

The Carriers' Choice for International Telephony



iBasis



Ofer Gneezy
President & CEO



- International Long Distance Telephone company
- Use the public Internet for transport – VoIP
- Customers are other service providers
- Provide carriers a low-cost alternative to building and managing their own international networks & agreements
- Trade on NASD-operated OTCBB: IBAS

Investment Opportunity

- Telecom industry has been battered
- iBasis has sailed through the storm
- Telecom will rise again
- Voice over the Internet will lead
- iBasis is the leader in VoIP

Telecom Has Been Battered

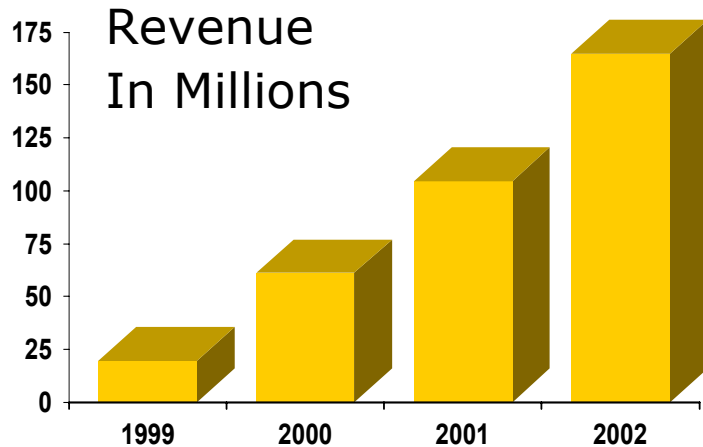
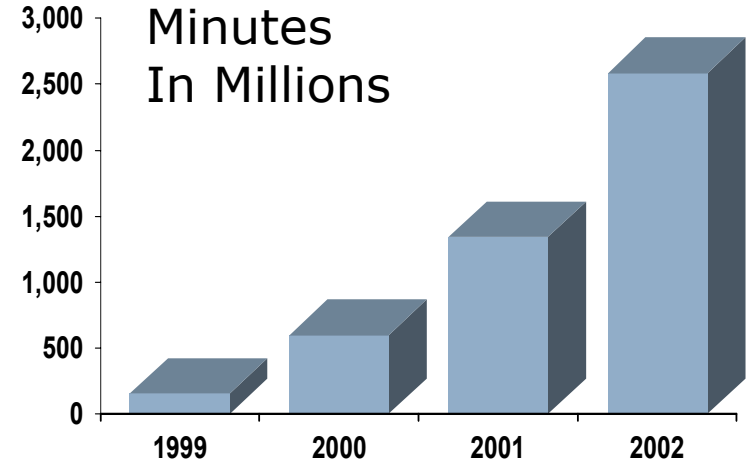
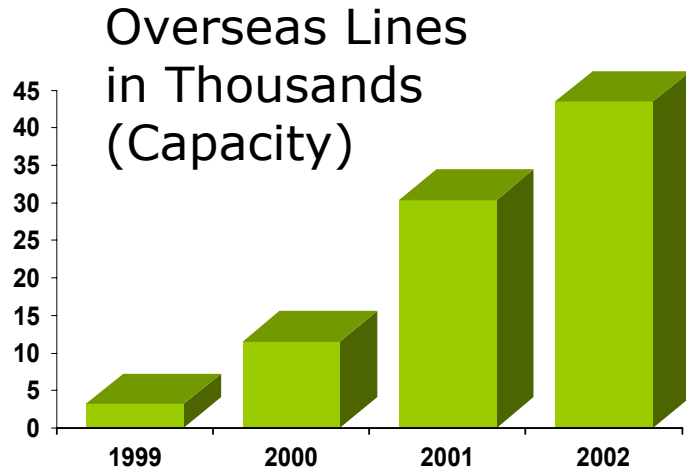
Scandals

