



GLOBAL IP SOLUTIONS

Q1 2008 RESULTS PRESENTATION

May 22, 2008

CEO Emerick Woods

CFO William Scharninghausen

Agenda

- Q1 '08 Business Review
- Q1 '08 Financial Results
- Company Perspectives:
 - CEO assessment
 - Summary
 - 2008 objectives
- Q & A



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Q1 '08 Business Review

CEO Emerick Woods

Q1 '08 business review

Wins and revenue generators

- 16 design wins
- 10 new customers
- Revenue from a balance of sources, in terms of;
 - Geography
 - Type of customer
 - Service providers
 - Hardware companies
 - Application companies



amesys



Gadu-Gadu

...nie tylko komunikator!



MOBILE
TECHNIKA

IP Communication
for Mobile Generation

Q1 '08 business review

Strategic measures

- Increasing the sales efforts, with main focus on video
 - Announced video for conferencing
 - Seeing more evaluations of our video technology
 - Planning to add senior video experts
- Narrowing the product portfolio
 - Discontinuing the Solutions business
 - Closure of offices and savings on OPEX and CAPEX

Q1 '08 business review

Arbitration

- Contract dispute with licensee considered by Arbitration Board in Sweden in May
- Ruling in favor of licensee
- Assumption of cost between \$420,000-\$500,000 for GIPS



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Q1 '08 Financial Review

CFO William Scharninghausen

Transition to IFRS

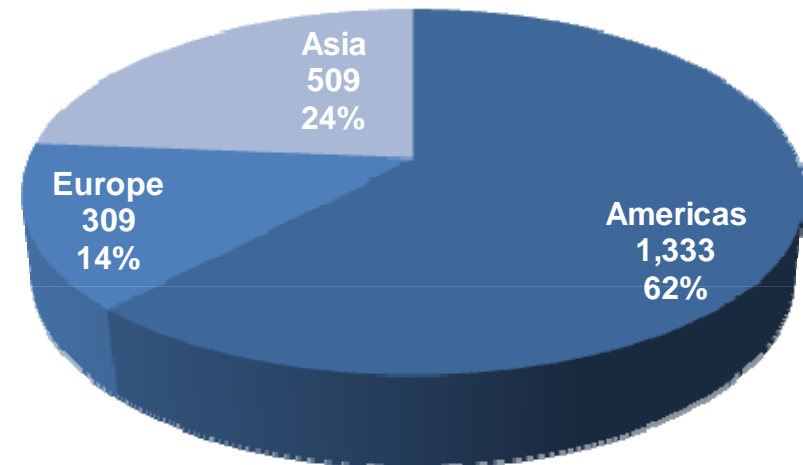
- Transition to IFRS with effect from Q1 2008
- Restated historical earnings for past two years
- Main effects:
 - Capitalization of development costs
 - Goodwill
 - Share-based payments

Q1 '08 financial review (unaudited)

Revenue

- Q1'08 revenue \$2.2M
 - Decrease of 17% vs. Q4 '07
 - Higher win-rate; 16 design wins vs. 10 in the previous quarter
- Q1 '08 bookings were \$3.4M vs \$4.1M for Q1 '07
- Increase in Americas but decline in Europe and Asia in Q1
 - Focus on video sales in all regions moving forward

