



[www.edisonventure.com](http://www.edisonventure.com)

## The Leading Investor in Expanding Mid-Atlantic Information Technology Companies

---

### Edison Venture Fund Completes Investment in M5 Networks Continue Investment Pace in New York and Communications

**LAWRENCEVILLE, NJ, September 13, 2006** -- Edison Venture Fund announced the completion of a \$5 million investment in M5 Networks. Greycroft and Milestone Venture Partners participated in the \$7.75 million financing for this expansion stage business.

M5 Networks is the leading provider of outsourced, or hosted, IP phone systems in the New York Metropolitan area and one of the country's leading outsourced IP phone system providers. M5 provides small and medium sized businesses with the flexibility of a high-end Voice over IP (VoIP) phone system, without the expense, maintenance and obsolescence of an on-premise phone system. Multiple offices, remote office workers, telecommuters and road warriors can be brought together seamlessly using M5's outsourced IP phone system.

Joe Allegra, General Partner will serve on the Board of Directors with Bill Wagner, Edison Director Network Member. Wagner is the Chief Marketing Officer of Vocus and former Chief Marketing Officer of Fiberlink, both successful Edison portfolio companies. Tom Vander Schaaff, Vice President Analysis, led Edison's due diligence.

"M5's proven management team is well prepared to expand rapidly," noted Joe Allegra. "There is a large market that is hungry for the kind of experience that M5 offers."

"Customers confirmed high satisfaction and realized savings," commented Tom Vander Schaaff. "Furthermore, our own company has had a highly positive client experience using M5's Outsourced IP Phone System."

"Edison's investment and experience in building growth companies will enhance our momentum," said Dan Hoffman, M5 CEO and Founder. "We are excited to join Edison's portfolio of successful investments."

Edison has financed and guided over 35 companies specializing in communications. Active investments include Exclaim, Innovectra, Portable Internet, Tangoe and Telarix. Successful communication exits include Eastern Telelogic, EIS, Insoft and Netegrity. Edison has invested in ten New York-based companies including Correctnet, eChalk, Edgetrade, FinePoint, Operative and Pinnacle Taxx.

-continued-

### **About Edison Venture Fund**

Established in 1986, Edison partners with entrepreneurs, service providers and other financing sources to build successful companies. Edison provides capital and value-added services to expansion stage (\$5 to 20 million revenue), information technology businesses. Initial investments range from \$4 to 7 million. Edison typically serves as a sole or lead investor in financings up to \$10 million. In addition to providing expansion capital, Edison funds management buyouts, recapitalizations, spinouts and secondary stock purchases.

Edison's 15 investment professionals are based in three offices: Lawrenceville, NJ, West Chester, PA, and McLean, VA. Industry specialties include application software, communications, financial technology, healthcare IT and business services. Edison's successes include Axent, Best Software, BTG, Dendrite, Gain Capital, Marcam, Mathsoft, Octagon, Princeton Financial, QSS, Visual Networks and many other information technology leaders, which have a combined market value exceeding \$5 billion. Edison currently has \$450 million under management and is actively making new investments.

[www.edisonventure.com](http://www.edisonventure.com)

### **About M5 Networks**

M5 Networks is one of the country's leading outsourced IP phone system providers. By outsourcing to M5 instead of buying another phone system and signing more local and long distance contracts, businesses save valuable time and hard dollars. M5 was founded in 2000 by the same management team that ran Interport Communications, the ISP pioneer for New York businesses. M5 builds on that legacy by continually innovating to improve its outsourced phone system solution, which is delivering measurable ROI to companies in all industries. M5's core technology partners include Cisco, Verizon, AboveNet, Internap, Qwest, Broadwing and Tekelec.

Recognized as a leading company in the VoIP industry, M5 was named to the 2006 Inc. 500 and to Deloitte's 2006 New York Technology Fast 50 Program. M5 has also been included on the Pulver 100 list as a Communications Growth Company for four consecutive years (2002-2005), *FierceVoIP's* annual Fierce 15 list in 2005 and the *VoIP Magazine* 20: Companies to Watch in 2006 list. M5 also received Frost & Sullivan's 2004 Entrepreneurial Company Award and the 2004 and 2005 VoIP Service Provider Awards and the 2005 Best SMB VoIP Service Provider Award from *INTERNET TELEPHONY Magazine*. *Small Business Technology Magazine* named M5's Outsourced IP Phone System one of the finalists in its 2005 Product of the Year awards program.

[www.m5net.com](http://www.m5net.com)

---

### **Edison Venture Fund**

1009 Lenox Drive #4  
Lawrenceville, NJ 08648  
609/896-1900 tel  
609/896-0066 fax

### **Contact:**

Tricia Bradley  
609-873-9224  
tricia@edisonventure.com

  
www.edisonventure.com