



**Skype – not perfect but everyone wants to have it.**

Cisco is planning to acquire Skype-Internet phone service which already has 500 million users. Skype estimated its value on \$5 billion but this number seems to be overpriced. Skype has 8.1 million paying users who spend an average \$96 per year and recent reports show a loss of \$368.6 million on revenue of \$718.9 million for 2009, during which Skype spun off from eBay.

Most these losses have been absorbed by huge settlement which allows acquiring the P2P Software from Founders. This of course may increase attractiveness of Skype but on the other hand it points some trouble with technology which does not belong to them. Taking all of this into account it seems that Skype is not worth more than \$2 billion.

Anyway Skype has an excellent brand and thanks to good marketing policy is well associated by users. This is a great value which may be used by other big players and increases attractiveness of Skype. In addition Skype is a strong competition for Goggles which recently launched a new service GoogleVoice.

It is difficult to predict who will gain more loyal customer in the future. Google seems to be more open for business but Skype will not give up so easily.

