



TELESPHERE®

BUSINESS TELECOMMUNICATIONS. SIMPLIFIED.®

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TELESPHERE ANNOUNCES MORE THAN \$15 MILLION IN NEW FUNDING

*Platinum list of Telecom Investors Back Fast-Growing
IP Telephone and Internet Services Company*

PHOENIX (May 27, 2009) – Telesphere® (www.telesphere.com), a nationwide business phone and Internet services provider, announced it has successfully closed on more than \$15 million in additional private equity funding. The funds will be used to continue the company's market build and acquisition-based expansion plans into multiple new markets by 2010.

The round of funding includes participation of current Telesphere investors including Rally Capital, Hawkeye Investments LLC and Greenspun Corporation. The company was represented in the financing by Snell and Wilmer, LLP.

"We are gratified by our investors' commitment and belief in Telesphere, particularly amid a difficult private equity environment. While it may seem counterintuitive, our growth has accelerated during this challenging economic time. Customers can adopt advanced business communications and Internet services with no upfront capital costs," said Telesphere Chief Executive Officer Clark Peterson. "We are coming off yet another record quarter in sales and revenues and will use the additional capital to expand our services into additional markets."

"Telesphere and its management team are delivering on the plan we have constructed allowing us to make additional, success-based investments to further expand the opportunity," said Rally Capital and Telesphere Chairman Dennis Weibling. "We believe there are a number of ways to grow this business -- both organically and through acquisition -- and view Telesphere's compelling services that are cost competitive, simple to understand, and rich in features as 'must have' communications solutions for many businesses across America."

Telesphere has partnered with industry leaders to develop its IP phone and Internet services offerings aimed at the Hosted VoIP and Managed IP PBX marketplace. Telesphere supports a wide range of IP PBXs and recently announced it had joined a short list of certified Microsoft (NASDAQ:MSFT) Response Point Service Providers

allowing Telesphere to integrate its own unique service features with Microsoft's Response Point telephone product. Industry experts have estimated the overall market for Hosted VoIP and Managed IP PBX has grown by 52 percent to \$24 billion since 2007, and predict strong double-digit growth through at least 2011.

"We needed a communications system and service to power our business, but we didn't have the luxury of investing a tremendous amount of up-front money," said Daniel Bartlett, president Wright Engineers. "With Telesphere we have been able to seamlessly and simply connect all of our business locations with four-digit dialing that one receptionist, in one location, can manage offices in Arizona, Nevada, Utah and California. And, we were shocked to learn that it didn't require significant investment to make it all happen."

"Telesphere has partnered with best-of-class platform technologies to offer interesting and innovative services across a reliable private-backbone network," said Brian Partridge, director Yankee Group. "In today's economic climate Telesphere is appealing to the business sensibilities of telecom purchasers who have an interest in IP Hosted features without having to incur significant capital expenditures."

"Over the past two decades of closely following the telecommunications industry the only thing steadier than the ever expanding services and capabilities that are available is the seemingly insatiable interest of communications users for services that increase their productivity and ability to improve communications," said Jeff Kagan, telecommunications analyst. "Telesphere has packaged a number of innovative communications services that effectively meld a user's office phone, computer and mobile devices that can be offered across multiple locations and even multiple cities throughout the United States."

Telesphere's services provide a smarter and more efficient way of communicating by offering many features integrating business telephony, computing and mobile devices. For example Telesphere offers customers:

- The ability for simultaneous ring of office and cell phones
- Seamless handoff between cell phone and office phone
- Web click-to-dial from computers
- Visual voice mail to email and fax to email
- Telesphere Anywhere™ that provides customers spread across multiple offices throughout the country, from small business, medium business, and even home business, the ability to function seamlessly as if they were in the same location with four-digit dialing and local calling.

"Our service platform allows us to go a long way to completely integrating the three most important communications methods businesspeople have today – the telephone, the computer and their mobile devices,"

continued Peterson. “Because we are a hosted solution, through software updates we can quickly make available exciting new features to your service in a similar manner that users add ‘apps’ in today’s smart phones. Through Telesphere feature updates, we can make available new services all without the customer ever having to invest more money in new telecommunications software or hardware.”

For more information on the company, please visit www.telesphere.com.

About Telesphere

Telesphere is a nationwide business phone and Internet services provider that delivers an innovative package of IP telephone service and internet access to businesses throughout the United States. Telesphere’s services allow businesses to enjoy all of the latest voice and data features of large businesses without the costly investment of on premise equipment. Telesphere fully manages its customers’ services over a private IP facilities-based network.

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