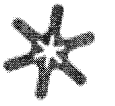
VONAGE The Broadband Phone Company



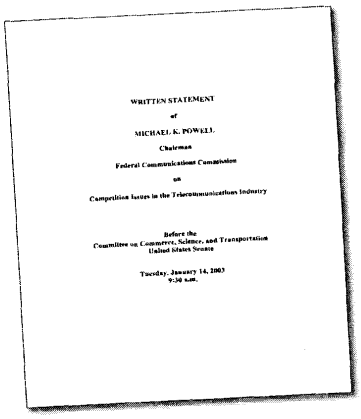
VONAGE

digitalvoice™

March 11, 2003

For further information, please contact:
Vonage at +1 (732) 528-2600 or publicrelations@vonage.com.

Who is Vonage?



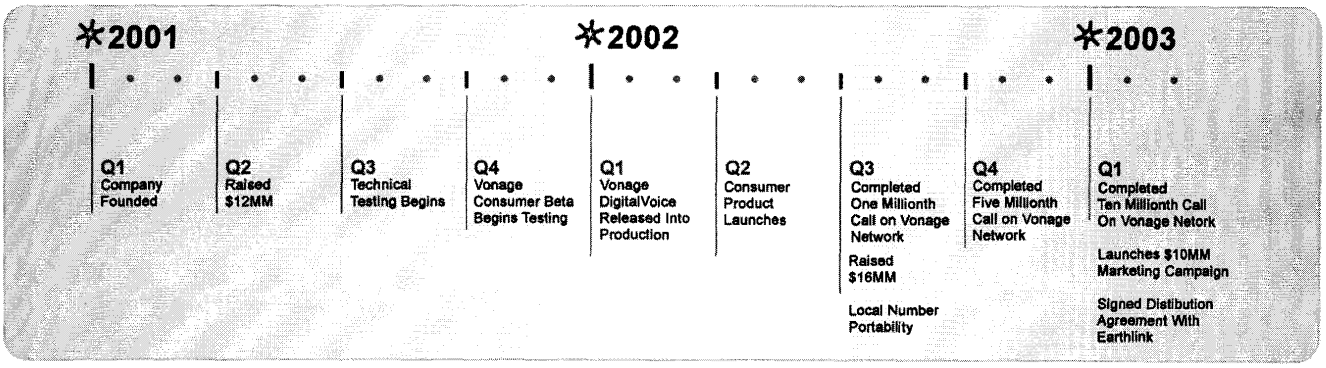
WRITTEN STATEMENT
of
MICHAEL K. POWELL
Chairman
Federal Communications Commission
on
Competition Issues in the Telecommunications Industry

Before the
Committee on Commerce, Science, and Transportation
United States Senate

Tuesday, January 14, 2003
9:30 a.m.

"2002 saw the introduction of reliable Internet telephony services as companies such as Vonage are providing an alternative to analog wired telephony over a broadband connection."

–FCC Chairman Powell*



*FCC Chairman Powell in his remarks to the Senate Committee on Commerce, Science and Transportation, January 14, 2003

Service Offering

Premium Unlimited Residential
Unlimited Local & Long Distance Calling throughout US and Canada

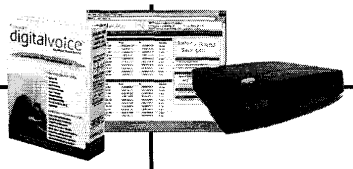
$39.99

Premium Unlimited Business
Unlimited Local & Long Distance Calling throughout US and Canada

$69.99

VONAGE digitalvoice

Fax Service $9.99/month
250 minutes of Fax Service
3.9¢ overage



FREE Fax Line
500 minutes of Fax Service
3.9¢ overage

Local Unlimited Residential
Includes 500 Minutes of Domestic Long Distance and Calls Canada

$25.99

Basic 1500 Minute Business
1500 Minutes of Local & Long Distance Calls to US and Canada

