

While most companies have felt the wrath of the recession, Skype continues to move onwards and upwards with new developments and partnerships in the pipeline. **Vitali Vitaliev** spoke to Skype's director of Estonian operations, Sten Tamkivi.



inside skype

What has Skype been up to recently?

The constant state of operation at Skype is changing and we have had a lot of changes over the last six months. There have been some really exciting product announcements and we have some more stuff cooking in the labs – which we won't tell you about yet – and there have been some changes in our ownership, but our management remains pretty much the same.

Can you tell us a bit more about the change of ownership at Skype?

Last September, a private equity consortium led by venture capitalist group Silverlake and featuring some well known

venture capital guys like Niklas Zenstrum and Janus Friis, our returning founders, purchased two-thirds of Skype. So eBay is still a partial owner of Skype – but we remain a private company. I believe this is a very good thing for the growth of the company. We are less dependent on external things and we can focus very much on our own destiny and execute really fast.

Josh Silverman remains at the helm – so no major changes there. But we have added a lot of people over the last six months. We're adding 400,000 users a day still and we need to keep up with hiring people who can support these users.

So which new developments can you talk about?

The year started with us announcing a partnership with a few major TV manufacturers. It's very exciting because we are creating a completely new segment. Skype is going to be rolled out on Panasonic and LG TVs and Samsung are already selling Skype-enabled TVs in their home market, Korea.

Each of the TV manufacturers have their own name for the product – and Skype, as usual, are only making the software. We're not building the hardware so it's the Skype software that runs inside your TV. You don't need a computer to

make video calls in your living room anymore.

We have also had a few developments in the mobile space. We have launched a Symbian-based application that's available on the Nokia app store now. We've updated our iPhone application, which is extremely popular, and we have built a new partnership with US operator Verizon which is one of the largest US operators.

It follows closely the partnership we have had with 3 in the UK operated by Hutchison that has been in operation for a few years. That partnership has been extremely successful for both partners and billions of minutes have travelled over 3's network for free. Verizon and

video

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- An exclusive peek at Skype's Tallin research and development headquarters
- Extended interview footage with Sten Tamkivi
- What does the future hold for Skype technology?

'We're adding 400,000 users a day still and we need to keep up with hiring people who can support these users'

Sten Tamkivi, Skype



Skype are headed to do a similar setup in the US.

What is the Estonian connection at Skype?

I think a big part of our success has been that we were not worried about the country layer of how Skype works. It is true that the first group of engineers were based in Estonia, but Niklas and Janus are a Swede and a Dane respectively and we had one American guy onboard in the early days. So it was a very

international group.

Even today, Tallinn is the largest office Skype has globally. We have about 350 people here at this stage and we are adding tens and tens more this year. However, Estonia has its size limitations – so even if our roots are here, we can't grow indefinitely in a country with a population of three million people. We have offices in eight locations and our global headquarters are based in Luxembourg. We also have operations in London, San Jose,

Stockholm, Prague and our Asia Pacific headquarters are in Singapore.

Have you been hit by the recession?

Skype is a countercyclical business because in tougher times, people start to look for cheaper options – so we have seen very healthy increases in the usage of Skype. What I am especially happy about is that in addition to voice minutes increasing, there are also

increasing numbers who come for the rich experience. We have had a real breakthrough in video calling. These days, one-third of all the minutes on Skype carry video. So it has grown massively out of the technical geek circles.

Skype now serves 12 per cent of all international calling minutes that happen in the world – so video is now on the map of international calling which is very cool. ■

■ Additional reporting by Kris Sangani



Skype's R&D headquarters host a company that is benefitting from the recession

recent announcements

SKYPE WIDGETS NOW AVAILABLE ON TVs

Earlier this year, Skype announced that it is to collaborate with LG Electronics, Panasonic and Samsung to bring their popular messaging software to Internet enabled high-definition TVs – allowing consumers to make and receive calls via their television sets. Panasonic has already partnered with a number of providers to deliver content to the company's line of Internet enabled sets – Viera Cast, which are not yet available. The Skype service will also be available on 26 new LG HDTVs planned for launch from June. The TVs will deliver familiar Skype services such as free Skype-to-Skype voice and video calls; telephone calls to landline or mobile phones; the option to receive inbound calls via a user's online Skype number; voicemail; and video conferencing facilities. "Embedding the Skype software in our broadband HDTVs enriches the

user experience, allowing consumers to connect with family and friends from the comfort of their family room without a PC," says Peter Reiner, senior vice president, marketing, LG Electronics USA.

"The addition of Skype to our VIERA CAST offerings truly takes HDTV connectivity to a whole new level," says Bob Perry, vice president, Panasonic Consumer Electronics Company.

With both manufacturers' systems, consumers will have to purchase a separate camera with an integrated microphone.

"We know that Skype users are increasingly interested in conducting video calls away from their computers. With Skype, owners of LG's NetCast HDTVs will now be able to participate in rich, real-time video conversations from the comfort of their couch," says Josh Silverman, CEO of Skype.