

SHAW PITTMAN
POTTS & TROWBRIDGE
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATION

ORIGINAL

2300 N Street, N.W.
Washington, D.C. 20037-1128
202.663.8000
Facsimile 202.663.8007

FILE COPY

ROBERT E. CONN
Senior Counsel
202.663.8093
robert_conn@shawpittman.com

1675 Broadway
New York, NY 10019-5820

MIB-TI

September 4, 1997

Via Federal Express

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850

Check received with filing and
forwarded to Fiscal for deposit.
Placed to the authority of check
to RAR with the deposit.
Initials of person who forwarded check

Re: Application To Provide Interexchange Telecommunications Service

Dear Sir/Madam:

Interglobe Telecommunications International, Inc. ("Applicant") is filing an original and six copies of an application to provide interexchange telecommunications service within the State of Florida. Initially, Applicant will provide only prepaid debit card service.

The application consist of: (1) the Commission's Application Form; (2) Appendices B and C thereto; (3) Attachment entitled, "Financial Capability"; (4) Attachment entitled, "Managerial Capability"; (5) Attachment entitled, "Technical Capability"; and (6) the Proposed Tariff.

ACK _____

AFA _____

APP _____

CAP _____

CHI _____

CTI _____

EXP _____

LE _____

LI _____

OL _____

R _____

S _____

W _____

OT _____

Also enclosed is a check in the amount of \$250.00 for the application filing fee.

Please return to me the enclosed extra receipt-stamped copy of this transmittal letter in the enclosed self-addressed, pre-stamped envelope.

I am available to answer my questions or to provide any necessary additional information. My address and telephone/facsimile numbers are shown in this letterhead.

Sincerely,

Robert E. Conn


Robert E. Conn
Attorney for Interglobe

DOCUMENT NUMBER-DATE

08952 SEP-55

FILE NUMBER-REPORTING

Enclosures



APPLICATION FORM
FOR AUTHORITY TO
PROVIDE
INTEREXCHANGE
TELECOMMUNICATION
SERVICE WITHIN THE
STATE OF FLORIDA

1. Select what type of business your company will be conducting (check all that apply):

- () **Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- () **Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- () **Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- () **Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- () **Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.
- (x) **Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

2. This is an application for (check one):

- Original Authority (New company).
- Approval of Transfer (To another certificated company).
- Approval of Assignment of existing certificate (To an uncertificated company).
- Approval for transfer of control (To another certificated company).

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

Interglobe Telecommunications International, Inc.

4. Name under which the applicant will do business (fictitious name, etc.):

Interglobe Telecommunications International, Inc.

5. National address (including street name & number, post office box, city, state and zip code).

7616 Southland Boulevard, Suite 102
Orlando, Florida 32809

6. Florida address (including street name & number, post office box, city, state and zip code):

7616 Southland Boulevard, Suite 102
Orlando, Florida 32809

7. Structure of organization;

- Individual
- Foreign Corporation
- General Partnership
- Other, _____
- Corporation
- Foreign Partnership
- Limited Partnership

8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners. Not Applicable

(a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.

(b) Indicate if the individual or any of the partners have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

9. If incorporated, please give:

- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: P95-0000-35285

- (b) Name and address of the company's Florida registered agent. John Pattillo

243 West Park Avenue

P.O. Box 340, Winter Park, FL 32790

- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Not Applicable

Fictitious name registration number: _____

- (c) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. No

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not. No

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

- (a) **The application;** Robert E. Conn, Attorney
Shaw, Pittman, Potts & Trowbridge
2300 N Street, N.W. (202) 663-8093
Washington, D.C. 20037
- (b) **Official Point of Contact for the ongoing operations of the company;** Marc Pearce, Secretary
Interglobe Telecommunications International, Inc.
7616 Southland Boulevard, Suite 102
Orlando, FL 32809 (407) 240-5495
- (c) **Tariff;**
Same as (a) and (b)

- (d) **Complaints/Inquiries from customers;**

Same as (b)

11. List the states in which the applicant:

- (a) **Has operated as an interexchange carrier.**
None
- (b) **Has applications pending to be certificated as an interexchange carrier.**
None
- (c) **Is certificated to operate as an interexchange carrier.**
None
- (d) **Has been denied authority to operate as an interexchange carrier and the circumstances involved.**
None
- (e) **Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.**
None
- (f) **Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.**

None

12. What services will the applicant offer to other certificated telephone companies:

- Facilities.
- Billing and Collection.
- Maintenance.
- Other: Prepaid Debit Card Provider
- Operators.
- Sales.

13. Do you have a marketing program?

Yes

14. Will your marketing program:

- Pay commissions?
- Offer sales franchises? No
- Offer multi-level sales incentives? No
- Offer other sales incentives? No

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

Commission Sales entities will be tour operators.

16. Who will receive the bills for your service (Check all that apply)?

- Residential customers.
- PATS providers.
- Hotels & motels.
- Universities.
- Other: (specify) Sales entities listed in Item 15.
- Business customers.
- PATS station end-users.
- Hotel & motel guests.
- Univ. dormitory residents.

17. Please provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

Yes

(b) Name and address of the firm who will bill for your service.

Interglobe Telecommunications International, Inc.

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial capability. Please see attachment entitled, "Financial Capability"
Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability. Please see attachment entitled, "Managerial Capability"

C. Technical capability. Please see attachment entitled, "Technical Capability"

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed). Please see attachment entitled, "Proposed Tariff"

20. The applicant will provide the following interexchange carrier services (Check all that apply):

MTS with distance sensitive per minute rates

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with route specific rates per minute

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with statewide flat rates per minute (i.e. not distance sensitive)

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

___ MTS for pay telephone service providers

___ Block-of-time calling plan (Reach out Florida, Ring America, etc.).

___ 800 Service (Toll free)

___ WATS type service (Bulk or volume discount)
___ Method of access is via dedicated facilities
___ Method of access is via switched facilities

___ Private Line services (Channel Services)
(For ex. 1.544 mbs., DS-3, etc.)

___ Travel Service
___ Method of access is 950
___ Method of access is 800

___ 900 service

___ Operator Services
___ Available to presubscribed customers
___ Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals.
___ Available to inmates

Services included are:

___ Station assistance
___ Person to Person assistance
___ Directory assistance
___ Operator verify and interrupt
___ Conference Calling

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above). 1-800-394-3214


22. ___ Other:

**** APPLICANT ACKNOWLEDGEMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement.
Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

UTILITY OFFICIAL:

Philip Ochtman



Signature

PRESIDENT.

Title

September 2, 1997
Date

(407) 240-5495
Telephone No.

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

**** APPENDIX B ****

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

- (x) **The applicant will not collect deposits nor will it collect payments for service more than one month in advance.** The prepaid debit card values are consumed by the end-users within one month or less after they pay for the cards.
- () **The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)**

UTILITY OFFICIAL:


Signature

September 2, 1997
Date

Philip Ochtman

President
Title

(407) 240-5495
Telephone No.