$39.99

Product Lines and Features

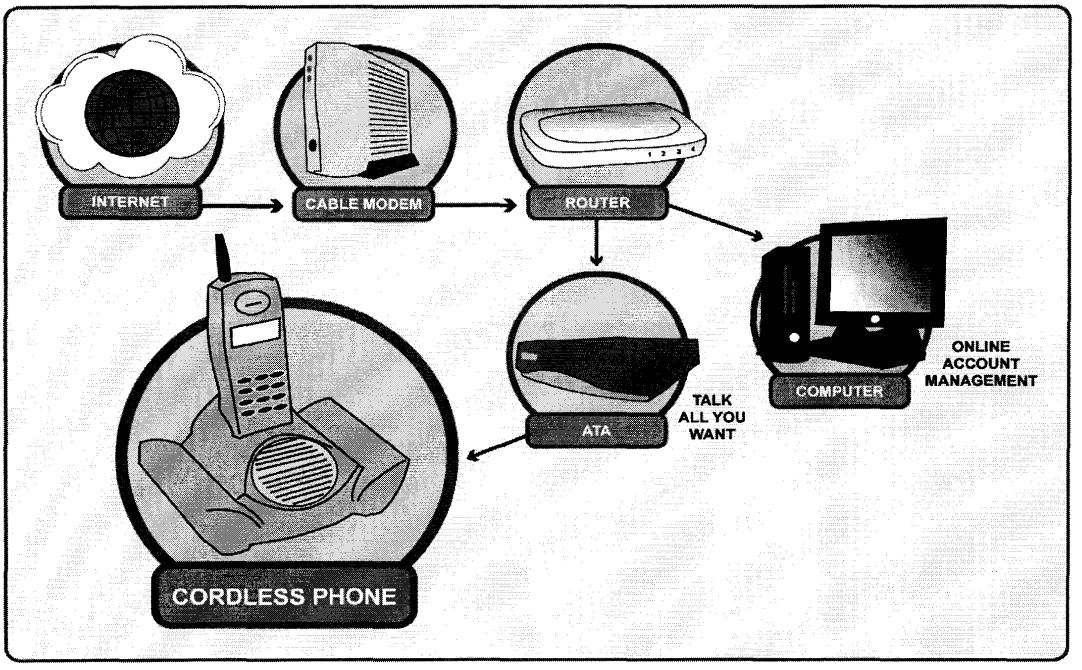
Standard PSTN Features

- Voicemail
- Caller ID
- Call Waiting
- Call Forwarding
- Call Transfer
- Repeat Dialing
- Call Return (*69)
- Caller ID Block (*67)
- Call Hunt
- Local Number Portability

Vonage DigitalVoice℠ Features

- Web Based Voicemail Retrieval
- Real-time Calling Activity
- Low International Rates
- Online Features Management
- Network Availability Number

How It Works



Plug-n-Play

Works With Any Touch-Tone Phone

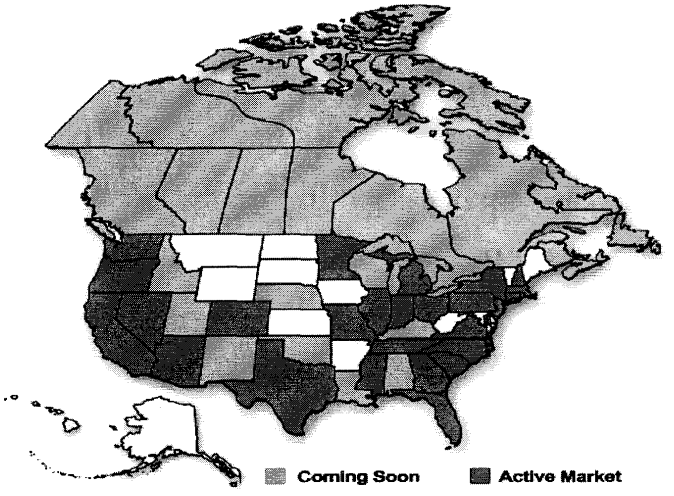
VONAGE the broadband phone company

Vonage POPs

Product Offering

By The End Of Q1

51 Markets In Service | 162 Area Codes Available | 1000 Rate Centers



Vonage plans to offer area codes in the following cities in Q2 '03

New Orleans, LA	Charlotte, NC	Cincinnati, OH
Louisville, KY	Charleston, SC	Indianapolis, IN
Omaha, NE	Raleigh-Durham, NC	Salt Lake City, UT
Norfolk, VA	Birmingham, AL	Greenville, SC
Grand Rapids, MI	Oklahoma City, OK	Jacksonville, FL
Spokane, WA	Kansas City, MO	Greensboro-Winston Salem, NC
Albuquerque-Santa Fe, NM	Milwaukee-Green Bay, WI	Coeur d'Alene, ID

