INDUSTRY EMBRACES AKUSTICA'S CMOS MEMS PLATFORM IN 2006

--Annual milestones include first product launches, first customers, industry partnerships and recognitions

Pittsburgh, PA—December 18, 2006—Akustica, Inc., an innovator in microelectromechanical systems (MEMS), realized the promise of its Complementary Metal Oxide Semiconductor (CMOS) MEMS platform in 2006. Akustica launched its first product—the AKU2000 single-chip silicon digital microphone that enables improved voice input in notebook PCs, digital and still-video cameras, and other digital media devices—at the Globalpress Electronics Summit in February 2006. Since then, the company has launched two additional digital microphone products, announced significant customer and partner relationships, and has earned industry recognition for an approach to MEMS manufacturing that allows MEMS devices to be manufactured in high volume using mainstream CMOS manufacturing processes.

Akustica's CMOS MEMS platform is the foundational basis for its success. Akustica CTO Dr. Ken Gabriel, widely recognized for his pioneering work in MEMS technology, co-founded Akustica to commercialize CMOS MEMS via a new generation of acoustic, radio frequency (RF) and inertial system-on-chip solutions. Dr. Gabriel's vision—that Akustica could produce "Sensory Silicon™" devices that leverage the CMOS MEMS platform—has been realized. Sensory Silicon devices enable the single-chip integration of mechanical transducers with analog and digital circuitry to generate a new class of monolithic products that can hear, speak, and sense the world around them. Akustica's first Sensory Silicon devices are single-chip CMOS MEMS microphones that are now shipping in notebook PCs.

Akustica's milestone achievements in 2006 include:

- Launching its first products—the AKU2000, AKU2001 and AKU2004 digital microphones, a family of CMOS MEMS devices that are the industry's only single-chip digital microphones.
- Announcing the first adoption of digital microphones in laptop PCs—Fujitsu Computer Systems Corporation, has embedded AKU2000 digital microphones in a number of its computing platforms including the LifeBook® Q2010, LifeBook® T4215 and the LifeBook® P1610.
- Forging industry relationships with:
    - IDT, a leading audio CODEC manufacturer, as the first High Definition Audio reference-design partner with which Akustica's digital microphones are interoperable; and
    - Ricoh Company Ltd., with which it announced the first reference-design for an integrated PC camera module with a digital microphone array; and

  - X-FAB Foundries AG, one of the world's leading analog mixed-signal semiconductor foundries to manufacture Akustica's microphone chips; and
  - Overseas distributors, positioning the company for expansion in international markets.
- Announcing the "Akustica Certified" CODEC program, the industry's first certification program that ensures manufacturers a straightforward and seamless implementation of digital microphone arrays.
- Garnering industry recognition through:
  - *Electronic Design*, winning "the most significant Leapfrog technology of the year," according to the publication's readers; and
  - *Electronic Products*, earning a "Product of the Year" finalist position for its AKU2000, AKU2001 and AKU2004 family of digital microphones, with the winner to be announced in January 2007; and
  - *Small Times*, earning a finalist position for *Small Times Magazine Best of Small Tech Business Leader of the Year Award* for James H. Rock, co-founder, president and chief executive officer of Akustica, Inc.; and
  - *MICRO/NANO* 25 Award, recognizing the AKU2000 as one of the year's 25 notable "technologies of tomorrow," according to R&D Magazine and its newsletter *MICRO/NANO*; and
  - *SEMICON West* Technology Innovation Showcase winner—a recognition that placed Akustica's products in the company of the most innovative emerging technologies in MEMS, nanotechnology and energy.

A View to 2007

According to Tony Massimini, Chief of Technology for Semico, Akustica's ability to leverage existing semiconductor manufacturing processes is notable: "For a long time MEMS developers have relied on their own proprietary manufacturing technology. About a year ago Semico met with Akustica. This is a small start up in Pittsburgh which makes MEMS digital microphones. Akustica's product has been designed into a Fujitsu notebook PC. What is notable is that Akustica is able to use a standard CMOS process from any foundry."

"In 2007, we would expect more design-ins in the PC notebook space, complementing the launch of Microsoft® Windows Vista™ and the next-generation Intel® Centrino™ Pro platform, codenamed Santa Rosa—both of which are optimally designed for VoIP and other voice-enabled applications," said James H. Rock, president and CEO, Akustica, Inc. "Additionally, we are continuing to expand our Sensory Silicon portfolio by using our CMOS MEMS platform to develop new types of products ranging from new and innovative microphone solutions to RF and inertial products."

Industry analyst Marlene Bourne of Bourne Research commented: "With microphones now already designed into notebook PCs, Akustica is well positioned to capture new customers both in and beyond the PC space. By broadening its CMOS MEMS platform for other markets dominated by traditional MEMS sensors, Akustica could gain significant traction within other applications, including automotive, digital cameras and cell phones."

For More Information

For more information on Akustica, please contact Akustica via Phone: (412) 390-1730, Fax (412) 390-1737, Email: contact@akustica.com or Web: www.akustica.com.

About Akustica

Founded in 2001, Akustica, Inc. is a privately held company based in Pittsburgh, PA. Through a revolutionary technology known as Sensory Silicon, Akustica products enable electronic devices to sense and respond to the world around them. By leveraging standard CMOS processes and MEMS technology, Akustica acoustic system-on-chip solutions combine the functionality of microphones with microelectronics and software onto a single chip. Only Akustica's CMOS MEMS microphones—which were pioneered by Akustica co-founder and CTO Dr. Ken Gabriel during his tenure at Carnegie Mellon University—enable single-chip solutions with arrays of transducers and integrated signal processing that disrupt both conventional microphone and speaker technologies. Smaller and more reliable than the current crop of electret condenser microphones (ECMs), silicon microphones can be customized with advanced sound capture features and noise reduction capabilities.

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