



TSX: PHD

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Investor Presentation

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Disclaimer

This presentation contains forward-looking statements, which may be identified by words like "expects", "anticipates", "plans", "intends", "indicates" or similar expressions. These statements are not a guarantee of future performance and are inherently subject to risks and uncertainties. Phonetime's actual results could differ materially from those currently anticipated due to a number of factors set forth in reports and other documents filed by the Company with Canadian securities regulatory authorities from time to time.



Investment Opportunity

- Provides 8 billion minutes of communications annually
- Average 60 million phone calls per month
- Have powerful software based Procurement Engine
- Experienced traders of minutes
- Seasoned management team
- 2011 Net Income of \$3.4M compared to 2010 Net loss of \$2.5M
 - 6 straight quarters of EBITDA
- Shareholder's equity of \$9.1 Million
- Total Assets of \$20 Million

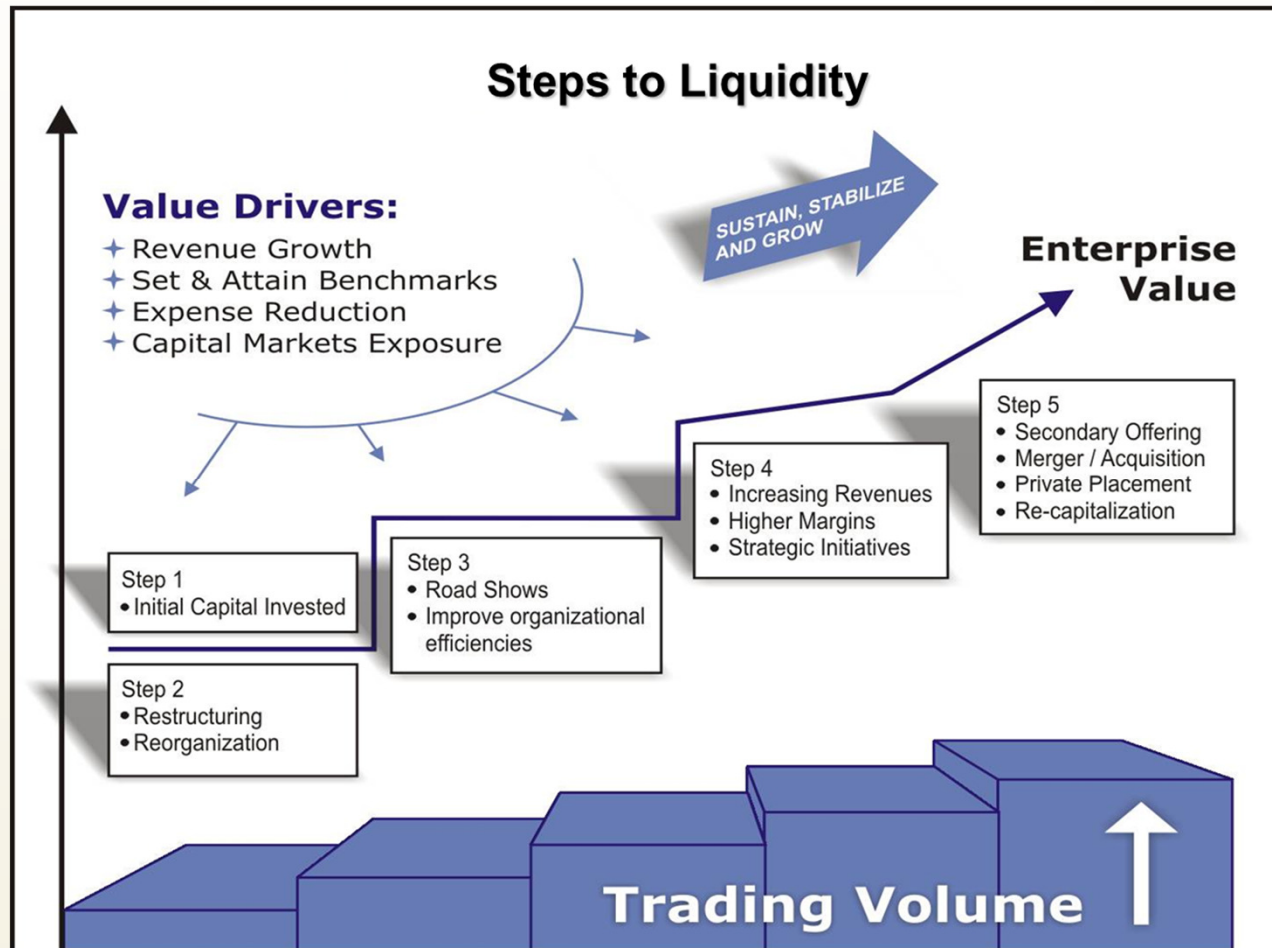


Phonetime is a leading provider of international switched voice services to the World's Telecommunication operators and voice service providers.

