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**Akustica Secures Over \$1 Million in Funding from
Commonwealth of Pennsylvania**
*Support fuels Company's efforts to expand operations, accelerate
product development*

PITTSBURGH, PA – May 10, 2004 – Akustica, Inc., a pioneer in acoustic system-on-chip solutions, today announced that it has secured over \$1 million in funding from the Commonwealth of Pennsylvania. Part of an Economic Development Assistance package created by the Department of Community and Economic Development, the funds will be used to expand Akustica's operations and accelerate development of its products.

"We are pleased to be receiving such generous support from the Commonwealth," said James Rock, co-founder, president and CEO of Akustica. "Akustica is at an exciting and critical stage in its evolution. With this funding, we can drive development of our products, spur growth in our business and establish ourselves as the clear leader in the rapidly growing market for MEMS solutions."

The financial package provided to Akustica by the Department of Community and Economic Development includes \$500,000 in funds from the Machinery and Equipment Loan Fund (MELF), \$333,000 in Job Creation Tax Credits (JCTC), \$100,000 in Customized Job Training (CJT) funds, and a \$100,000 Opportunity Grant.

Akustica will use these funds to expand its operations and accelerate development of its products. Akustica develops revolutionary acoustic technology for capturing, processing, and reproducing sound in mobile phones, hearing aids and other communication and electronics products. The company was formed in 2001 to commercialize breakthrough and patented Micro-Electro-Mechanical Systems (MEMS) technology developed at Carnegie Mellon University, for which it holds the exclusive license.

Over the next three years, Akustica will create 111 new jobs, primarily in engineering, operations and sales. The Company may also expand its facilities to accommodate a larger team. Since 2001, Akustica has grown from three to 23 employees. The Company currently operates from a 12,000 square-foot facility on Pittsburgh's South Side.

About Akustica

Akustica, Inc. is a MEMS-focused semiconductor company dedicated to developing a line of acoustic system-on-chip products that promise to revolutionize sound capture and reproduction. Based on CMOS MEMS technology exclusively licensed from Carnegie Mellon University's world-renowned MEMS laboratory, the company's products are targeted at high volume and high growth rate digital media markets such as mobile phones, telematics in automobiles, digital cameras and camcorders, and personal computers.