Bankruptcies

Dot Bombs

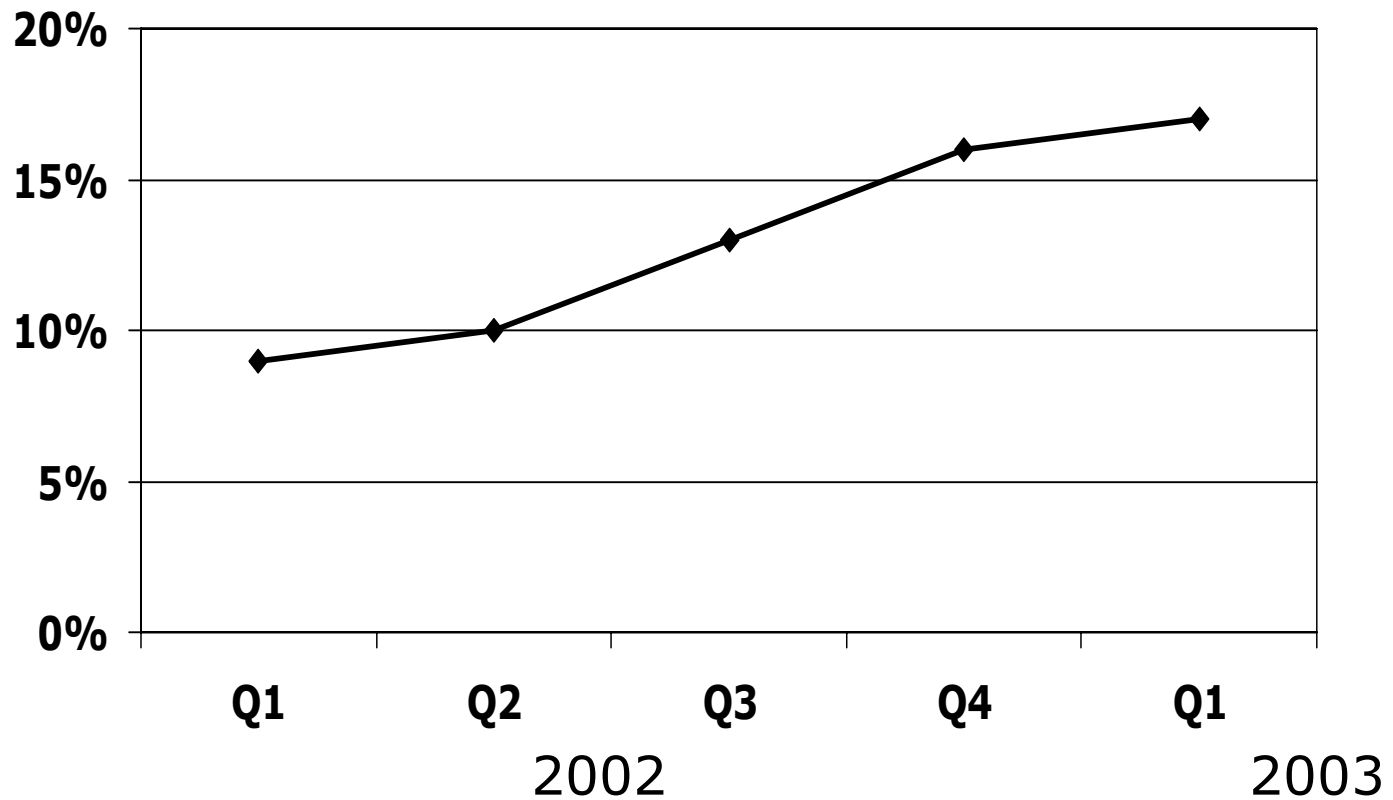
Collapsed Market Caps

iBasis Sailed Through Telecom Storm



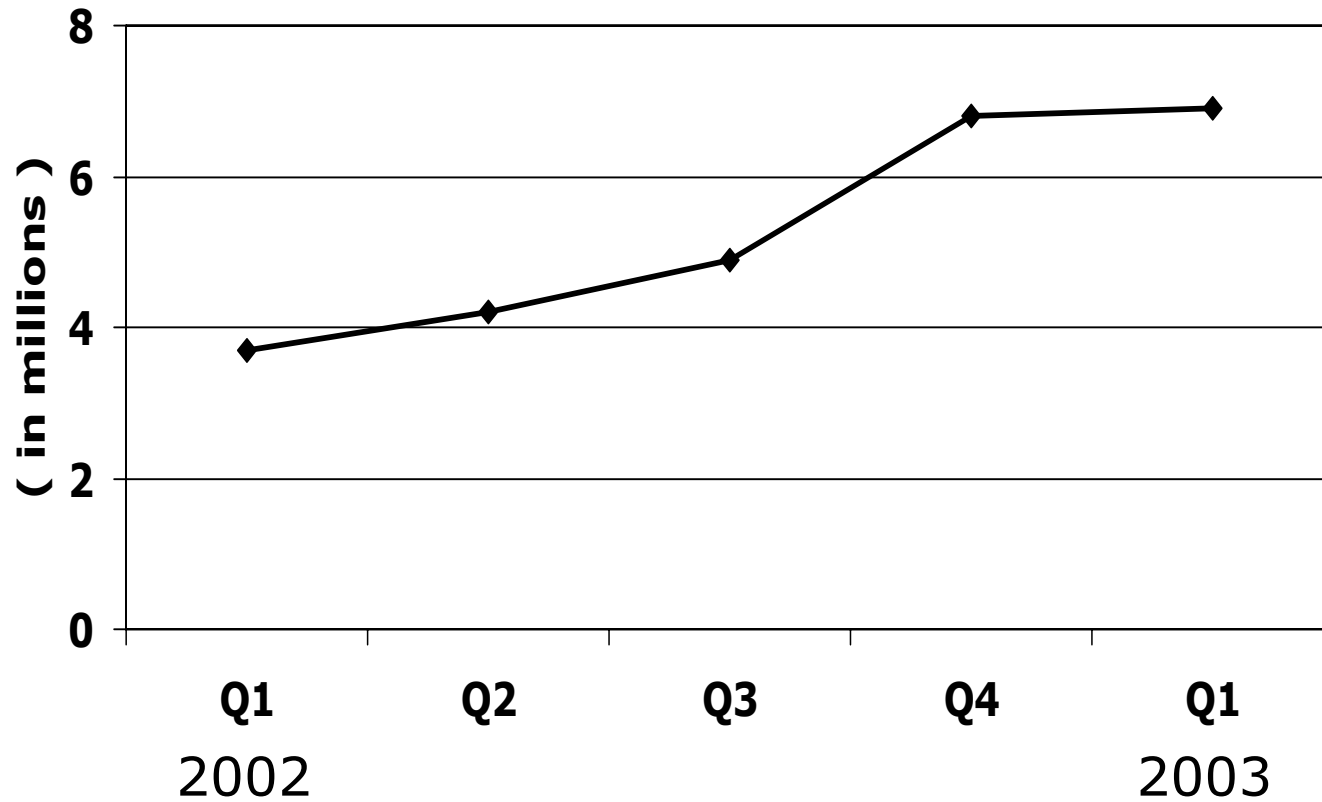
*Fastest-growing
technology
company in New
England three years
in a row*

