



XConnect Begins 2007 with Launch of DirectRoute Service

XConnect opens its doors to Wholesale Carriers, enabling significant cost reductions on calls terminating to XConnect Registry subscribers

For Immediate Release

LONDON, UK, & Honolulu, Hawaii, January 16, 2007 —XConnect, the world's largest neutral provider of Voice over IP (VoIP) peering services and operator of the XConnect Global Alliance, today announced the production launch of its DirectRoute service, enabling wholesale carriers to profit from Layer 5 VoIP Peering. Some of the high profile customers that have signed up for the service include leading international carriers such as Interoute, Bezeq International, and Touchstone Systems. The announcement was made this morning at the PTC conference in Honolulu, Hawaii, where Kingsley Hill, VP Strategic Federations will speak on a keynote panel on VoIP Peering.

DirectRoute enables wholesale carriers to terminate calls destined for XConnect ENUM Registry numbers directly to the terminating Service Providers' networks, lowering per minute costs and improving quality by eliminating unnecessary transit operators and associated PSTN/VoIP gateways. For VoIP Service Providers receiving calls via DirectRoute, the service offers a significant source of new revenue; as they are able to receive calls from wholesale carriers directly into their VoIP infrastructure and to collect per-minute fees on inbound calls.

"The launch of our DirectRoute leverages our unique ENUM Registry and VoIP Peering platform to build on our XConnect Global Alliance™ settlement-free VoIP federations and deliver compelling benefits to both the carriers and VoIP service providers managing PSTN-to-VoIP calls," said Eli Katz, CEO of XConnect. "We welcome Bezeq, Interoute and Touchstone Systems as founding participants in the DirectRoute program and are pleased to have the support of these recognized leaders within the industry. Wholesale carriers can dramatically reduce termination costs on calls destined for numbers in the XConnect Registry, and VoIP service providers can increase ARPU by monetizing inbound calls to their subscribers."

Carriers exploit DirectRoute by implementing a query of the XConnect ENUM Registry, discovering which of its calls are destined for registered subscribers and can thus be delivered directly, and at lower cost, into the network of the applicable service provider, without unnecessary transit steps and quality degradation. The query response contains routing information when a number is matched in the Registry or, when not matched, informs the carrier to proceed with their normal LCR routing. The ENUM Registry 'dip' is achieved through a SIP or ENUM-Query interface to a local cache of the Registry based upon XConnect's patent-pending Local Directory Server (LDS). The LDS, delivers carrier-grade, high throughput and minimal latency on queries and automatically

synchronizes with XConnect's central ENUM Registry. VoIP service providers belonging to XConnect's Global Alliance can join DirectRoute and begin earning revenue with no additional technical or integration requirements.

"Interoute is excited about integrating XConnect's DirectRoute service and to have XConnect join our Arena program" said John Wilkinson, director of voice services for Interoute in London, UK " By enabling our Arena service customers to seamlessly access the XConnect registry, we expect them to be able to leverage the Federation paradigm to reduce termination costs and deliver high quality service to their end-customers"

"We are excited to begin routing calls to XConnect's registry via the DirectRoute service" said Nissan Arie, Vice President at Bezeq International, based in Tel Aviv, Israel. "VoIP Peering is a valuable new technology for reducing costs and increasing the quality of service we offer our global customer base."

"Touchstone Systems is so committed to the VoIP revolution that we dedicate 100% of our efforts to VoIP session management and back-office products" said Mark Baker, CEO of Dallas, TX based Touchstone Systems, Inc, " we believe XConnect's DirectRoute is a powerful driver of that VoIP revolution."

XConnect DirectRoute was recently awarded the 2006 Internet Telephony Product of the Year award.

About XConnect Global Networks:

XConnect is the world's first and largest provider of 'Plug and Peer' VoIP federation based interconnection & ENUM services dedicated to connecting VoIP operators and enabling rich multi-media end-to-end IP communication. Headquartered in London with offices and facilities in the USA, Europe and Asia, XConnect provides ENUM and peering services to over 400 VoIP operators in more than 35 countries, enabling IP calls between VoIP end-users. With its strategic technical partner Kayote Networks Inc., XConnect's award-winning solutions comprehensively address protocol interoperability, ENUM directory services, and security. Recently, XConnect was selected by the cable industry in the Netherlands to operate the first nation-wide VoIP peering solution, and recently acquired the European carrier ENUM exchange, e164.info and US-based peering service IPeerX Inc. For more information, please visit www.xconnect.net.

About Bezeq International

Bezeq International Ltd., the leader in International telecommunications in Israel, was established in 1996 as a wholly-owned subsidiary of Bezeq the Israel Telecommunications Corporation Ltd., and is part of the country's largest telecommunications group. Ten years after its establishment, BI is regarded as pre-eminent in its field, providing customers with comprehensive telecommunications solutions in the fields of International telecommunications, Internet, Data Communication, Hosting and Information Security, based on the most advanced technologies in Israel and throughout the world.

Bezeq International stands as Israel's leading telecommunications company with regard to all of its varied activities, and enjoys the highest and most impressive rates of revenue and profits, whilst gaining the largest rate of customer growth.

About Touchstone Systems, Inc.

Touchstone Systems, Inc. supplies high quality, high capacity VoIP termination to Tier 1 and Tier 2 customers around the world. Touchstone's commitment to service and reliability has established it as a leader in VoIP product delivery with carrier customers in the North America, Europe, Asia and the Middle East. Touchstone offers VoIP session management services through their very successful Touchstone Worldwide product and real-time backoffice systems with Touchstone Insight. The company is headquartered in Dallas, Texas from their clustered switching facility at InfoMart in Downtown Dallas. To learn more about Touchstone, visit our website at www.tstoneinc.com.

About Interoute

Interoute is Europe's fastest growing communications technology provider and owner operator of Europe's most advanced and densely connected voice and data network, encompassing over 35,000kms of fibre. Its full-service next generation network serves more than 14,000 customers from retail to aerospace, every major European incumbent as well as the major operators of North America, East and South Asia, governments, universities and research agencies. These organisations find Interoute the ideal partner for hosting content, providing wholesale transit services, corporate access or creating new services. With established operations throughout mainland Europe and in North America, Interoute also owns and operates dense city networks throughout Europe's major business centres. More than €1 billion in e-commerce transactions flows through its data centres each day, making Interoute a key part of Europe's Digital Supply Chain.

www.interoute.com

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