



Yipes Announces Record Financial Performance, Becomes EBITDA Positive

Company Achieves 29 Percent Revenue Increase, Expands Global Presence, Grows Customer Base to More than 700

SAN FRANCISCO, February 8, 2006 — Yipes Enterprise Services, Inc., (www.yipes.com) the leading provider of globally managed, end-to-end Ethernet solutions, today announced its strongest-ever six-month financial and operating results.

For the final six months of 2005, Yipes, a privately held company, reached the critical milestone of EBITDA positive — reflecting positive Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA). EBITDA is generally considered to be an excellent indicator of a Company's operational strength, overall efficiency and financial capacity for expansion.

Yipes continued to accelerate its overall revenue growth during the period, increasing revenue 29 percent for the second half of 2005 compared to the same period in 2004. The Company noted the fundamental strength and stability of its top line. Approximately 98 percent of Yipes' revenue is recurring and more than 90 percent of its customers are either enterprise or government organizations.

Yipes customers under long-term service contracts exceeded 700 on December 31, 2005 — a 20 percent increase compared to year-end 2004 — while services per customer grew 31 percent to 3.8. Average Revenue per User (ARPU) also increased 15 percent versus year-end 2004.

The Company cited several key operational drivers in the period, including strong market response to higher margin products and services and improved penetration of new geographic markets and industry verticals.

"Becoming EBITDA positive, accelerating our revenue growth and crossing the 700-customer threshold are significant milestones that reflect solid execution of our strategic plan on all fronts. Our client base is extensive and growing, as larger multi-location organizations are recognizing our value in the market. We are pleased to count many of the most recognizable 'blue-chip' names in global business as key customers and vital partners in our growth," said John Scanlon, chief executive officer of Yipes.

"A significant portion of our success is directly attributable to Yipes' growing leadership position serving the high-growth financial and legal markets. Our unique ability to provide customers with instantly scalable bandwidth has been a key driver in these industries. We also anticipate we will continue to see strong interest and growth from other sectors, including healthcare, education and government during 2006," he added.

The Yipes FinancialConnect!SM platform provides banks, brokers, hedge funds, institutional investors and investment managers a network solution that offers simple, scalable and cost-effective access to the largest Exchanges, ECNs, liquidity pools and trading platforms. Yipes LegalConnect!SM customers also benefit from the same levels of private, cost-effective and scalable access to a wide range of legal hosted services, including LexisNexis.

"Yipes has broken through the EBITDA barrier and is well on its way to free cash flow," said Promod Haque, Managing Partner of Norwest Venture Partners and Chairman of Yipes. "After pioneering the metro Ethernet services market, the Company has successfully transformed itself into a market-driven, global Ethernet solution provider. Because I've been an investor in Yipes from the start, I know firsthand that the Yipes team is dedicated and committed to excellence. Reaching EBITDA was the result of executing well in all aspects of their business."

With network reach to most major cities in Europe, including Paris, Frankfurt and Brussels, Yipes succeeded in growing its presence globally in 2005 to include several dynamic business centers such as London, Tokyo and Hong Kong. In September, Yipes announced its deployment of Virtual Private LAN Service (VPLS) within its global Ethernet service delivery platform. As a result, the Company has positioned itself to extend its network capabilities across local and international markets, addressing the large scale implementation needs of both the mid-size enterprise and large multi-nationals.

In addition to the Company's growth for the year, Yipes also recently announced that it has been granted additional patents related to its pioneering IP-over-fiber and Service Level Management (SLM) technology at the heart of the company's signature YipesNOWSM product. YipesNOW gives customers the ability to instantly adjust bandwidth up or down in 1 Mbps increments " resulting in unparalleled flexibility for managing new application requirements or responding to real-time needs or emergencies. In recognition of this pioneering technology, the Metro Ethernet Forum named Yipes its 2005 North America Service Provider of the Year for Outstanding Innovation.

"While it has certainly been one of Yipes' strongest periods in terms of growth and expansion, we continue to see great opportunities ahead for the Company, both domestically and abroad," said Scanlon. "Ethernet connectivity continues to grow as the recognized option of choice for the enterprise, and Yipes is ideally positioned to set the pace in the market going forward."

About Yipes:

Winner of the Metro Ethernet Forum 2005 Service Provider of the Year Award for Outstanding Innovation, Yipes Enterprise Services, Inc. is the leading global provider of managed, end-to-end Ethernet solutions for enterprise customers. Yipes offers a uniquely scalable suite of networking services that combine the speed, simplicity and cost effectiveness of native Ethernet with Yipes proprietary bandwidth-on-demand functionality. Yipes provides services in and between major metropolitan markets including: Boston, Chicago, Dallas, Denver, Hong Kong, Houston, Los Angeles, London, Miami, New York, Philadelphia, San Diego, San Francisco, San Jose, Seattle, Tokyo and Washington DC. For more information, visit www.yipes.com.

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