Margin %



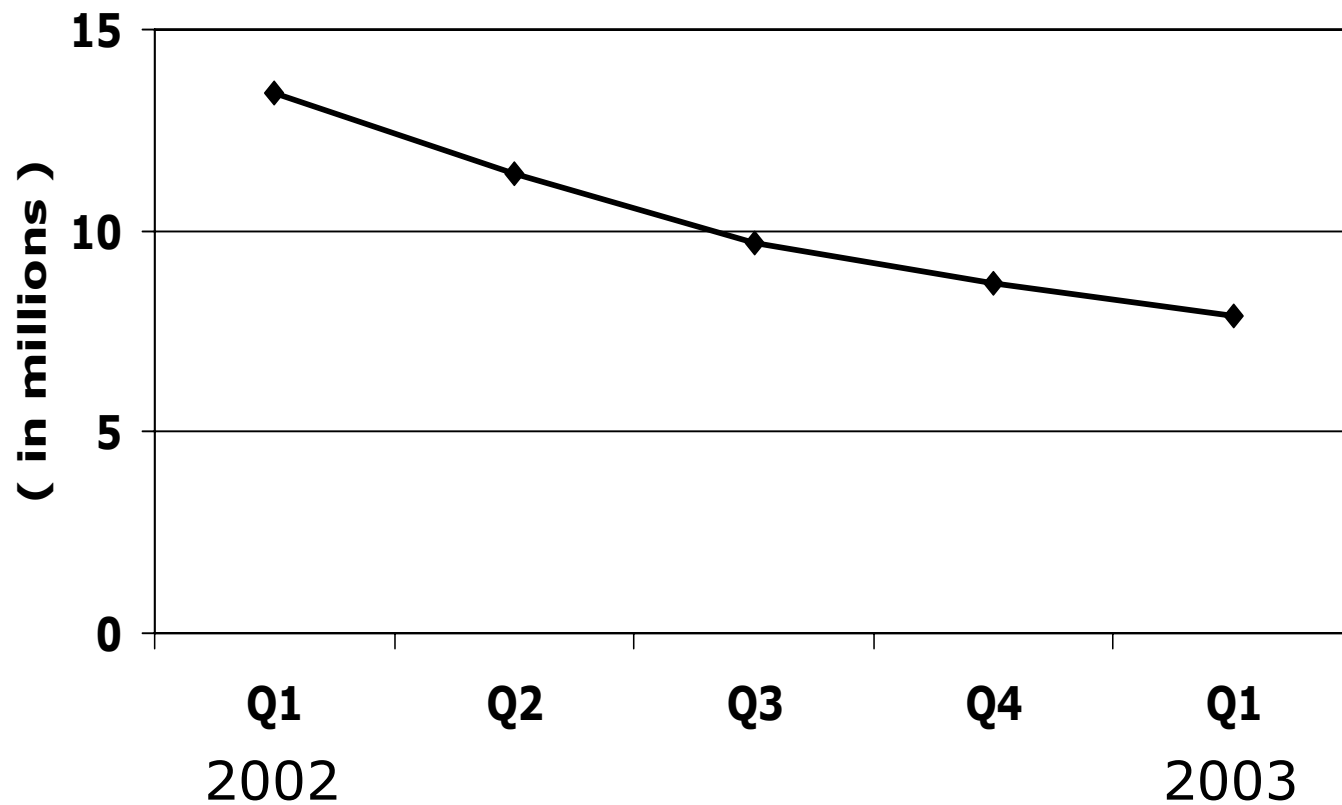
Q1 2002 Excluding UC

Margin \$



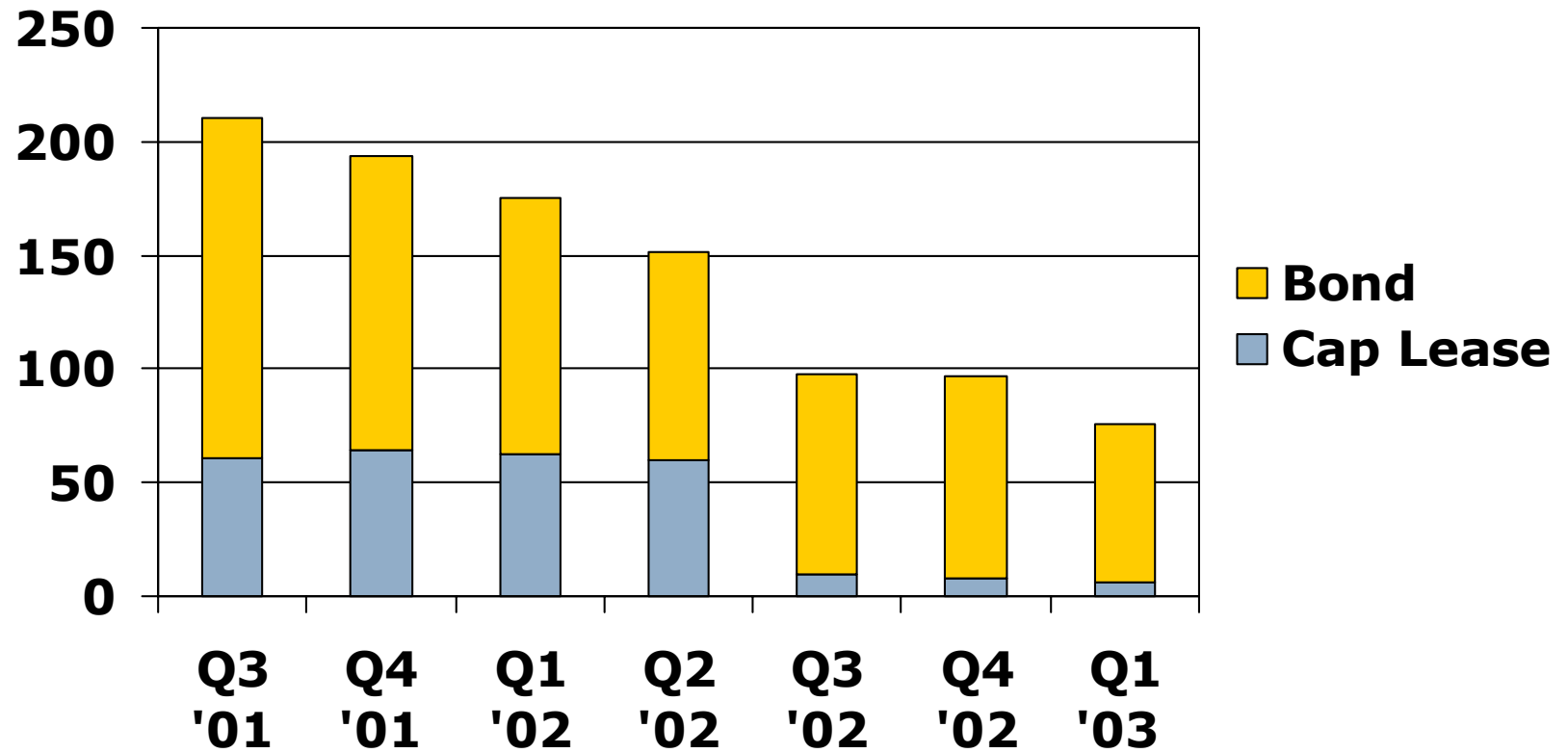
Q1 2002 Excluding UC

OPEX



Excluding bad debt reserve

Reducing Debt

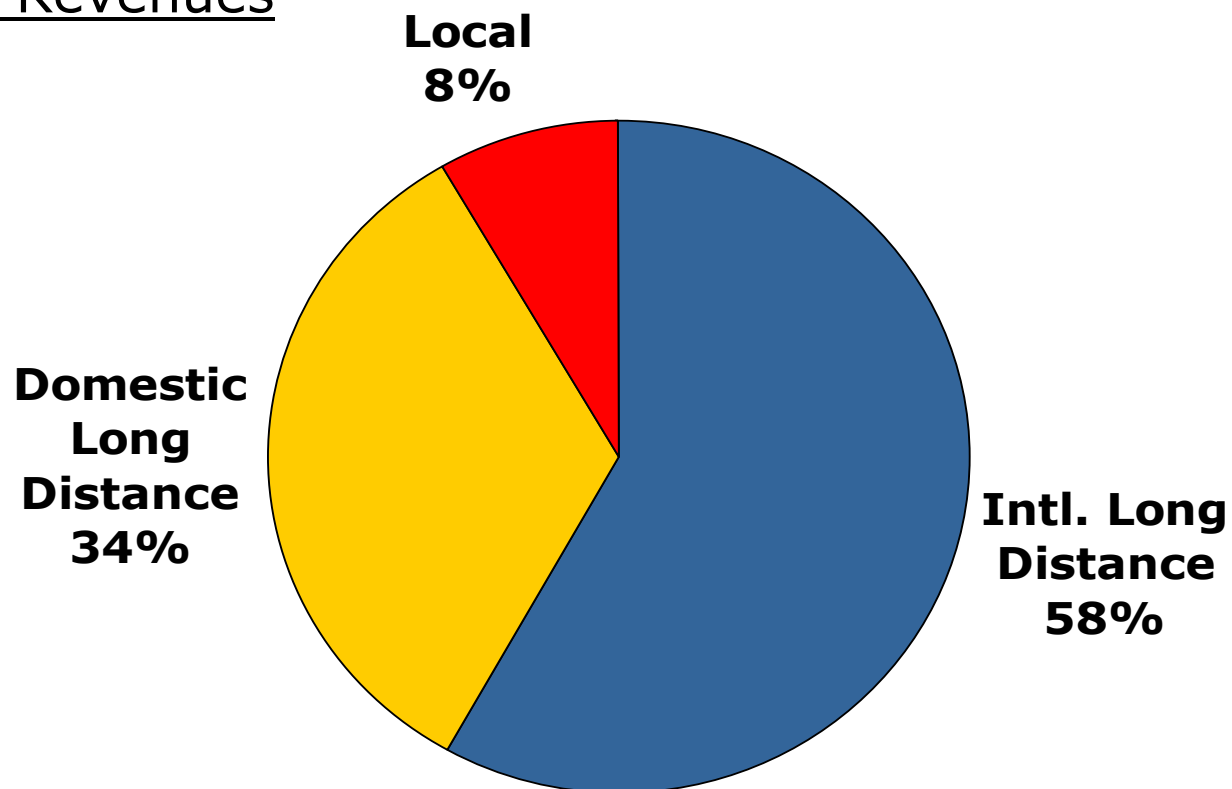


Telecom Will Rise Again

- ¼ of Q1 Revenue Emerging From Ch 11
- Worldcom – To re-emerge as MCI
- Global Crossing – Bids by Singapore Tech., IDT
- Interoute – Purchased by Wavecrest
