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Global IP Sound Reports First Quarter 2005 Results
(reported in thousands of SEK; **unaudited**)

STOCKHOLM – April 13, 2005 - Global IP Sound AB, a leading provider of embedded voice processing technologies, today reported its financial results for the first quarter ending March 31, 2005.

Revenues for the first quarter of 2005 were SEK 11,269, a 184 percent increase from the first quarter of 2004, and a 10 percent increase over the prior quarter. Gross Profit for the period was SEK 8,956 versus SEK 9,582 in the fourth quarter 2004. The company is now allocating support service costs to Cost of Goods Sold in 2005 in order to properly reflect the costs associated with servicing customers. In the first quarter of 2005, those costs amounted to SEK 1,532. Operating expenses were SEK 7,975 for the quarter, which was an increase of 26 percent compared to the same quarter in the previous year and a 19 percent decrease from the fourth quarter of 2004. The decrease from the fourth quarter is attributed to the allocation of support service costs to Cost of Goods Sold.

Cash at the end of the first quarter was SEK 26,980, as compared to the ending balance figure from December 31, 2004 of SEK 21,792. The SEK 5,188 increase in cash was attributed to the company's first quarter profit along with a strong cash collection quarter.

"The company continues to show solid growth performance with 10 new OEM license agreements that include Shanda Interactive Entertainment, Peerme, Dianji, Telrad Networks, Teleo, SIPquest, SIPphone as well as an increase in the unearned revenue balance and positive cash flow. Said Edward Abbati, Chief Financial Officer of Global IP Sound.

"Q1 marked a significant milestone for Global IP Sound in that we achieved profitability on an EBITDA, EBIT and Net basis. Our revenue grew 10% over last quarter, led mostly by new contracts. We are especially encouraged by our overall progress and strong momentum in the Asian marketplace." Said Gary Hermansen, Chief Executive Officer of Global IP Sound.

Business highlights for the 1st quarter include:

- Increased revenue by 184 percent, to SEK 11,269, over same period last year
- Generated positive cash flow and profitability on an EBITDA basis
- Signed 10 new license agreements with major customers including Shanda Interactive Entertainment; Peerme, Dianji, Telrad Networks, Teleo, SIPquest, SIPphone
- Deployed software reached more than 200 million end points (measured by downloads and shipments)
- Expanded customer list to 59 active accounts

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This release may be deemed to contain forward-looking statements, which are subject to the safe harbor provisions of the Private Litigation Reform Act of 1995. These forward-looking statements include, among other things, statements regarding future events and the future financial performance of Global IP Sound that involve risks and uncertainties. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results. Among the important factors or risks that could cause actual results or events to differ materially from those in the forward-looking statements in this release are: business and economic conditions and growth trends in the networking industry and in various geographic regions; global economic conditions and uncertainties in the geopolitical environment; overall information technology spending; the growth of the Internet and levels of capital spending on Internet-based systems; variations in customer demand for products and services, including sales to the service provider market; changes in customer order patterns or customer mix; increased price competition; increased competition in the VoIP industry; dependence on the introduction and market acceptance of new product offerings and standards; rapid technological and market change; litigation involving patents, intellectual property, stockholder and other matters; the ability to recruit and retain key personnel; financial risk management; currency fluctuations and other international factors; and potential volatility in operating results. Any projections in this release are based on limited information currently available to Global IP Sound, which is subject to change. Although any such projections and the factors influencing them will likely change, Global IP Sound will not necessarily update the information, since Global IP Sound will only provide guidance at certain points during the year. Such information speaks only as of the date of this release.

