



Skype Fast Facts Q4 2008

THE COMPANY

- Founded in August 2003, Skype is the leading global Internet communications company.
- Skype is headquartered in Luxembourg with offices in Europe, United States and Asia.
- Skype was acquired by eBay Inc. (NASDAQ: EBAY) in October 2005.
- In Q4 2008, Skype posted total revenue of \$145 million, representing 26 percent year-over-year growth and delivered the eighth consecutive quarter of profitability. For the full year 2008, Skype posted total revenue of \$550 million.

SKYPE USAGE

- Every day millions of people use Skype software to communicate with others through free voice and video calls, as well as instant messages. Many people also use SkypeOut or one of our global subscriptions to save money when calling landlines and mobiles across the world.
- Skype is a global phenomenon – in Q4 2008, in Q4 2008, Skype added 35 million users – ending the quarter with more than 405 million users, representing an increase of 47 percent from a year ago.
- In Q4 2008, people made more than 2.6 billion minutes of SkypeOut calls, a 61 percent increase over last year.
- Skype's 405 million registered users have made more than 100 billion minutes worth of free Skype-to-Skype calls.
- Skype software is extremely secure, sustainable, and scalable. At peak times, there are over 15 million concurrent users and over 300,000 simultaneous calls. There are more than 100,000 information queries on the network each second.
- Skype accounted for 8% of the world's international calling minutes in 2008, according to preliminary data released by TeleGeography Research.
- Skype is available in over 28 languages and is used in almost every country around the world.
- 30% of Skype users use Skype for business purposes.
- More than 25% of Skype-to-Skype calls include video.

THE PRODUCT

- Downloads of the Skype application surpassed 1 billion copies in 2008, making Skype one of the most popular free software applications of all time.
- Skype's popularity is being fueled by an active ecosystem that includes 15,000 developers and over 50 partners. Today, there are more than 190 Skype Certified hardware products and there are over 227 software Extras for Windows, Mac and Linux users.

- Skype for Windows Mobile has been downloaded more than 11 million times.
- In the UK specifically, 3 has announced that over 1 million Skype minutes are sent across its network daily. In addition, more than 150 thousand 3 Skypephone handsets have been sold in the UK, since the launch in 2007.
- Skype adapts its bandwidth usage in order to always guarantee the best possible audio and video quality at any given time. The bandwidth Skype uses ranges from 8-50 kilobits per second for a voice call and 250-500 kilobits per second for a video call.

THE MARKET

- The worldwide communications services market opportunity is \$1.7 trillion, growing at 5.5% annually (Sources: World Information Technology and Services Alliance (WITSA), Datamonitor, Credit Suisse, Informa, Ovum).
- Online conferencing revenue in the U.S. in 2008, according to the Telecommunications Industry Association's (TIA) Market Review and Forecast:
 - Video conferencing – \$2.2 billion
 - Web conferencing – \$1.5 billion
 - Audio conferencing – \$2.7 billion
 - TOTAL – \$6.05 billion online conferencing revenue in the U.S. in 2008
- The predicted CAGR for Web conferencing revenue in the U.S. is 14.1% from 2008-2011 (Source: Telecommunications Industry Association's (TIA) Market Review and Forecast).
- The telecom spend by consumers was 100% wireline in 1991; now, it is 50% wireless and growing (Sources: Federal Communications Commission's (FCC) Trends in Telephony Service (June 2005), Primetrica's U.S. VoIP Research Service (2008)).
- Telecom has remained 2% of household expenditures for 40+ years – people have always and will always pay for communications services (Sources: Federal Communications Commission's (FCC) Trends in Telephony Service (June 2005), Primetrica's U.S. VoIP Research Service (2008)).
- The global size of profit pools from communications services, according to Ovum, IDC and Bain:
 - International calling – \$70 billion
 - Premium calling – \$2 billion
 - Conferencing services – \$1.3 billion
 - Mobile voice – \$500 billion
- IDC predicts there will be almost half a billion worldwide personal IP communications subscribers by 2012 (Source: IDC's "Worldwide Personal IP Communications Services 2008–2012 Forecast: A New Kind of Telephony Service," released in May 2008).
- Personal IP communications is the future of real-time communications for the individual user. This market segment is categorized into three areas including Web-based services, portals, and mobile thin-clients. Together, IDC forecasts these categories will represent more than \$5 billion in annual spending in 2012 (Source: IDC's "Worldwide Personal IP Communications Services 2008–2012 Forecast: A New Kind of Telephony Service," released in May 2008).

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