- Williams (Wiltel) – Emerged Oct. 2002
- Teleglobe – Emerging now

VoIP Penetrating Local, LD & ILD

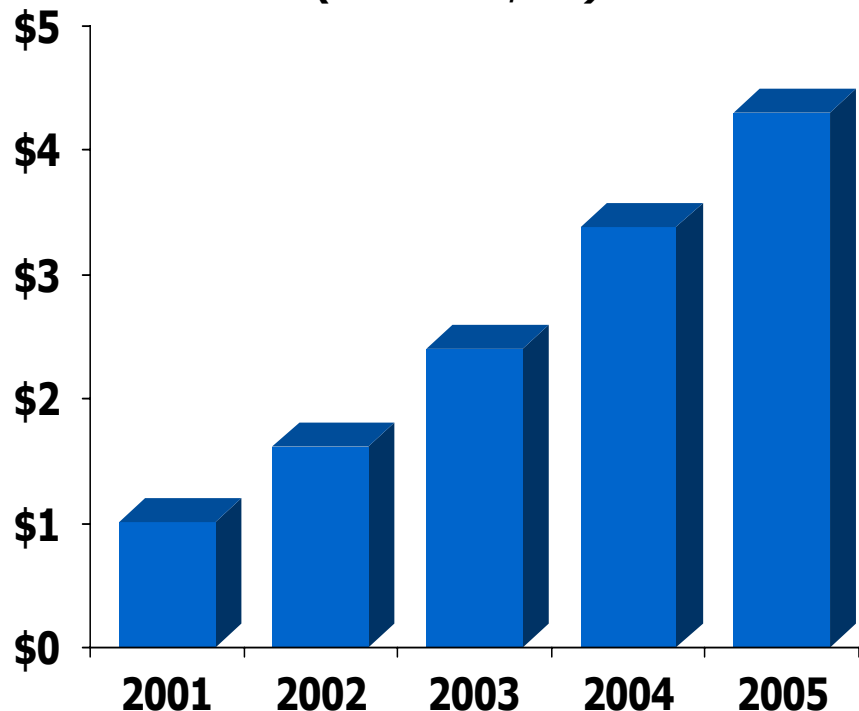
2002 VoIP Revenues



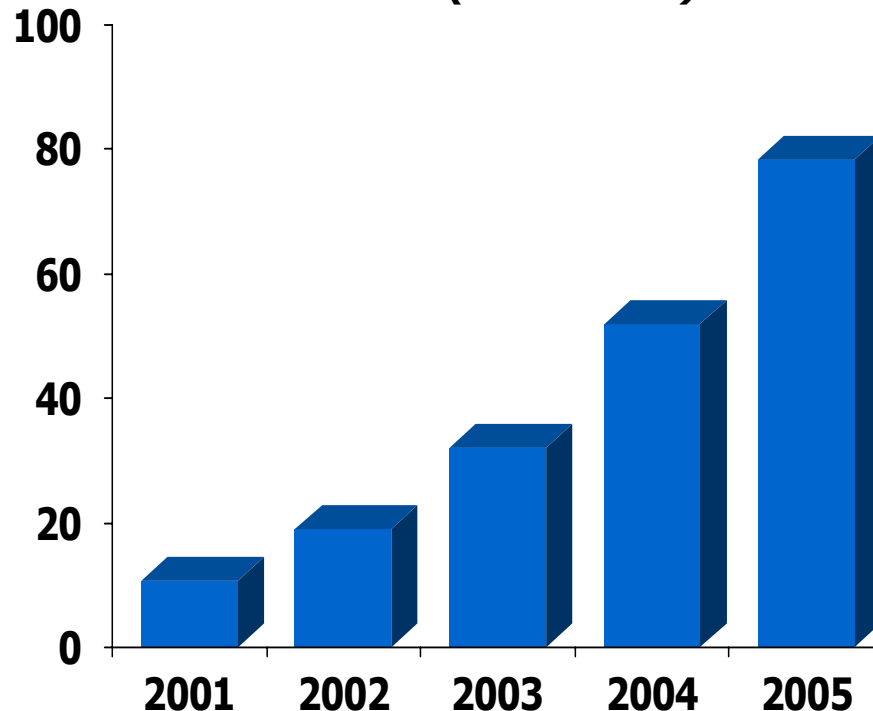
Source: Packet Telephony – Evolution of Public Voice Networks - Probe Research, Inc. 2002

VoIP - 10% of Intl. Traffic, and Growing

Worldwide Wholesale VoIP Revenues (Billions \$US)



