

FOR RELEASE ON JUNE 15, 2004

For further information contact:

Jonathan Schacter

Voice & Data Systems

514-879-8585 ext.217

jschacter@vds.ca

BabyTEL announces 'The beginning of the end of long-distance charges in Canada'

Montreal, June 15, 2004 – BabyTEL, 'Your Internet Telephone Company', announced today- 'The beginning of the end of long-distance charges in Canada!'

With the introduction of its 'Canadian Village' where all calls are treated as local calls, babyTEL is redefining the meaning of 'local' calls within Canada. 'We intend to lead the charge to eliminate any cost difference between local and long-distance calls within Canada', stated Stephen Dorsey, babyTEL's CEO.

Subscribers can now call coast-to-coast to any 'Canadian Village' city as a 'local' call. Since all call minutes within the 'Canadian Village' are treated as local minutes, a call from Montreal to Vancouver or Kitchener to Toronto is the same as a call from Montreal to Montreal.

Residential subscribers can select a BabyTEL plan with unlimited minutes within the Canadian Village for \$24.95 per month or its Pay-as-you-go' plan starting at \$10.95 per month.

Currently, cities included in the babyTEL Canadian Village are Vancouver, Toronto, Ottawa, Hamilton, Kitchener, London, Montreal, Quebec, Sherbrooke and Halifax. BabyTEL plans to expand the 'Canadian Village' to include other major Canadian population centers.

BabyTEL, a Canadian entry into the explosive domestic and international VoIP market, launched its full-featured Internet telephone service last month. The service leverages a subscriber's high-speed Internet connection to make crystal-clear local and long-distance phone calls with savings over conventional telephone services that can well exceed 60%. Consumers and businesses can subscribe at www.babytel.ca. BabyTEL is a division of Voice & Data Systems Inc. (VDS), a provider of carrier-class messaging systems and services to telephone companies, ISP's and Fortune 1000 corporations worldwide.