Vonage currently offers these area codes in the following states:

NY 212, 917, 646, 718, 516, 631, 914, 845, 518, 585, 716, 315
NJ 732, 201, 908, 973, 609, 856
CA 415, 408, 510, 650, 707, 831, 925, 858, 619, 310, 323, 213, 818, 714, 805, 661, 562, 626, 949, 909, 760, 916
TX 214, 254, 469, 713, 817, 903, 940, 979, 832, 936, 210, 512
FL 305, 561, 786, 954, 321, 727, 813, 863, 941
GA 404, 678, 706
IL 312, 773, 847, 630, 708, 815
MA 617, 781, 508, 978, 413
DE 302
IN 219
PA 215, 267, 484, 610, 412, 717
MD 443, 667, 410
MN 612, 763, 952, 651
CT 203, 860
WA 206, 253, 360, 425
VA 240, 301, 703
DC 202
MI 248, 313, 517, 586, 734, 810
OH 440, 216, 614, 380, 330, 234
NH 603
RI 401
CO 303,720
OR 503, 971
AZ 602, 480, 623
MO 314, 636, 557
NV 702
TN 931, 615, 901
MS 662

POP Last Updated: 02.24.03

Session Initiation Protocol

***SIP** is a certified standard of the Internet Engineering Task Force (IETF) and considered to be the emerging standard for VoIP*

	SIP	H.323	MGCP/Megaco
Complexity	Low	High	High
Scalability	Good	Poor	Moderate
Internet Fit	Yes	No	No
SS7 Compatibility	Established	Emerging	Established
Cost	Low	High	Moderate

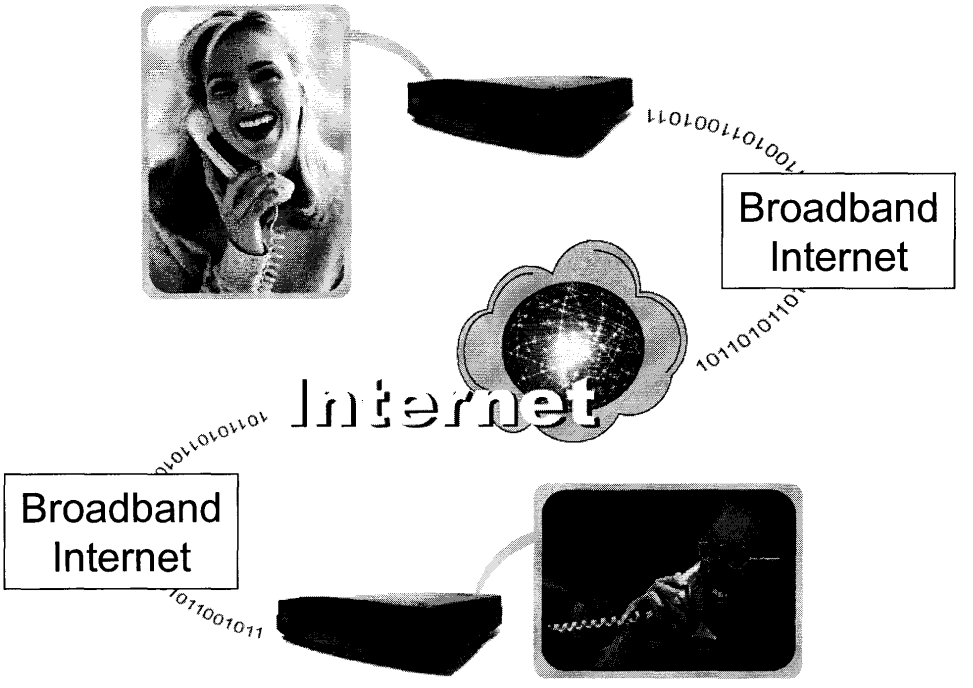
SIP Advantages

- **Effective control of any media stream**
- **Lightweight, open protocol**
- **Highly scaleable**
- **Rapid development and deployment environment**
- **Seamless voice and data integration**
- **Efficient resource management**