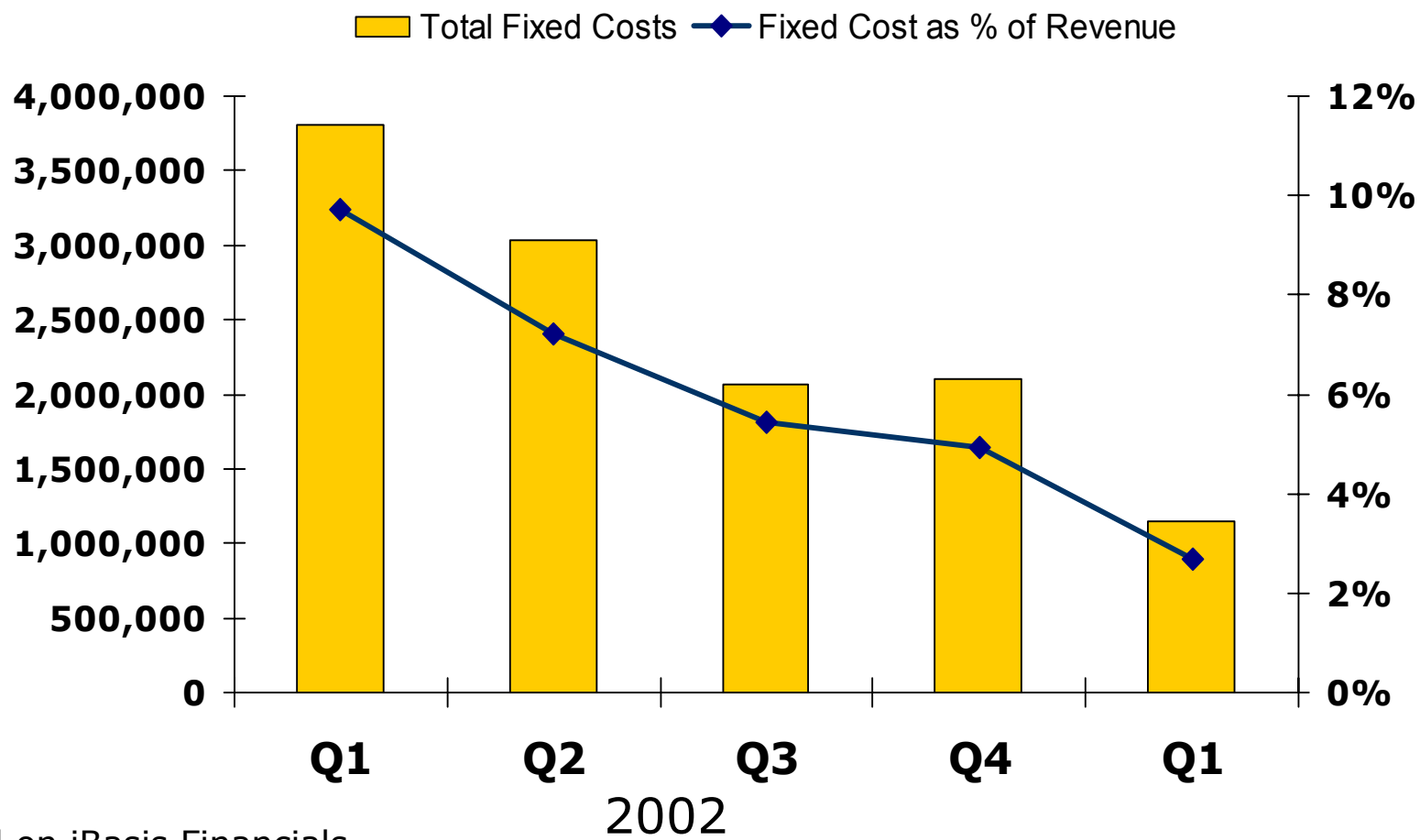
Worldwide Wholesale VoIP Minutes of Use (In Billions)



iBasis has 14% share of Int'l VoIP Traffic

IDC, IP Telephony Market Forecast 2002

VoIP Benefits from Bandwidth Glut



Based on iBasis Financials

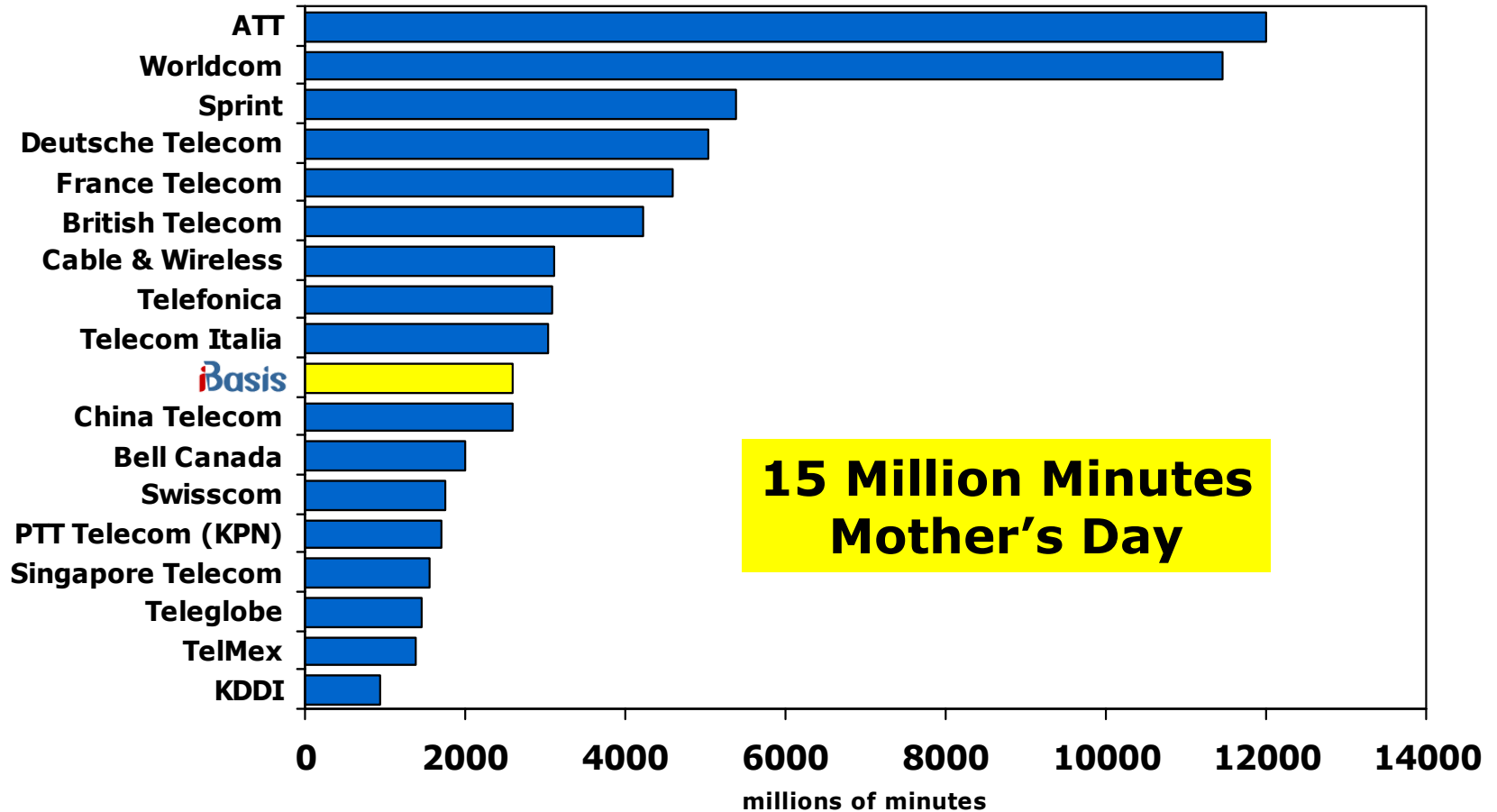
2002

iBasis: A Major Carrier of International Traffic

- One of the 10 largest carriers of international traffic worldwide
- Customers ranked iBasis Best Int'l Wholesale Carrier

| | Q1 2003 |
|--|--------------------|
| Revenue | \$41.8 |
| Minutes of Use | 792 m |
| Tier One Traffic | 64% |
| Non-U.S. Originated Traffic | 43% |

