

## RESEARCH NOTE

### Farmstead Telephone Group Inc. (AMEX: FTG)

Share Statistics	
<b>Symbol</b>	<b>FTG</b>
<b>Last Trade (10/6/05)</b>	\$2.72
<b>52-week Range</b>	\$0.36 - 4.55
<b>Average Volume (3m)</b>	68,191
<b>Market Capitalization</b>	\$9.12 Mn

Source: Yahoo! Finance.

*Since the initiation of our coverage on the company 3 months ago, FTG stock price increased about 2.5 times and its average trading volume surged up more than 4 times. Nonetheless, the recent announcement of the completion of the Build Out of the One IP Voice platform and the addition of three seasoned professionals from the telecommunications and technology industries, makes us further believe that the upside potential of the FTG stock price continues to be significant.*

#### RECENT DEVELOPMENTS

##### **Farmstead Completes Build Out of Its One IP Voice Carrier Based Infrastructure**

On September 27, 2005, FTG announced the completion of the build out of its One IP Voice platform. One IP Voice provides carrier-based Hosted IP Telephony solutions along with network services. One IP Voice will be launching service to several customers in Tier 1 cities over the next few weeks, with a full nationwide deployment of the One IP Voice offering commencing January 1, 2006.

The primary target of the One IP Voice offering is the Small to Medium Businesses (SMB) market for businesses with less than 200 employees. The facilities-based (Sylantro) One IP Voice offering includes Hosted IP Centrex and IP Trunking services, bundled with private One Net (IP Voice) "Last Mile" connectivity on a national basis, long distance calling, On Net calling, local area calling, 911 capabilities and Wide Area Network (WAN) voice and data connectivity. In the near future, One IP Voice will also offer a consumer VoIP product. Farmstead's Voice over Intelligent Protocol(TM) (VoIP) offerings provide business users across the country with a VoIP solution that meets all of their business needs at economical prices.

FTG's Management believes that under 200-employee businesses market represents the fastest growth segment for those new VoIP offering.

##### **Addition of Michael Dozier as Vice President of Sales**

On September 1, 2005, FTG announced the addition of Michael Dozier as VP of Sales for One IP Voice, its wholly owned subsidiary. Mr. Dozier will be chiefly responsible for One IP Voice's Channel Partner Program.

Prior to joining One IP Voice, Mr. Dozier served as the Chief Operating Officer of IPTimize, Inc. With over 30 years of experience in developing and managing telecommunications organizations, his expertise ranges from the profitable restructuring of business divisions and companies, to the rapid development from entrepreneurial to professional management, with a specific emphasis on building effective sales and service teams. In his career, Mr. Dozier has served as COO of Convergent Communications, President and COO of TIE

Communications and has held senior roles in sales and operations for companies such as WiTel Communications, United Telephone and Southwestern Bell.

### **Appointment of Director of Business Development and VP of Technology**

On August 25, 2005, FTG announced that One IP Voice, its wholly owned subsidiary, has appointed Spence Kiddle as Director of Business Development and Jim Hart as VP of Technology.

Mr. Kiddle joins One IP Voice from Avaya, where he served as the Senior Business Development Manager for Managed Services Group for the past two years. His career includes senior management roles in sales and marketing. Prior to Avaya, he was a Sales Director of major accounts for Expanets, Inc. In addition, he held the positions of Staff Director of the Office of National Sales, Marketing Manager and Small to Medium Business Sales Manager for Lucent Technologies. While at AT&T, he served as a Sales and Service Manager.

Mr. Hart draws from a background rich in systems engineering and technological experience, having held technical roles with leading technology giants such as Cisco Systems. Prior to joining One IP Voice, Mr. Hart served as the Senior Services Consultant for NEC Unified Solutions. In the past, he has served as an independent consultant, a Vice President of Technology and Chief Network Architect for ICG Communications, a Consulting Systems Engineer/SE Manager/TAC for Cisco Systems, and a Network Manager for Airborne Express.

### **Stock performance: FTG, 1 year**



Source: <http://finance.yahoo.com/>

**Alexandru Voizian** is a Senior Analyst with Spelman Research. He joined the company in 2003 and has been covering the Technology, Healthcare and Services sectors. Prior to joining the Company, Mr. Voizian held economist positions at two commercial banks. Mr. Voizian earned his bachelor's degree in finance from the Academy of Economic Studies of Moldova in 2000. Mr. Voizian passed Level 1 exam of the CFA program and is currently registered for the Level 2 CFA exam.

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