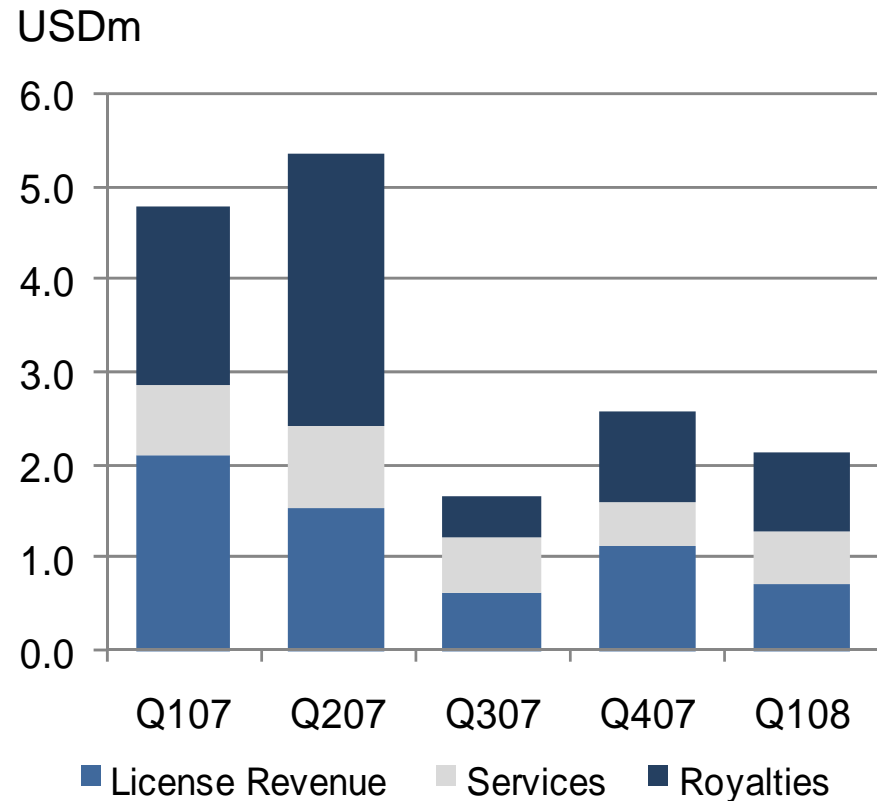
Revenue (USD '000)					
	Q1 '08	Q1 '07	Chg	Q4 '07	Chg
Product	1,580	4,034	-61%	2,105	-25%
Services	571	772	-26%	490	17%
Net Revenue	2,151	4,806	-55%	2,595	-17%



Q1 '08 financial review (unaudited)

Revenue, continued

- Royalty revenue was \$0.9M in Q1'08
- 40% of total revenue
- Fixed versus reported royalty;
 - \$0.3M fixed
 - \$0.6M reported



Q1 '08 financial review (unaudited)

Results

- Q1'08 EBITDA \$(1.7)M
- Results reflect new charges under IFRS, including personnel expenses related to the employee stock option plan (i.e. share-based payments)
- Q1'08 net loss \$(2.3)M

P&L (USD '000)		
	Q1'08	Q1'07
Product	1,580	4,034
Services	571	772
Net Revenue	2,151	4,806
Total COGS	167	642
Gross profit	1,984	4,164
<i>% revenue</i>	92%	87%
OPEX	4,197	3,423
Operating profit/loss	(2,213)	741
<i>% revenue</i>	-103%	15%
EBITDA	(1,723)	1,203
	-80%	25%
Net Profit (loss)	(2,262)	762
<i>% revenue</i>	-105%	16%

Q1 '08 financial review (unaudited)

Balance Sheet

- No major changes apart from IFRS related issues

Balance Sheet (USD '000)				
As of	03/31/08	12/31/07	Chg	03/31/07
Cash & ST investments	3,897	6,146	-58%	9,654
Accounts receivable	2,286	1,977	16%	5,100
Other Current Assets	1,723	2,089	-8%	3,044
Intangible assets	3,439	3,723	-8%	9,158
Other Assets	833	422	97%	2,837
Total Assets	12,178	14,357	-15%	29,793
Current Liabilities	5,315	5,601	-5%	5,414
Other Liabilities	747	870	-14%	8,225
Equity	6,116	7,886	-22%	16,154
Total Liabilities & Equity	12,178	14,357	-15%	29,793

Q1 '08 financial review (unaudited)