**** APPENDIX C ****

INTRASTATE NETWORK

1. **POP:** Addresses where located, and indicate if owned or leased. None

1) 2)

3) 4)

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased. None

1) 2)

3) 4)

3. **TRANSMISSION FACILITIES:** Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased. None

1) POP-to-POP TYPE OWNERSHIP

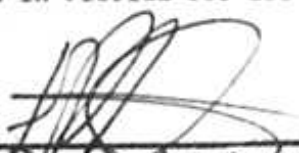
2)

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed). Applicant will not provide intraLATA local and toll calls or any other similar services covered by this Commission Rule. Applicant's flat per minute rate of \$0.36 is designed, primarily, for international calls, although it is applicable to any interLATA calls within Florida. Applicant does not have any switches or transmission facilities.
6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has () or has not (x) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

- a) What services have been provided and when did these services begin?
- b) If the services are not currently offered, when were they discontinued? Applicant's prepaid debit cards are marketed to tour operators for sale on a commission basis primarily to British tourists. These tourist end-users use the cards almost exclusively for international calls back to the U.K. These cards are not promoted, advertised or sold in Florida for use for intra-Florida calls.

UTILITY OFFICIAL:



 Signature

September 2, 1997

 Date

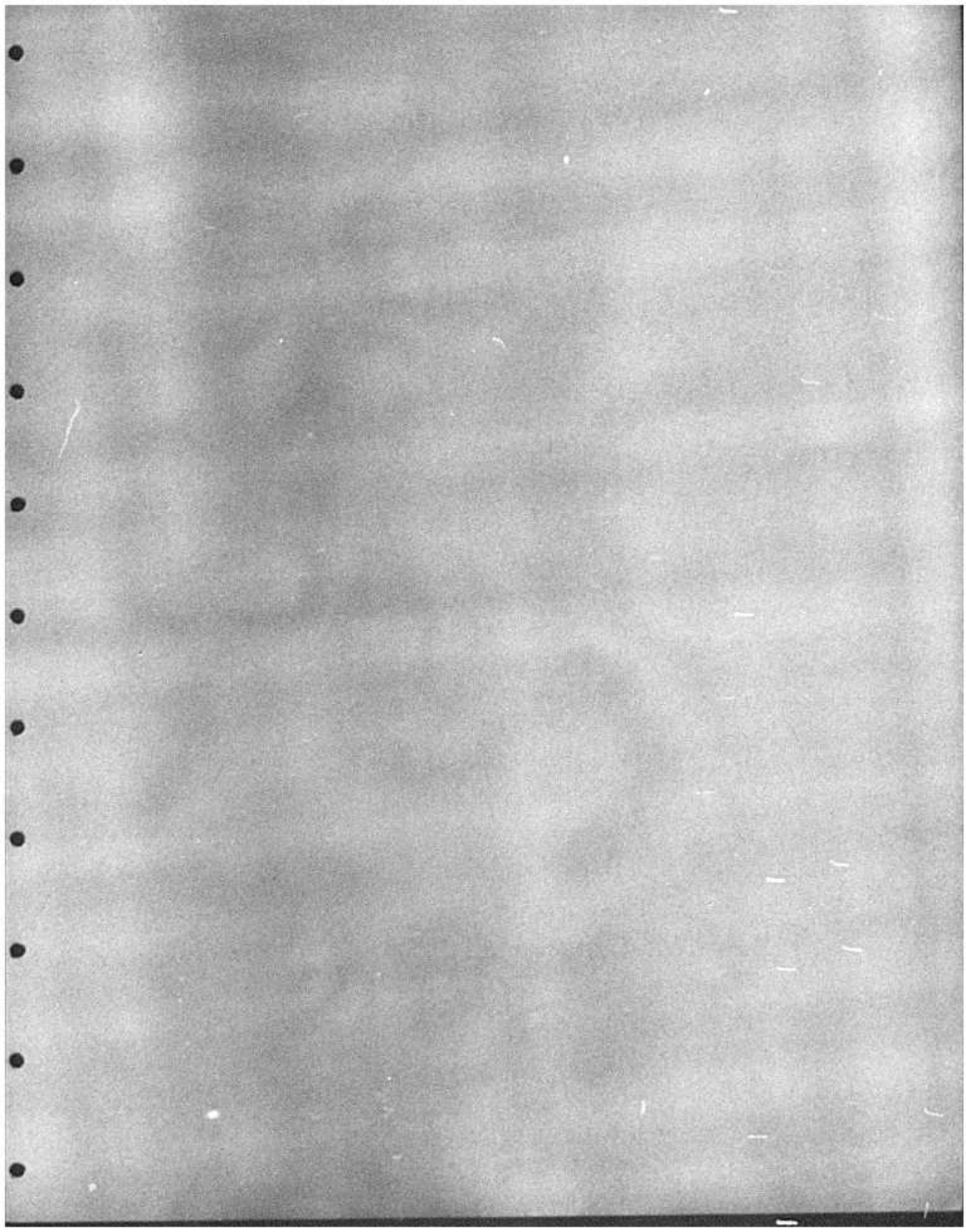
Philip Ochtman

President

 Title

(407) 240-5495

 Telephone No.



FINANCIAL CAPABILITY

Applicant is a wholly-owned subsidiary of Interglobe Telecommunications (International), Plc, a U.K. corporation ("Parent"). Parent commits to provide all necessary financial support and financial management to Applicant to enable it to provide the requested service. Parent has the necessary financial capability to enable it to fulfill its commitment. The following two pages contain Parent's company profile. Next, please see Parent's Directors' Report and Audited Financial Statements for the years ended March 31, 1995, 1996 and 1997. Finally, please see Applicant's Audited Financial Statements from its inception on May 1, 1995 to March 31, 1996, and for the year ended March 31, 1997.

Company Profile

Mission Statement

"To be a truly global value added telecommunication service provider through the use of innovative technology and exceptional customer service"

Overview

Interglobe provides high-quality discount telecommunications services to businesses and travellers. It has been a going concern since 1992 and is increasingly taking a leading role in the market place.

Interglobe is a UK based public limited company with its headquarters in the City of London. It is a facilities based carrier of telecommunications services and its primary business is providing calling card and prepaid debit card services to travellers making international calls. Interglobe's services can be accessed directly from over 52 countries and from virtually any phone in the world through the Interglobe Operator Service.

In addition to travel related products, Interglobe has entered the market to provide residential and business customers with international telephone and data services direct from their homes and businesses.

Interglobe markets itself as a high quality, innovative solution to the traditional monopoly 'Post Telephone and Telegraph' (PTT) companies such as BT, AT & T, France Telecom, or Deutsche Telekom. Interglobe's continuing goal is to provide services which are more advanced than the available PTT services, more 'user friendly' - and at a 20% discount off PTT rates.

The company operates under a TSL class licence in the UK and has submitted its application to the Department of Trade and Industry (DTI) for an International Simple Resale (ISR) licence - this is expected to be granted in the next two months. Within the next six months Interglobe plans to apply for an International Facilities Licence (IFL) which will allow it to own sections of fibre optic cable. This will reduce the telecommunications costs significantly on certain routes.

In the USA, Interglobe is licensed as a common carrier with a 214 facilities based carrier licence.

History

Interglobe was incorporated in 1992. The company evolved out of another concern which had acted as an agent for AT&T in the UK. At that time, the company's business was to re-brand and re-bill AT&T calling card services for international travellers. As the company's business grew, it began to look for more cost-effective ways to provide service to customers, as well as to gain better control of quality and service features for its own customers.

In 1992 the company began building its own international network and began routing customer traffic through its own facilities in London. the creation of this international

network has allowed Interglobe to provide innovative solutions at a lower cost than by merely reselling another carrier's service.

Today, Interglobe operates facilities in London, Orlando and Rotterdam. It plans to open an additional switching centre in New York to link with the London centre thus creating the main network hubs for the USA and Europe.

