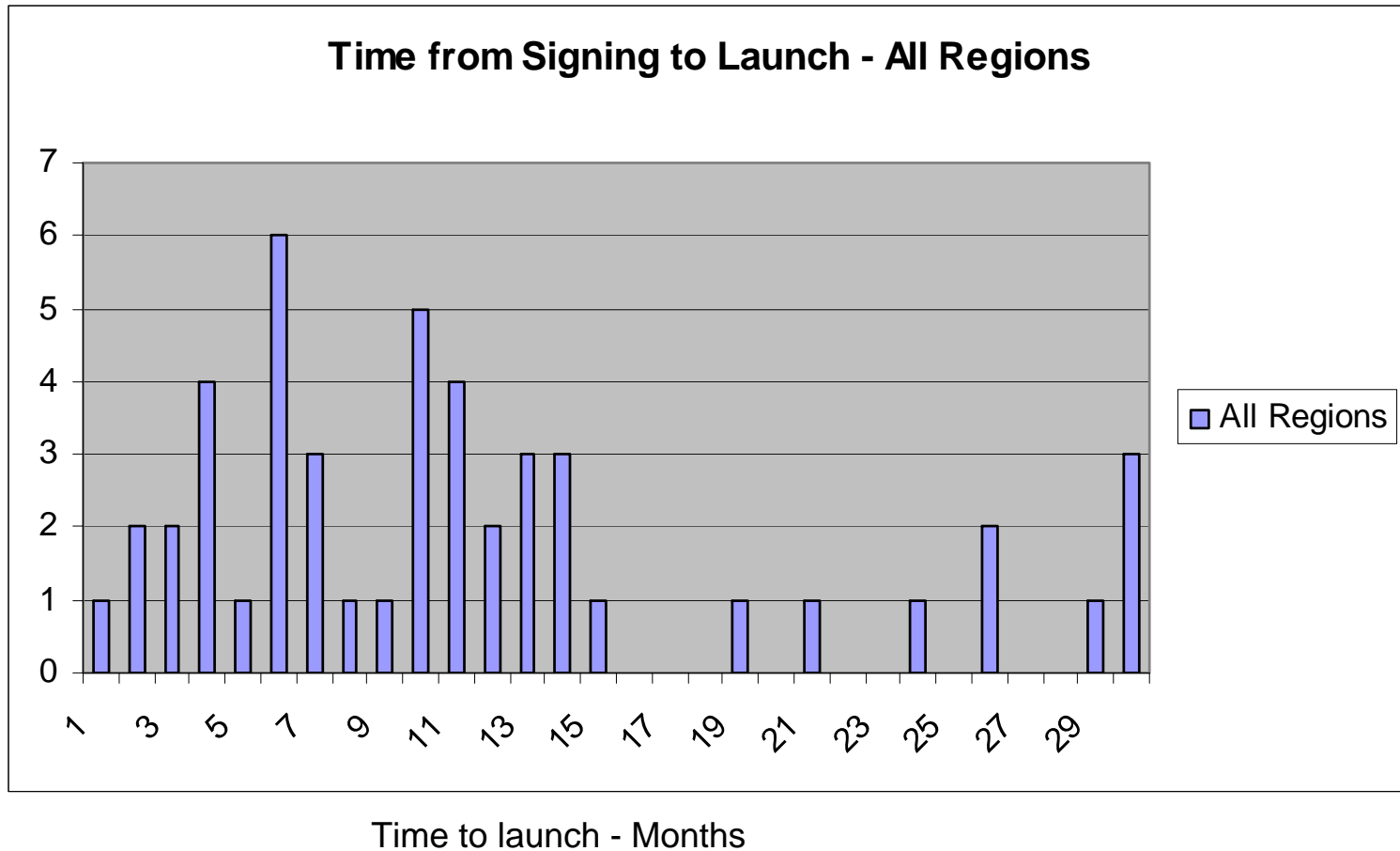
Royalty Analysis



Royalty Analysis



Royalty Analysis



55 accounts not yet launched

Royalty – Aging Analysis

- 55 accounts not yet launched

<u>Year Signed</u>	<u># of accounts</u>	<u>Overall Percentage</u>
2002	1	1.8%
2003	1	1.8%
2004	6	10.9%
2005	15	27.2%
2006	32	56.3%