Cash Flow

- Cash flow from operating activities of \$(2.0)M Cash flow from investing \$(0.5)M
- Cash and cash equivalents were \$1.6M at March 31, 2008
- Share offering initiated at the end of Q1'08 for approx. \$10M

Cash Flow (USD '000)		
As of	03/31/08	03/31/07
Cash flow from operating activities	(2,003)	(3,463)
Cash flow from investing	(505)	(5,707)
Cash flow from financing	-	10
Net Cash Flow	(2,508)	(9,159)
Beginning cash	3,896	15,836
Exchange difference	259	(23)
Ending cash	1,647	6,654

Share offering after close of period

- Approved by extraordinary AGM March 18, 2008
- Subscription period: March 31- April 14, 2008
- Subscription price: NOK 4 per share
- Over-subscribed by ~20%
- 12.95 million shares issued
- Gross proceeds of approximately USD \$10 million



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Company Perspectives

CEO Company Assessment

- 30 days company performance assessment:
- Scope for improvement in product portfolio, organization, and systems/processes
- Directional conclusions:
 - Tightening the product strategy
 - Revitalizing the organization
- **Target: Improved performance**

Tightening product strategy

- Narrowing the product portfolio
 - Reduced offering with much improved focus
 - Singularly focused on enabling products
- Marketing organization revamping current offerings:
 - Structuring the product groups to two families; “VOICE” and “VIDEO”
 - Adopt more intuitive naming
- Discontinued Solutions products:
 - REX, REX SDK, Click-to-Talk, IVT, etc.

Revitalizing the organization

- Fortified the Sales Organization:
 - VP Sales Operations created to improve execution
 - Implemented Salesforce.com (CRM)
 - Key hires in process
- Redesigned Product Group:
 - Combined Product Marketing and Product Management functions
 - Created “cradle to grave” ownership of product groups
- Recruiting for a VP Marketing:
 - Step up market image, provide active sales support, and improve product launch and management
 - Need to recreate a dedicated focus on Business Development

Summary

- Q1 performance below company capabilities, but there are promising data points:
 - Good mix of revenue across geographies, products and customer groups
 - 16 design wins
 - OPEX trending lower as headcount has been reduced
- Company and management focus on the future, not the past:
 - Tightening product strategy
 - Revitalizing the organization

GIPS 2008 objectives

- Grow existing customers
- Establish a foothold in growth markets
- Launch the right products at the right time
- Move beyond the PC platform
- Improve awareness of GIPS among business executives
- Contain costs and re-establish profitability



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Q & A

Thank You for Your Attention



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Appendix

Management Team and CEO CV

CEO Emerick Woods

- Successful executive and entrepreneur - managed and founded several early stage high technology companies in the VoIP/Mobile space
- 5 Prior CEO posts
- Last 5 companies secured successful IPO purchase or merger
- Mr. Woods holds an MBA degree from Harvard Business School and a B.Sc. Computer Science degree from Yale University
- **CEO: V-Enable, Inc.** – a provider of mobile voice search and enhanced directory assistance solutions
- **President and CEO: Aligo, Inc.** – mobile software solutions vendor to enterprise
- **Interim President and CEO: Trapezo, Inc. and Coherity, Inc.** – enterprise software companies
- **President and CEO: Vicinity Corporation** – a provider of location-based technology solutions
- **President and CEO: TuneUp.com, Inc.** – online services/software business focused on PC maintenance
- **Management Consultant: Booz Allen & Hamilton**
- **Management Consultant: McKinsey & Company**

Management Team

- Emerick Woods, Chief Executive Officer
- William Scharninghausen, Chief Financial Officer
- Edward M. Abbati, Executive Vice President Operations
- Roar Hagen, Ph.D., Chief Technical Officer
- Bastiaan Kleijn, Ph.D., Chief Scientist
- Jan Linden, Ph.D., Vice President Engineering
- Steven Rust, Vice President Business Development
- Alan Waldrip, Vice President Worldwide Sales