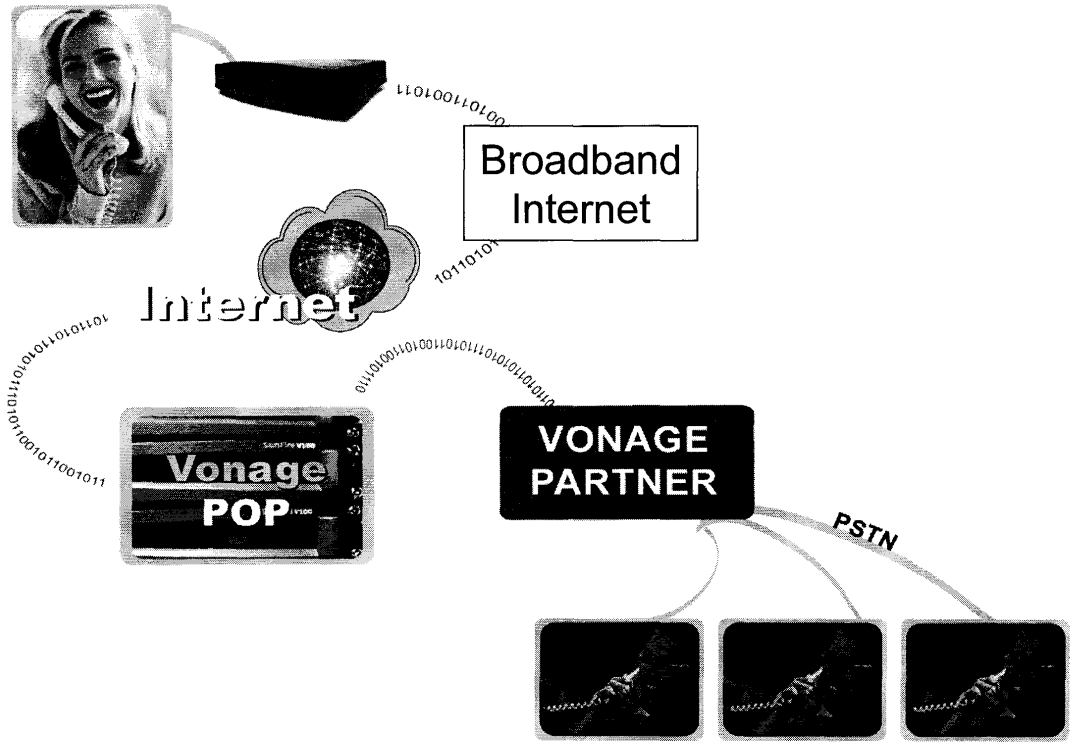
"SIP is to communications what HTTP was to the Internet"

– *Forbes* June 2001

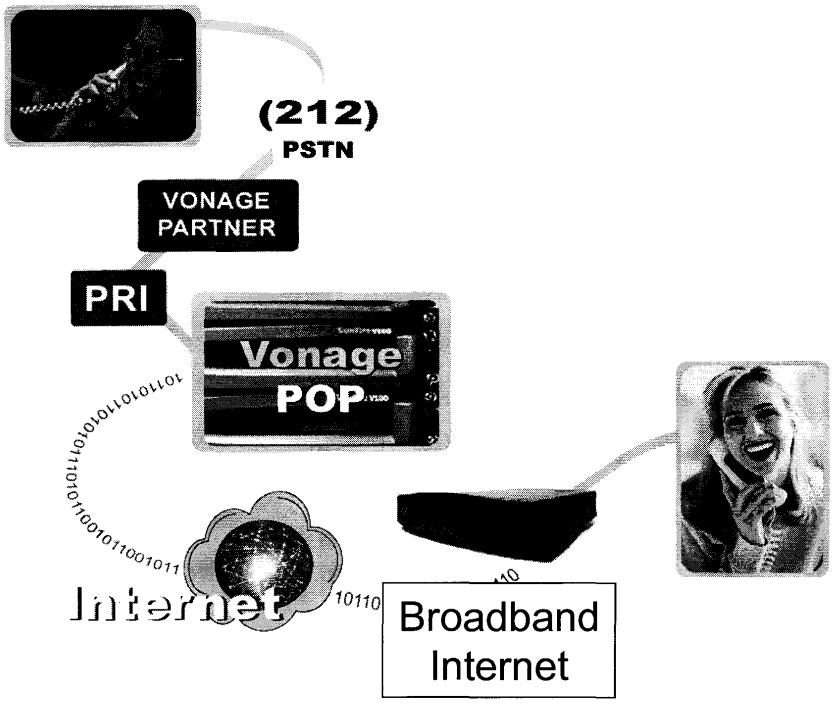
Vonage to Vonage Call Flow



Vonage to PSTN Call Flow



PSTN to Vonage Call Flow



Regulatory Issues

- Access charges
- Universal Service Fund
- Numbering
- E911

VONAGE The Broadband Phone Company

VONAGE
digitalvoice

- **Product Offering**
- **Marketing and Distribution**
- **Media Coverage**

March 11, 2003

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VONAGE

To source customers for Vonage efficiently while at the same time building brand image and awareness