The Market

The European market for competitive telecommunications services is not as developed as in the US where deregulation is significantly more developed. The result is that monopoly PTT's still control the vast majority of the European telecommunications market.

However, the position is changing rapidly and Europe is currently removing regulatory restrictions in much the same manner that occurred in the US market during the period from 1983 to date. By 1998 members of the EU will be obliged to open their national and international voice telecommunications markets to competition - creating a market which will have many of the same types of opportunities for new players as were created in the US after the break-up of AT&T.

Interglobe is perfectly positioned to take advantage of these market developments.

Corporate Agreements

Interglobe's Calling Card customers include the following:

MARS Corporation	Chrysalis Group
Den Norske Bank	B&C Worldwide Service
Bank of Nova Scotia	Reckitt & Colman
Bank of Montreal	Cadbury Schweppes
BNP Capital Markets	Carnaud MetalBox
Reed Elsevier Group	Lehman Brothers
MBNA	Shroeders
Goldman Sachs	

Partner ~ Technology & Network

Interglobe has a major partner in MFS WorldCom who are the fourth largest carrier in the USA with revenues of \$5.64 billion in 1996, and an operating income of \$896.1 million. WorldCom provide the company with significant advantages, most notably on cost price and opportunities for co-operation such as co-location of switches. Last year WorldCom won the Telecommunications Managers Association award for the quality and service of their lines.

WorldCom's leadership was also acknowledged by its Number One ranking among all telecommunications companies in *The Wall Street Journal's* 1996 Shareholder Scoreboard. This ranking, which was retained at the end of the first quarter of 1997, reflects WorldCom's position among 1,000 major corporations, in terms of shareholder return over the past ten years. Also in 1996, WorldCom was added to the Standard & Poor's 500 Index.

Relative Ranking as a Provider of Global Calling Card Services

As a provider of global calling card services, our relative ranking within the UK is number one.

Company Number 2719138

INTERGLOBE TELECOMMUNICATIONS (INTERNATIONAL) PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997

BOOTH ANDERSON, CHESTER & CO
Chartered Accountants
1 Peterborough Road
HARROW
Middlesex
HA1 2AZ

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31ST MARCH 1997

The financial year ended 31st March 1997 has been another exceptional year for Interglobe.

The Group turnover has increased by 130% and despite the significant investment in people and overheads the company has turned in a profit.

The impact of our partner WorldCom is now being demonstrated with profit margins stronger than last year at 41%, despite the fact that the market has generally become more competitive. This has put Interglobe in good shape for its major push into Europe over the next 2 years. Technology has been installed in Holland, with Germany, France, Belgium, Italy and Spain to follow during the ensuing twelve months.

The Company continues to mature and the creation of a vibrant concern is a credit to all personnel and management connected to Interglobe.

P. OCHTMAN
CHAIRMAN

Date: _____ 1997

REPORT OF THE DIRECTORS

The directors present their report and the audited consolidated financial statements of the Group for the year ended 31st March 1997.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Group during the year under review was the provisional telecommunication services.

The directors report that Group turnover has increased by 132% to £5,714,232 reflecting the growth in the Company's operations. The Company has continued its investment in technology, systems and people as the contribution from the increased turnover has been consumed by the expansion of overheads to accommodate the Company's continued growth. The Directors are utilising the 1996 investment into the Company to finance growth and continue to develop its market presence and Company culture.

The US subsidiary has created a foothold in a competitive territory and will benefit from improved switching systems due to be operational in mid 1997. The directors consider that the learning curve of the USA experience will reap rewards for the Group as it develops further expansion into Europe via USA and satellite branches.

The Company's performance is considered to be satisfactory and continued expansion in turnover to acquire market presence is projected. 1997 will see the Company attaining a "critical mass" which will allow the Company to mature as it achieves enhanced growth.

CONSOLIDATED ACCOUNTS

The directors present consolidated accounts for 1997 which has restated comparatives for 1996. The USA subsidiary was not consolidated in the 1996 financial statements.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5.

The directors do not propose the payment of a dividend for the year and it is proposed that the retained profit is transferred to reserves.

DIRECTORS

The directors in office in the year and their beneficial interests in the issued ordinary share capital at the year end were as follows:-

	Class of Share	Number of Shares	
		1997	1996
P Ochtman	ordinary shares	150,810	150,810
S Ziser	Ordinary shares	72,740	72,740
D H Hardwick	Ordinary shares	-	-

REPORT OF THE DIRECTORS (continued)

FIXED ASSETS

Acquisitions and disposals of fixed assets during the year appear in notes 8 and 9 to the financial statements.

RESEARCH AND DEVELOPMENT

The Group has continued to develop its telecommunications switching system and a further generation of the system will be operational in mid 1997.

DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors Messrs. Booth Anderson, Chester & Co., will be proposed for re-appointment in accordance with the Companies Act 1985.

BY ORDER OF THE BOARD

P OCHTMAN
Secretary

57 Great Eastern Street
London
EC2A 3QD

Date: _____ 1997

INTERGLOBE TELECOMMUNICATIONS (INTERNATIONAL) PLC

We have audited the financial statements on pages 5 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 of the Report of the Directors, the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the Company and the Group's affairs at 31st March 1997, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BOOTH ANDERSON, CHESTER & CO
Registered Auditor
Chartered Accountants

1 Peterborough Road
HARROW
Middlesex
HA1 2AZ

Date: _____ 1997

CONSOLIDATED PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1997

	Notes	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	5,714,232	2,466,077
Cost of Sales		(3,373,471)	(1,503,594)
GROSS PROFIT		2,340,761	962,483
Direct costs		(672,950)	(405,979)
Administrative expenses		(1,576,073)	(633,836)
OPERATING PROFIT/(LOSS)	3	91,738	(77,332)
Other interest receivable and similar income	5	19,830	2,580
Interest payable and similar charges	6	(3,267)	(3,057)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		108,301	(77,809)
TAXATION ON ORDINARY ACTIVITIES	7	(5,398)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		102,903	(77,809)
Minority interests		287	3,240
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	19	£103,190 *****	£(74,569) *****

There were no recognised gains or losses other than those passing through the profit and loss account.

The notes on pages 9 to 21 form part of these financial statements.

CONSOLIDATED BALANCE SHEET AT 31ST MARCH 1997

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		202,284		134,470
Tangible assets	9		291,426		146,940
			<hr/>		<hr/>
			493,710		281,410
CURRENT ASSETS					
Stocks	11	45,876		-	
Debtors	12	1,428,741		881,410	
Cash at bank and in hand		754,339		275,574	
			<hr/>	<hr/>	
		2,228,956		1,156,984	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13(a)	(2,069,595)		(902,754)	
			<hr/>	<hr/>	
NET CURRENT ASSETS			159,361		254,230
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<hr/>	<hr/>	
			653,071		535,640
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	13(b)		(16,464)		(1,929)
			<hr/>	<hr/>	
NET ASSETS			£636,607		£533,711
			*****		*****
CAPITAL AND RESERVES					
Called up share capital	14		321,143		321,143
Share premium account	17		514,612		514,612
Profit and loss account	15		(195,614)		(298,804)
			<hr/>		<hr/>
	16		640,141		536,951
Minority interests			(3,534)		(3,240)
			<hr/>		<hr/>
			£636,607		£533,711
			*****		*****

APPROVED ON BEHALF OF THE BOARD
ON _____ 1997
AND SIGNED ON ITS BEHALF BY:-

P OCHTMAN)
)
)Directors
)
S EISER)

The notes on pages 9 to 21 form part of these financial statements.

