

**FOR IMMEDIATE RELEASE**

**SPiRiT DSP Achieves Dominant Market Share Across All Major Segments of V2oIP Engines Market**

***FierceVoIP* Names SPiRiT DSP Among Global Top 10 VoIP Leaders in 2007**

**Company Customer Deployments Skyrocket in 2007**

**MOSCOW, Russia – December 18, 2007** – SPiRiT DSP, the world's leading provider of voice and video software engines, announced today that in 2007 it deployed dozens on Tier1 customers and increased market share in all key segments of the maturing V2oIP (voice and video over IP) market, outperforming all other embedded voice and video engine software providers. SPiRiT is on track to breaking new deployment records in 2008.

In recognition of SPiRiT's outstanding achievements this year, *FierceVoIP*, the popular VoIP business and technology report, named SPiRiT DSP a Global Top 10 VoIP Leader in 2007, along with Cisco and Comcast. *FierceVoIP's* Editor Tom Burton said, "SPiRiT has continued to stay focused on its core voice and video engines and as the mobile world moves to data-based telephony is well positioned to be the engine of choice. SPiRiT also is uniquely ready for the expected voice 2.0 transformation - where voice becomes embedded in most business processes and where conversation moves from a one-to-one paradigm to a multi-party construct."

Adobe and Oracle, long-valued SPiRiT customers since 2005, both signed new deals with SPiRiT in 2007 to voice-enable their new and upcoming PC products. Following Microsoft, which became a SPiRiT customer in 2006, Cisco signed with SPiRiT in 2007.

As the market demand for VoIP services increases, in 2007 SPiRiT expanded its cooperation and partnerships for embedded products with the market leaders, including Texas Instruments, Intel and Radvision.

In 2007, several key VoIP providers, including Skype, updated their voice technology, dropped their old voice provider to keep up with the growing demand for high definition voice and smoothly integrated 2-way video services. With disappointing results from another voice engine provider, many customers turned to SPiRiT's market leading quality for converged wideband voice and video technology. As an example, deltathree, among others, switched from a competitor of SPiRiT to enhance its PC-softphone this year with SPiRiT engine technology. Korea Telecom also chose SPiRiT's voice and video technology for the development of a new multi-service application.

"It is an exciting time to be in the U.S. residential VoIP industry. The market is growing strongly, with innovative services like SPiRiT's being delivered by a number of different business models, from traditional cable and telecommunications service providers to portals like Skype and mobile providers like Jaxtr," says Rebecca Swensen, research analyst for the VoIP Services group at IDC. "Innovation, creativity and reliable service – thanks to IP communications – are already starting to change the look and feel of the telecommunications industry."

Andrew Sviridenko, SPiRiT's founder and chairman, said, "Today almost any device is getting connectivity, so any user can talk or share videos over any gadget – no matter if it is a PC, smart-phone, PMP or a set-top-box. Thanks to our focused, dedicated and talented team, we achieved our goal this year to have SPiRiT interactive multimedia technology on every type of IP communication device. In 2007, we surpassed our closest voice engine competitor and gained dominant market share across all major niche V2oIP engine markets. SPiRiT has clearly become a leading force in the market as the demand grows for integrated wideband high-definition voice and video, on any communication device, over any network."

This year, SPiRiT continued its cooperation with the world's leading mobile OEMs, signing and renewing deals with Quanta, Arima, Compal, HTC, Reigncom (iRiver) and Inventec, among several other major smart-phone makers. Today, SPiRiT mobile OEM customers jointly exceed 55 percent of the worldwide smart-phone shipments.

Within the PMP (Portable Multimedia Player) market, with support from SPiRiT strategic partner ARM, SPiRiT has contracts in place with the global PMP market share leader, as well as with Creative and Samsung, giving SPiRiT's Audio Engine majority market share of the global PMP market.

In 2007, SPIRIT expanded its presence in the market of IMS IP soft-switch and media gateway solutions by launching the IMS-ready version of its TeamSpirit<sup>®</sup> Voice&Video Engine, supporting both PCs and mobile devices. SPIRIT signed agreements with global Tier1 telecom equipment and service providers this year, including Huawei, Nortel Networks and Veraz Networks, among others. Cisco chairman Chambers recently named SPIRIT customer Huawei among its global top four competitors, along with Alcatel, Microsoft and Google.

Thanks to unique proprietary technology, SPIRIT Engines successfully solve issues typically encountered in V2oIP communications, including voice and video lip sync. Today, only SPIRIT has voice and video engines that spans all communication devices and all market segments, including mobile OEMs/ODMs, semiconductor vendors, VoIP service providers, software vendors, online gaming and social networking (including PC and mobile softphones, WiFi and 3G phones, cordless IP phones, IMS platforms, Web conferencing, social networks and set-top boxes).

Sviridenko concluded, "Interactive multimedia is a rapidly maturing market, and our wins this year clearly validate the industry need for a lead supplier who can serve global, demanding customers from all markets with innovative products. SPIRIT has been focused on voice and video communications software for more than 10 successful years, always investing heavily in R&D and product innovations, and today, SPIRIT powers more than 100 million embedded voice channels across 80 countries. With the increased demand for quality, converged voice and video across all devices, interactivity and multi-way conferencing, SPIRIT demonstrated its ability to deliver and lead. We're pleased to be working with our valued partners and customers, who are market leaders within their fields, to deliver wideband, HD and NGN (Next Generation Network) experiences to connect people worldwide."

#### **About SPIRIT**

SPIRIT DSP ([www.spiritDSP.com](http://www.spiritDSP.com)) employs 140 professionals, and has been in the international software licensing business since 1992. A bootstrap company, SPIRIT has been profitable for 15 years. For the last 10 years, SPIRIT's focus has been voice and video communication software products. SPIRIT counts among its customers Adobe, Agere, Arima, ARM, Atmel, Cisco, Compal, deltathree, Flextronics, Ericsson, HP, HTC, Huawei, Importek, Korea Telecom, Kyocera, LG, MediaRing, Microsoft, NEC, Nortel Networks, NXP, Oracle, Paltalk, Polycom, Quanta, Radvision, Reigncom, Samsung, Siemens, Texas Instruments, Toshiba, Trinity Convergence and Veraz, and among 200+ other communication OEMs and software vendors. SPIRIT communication software is used in over 80 countries and powers more than 100 million embedded voice channels today. SeeStorm is SPIRIT affiliate for synthetic video conferencing.

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