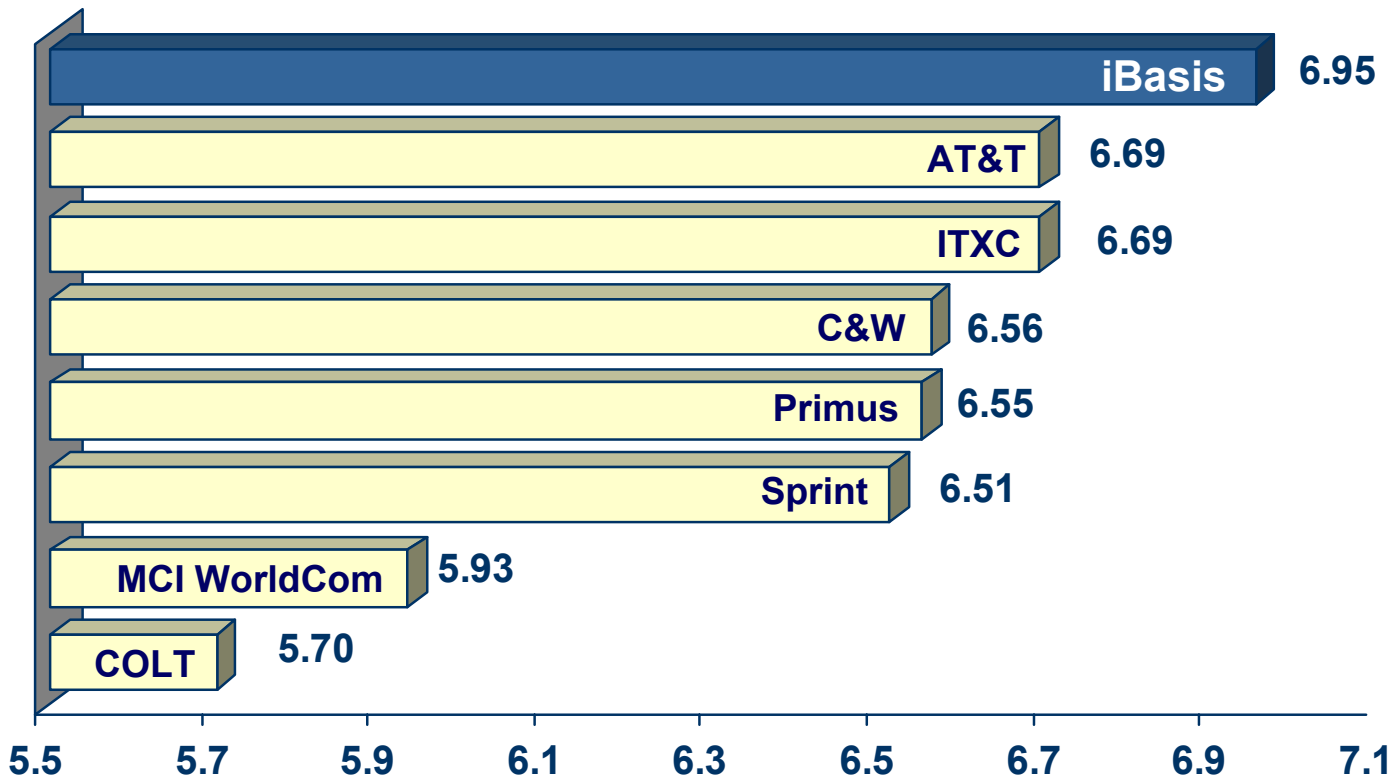
One of the Top Ten International Carriers



Source: *Telegeography 2003*
*iBasis based 2002 traffic volume

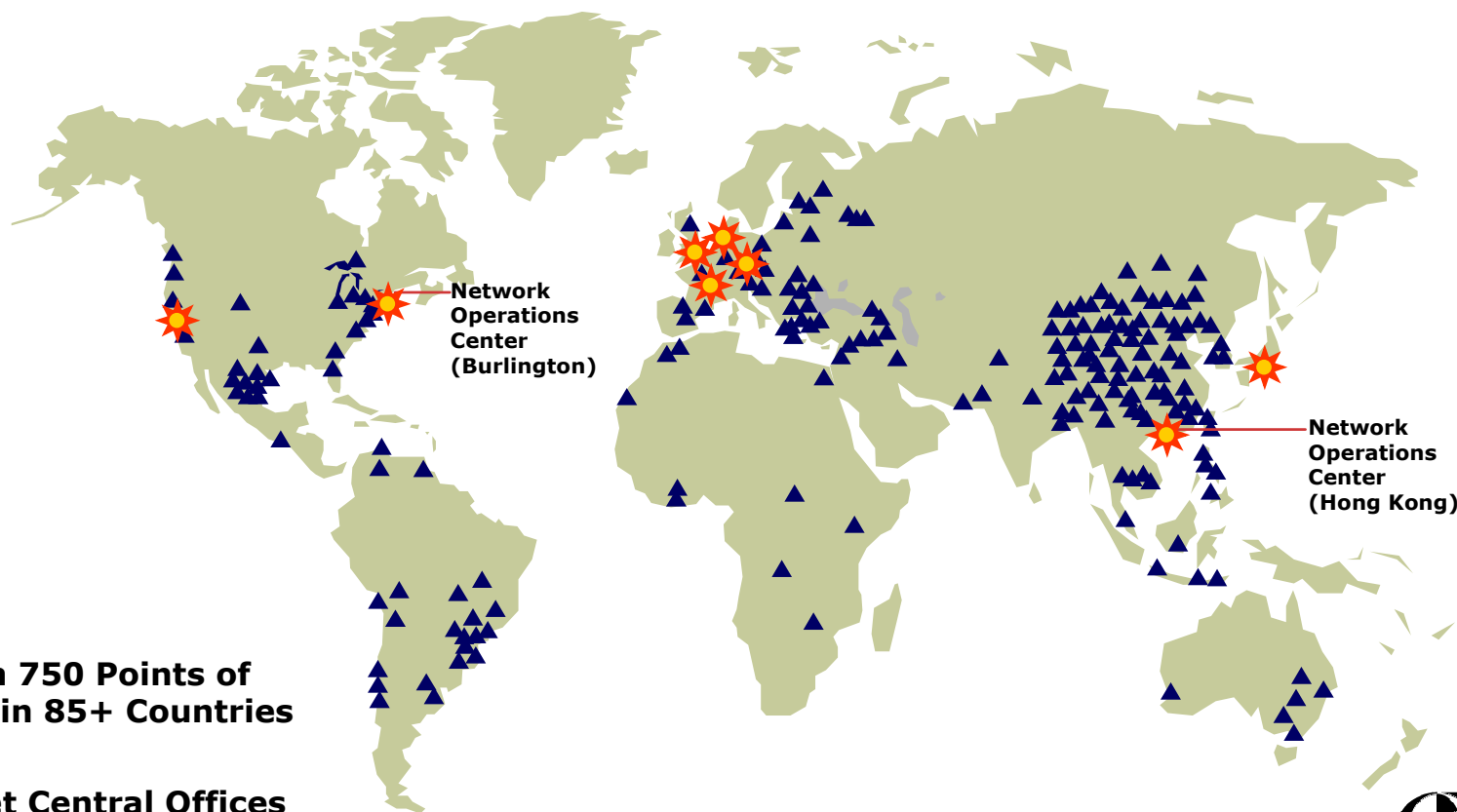
iBasis Highest-Rated International Wholesale Carrier