COMPANY BALANCE SHEET AT 31ST MARCH 1997

	Notes	<u>1997</u>		<u>1996</u>	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		202,284		134,470
Tangible assets	9		276,717		132,329
Investments	10		65		65
			<hr/>		<hr/>
			479,066		266,864
CURRENT ASSETS					
Stock	11	40,747		-	
Debtors	12	1,479,460		1,003,463	
Cash at bank and in hand		681,637		274,145	
		<hr/>		<hr/>	
		2,201,844		1,277,608	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	13(a)	(1,909,971)		(900,540)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			291,873		377,068
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			770,939		643,932
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	13(b)		(16,464)		(1,929)
		<hr/>		<hr/>	
	16		£754,475		£642,003
			<hr/>		<hr/>
			£754,475		£642,003
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	14		321,143		321,143
Share premium account	17		514,612		514,612
Profit and loss account	15		(81,280)		(193,752)
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS			£754,475		£642,003
			<hr/>		<hr/>
			£754,475		£642,003
			<hr/>		<hr/>

APPROVED BY THE BOARD ON
1997
AND SIGNED ON THEIR BEHALF BY:-

P OCHTMAN)
))
) DIRECTORS
))
S. EISER)

The notes on pages 9 to 21 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 1997

	Notes	<u>1997</u>		<u>1996</u>	
		£	£	£	£
Net cash flow from operating activities	22		771,848		(186,240)
Returns on investments and servicing of finance:					
Interest received		19,830		2,580	
Interest paid		-		(533)	
Interest paid on finance lease contracts		(3,267)		(2,524)	
Net cash flow from returns on investments and servicing of finance			16,563		(477)
Taxation:					
Corporation tax paid			(648)		-
Investing activities:					
Payments to acquire tangible fixed assets		(186,959)		(124,804)	
Payments to acquire intangible fixed assets		(99,708)		(36,125)	
Receipts from sales of tangible fixed assets		216		-	
Net cash flow from investing activities			(286,451)		(160,929)
Net cash flow before financing			501,312		(347,646)
Financing:					
Issue of ordinary share capital		-		625,000	
Principal payment under finance lease contracts		(22,547)		(18,963)	
Cost of share issue		-		(14,045)	
Net cash flow from financing	25		(22,547)		591,992
Increase (decrease) in cash and cash equivalents	23 & 24		£478,765		£244,346

The notes on pages 9 to 21 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997

1. ACCOUNTING POLICIES

GROUP AND COMPANY

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important Group accounting policies, which have been applied consistently is set out below.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and include the results of the Group's operations as indicated in the directors' report, all of which are continuing.

(b) Turnover

Turnover represents amounts receivable for goods and services provided net of sales tax and trade discounts.

(c) Research and Development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Company is expected to benefit. Amortisation commences in the year after the expenditure is concluded at the rate of 20% on cost.

(d) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life:-

Fixtures, fittings and equipment - 25% and 33.33% on reducing balance
Leasehold properties - straight line over the life of the asset

(e) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(f) Deferred taxation

Provision is made at the current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, a liability to taxation is unlikely to crystallise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

1. ACCOUNTING POLICIES (continued)

(g) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the profit and loss account in arriving at the operating result.

(h) Investments

Fixed asset investments are stated at cost less provision for diminution in value.

(i) Pension costs

The pension costs charged in the financial statements represent the contributions payable by the Company during the year in accordance with SSAP 24.

(j) Basis of consolidation

The consolidated financial statements include those of the Company and its subsidiary undertakings and are made up to 31st March 1997.

(k) Leasing and Hire purchase contracts

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease.

2. TURNOVER

The turnover and profit before taxation are attributable primarily to the principal activity of the Group. The turnover arose as follows:

	<u>1997</u>	<u>1996</u>
	£	£
UK	3,367,867	1,071,755
USA	175,173	1,378,850
Europe	2,067,866	-
Rest of the World	103,326	-
	<hr/>	<hr/>
	£5,714,232	£2,450,605
	-----	-----

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

3. OPERATING PROFIT/(LOSS)

	<u>1997</u>	<u>1996</u>
	£	£
Operating profit/(loss) is stated after charging:-		
Depreciation of intangible assets	31,894	24,586
Depreciation of tangible assets	73,240	60,642
Hire of plant and machinery	12,703	7,813
Operating lease rentals		
- plant and machinery	7,541	642
- land and buildings	110,087	56,623
Auditors' remuneration	15,000	5,000
	-----	-----
and after crediting:		
Research and development		
- current year's expenditure capitalised	(99,708)	(36,125)
	-----	-----

4. STAFF COSTS

	<u>1997</u>	<u>1996</u>
	£	£
(a) and (b) include directors		
(a) Wages and salaries	836,480	292,033
Social security costs	76,611	24,397
Other pension costs	4,493	-
	-----	-----
	£917,584	£316,430
	-----	-----

(b) The average weekly number of employees during the year was as follows

	Number	Number
Office and management	17	7
Technical and operations	35	21
Sales and marketing	10	1
	—	—
	62	29
	==	==

(c) Director's remuneration

Included in (a) and (b) above is directors' remuneration amounting to:

Directors' remuneration (including benefits in kind)	£68,250	£-
	-----	=

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

5.	INTEREST RECEIVABLE AND SIMILAR INCOME		
		<u>1997</u>	<u>1996</u>
	Bank interest	£19,830	£2,580
		*****	*****
6.	INTEREST PAYABLE AND SIMILAR CHARGES		
		<u>1997</u>	<u>1996</u>
		£	£
	Interest and charges payable on overdrafts and bank loans	-	533
	Lease finance charges and interest on hire purchase contracts	3,267	2,524
		-----	-----
		£3,267	£3,057
		*****	*****
7.	TAXATION		
	The tax charge on the profit on ordinary activities for the year was as follows:-		
		<u>1997</u>	<u>1996</u>
	UK corporation tax at 24%	4,750	-
	Adjustment in respect of previous year	648	-
		-----	-----
		£5,398	£ -
		*****	***
8.	INTANGIBLE FIXED ASSETS		
			Development
			Cost
	GROUP AND COMPANY		£
	Cost:		
	At 1st April 1996		159,056
	Additions		99,708

	At 31st March 1997		258,764

	Provision for diminution in value:		
	At 1st April 1996		24,586
	Charge for year		<u>11,894</u>

	At 31st March 1997		56,480

	Net book value:		
	At 31st March 1997		£202,284

	At 31st March 1996		£134,470

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

9. TANGIBLE FIXED ASSETS

	Short Leasehold Improvements £	Fixtures fittings and equipment £	Total £
GROUP			
Cost:	741	242,930	243,671
At 1st April 1996	48,185	176,182	224,367
Additions	-	(216)	(216)
Disposals	—	—	—
At 31st March 1997	48,926	418,896	467,822
Depreciation:			
At 1st April 1996	-	96,731	96,731
On disposal	-	(54)	(54)
Charge for year	5,904	73,815	79,719
At 31st March 1997	5,904	170,492	176,396
Written down values:			
At 31st March 1997	£43,022 *****	£248,404 *****	£291,426 *****
At 31st March 1996	£741 ***	£146,940 *****	£146,940 *****

