



8x8, Inc.

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8x8 ANNOUNCES SECOND QUARTER FISCAL 2004 RESULTS

SANTA CLARA, Calif. (October 30, 2003) – 8x8, Inc. (Nasdaq: EGHT) today announced financial results for its second quarter of fiscal 2004 that ended on September 30, 2003.

Revenues for the second quarter of fiscal 2004 were \$2.4 million compared with \$1.6 million for the first quarter of fiscal 2004 and \$2.4 million for the second quarter of fiscal 2003. Net income for the second quarter of fiscal 2004 was \$0.7 million or \$0.02 per share compared with a net loss for the first quarter of fiscal 2004 of \$1.5 million or \$0.05 per share and a net loss of \$2.0 million or \$0.07 per share for the second quarter of fiscal 2003. Total revenues for the six month periods ended September 30, 2003 and 2002, were \$4 million and \$5.7 million, respectively. Net losses for the six month periods ended September 30, 2003 and 2002 were \$0.8 million, or \$0.03 per share, and \$4.1 million, or \$0.14 per share, respectively.

For detailed financial results and other disclosures, see 8x8's Report on Form 10-Q for the quarter ended September 30, 2003 as filed with the Securities and Exchange Commission on October 30, 2003.

About 8x8, Inc.

8x8, Inc. offers the Packet8 broadband voice and video communication service (www.packet8.net), consumer videophones, hosted iPBX solutions (through its subsidiary Centile, Inc.), and voice and video semiconductors and related software (through its subsidiary Netergy Microelectronics, Inc.). For more information, visit 8x8's web site at www.8x8.com.

About Packet8

Launched in November 2002, Packet8 enables anyone with high-speed internet access to sign up for internet protocol (IP) voice and video communications service at <http://www.packet8.net>. Customers can choose a direct-dial phone number from any of the rate centers offered by the service, and then use an 8x8-supplied terminal adapter to connect any telephone to a broadband internet connection and make or receive calls from a regular telephone number. All Packet8 telephone accounts come with voice mail, caller ID, call forwarding, web access to account controls, and real-time online billing. High speed, instant-on broadband videophone accounts, which use the 8x8 DV325 SIP videophone, are also available. The DV325 videophone functions as a Packet8 voice line when making or receiving voice telephone calls from regular telephone numbers.

Editors: 8x8 and Packet8 are trademarks of 8x8, Inc.

Financial Tables To Follow

8x8, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts; unaudited)

	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2003	2002	2003	2002
Product revenues	\$ 750	\$ 1,301	\$ 1,611	\$ 2,675
License and other revenues	1,676	1,141	2,438	3,035
Total revenues	<u>2,426</u>	<u>2,442</u>	<u>4,049</u>	<u>5,710</u>
Cost of product revenues	544	702	907	1,307
Cost of license and other revenues	108	280	499	536
Total cost of revenues	<u>652</u>	<u>982</u>	<u>1,406</u>	<u>1,843</u>
Gross profit	<u>1,774</u>	<u>1,460</u>	<u>2,643</u>	<u>3,867</u>
Operating expenses				
Research and development	656	2,078	1,700	4,470
Selling, general and administrative	1,229	1,852	2,495	4,035
Total operating expenses	<u>1,885</u>	<u>3,930</u>	<u>4,195</u>	<u>8,505</u>
Loss from operations	(111)	(2,470)	(1,552)	(4,638)
Other income, net	858	511	799	554
Net income (loss)	<u>\$ 747</u>	<u>\$ (1,959)</u>	<u>\$ (753)</u>	<u>\$ (4,084)</u>
Net income (loss) per share.....				
Basic	\$ <u>0.02</u>	\$ <u>(0.07)</u>	\$ <u>(0.03)</u>	\$ <u>(0.14)</u>
Diluted	\$ <u>0.02</u>	\$ <u>(0.07)</u>	\$ <u>(0.03)</u>	\$ <u>(0.14)</u>
Shares used in per-share calculation.....				
Basic	<u>30,069</u>	<u>28,387</u>	<u>30,054</u>	<u>28,316</u>
Diluted	<u>31,213</u>	<u>28,387</u>	<u>30,054</u>	<u>28,316</u>

8x8, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, unaudited)

	September 30, 2003	March 31, 2003
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,380	\$ 3,371
Short-term investments.....	1,010	208
Accounts receivable, net	1,266	1,290
Inventory	198	352
Other current assets	635	595
Total current assets	5,489	5,816
Property and equipment, net	230	841
Intangibles and other assets	103	48
	\$ <u>5,822</u>	\$ <u>6,705</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 433	\$ 652
Accrued compensation	522	847
Accrued warranty	474	477
Deferred revenue	493	545
Other accrued liabilities	620	1,125
Income taxes payable	217	226
Total current liabilities	2,759	3,872
Contingently redeemable common stock.....	107	669
Total stockholders' equity	2,956	2,164
	\$ <u>5,822</u>	\$ <u>6,705</u>