2003 Overall Scores



Source: ATLANTIC • ACM 2003 survey analysis

The iBasis Network™



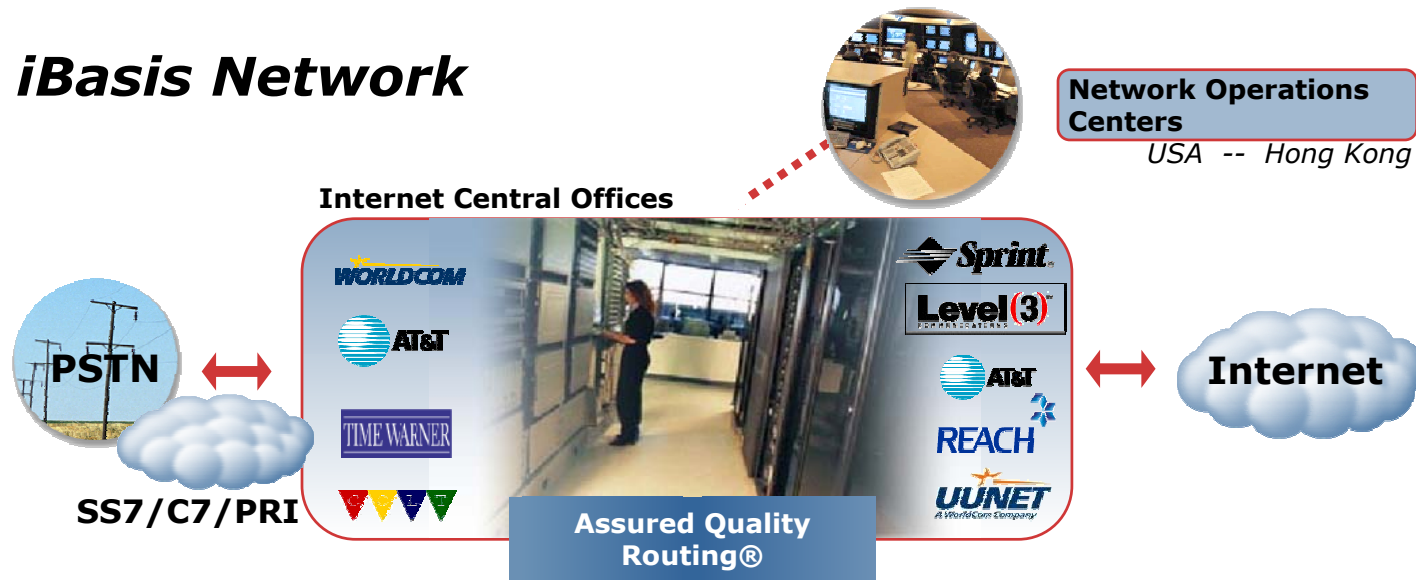
More than 750 Points of Presence in 85+ Countries

-  Internet Central Offices
-  Internet Branch Offices



Toll Quality on the Internet

The iBasis Network



- Network of ICOs interconnected via multiple ISPs to form 'virtual managed backbone'
- Real-time monitoring of IP and Voice quality parameters
- Dynamic routing based on patent-pending technology to maximize voice quality

Major Carrier Customers



The Communications Authority of Thailand



Our Advantage is Sustainable

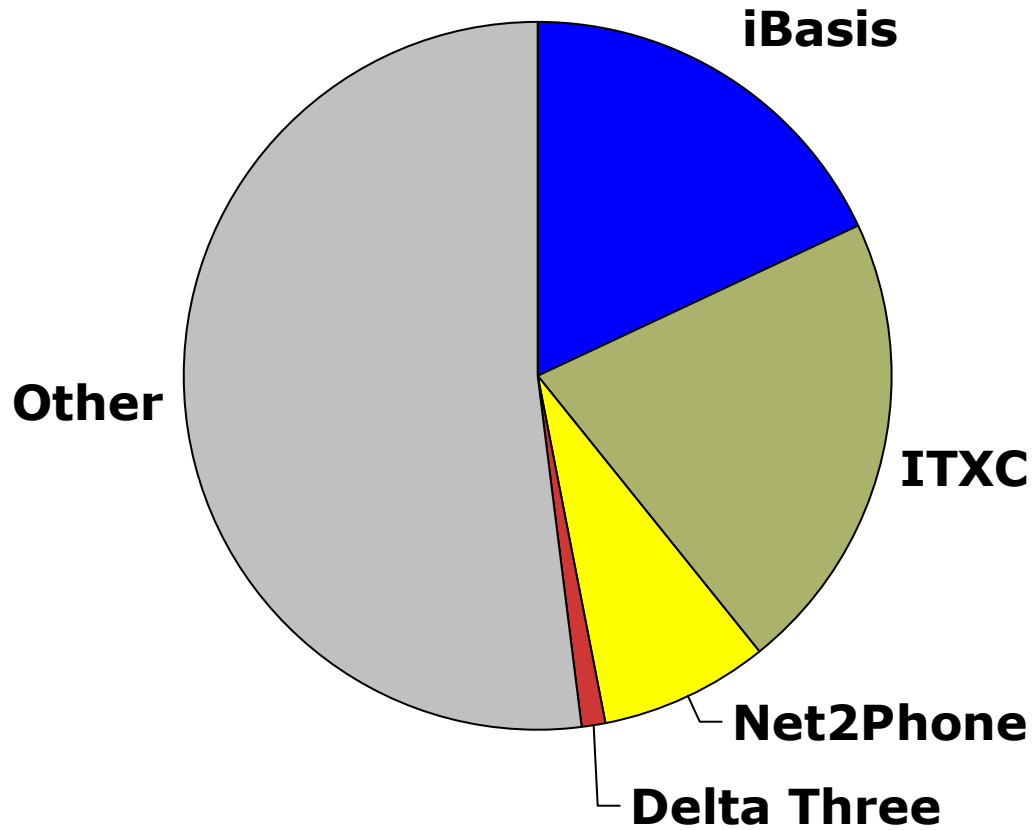
| Carrier Type | Intl. Network | Competitor | VoIP Deployment |
|---------------------|----------------------|-------------------|---------------------------|
| LEC | ✗ | ✗ | Local |
| Wireless | ✗ | ✗ | Back haul |
| Pre-Paid | ✗ | ✗ | Local |
| PTT/IXC | ✓ | ✗ ✓ | Local/LD International |
| Wholesale | ✓ | ✓ | International |