The net book value of the Group's tangible fixed assets includes an amount of £47,587 (1996: £23,547) in respect of assets held under hire purchase contracts and finance leases. The related depreciation charge for the year was £13,368 (1996: £18,963).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

9. TANGIBLE FIXED ASSETS (continued)

COMPANY	Short Leasehold Improvements £	Fixtures fittings and equipment £	Total £
Cost:			
At 1st April 1996	-	227,745	227,745
Additions	48,185	169,443	217,628
	-----	-----	-----
At 31st March 1997	48,185	397,188	445,373
	-----	-----	-----
Depreciation:			
At 1st April 1996	-	95,416	95,416
Charge for year	5,840	67,400	73,240
	-----	-----	-----
At 31st March 1997	5,840	162,816	168,656
	-----	-----	-----
Written down values:			
At 31st March 1997	£42,345	£234,372	£276,717
	-----	-----	-----
At 31st March 1996	£ -	£132,329	£132,329
	-----	-----	-----

The net book value of the Company's tangible fixed assets includes an amount of £47,587 (1996: £23,547) in respect of assets held under hire purchase contracts and finance leases. The related depreciation charge for the year was £13,368 (1996: £10,963).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

10. FIXED ASSETS-INVESTMENTS

COMPANY

Shares in
Subsidiary at cost

At beginning and at end of year

£65

==

In the opinion of the directors, the value of the investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 10%

The Company holds more than 10% of the share capital of the following companies:

Company Subsidiary undertaking	Country of registration or incorporation	Shares held Class	%
Interglobe Telecommunications International Inc	USA (FLORIDA)	Ordinary	97

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	(Loss) for the year
Interglobe Telecommunications International Inc	£(117,796)	£(9,569)

Interglobe Telecommunications International Inc has been consolidated for 1997 and 1996. The comparative figures have been restated to reflect the consolidated position as at 31 March 1996 as consolidated accounts were not prepared in the year.

11. STOCKS

GROUP

Stock of phone cards

£45,876

£ -

COMPANY

Stock of phone cards

£40,747

£ -

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

12. DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
GROUP		
Trade debtors	1,016,415	845,398
Other debtors	62,997	3,719
Prepayments and accrued income	349,329	32,293
	<hr/>	<hr/>
	£1,428,741	£881,410
	*****	*****
	 <u>1997</u>	 <u>1996</u>
	£	£
COMPANY		
Trade debtors	816,178	848,317
Amounts due from Group undertakings	503,956	123,057
Other debtors	62,997	55
Prepayments and accrued income	96,329	32,034
	<hr/>	<hr/>
	£1,479,460	£1,003,463
	*****	*****

13. (a) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP

	<u>1997</u>	<u>1996</u>
	£	£
Trade creditors	1,388,539	405,813
Obligations under hire purchase contracts and finance leases	13,862	13,529
Other taxes and social security costs	27,814	80,816
Corporation tax	4,750	-
Accruals and deferred income	634,630	402,596
	<hr/>	<hr/>
	£2,069,595	£902,754
	*****	*****

£

£

COMPANY

Trade creditors	1,246,478	404,291
Net obligations under finance lease and hire purchase contracts	13,862	13,529
Other taxes and social security costs	27,458	80,124
Corporation tax	4,750	-
Accruals and deferred income	617,423	402,596
	<hr/>	<hr/>
	£1,909,971	£900,540
	*****	*****

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

13. (b) CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1997</u> £	<u>1996</u> £
Net obligations under finance leases and hire purchase contracts	£16,464 *****	£1,929 *****
NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS		
Repayable within one year	15,744	16,053
Repayable between one and five years	18,949	2,655
	34,693	18,708
Finance charges and interest allocated to future accounting periods	(4,367)	(3,250)
	30,326	15,458
Included in current liabilities	(13,862)	(13,529)
	£16,464 *****	£1,929 *****

14. CALLED UP SHARE CAPITAL

	<u>1997</u> £	<u>1996</u> £
Authorised:		
500,000 ordinary shares of £1 each	£500,000 *****	£500,000 *****
Called up and fully paid:		
£321,143 ordinary shares of £1 each	£321,143 *****	£321,143 *****

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

15. PROFIT AND LOSS ACCOUNT

	<u>1997</u> £	<u>1996</u> £
GROUP		
Accumulated losses at 1st April 1996	(298,804)	(224,235)
Profit for the year	103,190	(74,569)
	-----	-----
Accumulated losses at 31st March 1997	£(195,614)	£(298,804)
	-----	-----
COMPANY		
Accumulated losses at 1st April 1996	(193,752)	(224,014)
Profit for the year	112,472	30,262
	-----	-----
Accumulated losses at 31st March 1997	£(81,280)	£(193,752)
	-----	-----

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1997</u> £	<u>1996</u> £
GROUP		
Profit/(loss) for the financial year	103,190	(74,569)
	-----	-----
Net surplus/(depletion) of shareholders' funds	103,190	(74,569)
Opening shareholders' funds	536,951	611,520
	-----	-----
Closing shareholders' funds	£640,141	£536,951
	-----	-----
COMPANY		
	£	£
Profit for the financial year	112,472	30,262
Proceeds of issue of shares	-	625,000
Cost of share issue written off to share premium account	-	(14,045)
	-----	-----
Net addition to shareholders' funds	112,472	641,217
Opening shareholders' funds	642,003	786
	-----	-----
Closing shareholders' funds	£754,475	£642,003
	-----	-----

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

17. SHARE PREMIUM ACCOUNT

	<u>1997</u>	<u>1996</u>
	£	£
Balance brought forward at 1st April 1997	514,612	-
Premium on shares issued during the year	-	528,657
Share premium - other movements	-	(14,045)
	<hr/>	<hr/>
Balance carried forward at 31st March 1997	£514,612	£514,612
	*****	*****

18. FINANCIAL COMMITMENTS

At 31st March 1997, the Group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Expiry date:				
Between two and five years	-	-	57,200	21,000
Over five years	125,000	108,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£125,000	£108,000	£57,200	£21,000
	*****	*****	*****	*****

19. PROFIT FOR THE FINANCIAL YEAR

As permitted by section 230 of the Companies Act 1985, the parent's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:-

	<u>1997</u>	<u>1996</u>
Dealt with in the accounts of the holding Company: profit	£112,472	£30,262
	*****	*****

20. PENSIONS

Retirement benefits for certain directors and employees are provided by defined contribution fully insured schemes which are funded by contributions from the Company and its employees. These contributions are charged to the profit and loss account in the year of payment and amounted to £4,493 (1996: £NIL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

21. RELATED PARTY TRANSACTIONS

Related Party Name	Nature	Transaction Type	Value £	Debtor(Creditor) at 31 March 1997 £
Interglobe Telecommunications (International) Inc	See below (2)	Trade Debtor		47,673
Worldcom International Inc	See below (1)	Sales	360,045	
		Purchases	650,264	
		Trade Creditor		(127,412)

(1) Worldcom International Inc (Worldcom) are related by their 30% ownership stake in the Company. Trade between Interglobe and Worldcom is conducted on commercial terms.

(2) Interglobe Telecommunications (International) Inc is a company incorporated in Delaware USA under the control of P Ochtman. No trade has been entered into for the year under review.

