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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.

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

		Three Mo	onths I mber 3			Six Months Ended September 30,		
	-	2003	inser e	2002	·	2003	III Dei	2002
Product revenues	\$	750	\$	1,301	\$	1,611	\$	2,675
License and other revenues		1,676		1,141		2,438		3,035
Total revenues		2,426		2,442		4,049		5,710
Cost of product revenues		544		702		907		1,307
Cost of license and other revenues		108		280		499		536
Total cost of revenues		652		982		1,406		1,843
Gross profit		1,774		1,460		2,643		3,867
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		1,885		3,930		4,195		8,505
Loss from operations		(111)		(2,470)		(1,552)		(4,638)
Other income, net		858		511		799		554
Net income (loss)	\$	747	\$	(1,959)	\$	(753)	\$	(4,084)
Net income (loss) per share								
Basic	\$	0.02	\$	(0.07)	\$	(0.03)	\$	(0.14)
Diluted	\$	0.02	\$	(0.07)	\$	(0.03)	\$	(0.14)
Shares used in per-share calculation								
Basic		30,069		28,387		30,054		28,316
Diluted	=	31,213	_	28,387	=	30,054	_	28,316

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	
	\$	5,822	\$	6,705	
LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities					
Accounts payable	\$	433	\$	652	
Accrued compensation	Ψ	522	Ψ	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	
	\$	5,822	\$	6,705	