



FOR IMMEDIATE RELEASE

SoundBite Communications Acquires SmartReply, a Mobile Marketing Pioneer

Asset acquisition creates a disruptive force in the rapidly growing mobile marketing industry

BEDFORD, Mass., June 8, 2011 — SoundBite Communications, Inc. (NASDAQ: SDBT), a leading global provider of cloud-based proactive customer communications solutions, today announced the acquisition of key assets of SmartReply, a mobile marketing pioneer. SmartReply had been delivering mobile marketing solutions for approximately 40 companies, including many of the top retail brands in North America. The acquisition advances SoundBite's position in mobile marketing and significantly expands its penetration in the retail vertical.

According to ABI Research, the U.S. market for mobile marketing and advertising is growing at a 23 percent compound annual growth rate (CAGR) with 2011 spending estimated at \$1.6 billion.

"A comprehensive mobile customer communications strategy has become an absolute 'must have' for today's consumer-facing organizations," said Jim Milton, President and CEO of SoundBite Communications. "While the Mobile Collect acquisition provided us with a market-leading mobile collections solution, today's SmartReply acquisition provides SoundBite with a leadership position in both mobile marketing and retail. We are firmly committed to accelerating the build out of our mobile offering, via organic investment and future acquisitions, to enable our clients to proactively communicate across the full customer lifecycle."

"SmartReply has been a great partner and I am excited about the acquisition," commented Tim White the Senior Vice President of Marketing for Fashion Bug, a 700 store women's apparel retailer. "Fashion Bug chose SmartReply for their retail and mobile expertise, and now with the stability of a public company like SoundBite and the additional technology solutions they can provide, this is a definite positive for partners like us."

"SoundBite's deep technology portfolio, including its interactive, multi-channel communications and intelligent preference management platforms, immediately expands the solutions that can be offered to the client base previously served by SmartReply," said David Savage, former CEO of SmartReply. "I believe SoundBite is now the 'one to watch'."

Acquisition Creates a Disruptive Force in Mobile Marketing

In addition to domain expertise, the SmartReply acquisition brings to SoundBite a roster of highly-regarded retail brands which complement the existing client base for SoundBite's broad cloud-based product portfolio.

The combination of SoundBite and the key assets of SmartReply results in:

- **Mobile Marketing Expertise:** Companies in retail, financial services, telecommunications and media, and energy and utilities will benefit from SoundBite's intimate knowledge of the mobile marketing industry and the complex requirements, global market trends and best practices associated with mobile marketing campaigns.
- **Deep Technology Portfolio:** Leveraging SoundBite Engage, a multi-channel communications platform, and SoundBite Insight, a preference management platform, clients can develop, deploy and optimize interactive mobile marketing strategies. These campaigns can leverage knowledge of consumer stated preferences and observed behaviors to drive more intelligent communications and improve business results.
- **Express Consent Expertise:** Following the asset acquisition, SoundBite will obtain the services of several former SmartReply employees who have developed expertise in obtaining and leveraging express consent from consumers for mobile marketing as well as voice messaging. As a result, SoundBite will be positioned to manage express consent for millions of consumers across more than ten retail brands.

To accelerate its growth in the mobile marketplace, SoundBite has established a Mobile Services business. Mike Romano, a co-founder and the former EVP of Sales of SmartReply, joins the business as Senior Vice President of Mobile Sales and Services and reports to Mark Friedman, Chief Marketing and Business Development Officer at SoundBite.

Terms of the Transaction and Financial Information

The acquisition consideration is a combination of cash at closing and contingent consideration in the form of an earn-out. Cash consideration paid at closing was \$3.2 million. The earn-out will be paid annually, over the next three years, based upon year-over-year revenue growth. The deal also includes traditional terms such as escrow funds, indemnifications, and warranties by the sellers.

Second Quarter Guidance

For the second quarter of 2011, based on modest revenue expectations from the SmartReply deal, SoundBite is reiterating its most recent revenue guidance range of \$9.0 million to \$9.5 million. In addition, it is reiterating its GAAP operating loss range of \$1.5 million to \$1.1 million and its non-GAAP operating loss range of \$1.0 million to \$600,000. Non-GAAP estimates exclude the effects of estimated

stock-based compensation expense of approximately \$300,000, a one-time charge of \$125,000 related to severance expense, and amortization of intangibles of \$10,000.

SoundBite expects its cash balance at the end of the quarter to be approximately \$28.5 million. During the second quarter, SoundBite used approximately \$4.1 million of cash in connection with the SmartReply asset acquisition, including payment of cash consideration of \$3.2 million, legal and advisory fees of \$550,000, and other deal expenses of approximately \$300,000.

Conference Call and Webcast Information for Financial Analysts & Investors

The Company will host a conference call today at 8:30 a.m. ET to discuss the acquisition. A live and archived webcast of the event will be available at <http://ir.soundbite.com/events.cfm>. A live dial-in is available in the U.S. at +1 888 350 0137 and outside the U.S. at +1 970 315 0478. A replay of the call will be available two hours after the live call until 11:59 p.m. ET on June 30, 2011 and can be accessed by dialing +1 800 642 1687 for callers in the U.S. and +1 706 645 9291 for callers outside the U.S. and entering passcode 74055158.

About SoundBite Communications

SoundBite Communications is a leading global provider of cloud-based, multi-channel proactive customer communications solutions designed to transform the way organizations communicate throughout the customer lifecycle to build trusted, lifelong and profitable relationships. Clients can leverage SoundBite's proactive customer communications offering and expertise in designing, executing and optimizing communications strategies to engage in relevant customer interactions that deliver long-term business value. Visit SoundBite.com for more information.

SoundBite and SmartReply are registered service marks of SoundBite Communications, Inc.

Forward-Looking Statement

The statements set forth under "Second Quarter Guidance" above constitute forward-looking statements for purpose of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon SoundBite's current plans, estimates and expectations. The inclusion of these forward-looking statements should not be regarded as a representation by SoundBite, its management or any other person that the future plans, estimates or expectations contemplated by SoundBite will be achieved. These forward-looking statements represent SoundBite's expectations as of the date of this press release. Subsequent events may cause these expectations to change, and SoundBite disclaims any obligation to update the forward-looking statements in the future. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including: slower than anticipated development of the market for automated voice messaging services; defects in

SoundBite's platform; disruptions in its service or errors in its execution; discontinued or decreased use of SoundBite's service by its clients, which are not subject to minimum purchase requirements for any reason, including market conditions and regulatory developments; and the occurrence of events adversely affecting the collection agencies industry or in-house collection departments, which account for a significant portion of SoundBite's revenues. These and other factors, including the factors set forth under the caption "Item 1A. Risk Factors" of Part II in SoundBite's most recent quarterly report on Form 10-Q filed with the Securities and Exchange Commission, could cause SoundBite's performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

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