22. RECONCILIATION OF OPERATING PROFIT TO NET CASH

INFLOW FROM OPERATING ACTIVITIES

	1997 £	1996 £
Operating profit/(loss)	91,738	(77,332)
Depreciation charges	111,559	85,228
Increase in stocks	(45,876)	-
Increase in debtors	(547,331)	(755,738)
Increase in creditors due within one year	1,161,758	561,602
Net cash flow from operating activities	£771,848 *****	£(186,240) *****

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 1997

23. ANALYSIS OF CHANGES IN CASH EQUIVALENT

	<u>1997</u> £	<u>1996</u> £
Balance at beginning of year	275,574	31,228
Net cash flow	478,765	244,346
	-----	-----
Balance at end of year	£754,339 *****	£275,574 *****

24. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1997	1996	Change in year	1996	1995	Change in year
	£	£	£	£	£	£
Cash at bank and in hand	£754,339 *****	£275,574 *****	£478,765 *****	£275,574 *****	£31,228 *****	£244,346 *****

25. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital £	Loans and finance lease obligations £
Balance at 1st April 1996	835,755	15,458
Net cash flow from financing	-	(22,547)
Inception of finance lease contracts	-	37,415
	-----	-----
Balance at 31st March 1997	£835,755 *****	£30,326 *****

Company Number: 2719138

Interglobe Telecommunications (International) Plc
Directors' Report and Financial Statements
for the year ended 31st March 1996

BOOTH ANDERSON, CHESTER & CO
Chartered Accountants

Interglobe Telecommunications (International) Plc

Company Information

Directors	Mr P Ochtman Mr S Ziser Mr D H Hardwick
Secretary	Mr P Ochtman
Company Number	2719138
Registered Office	57 Great Eastern Street London EC2A 3QD
Auditors	Booth Anderson, Chester & Co 1, Peterborough Road Barrow Middlesex HA1 2AZ

Interglobe Telecommunications (International) Plc

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Interglobe Telecommunications (International) Plc
Chairman's Statement for the year ended 31st March 1996

March 1996 concluded a rewarding year of continued growth both in financial and intrinsic terms.

Turnover rose by	282%
Gross profit improved by	296%

Interglobe established itself as a leader in the 'calling card' market after securing major contracts both in the UK and abroad. The company operates at the cutting edge of the industry and has developed a committed and enthusiastic team.

The commitment and vision of 'The Interglobe Team' was shared with LDDS Worldcom in March 1996 on the formation of a strategic alliance which resulted in LDDS Worldcom acquiring 30% of the company's equity. LDDS Worldcom is the fourth largest telecommunications carrier in the United States with annual revenues of approximately US\$ 4 billion.

This positive move has enhanced Interglobe's development in the United States through its Orlando subsidiary which opened in May 1995. The continued growth in market share will be greatly assisted as Interglobe works with LDDS Worldcom to promote Interglobe services.

The future business plan draws on the strengths of both Interglobe and LDDS Worldcom to market products and services in the telecommunications industry. The introduction of new European Interglobe switch centres supported by the Interglobe sales and marketing package will ensure customer satisfaction, enhanced growth and rewards for the shareholders and Interglobe personnel.

Philip Ochtman

30 October 1996

Interglobe Telecommunications (International) Plc

Directors' Report for the year ended 31st March 1996

The directors present their report and the financial statements for the year ended 31st March 1996.

Principal Activities and Review of the Business

The principal activity of the company during the year under review was that of provision of telecommunication services.

The company's significantly improved position at 31st March 1996 has been facilitated by the 282% increase in turnover and 296% increase in gross profit, the net result being tempered by the company's continuing investment in its employees and its marketing strategy.

30% of the company's share capital was acquired by LDOS Worldcom in March 1996, which assisted in increasing the company's market share.

Results and Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £30,262 is transferred to reserves.

The directors consider the state of the company's affairs at the balance sheet date to be satisfactory.

Fixed Assets

The significant changes in fixed assets during the year are explained in notes 7 and 8 and 9 to the financial statements.

Research and Development

The company has continued to develop its telecommunications switch system. Amortisation commenced during the year to 31st March 1996 and the company will continue to develop its systems and equipment in the future.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1996	1995
Mr P Ochtman	Ordinary shares	150,810	154,557
Mr S Ziser	Ordinary shares	72,740	68,993
Mr D H Hardwick (Appointed 31/03/96)	Ordinary shares	-	-

All shares were converted to a single class of share on 22 January 1996.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Booth Anderson, Chester & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

Interglobe Telecommunications (International) Plc

Directors' Report for the year ended 31st March 1996 (continued)

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on 30 October 1996

Mr P Ochtman
Secretary

Interglobe Telecommunications (International) Plc

Auditors' Report
to the shareholders of Interglobe Telecommunications (International) Plc

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BOOTH ANDERSON, CHESTER & CO

Chartered Accountants
Registered Auditor

Date: 30 October 1996

1, Peterborough Road
HARROW
Middlesex
HA1 2AZ

Interglobe Telecommunications (International) Plc

Profit and Loss Account
for the year ended 31st March 1996

	Notes	1996 £	1995 £
Turnover	2	2,450,605	642,083
Cost of sales		(1,490,281)	(399,371)
Gross profit		960,324	242,712
Direct costs		(373,746)	(150,041)
Administrative expenses		(555,839)	(250,410)
Operating profit	3	30,739	(157,739)
Other interest receivable and similar income	4	2,580	462
Interest payable and similar charges	5	(3,057)	(1,886)
Profit on ordinary activities before taxation		£ 30,262	£(159,163)

There are no recognised gains and losses other than those passing through the profit and loss account.

The accompanying notes form an integral part of the financial statements.

Interglobe Telecommunications (International) Plc

Balance Sheet
as at 31st March 1996

	Notes	£	1996 £	£	1995 £
Fixed Assets					
Intangible assets	7		134,470		122,931
Tangible assets	8		132,329		82,778
Investments	9		65		-
			<u>266,864</u>		<u>205,709</u>
Current Assets					
Debtors	10	1,003,463		125,672	
Cash at bank and in hand		<u>274,145</u>		<u>31,228</u>	
		1,277,608		156,900	
Creditors: amounts falling due within one year	11	<u>(900,540)</u>		<u>(346,365)</u>	
Net Current Assets			<u>377,068</u>		<u>(189,465)</u>
Total Assets Less Current Liabilities			643,932		16,244
Creditors: amounts falling due after more than one year	12		<u>(1,929)</u>		<u>(15,458)</u>
			<u>£ 642,003</u>		<u>£ 786</u>
Capital and Reserves					
Called up share capital	14		321,143		224,800
Share premium account	15		514,612		-
Profit and loss account	16		<u>(193,752)</u>		<u>(224,014)</u>
Shareholders' Funds	17		<u>£ 642,003</u>		<u>£ 786</u>

The financial statements were approved by the Board on 30 October 1996.

P Ochtman
Director

S Kiser
Director

The accompanying notes form an integral part of the financial statements.

Interglobe Telecommunications (International) Plc

Cash Flow Statement
for the year ended 31st March 1996

	1996		1995	
	£	£	£	£
Net cash in/(out)flow from operating activities		(207,530)		12,080
Returns on investments and servicing of finance				
Interest received	2,580		462	
Interest paid	(533)		(88)	
Interest element of finance lease rentals	(2,524)		(1,798)	
Net cash in/(out)flow from returns on investments and servicing of finance		(477)		(1,424)
Investing activities				
Payments to acquire intangible assets	(36,125)		(26,466)	
Payments to acquire tangible assets	(108,878)		(37,382)	
Payments to acquire investments	(65)		-	
Net cash in/(out)flow from investing activities		(145,068)		(63,848)
Net cash in/(out)flow before financing		(349,075)		(53,192)
Financing				
Issue of ordinary share capital	625,000		-	
Capital element of finance lease contracts	(18,963)		(22,470)	
Cost of share issue	(14,045)		-	
Net cash in/(out)flow from financing		591,992		(22,470)
In/(De)crease in cash and cash equivalents	£ 242,917		£ (75,662)	

The accompanying notes form an integral part of the financial statements.

