



Fourth Quarter 2011 Earnings

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February 15, 2012

Full Year Net Income and Expanding Channel

– Continued improvement in operating results

- Revenue of USD 10.3 million; 2% Q/Q, an increase of 4% Y/Y
- EBIT of USD 0.63 million; flat Q/Q, USD 0.65 million increase Y/Y
- Net income of USD 0.27 million; flat Q/Q, USD 0.69 million increase Y/Y
- Targeted investment in preparation for channel growth muted bottom line progression

– Total user count exceeds 336,000; a 2% increase Q/Q, a 8% increase Y/Y

- New user bookings increased 2% Q/Q, fourth quarter historically flat to down
- Churn improved 15% Q/Q; 30% H2 over H1
- ARPU stable at USD 14.52 excluding Speedway; USD 10.40 all in

– New sales strategy is taking hold

- Signed Insight, a USD ~5 billion global provider of IT products and services
- Signed MegaPath, an end-to-end, facilities-based solutions provider of data services, Voice over IP (VoIP) and Security technologies to businesses nationwide
- Signed Cincinnati Bell (NYSE: CBB) a USD 1.4 billion provider of integrated communications solutions including local, long distance, data, Internet, entertainment and wireless
- Existing channel projections for 2012 exceed 100,000 users primarily starting in Q2

Key Performance Indicators

\$ in Millions	Trend	Q4-11	Q3-11	Q/Q	Q4-10	Y/Y
Users (including Speedway)**	↑	336,000	328,000	2%	311,000	8%
Customers**	↔	20,760	20,790	0%	21,300	-3%
ARPU*	↔	\$14.52	\$14.85	-2%	\$15.16	-4%
Revenues	↑	\$10.31	\$10.16	2%	\$9.92	4%
Gross Margins	↔	72%	70%	3%	72%	0%
EBIT	↑	\$0.63	\$0.63	0%	(\$0.02)	3250%
Net Earnings	↑	\$0.27	\$0.27	0%	(\$0.41)	166%

*For comparative purposes ARPU shown Net of Speedway. Full ARPU = \$10.40

** User/customer data shown as actual

- **Mid-market and VoIP driving user and revenue gains Y/Y**
 - Indirect sales represents almost 15% of new user bookings in Q4
 - Same store growth continues to trend positively
- **ARPU and Gross Margins stable**
 - VoIP and Security / Compliance gains offset shift to indirect sales model
- **First full year of positive net income**

Comparative Cash Flows

Cash Flow Statement:					
	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11
Net income/(loss)	\$ (413)	\$ 6	\$ 154	\$ 271	\$ 272
Depreciation, amortization and impairment	788	827	821	854	917
Stock based compensation	(29)	70	80	58	62
Net changes in working capital & FX impact	398	28	4	(559)	(154)
Cash from operating activities	743	931	1,059	624	1,097
Fixed asset purchases, net of financings	(119)	(119)	(175)	(80)	(142)
Debt and lease related payments	(830)	(850)	(950)	(960)	(983)
Proceeds from working capital & debt facility	-	-	100	250	-
Cash from financing & investing activities	(949)	(969)	(1,025)	(790)	(1,125)
Change in cash position during the period	(206)	(38)	34	(166)	(28)
Beginning period cash	1,172	966	928	962	796
Ending period cash	\$ 966	\$ 928	\$ 962	\$ 796	\$ 768

- Positive operating cash flow trend continues across the business
- Overall leverage ratios improving due to operating income and reduced debt load
- Expanded borrowing capacity with working capital amendment
- Liquidity of USD 2.0 million, including cash balances and available borrowings

Strategy for Growth: Aligning Channel to Targeted Market Segments

- **Create force multipliers to increase reach into the marketplace**
 - Provide “value add” to enhance customer retention



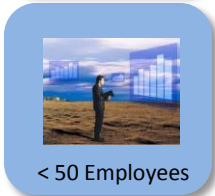
----- Enterprise Adoption

- World Class Integrators such as Fujitsu America
- Global IT providers like Insight



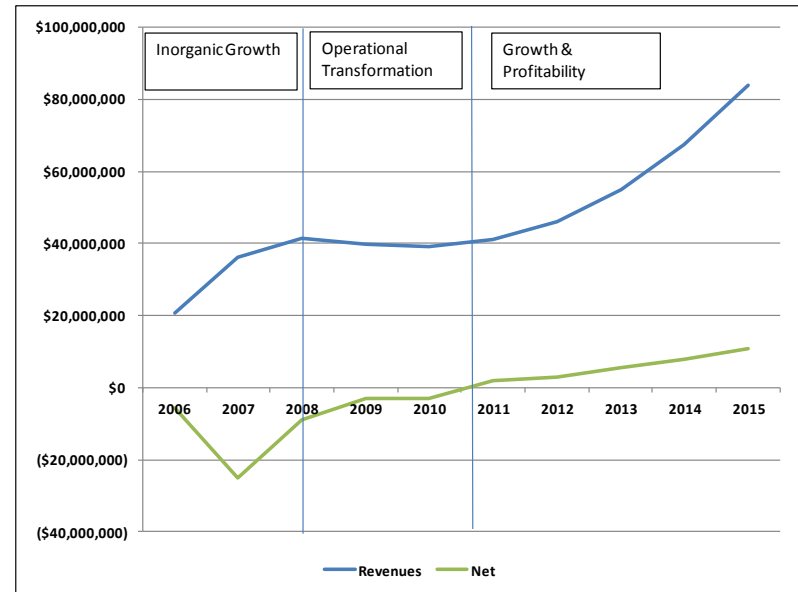
----- Market Verticals

- Specialty Associations such as AICPA / CPA2Biz
- Targeted Direct Sales → Financial, Health Care and Legal



----- Rising Small Business Market

- Broadband providers like Bell Canada, Cincinnati Bell and MegaPath
- Business Service Organizations such as Network Solutions/Web.com



VIP/Channel Support – Account Executive Model

- Account Management • Priority Routing • Alpha/Beta Participation • Customer Advisory Board

2012 Outlook

Driving Top Line Increase Is Our Priority

- **Partner success in 2011 positions Company for double digit growth in 2012**
 - Continued channel expansion supported by strong pipeline
 - Existing channel projections for 2012 exceed 100,000 users starting primarily in Q2
- **Vertical focused direct sales model showing success**
 - Customers with greater than 100 (GT100) represent almost 45% of revenue
- **Enhanced customer management and priority routing continues early success**
 - Churn rate declined 30% in H2-11 over H1-11; run rate under 9% per year
 - Expanded uptake of VoIP and Security/Compliance off-setting email pricing pressure; both growing at 40%+ per year
 - Solid same store growth in existing base; 10% annual run rate
- **Targeted infrastructure investments will be made in early 2012 to support partner and bookings growth**
 - Platform and network expansion to support user growth
 - Headcount investments to ensure partners selling efforts are supported
 - “Net income” will be flat one to two quarters as a result of investments



Q & A