

Skype getting new chief executive from Cisco

Written by Administrator

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SAN FRANCISCO (AP) -- Skype is replacing its CEO with a Cisco Systems executive, a change that may indicate the Internet calling service is closer to announcing specific plans for an initial public offering. Skype S.A. said Monday that Tony Bates, formerly a Cisco Systems Inc. senior vice president and general manager of its enterprise, commercial and small business division, will replace Josh Silverman. Bates will also join Skype's board. Bates, 43, will start at the end of October; until then, Skype chief financial and administrative officer Adrian Dillon will serve as interim CEO. Silverman, 42, led the voice and video calling company through its split from eBay Inc. last year. He joined Skype in 2008, after running another eBay-owned property, Shopping.com. In a statement, Silverman said that with Bates at the helm, "Skype is well positioned to become the communications platform of choice for consumers and businesses around the world." Bates managed more than 12,500 employees at Cisco - more than 12 times Skype's current head count - and has more experience with big public corporations. That would come in handy if Luxembourg-based Skype follows through with its intentions of becoming a publicly traded company in the U.S. Skype hasn't said when it intends to sell its shares, or for how much. The company filed paperwork with the Securities and Exchange Commission in August tentatively stating the value of the offering at \$100 million - a standard estimate that is used simply as a basis for the filing fee.

Skype has indicated plans to list its stock on the Nasdaq Stock Market, though the symbol it will use is not yet known.

The company said in its August SEC filing that its revenue totaled \$406.2 million in the first half of 2010, mainly from the sale of credits that allow consumers to make Web-based phone calls to landlines and cell phones.

That's up from the \$323.2 million in revenue Skype reported in the first half of 2009, when it was still part of eBay.

The company also outlined plans for growth in the filing, including the eventual release of paid products such as group video calling.

Bates' jump comes as Cisco, the world's largest maker of computer networking gear, prepares

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to become a closer competitor to Skype.

Cisco has so far focused on high-end video conferencing, with TelePresence systems that use multiple plasma screens to show participants life-sized images of each other. But the company said earlier this year that it intends to move into the consumer video conferencing market. Cisco is expected to reveal details of its plans at a press conference on Wednesday.