Interglobe Telecommunications (International) Plc

Notes to the Cash Flow Statement
for the year ended 31st March 1996

1	Reconciliation of operating profit to net cash in/(out)flow from operating activities	1996 £	1995 £	
	Operating profit	30,739	(157,739)	
	Depreciation of tangible assets	59,327	30,254	
	Amortisation of intangible assets	24,586	-	
	Decrease in stocks	-	4,500	
	Increase in debtors	(877,791)	(84,307)	
	Increase in creditors due within one year	559,609	219,372	
	Net cash in/(out)flow from operating activities	<u>£ (203,530)</u>	<u>£ 12,080</u>	
2	Analysis of changes in cash and cash equivalents during the year	1996 £	1995 £	
	Balance at 1st April 1995	31,228	106,890	
	Net cash in/outflow	242,917	(75,662)	
	Balance at 31st March 1996	<u>£ 274,145</u>	<u>£ 31,228</u>	
3	Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1996 £	1995 £	Change in year £
	Cash at bank and in hand	274,145	31,228	242,917
		<u>£ 274,145</u>	<u>£ 31,228</u>	<u>£ 242,917</u>
4	Analysis of changes in financing during the year		Share capital £	Loans and finance lease obligations £
	Balance at 1st April 1995		224,800	34,421
	Cash in/(out)flow from financing		625,000	(18,963)
	Cost of share issue written off to share premium account		(14,045)	-
	Balance at 31st March 1996		<u>£ 835,755</u>	<u>£ 15,458</u>

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the year ended 31st March 1996

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

1.2 Compliance with accounting standards

These financial statements have been prepared in accordance with Applicable Accounting Standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit. Amortisation commences in the year after the expenditure is concluded.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	25% and 33.33% on reducing balance
-------------------------------------	---	------------------------------------

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the year ended 31st March 1996

1.8 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

2. Turnover

	Turnover	
	1996	1995
	£	£
Geographical market		
United Kingdom	1,071,755	370,568
United States of America	1,378,850	271,515
	<u>£ 2,450,605</u>	<u>£ 642,083</u>

3. Operating Profit

Operating profit is stated after charging:

	1996	1995
	£	£
Depreciation of intangible assets	24,586	-
Depreciation of tangible assets	59,327	30,254
Hire of plant and machinery	5,549	1,083
Auditors' remuneration	5,000	4,000
	<u> </u>	<u> </u>

and after crediting:

Research and development - current year's expenditure capitalised	<u>(36,125)</u>	<u>(26,466)</u>
--	-----------------	-----------------

4. Other Interest Receivable and Similar Income

	1996	1995
	£	£
Bank interest received	<u>2,580</u>	<u>462</u>

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the year ended 31st March 1996

5.	Interest Payable and Similar Charges	1996 £	1995 £
	On bank loans and overdrafts	533	88
	Lease finance charges and hire purchase interest	2,524	1,798
		<u>£ 3,057</u>	<u>£ 1,886</u>

6. Taxation

The company had carry forward losses of £230,000 (1995 - £0) at the balance sheet date.

7. Intangible Fixed Assets

	Development Cost £
Cost	
At 1st April 1995	122,931
Additions	36,125
	<u>159,056</u>
At 31st March 1996	
Provision for diminution in value	
Charge for year	24,586
	<u>24,586</u>
At 31st March 1996	
Net book value	
At 31st March 1996	<u>£ 134,470</u>
At 31st March 1995	<u>£ 122,931</u>

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the year ended 31st March 1996

8. Tangible assets	Fixtures, fittings & equipment £
Cost	
At 1st April 1995	118,867
Additions	<u>108,878</u>
At 31st March 1996	<u>227,745</u>
Depreciation	
At 1st April 1995	36,089
Charge for year	<u>59,327</u>
At 31st March 1996	<u>95,416</u>
Net book values	
At 31st March 1996	<u>£ 132,329</u>
At 31st March 1995	<u>£ 82,778</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Net book value £	Depreciation charge £
Fixtures, fittings & equipment	<u>23,547</u>	<u>18,963</u>

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the year ended 31st March 1996

9. Fixed Asset Investments	1996 £	1995 £
Subsidiary undertakings	65	-
Investment in subsidiary undertakings		Shares £
Cost Additions		65
At 31st March 1996		65
Net Book Values		
At 31st March 1996		£ 65

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertaking Interglobe Telecommunications Inc	USA	Ordinary	97

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit / (Loss) for the year
Interglobe Telecommunications Inc	£(111,310)	£(111,375)

10. Debtors	1996 £	1995 £
Trade debtors	761,057	110,960
Amounts owed by group undertaking	123,057	-
Other debtors	87,315	80
Prepayments and accrued income	32,034	14,632
	£1,003,463	£ 125,672

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the year ended 31st March 1996

11. Creditors: amounts falling due within one year	1996 £	1995 £
Net obligations under finance lease and hire purchase contracts	13,529	18,963
Trade creditors	404,291	203,175
Taxes and social security costs	73,575	19,972
Directors' current accounts	6,000	26,458
Other creditors	549	-
Accruals and deferred income	402,596	77,797
	<u>£ 900,540</u>	<u>£ 346,365</u>
12. Creditors: amounts falling due after more than one year	1996 £	1995 £
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	16,053	21,487
Repayable between one and five years	2,655	18,708
	<u>18,708</u>	<u>40,195</u>
Finance charges and interest allocated to future accounting periods	(3,250)	(5,774)
	<u>15,458</u>	<u>34,421</u>
Included in current liabilities	(13,529)	(18,963)
	<u>£ 1,929</u>	<u>£ 15,458</u>
13. Reclassification of Cost of Sales		
Certain cost of sales items have been reclassified as direct costs during the year, in order to bring the financial statements in line with the rest of the group.		

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the year ended 31st March 1996

14. Share Capital	1996 £	1995 £
Authorised		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Alotted, called up and fully paid		
321,143 Ordinary shares of £1 each	<u>321,143</u>	<u>224,800</u>

During the year 96,343 ordinary shares of £1 each were allotted and fully paid at a premium of £5.48 each to provide additional working capital.

On 22 January 1996, all shares were reclassified as ordinary shares from A and B shares.

15. Share Premium Account	1996 £	1995 £
Premium on shares issued during the year	528,657	-
Share premium - other movements	<u>(14,045)</u>	<u>-</u>
Balance carried forward at 31st March 1996	<u>£ 514,612</u>	<u>£ -</u>

As explained in note 14, the share premium account arose as a result of an issue of ordinary shares made during the year. It comprises the premium on the shares issued and the costs associated with the issue.