Phonetime's customers and suppliers include , fixed line operators, mobile operators , retail and VoIP service providers, who buy and sell voice and IP telecommunications services.

As voice technology evolves Phonetime has commoditized its trading philosophy and along with its platform is positioned to emerge as a leading clearing house.

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“Phonetime now entering Stage 4”



Global Voice Service Provider

- Phonetime trades long distance minutes (spot market and forward contracts) to telecommunications providers globally.
- Phonetime has over 1,000 commercial supply agreements worldwide and over 500 active billing customers.
- Phonetime's global team of buyers in the Americas, Europe and Asia are loading new product and pricing into the network 24 hours a day, constantly refining the quality and pricing on the network.
- Phonetime processed over 50 million Phone calls per month.
- Consolidation in the market leave Phonetime as one of a few remaining carriers with little direct competition for new business and preferential deals.

“We handle procurement and termination services for Telecommunications providers”



Telco Market Evolution

- New Switching and software technologies combined with price erosion have disrupted conventional methods of doing business for telecommunications operators - technology, business process and scalability are shaping the emerging carriers .
- Price erosion to continue - retail telecommunications operators need to outsource minute procurement or develop the know how of real time and forward traffic trading, monitoring and routing to remain cost competitive.
- Phonetime is a pure play spot market and forward contract seller of minutes; other pure play competitors have been acquired by retail operators to avoid outsourcing as buying methods change.
- Recent consolidation activities include, Arbinet by Primus, Locus and Epana by Vivaro , Ibasis by KPN , Global Crossing by Level Three, Teleglobe by TATA

“Retail Telco are becoming marketing companies.
We manage the completion of phone calls on their behalf.”



Value Proposition

Origination and termination of long-distance minutes globally



scalability

24x7x365

Reporting and Control

Real time automated monitoring of Telco markets

Phonetime

Partners - Customers - Suppliers

A sample of brands in our industry supported by Phonetime



Reliable

Effective

Professional

Phonetime is a leading independent global provider



Long term outlook

- Deployment of new feature sets will allow us to engage in more complex traffic management techniques creating greater margin opportunity for Phonetime and its partners.
- Deployment of existing tools into adjacent markets, such as SMS, Mobile Wallet, MVNO market provides large break out opportunity.
- Organic growth, acquisition of competitors, or potential takeout thru market consolidation or by a large telco looking to exploit our procurement and trading skills to improve the efficiency and effectiveness of their own enterprise/customer base.

“Deployment of new features sets in our routing engine and accessing adjacent markets will provide sustained profitable growth ”



Peer Group

- TATA Communications (NYSE: TCL) 2010 - > 20 Billion minutes
- IDT (NYSE – IDT) 2010 - > 20 Billion minutes
- KPN (NYSE: KPN)
 - Brand – ibasis 2010 - > 20 Billion minutes
- Belgacom (Euronext Brussels: BELG) 2010 - > 20 Billion minutes
- Primus (OTC BB: PMUG)
 - Brand – Arbinet 2010 - > 16 Billion minutes
 - Brand – Primus Carrier services 2010 - > 5 Billion minutes
- Phonetime 2010 - > 8 Billion minutes



“The acquisition of real time procurement via outsourcing, partnering or M&A is essential for Retail telco sustainability”



Examples of Recent M&A Activity

- Vivaro (<http://www.vivarocorp.com>)
 - Backed by Marcatel (<http://www.marcatel.com.mx/esp/>)
 - Acquired STI (<http://www.stiprepaid.com/>)
 - Acquired Epana (<http://www.epana.com/Home/>)
 - Acquired Kare (<http://www.karedistribution.com/>)
 - Acquired Unidos (<http://www.unidosfinanciam.com/Home/>)
- KDDI (<http://www.kddi.com/english/>)
 - Acquired Totalcall (<https://www.totalcallusa.com/>)
 - Acquired Locus (<http://www.locustelecom.com/about/about.shtml>)
- Primus (<http://www.ptgi.com/>)
 - Acquired Arbinet (<http://www.primus-arbinet.com/>)
- Level 3 (<http://www.level3.com/>)
 - Global Crossing (<http://www.globalcrossing.com/>)

“Phonetime’s value proposition together with its low valuation make it an M&A target ”



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