Vonage Broadcast Media

- **Direct Response Television**
  - National Cable
  - Spot TV in Seattle, Buffalo, Washington D.C., Houston
- **Howard Stern and Sports Radio Nationwide**

Online Interactive Media

AOL

YAHOO!®

Google™

overture
search performance

Slashdot
News for Nerds. Stuff that matters.

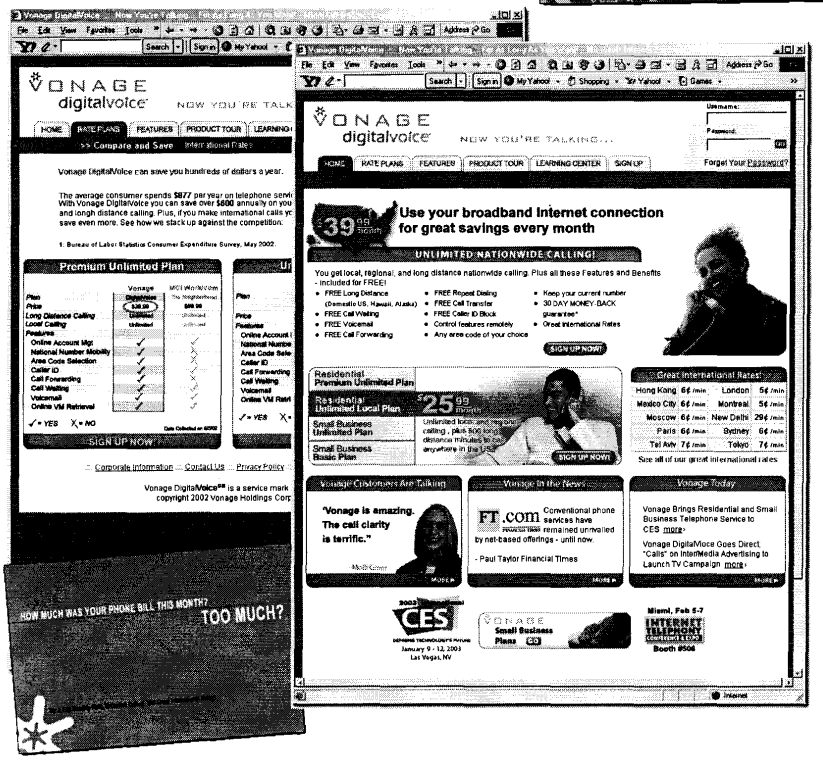
WSJ.com THE WALL STREET JOURNAL.
ONLINE

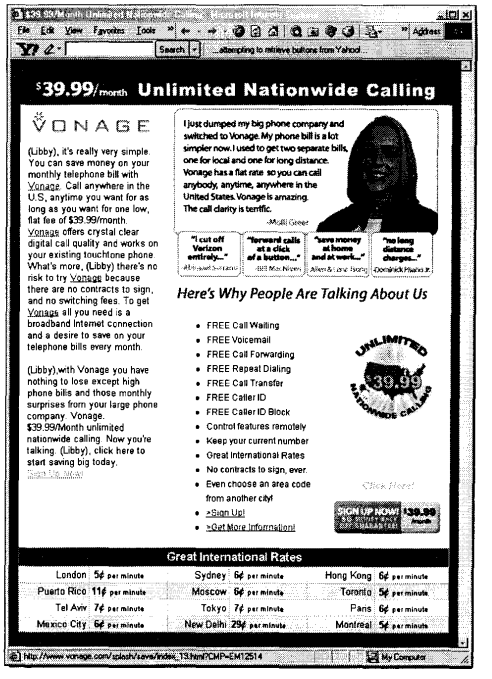
Vonage DigitalVoice

VONAGE digitalvoice

How much can Unlimited Local & Long Distance Calling Cost?

The average US household spends over $100/month for local & long dist. calls. With Vonage you pay less than half!





Your New Home Phone Service