

Global IP Solutions Announces Reduction in Operating Expenses

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Global IP Solutions (GIPS) today announced a 15 percentage reduction in operating expenses resulting in a cutback in personnel across the company as well as reductions in other areas of the company's operations.

The company expects to record a one-time charge in the range of \$1.4 M – \$1.6 M in the third quarter of 2007 to account for severance costs, including costs related to the recent departure of the company's CEO, and reserves against accounts receivable.

In addition, the company's revenue expectations for the third and fourth quarter 2007 are lower than previously anticipated. "We are disappointed that GIPS has underperformed against both market expectations and company capabilities. The reduction in operating expenses will align corporate resources and expenditures to current revenue plans and will enable us to better manage the company and focus on key market opportunities," said Chief Financial Officer, William Scharninghausen.