2007 & Beyond



 GLOBAL IP SOUND

www.globalipsound.com



GLOBAL IP SOLUTIONS™

Global IP Solutions

Global IP Solutions

- Expansion and enhancement
- Global IP Sound is now **Global IP Solutions** to better reflect its enhanced offerings
- GIPS now has two business units
 - **GIPS Solutions**
 - **GIPS Media Engines**
- Global IP Solutions reflects our broader technology offerings
- GIPS has significant brand recognition within the VoIP community, which will maintain our market visibility and value

2007 Vision

- Move from a *voice* processing company to a *media* processing company
 - Voice and Video strategic focus for the company
 - Will integrate video into all of GIPS engines -- clients and servers
 - Acquired IPR from Espré Communications Inc.
 - Espré LSVX video codec
 - Will develop on top of IPR to bring LSVX into leadership position

Capitalizing on New Markets

- Signed Definitive Agreement to acquire CrystalVoice
 - Expect to close on January 15, 2007
 - Evolve and expand GIPS with established and field-proven VoIP technology
 - Complete solutions that move GIPS higher up the value chain
 - IP PBX enhancements
 - Remote Extension application
 - Click-to-talk application
 - Two groups within GIPS
 - Media Engines
 - Solutions

Solutions Product Line



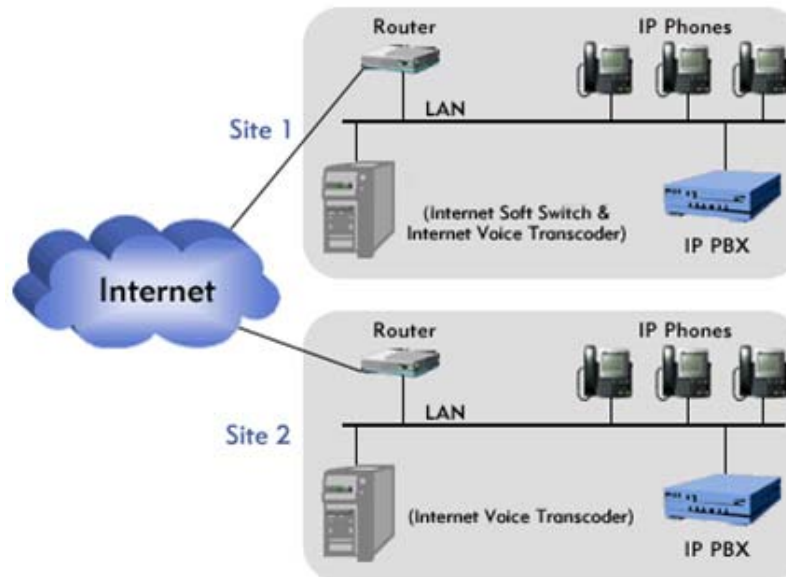
Click-to-Talk Button



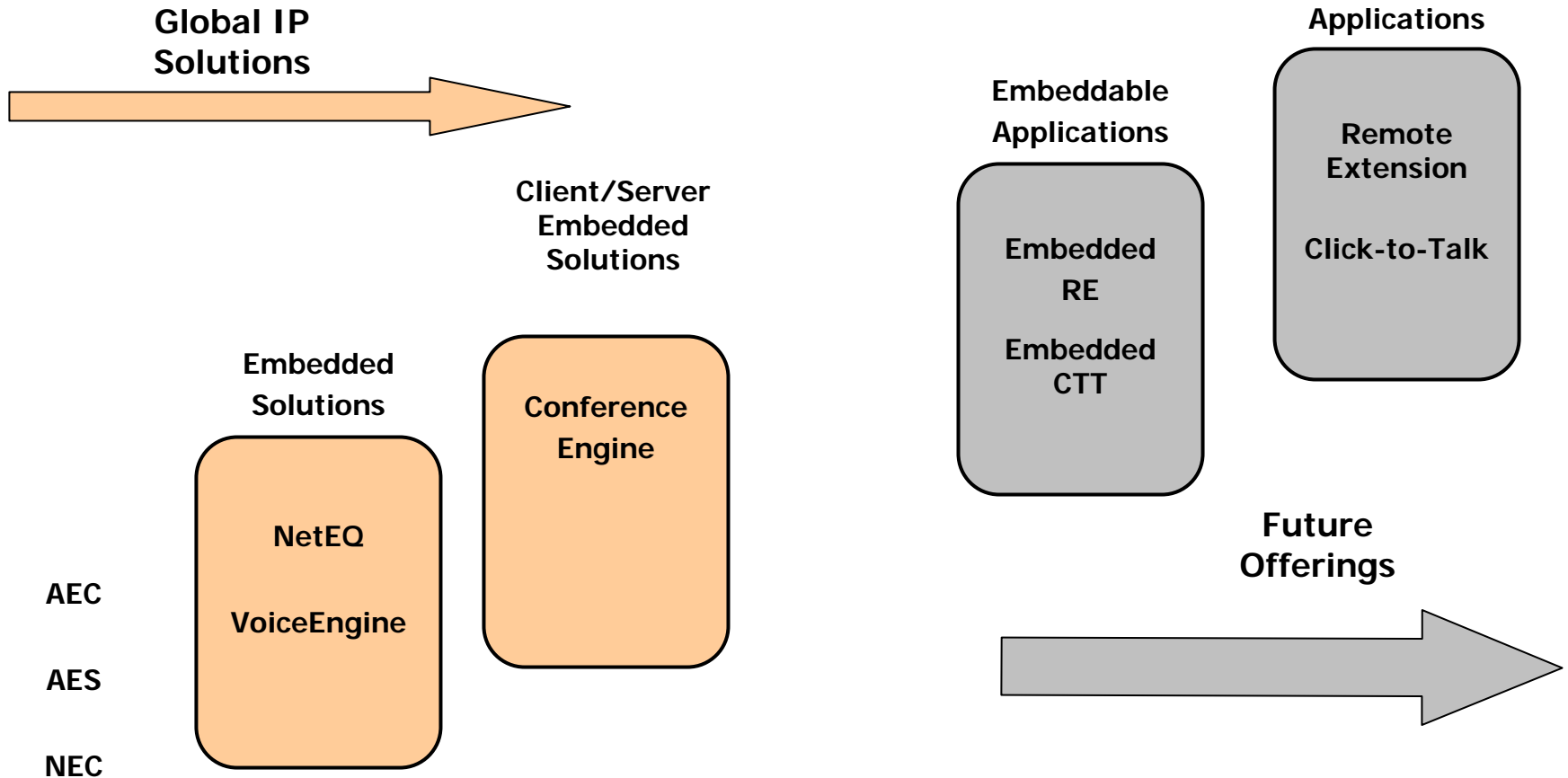
Click-to-Talk Phone Console



Remote Extension Softphone



Product Evolution



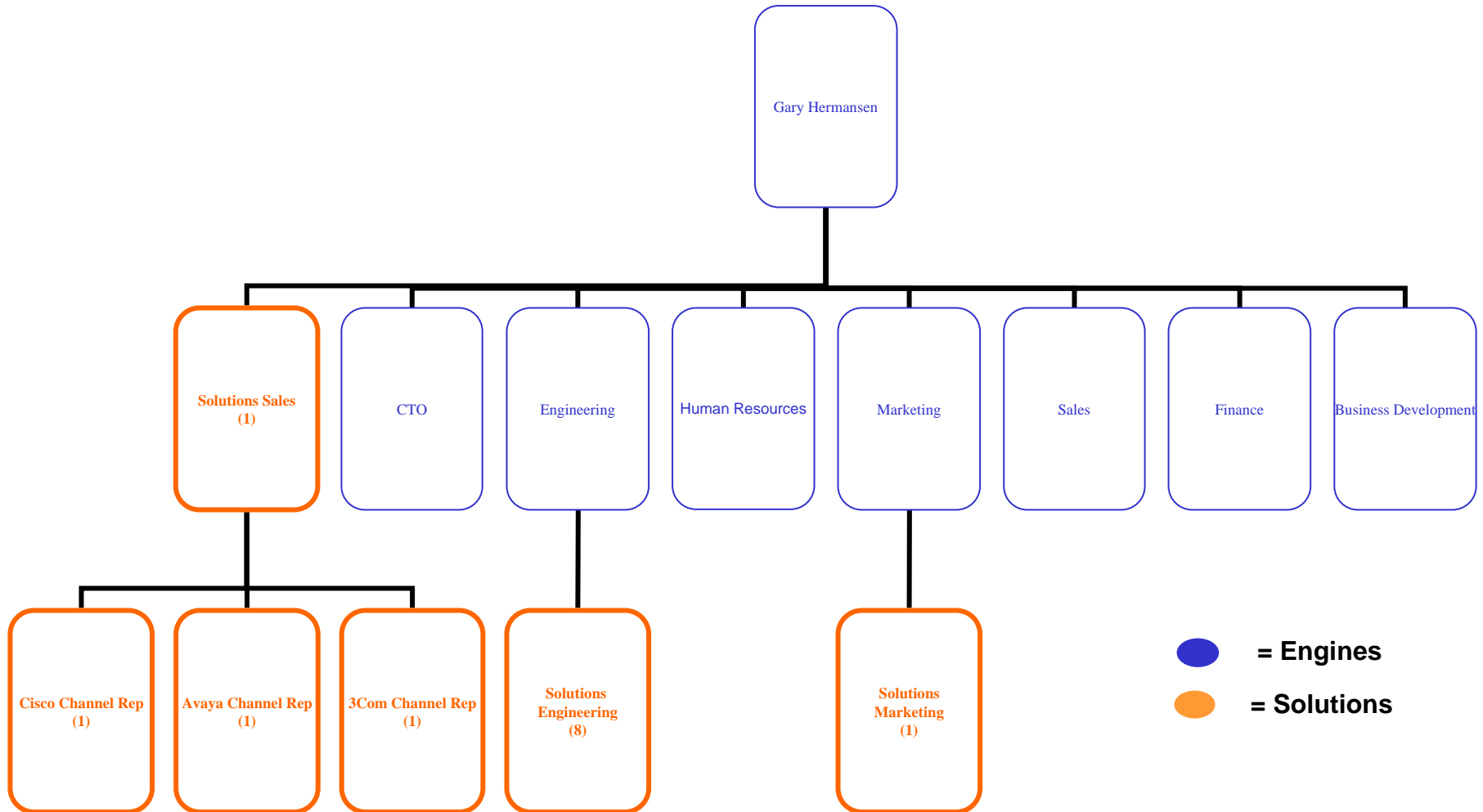
Justification

- IPR
 - 4 additional patents, 4 more patents in review
 - Will enhance current GIPS offering (NAT/FW technology, two-sided solutions, bandwidth management)
 - Ability to control video IPR

- Expands GIPS Total Available Market (TAM)
 - Healthy Pipeline
 - Markets Growing
 - New Emerging Markets

- Grow the organization with limited exposure and low risk
 - Committed technology team with established rapport

Revised Organization



Capitalizing on New Markets

- Partner with Industry leading companies to expand product offering
 - Paradiad -- leading NAT and FW traversal technology that will be incorporated into VoiceEngine Secure

Paradiad
BRINGING IDEAS TO LIFE

- ADI -- VoIP reference designs for ATAs and IP Phones

 **ANALOG
DEVICES**

- Gemtek – ATA device that is market-ready Q1 2007

Gemtek

Evolve The Business Model

- Focus on mobile market
 - Defined as all media processing non-PC devices with wireless IP communication
 - Laying ground work now for a '09 and beyond market

- Mobile market comprised of six segments:
 - Device Manufacturers
 - Infrastructure Providers
 - Enterprise
 - Network Operators
 - Internet Service Providers
 - Application Developers



GLOBAL IP SOLUTIONS™

Results and Conclusions

What it Means

- Global IP Sound will become Global IP Solutions
- Two business groups
 - **Media Engines**
 - **Solutions**
 - Additional IPR
 - Enhanced Partnering
 - Accelerate Revenue Growth

The \$100 Million Mark