Global IP Sound, AB					
<i>unaudited, in thousands SEK</i>					
		3 Months Ended		3 Months Ended	
Consolidated income statement		March 31, 2005	March 31, 2004	March 31, 2005	March 31, 2004
License		9,218	2,428	9,218	2,428
Services		2,051	1,546	2,051	1,546
Net Revenue		11,269	3,974	11,269	3,974
Cost of goods					
Product		781	62	781	62
Services		1,532	0	1,532	0
Total Cost of goods		2,313	62	2,313	62
Gross Profit		8,956	3,913	8,956	3,913
Information about the business activities					
Selling expenses		3,828	1,517	3,828	1,517
Administrative expenses		2,616	2,480	2,616	2,480
Research and development expenses		1,532	2,325	1,532	2,325
Operating expenses		7,975	6,323	7,975	6,323
Earnings Before Interest, Tax, Depr & Amort		981	-2,410	981	-2,410
Depreciation & Amortization		294	351	294	351
Earnings Before Interest, Tax		687	-2,761	687	-2,761
Result from financial investments					
Other interest income and similar profit/loss items		-87	-45	-87	-45
Interest expenses and similar profit/loss items		38	22	38	22
Total result from financial investments		-50	-24	-50	-24
Result after financial items		736	-2,737	736	-2,737
Tax		330	11	330	11
Net loss for the period		406	-2,748	406	-2,748
		-	-	-	-
Earnings Per Share (Basic)		0.01	-0.06	0.01	-0.06
Average Outstanding Shares		49,545,168	42,545,168	49,545,168	42,545,168
Consolidated balance sheet				March 31, 2005	March 31, 2004
Assets					
Fixed assets					
Intangible fixed assets					
Patents				1,767	43,402
Tangible fixed assets					
Plant and machinery					
Equipment, tools, fixtures and fittings				387	797
Software				585	1
Costs of improvements to property				138	703
Vehicles				0	0

Total tangible fixed assets				1,109	1,501
Financial fixed assets					
Deposits				904	1,066
Deferred tax				13,257	0
Other long-term receivables				360	1,585
Total financial fixed assets				14,522	2,652
Total fixed assets				17,398	47,554
Current assets					
Current receivables				7,100	2,750
Short-term investments				2,113	-
Other current investments				24,643	6,303
Other current receivables				283	501
Prepaid expenses and accrued income				554	690
Sub-total				34,692	10,244
Cash and Cash Equivalents				26,980	6,765
Total current assets				61,672	17,010
Total assets				79,070	64,564
				March 31, 2005	March 31, 2004
Equity					
Restricted equity					
Share capital				4,955	4,255
Restricted reserves				231,395	183,963
Total restricted equity				236,350	188,218
Non-restricted equity					
Net loss previous year				-191,946	-131,821
Net loss of the year				406	-2,748
Total non-restricted equity				-191,540	-134,569
Total equity				44,810	53,649
Long-term liabilities					
Long-term note				321	111
Total long-term liabilities				321	111
Current liabilities					
Accounts payable - trade				1,101	883
Other current liabilities				3,072	1,336
Unearned revenue				27,445	6,850
Accrued expenses and deferred income				2,321	1,736
Total current liabilities				33,939	10,804
Total equity and liabilities				79,070	64,564
				3 Months Ended	

Consolidated cash flow statement				March 31, 2005	March 31, 2004
Operating activities					
Result after financial items				736	-2,737
Adjustments for items not included in cash flow etc.				0	0
Depreciation and Amortization				498	523
Tax				-330	-11
Cash flow from operating activities before changes in working capital				905	-2,226
Changes in working capital					
Increase in receivables				-5,971	-1,362
Increase in accounts payables				9,163	-1,581
Cash flow from operating activities				3,192	-2,943
Investing activities					
Acquisitions of intangible assets				-304	0
Acquisitions of machinery and equipment				-767	-228
Investment in financial assets				274	858
Loans provided				-23	-85
Cash flow from investing activities				-819	546
Financing activities					
Share premium upon issue of new shares				612	0
Borrowings				0	0
Deferred compensation				0	0
Cash flow from financing activities				612	0
Cash flow for the year				3,890	-4,623
Liquid funds at the beginning of the period				21,792	11,283
Exchange difference, liquid funds				1,299	106
Liquid funds at the end of the period				26,980	6,765