Proprietary Technology to Manage Quality and Complexity

| | <u>Then</u> | <u>Now</u> |
|----------------------|------------------------------|--|
| <u>Suppliers</u> | 1 PTT/country | Multiple wireless, metr |
| <u>Routing</u> | 1 country/1 code | 10 |
| <u>Pricing</u> | Bilaterals good for 3 months | |
| <u>Profitability</u> | "Free" | New techniques for managing complexity or lose money |

iBasis AQR
Patent Pending

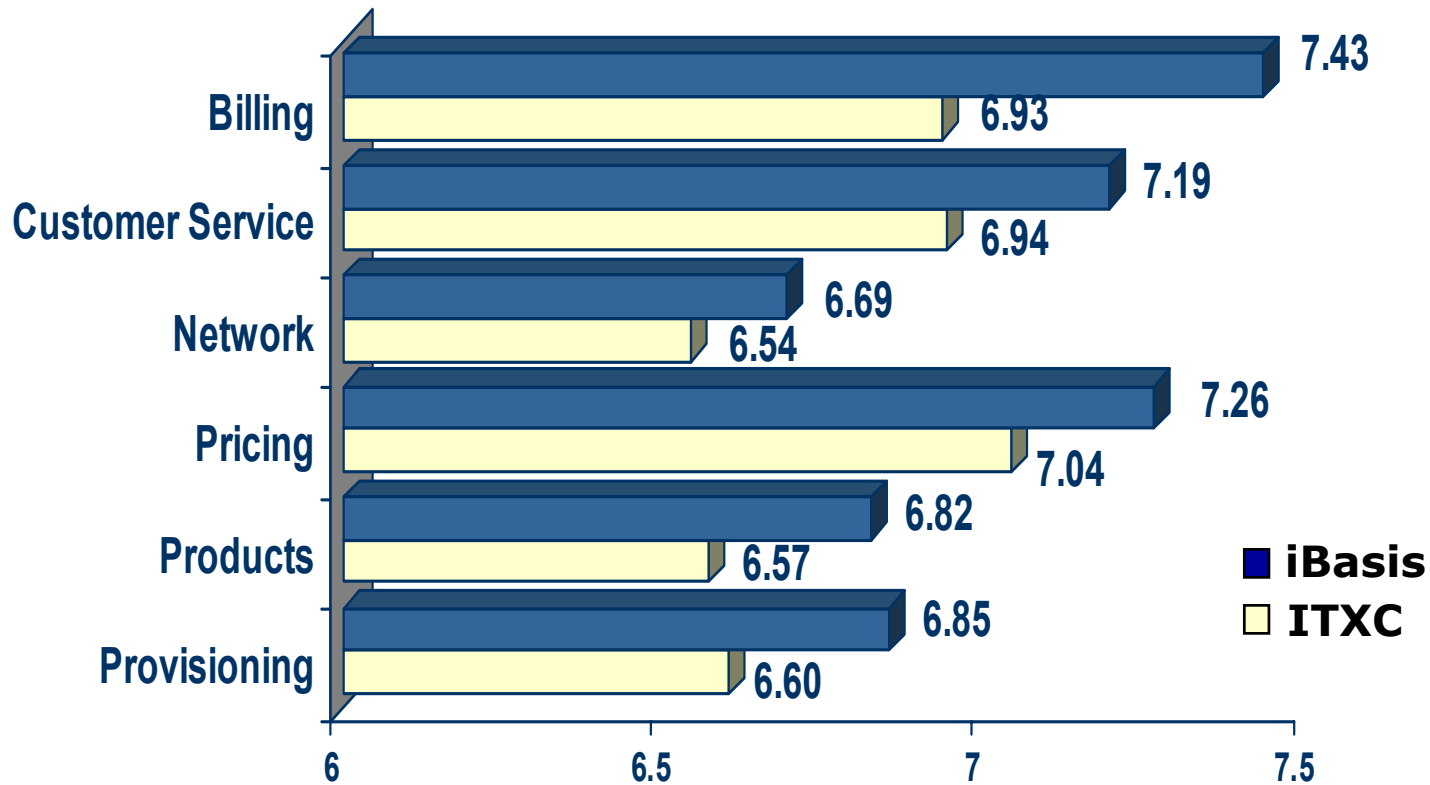
International VoIP Market Leaders



Source: Telegeography 2003

Carriers Rank iBasis Above ITXC

2003 Overall Scores – iBasis superior to ITXC in all categories



Source: ATLANTIC • ACM 2003 Wholesale Carrier Report Card

iBasis More Efficient than ITXC

| | IBAS Q1- 03 | ITXC Q1- 03* |
|--------------|----------------|-----------------|
| Revenue | \$41.8 | \$73.0 |
| Minutes | 792 | 788 |
| Gross Margin | \$6.9 | \$7.7 |
| GM % | 17% | 11% |
| OPEX | \$8.2 | \$12.5 |

* Excludes IMT disputed business. ITXC's Network Ops moved from COGS to OPEX to conform to iBasis presentation.

ITXC Opex excludes \$8.7 million bad debt expense.

Achieving Significant Market Share

- iBasis carries 10 – 30% of all voice traffic from the U.S. to:

| | |
|-----------|----------|
| Argentina | Kenya |
| Brazil | Mexico |
| China | Peru |
| Colombia | Romania |
| Greece | Russia |
| Hungary | Thailand |
| Indonesia | Ukraine |

Based on iBasis 2002 traffic and Telegeography data 2002, 2003

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Safe Harbor Statement

Except for historical information, all of the expectations, projections and assumptions contained in the foregoing presentation, including those relating to the company's current expectations regarding revenue growth, sources of revenue, margin improvement and future capital expenditures constitute forward-looking statements under the Private Securities Litigation Reform Act of 1995 and involve risks and uncertainties. Important factors that could cause actual results to differ materially from such forward-looking statements include, but are not limited to, (i) the extent of adoption of the company's services and the timing and amount of revenue generated by these services; (ii) fluctuations in the market for and pricing of these services; and (iii) the other considerations described as "Risk Factors" in iBasis' most recent Forms 10-K and 10-Q, and the company's other SEC filings. We have no current intention to update any forward-looking statements.

The Carriers' Choice for International Telephony



iBasis

www.ibasis.com



Thank you