16. Profit And Loss Account	1996 £	1995 £
Accumulated losses at 1st April 1995	(224,014)	(64,851)
Retained profit for the year	<u>30,262</u>	<u>(159,163)</u>
Accumulated losses at 31st March 1996	<u>£(193,752)</u>	<u>£(224,014)</u>

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the year ended 31st March 1996

17. Reconciliation of Movements in Shareholders' Funds

	1996 £	1995 £
Profit for the financial year	30,262	(159,163)
Proceeds of issue of equity shares	625,000	-
Cost of share issue written off to share premium account	(14,045)	-
Net addition to shareholders' funds	641,217	(159,163)
Opening shareholders' funds	786	159,949
Closing shareholders' funds	£ 642,003	£ 786

18. Contingent Liabilities

The company has a trade dispute with a major telecommunications company and has disputed charges of £81,000. The company continues to trade with its supplier and the directors are confident that they have a valid claim. On the grounds of prudence, the accounts have only reflected 50% of this claim as valid and the directors confirm that they will pursue their supplier for the whole amount. Should the company not be successful in their claim, the company's position will be affected by £41,000 plus any costs of concluding the case.

19. Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	1996 Number	1995 Number
Office and management	7	7
Technical and operations	21	-
	28	7

Employment costs

	£	£
Wages and salaries	277,195	95,324
Social security costs	24,397	8,372
	£ 301,592	£ 103,696

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the year ended 31st March 1996

20. Related Party Transactions

The following related party transactions took place during the year

Interglobe Telecommunications (International) Inc

The company made sales amounting to £1,183,850 to Interglobe Telecommunications (International) Inc., a company (incorporated in Delaware, USA) in which Mr P Ochtman (a director) has an interest.

The balance due from Interglobe Telecommunications (International) Inc. at 31st March 1996 amounted to £440,173, and is shown in note 10 as Trade Debtors.

Interglobe Telecommunications Inc

The company made sales amounting to £215,000 to its wholly owned subsidiary, Interglobe Telecommunications Inc.

The balance due from Interglobe Telecommunications Inc. at 31st March 1996 amounted to £123,057 and is included in note 10.

Worldcom International Inc

The company made purchases amounting to £436,249 from Worldcom International Inc., a company in which Mr D Hardwick (a director) has an interest.

The balance due from Worldcom International Inc. at 31st March 1996 amounted to £87,260 and is included in note 10 as Other Debtors.

Pointsector Limited

The transactions of Pointsector Limited (a dormant company acting as a nominee for Interglobe Telecommunications (International) Plc) have been reflected in the accounts of Interglobe Telecommunications (International) Plc. Dormant accounts have been filed by Pointsector Limited.

Company Number: 2719138

Interglobe Telecommunications (International) Plc
Directors' Report and Financial Statements
for the period ended 31st March 1995

BOTH ANDERSON, CHESTER & CO
Chartered Accountants

Interglobe Telecommunications (International) Plc

Company Information

Directors	Mr P Ochtman Mr S Ziser
Secretary	Mr P Ochtman
Company Number	2719138
Registered Office	57 Great Eastern Street London EC2A 3QD
Auditors	Booth Anderson, Chester & Co 1, Peterborough Road Harrow Middlesex HA1 2AZ

Interglobe Telecommunications (International) Plc

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Interglobe Telecommunications (International) Plc

Directors' Report for the period ended 31st March 1995

The directors present their report and the financial statements for the period ended 31st March 1995.

Principal Activities and Review of the Business

The principal activity of the company during the period under review was that of provision of telecommunication services.

The directors have consolidated the company's activities during the period to 31st March 1995 which has provided the platform for continued development of the company's systems, growth in customer traffic, the ability to offer increased services and to improve the company's trading during the ensuing year.

Results and Dividends

The results for the period are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the loss of £159,163 is transferred to reserves.

The directors consider the state of the company's affairs at the balance sheet date to be satisfactory.

Fixed Assets

The significant changes in fixed assets during the period are explained in notes 6 and 7 to the financial statements.

Research and Development

The company has continued to develop its telecommunications switching system. No amortisation has been charged up to 31st March 1995. The company continues to develop its systems and equipment.

Post Balance Sheet Events

On 8 March 1996, a 30% stake in the company was acquired by Worldcom International Inc, upon the issue of a further 96,343 shares. This provided the company with the necessary working capital to enable it to continue to expand its market share, achieve enhanced growth and secure its future. In its pursuit of further development and to enhance its international marketing activities, the company has since the period end, acquired an American subsidiary, International Telecommunications (International) Inc, (incorporated in Florida).

Interglobe Telecommunications (International) Plc

Directors' Report for the period ended 31st March 1995 (continued)

Directors and their Interests

The directors who served during the period and their interests in the company were as stated below.

	Class of share	Number of shares	
		1995	1993
Mr P Ochtman	Ordinary shares	154,557	143,317
Mr S Ziser	Ordinary shares	68,993	68,993
Mr R Secretan (Resigned: 31/7/94)	Ordinary shares	-	-

Mr R Secretan held 21,112 shares which were acquired and disposed of during the period.

All shares were converted to a single class of share on 22 January 1996.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Booth Anderson, Chester & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' Responsibilities

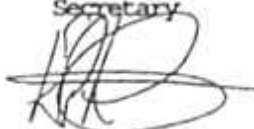
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on 8 March 1996

Mr P Ochtman
Secretary



Interglobe Telecommunications (International) Plc

Auditors' Report
to the shareholders of Interglobe Telecommunications (International) Plc

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BOOTH ANDERSON, CHESTER & CO

Chartered Accountants
Registered Auditor

Date: 8 March 1996

1, Peterborough Road
Harrow
Middlesex
HA1 2AZ

Interglobe Telecommunications (International) Plc

Profit and Loss Account
for the period ended 31st March 1995

	Notes	Period 1995 £	1993 £
Turnover	2	642,083	221,118
Cost of sales		<u>(478,664)</u>	<u>(166,854)</u>
Gross profit		163,419	54,264
Administrative expenses		<u>(321,158)</u>	<u>(119,115)</u>
Operating loss	3	(157,739)	(64,851)
Other interest receivable and similar income	4	462	-
Interest payable and similar charges	5	<u>(1,886)</u>	<u>-</u>
Loss on ordinary activities before taxation		<u>(159,163)</u>	<u>(64,851)</u>

There are no recognised gains and losses other than those passing through the profit and loss account.


The accompanying notes form an integral part of the financial statements.


Interglobe Telecommunications (International) Plc

Balance Sheet
as at 31st March 1995

	Notes	1995		At 30th November 1993	
		£	£	£	£
Fixed Assets					
Intangible assets	6		122,931		96,465
Tangible assets	7		82,778		18,759
			<u>205,709</u>		<u>115,224</u>
Current Assets					
Stocks	8	-		4,500	
Debtors	9	125,672		41,365	
Cash at bank and in hand		31,228		106,890	
		<u>156,900</u>		<u>152,755</u>	
Creditors: amounts falling due within one year	10	(346,365)		(108,030)	
Net Current Liabilities			<u>(189,465)</u>		<u>44,725</u>
Total Assets Less Current Liabilities			<u>16,244</u>		<u>159,949</u>
Creditors: amounts falling due after more than one year	11		(15,458)		-
			<u>£ 786</u>		<u>£ 159,949</u>
Capital and Reserves					
Called up share capital	12		224,800		224,800
Profit and loss account	13		(224,014)		(64,951)
Shareholders' Funds	14		<u>£ 786</u>		<u>£ 159,949</u>

The financial statements were approved by the Board on 8 March 1996.


P Ochtmann
Director


S Ziser
Director

The accompanying notes form an integral part of the financial statements.

Interglobe Telecommunications (International) Plc

Cash Flow Statement
for the period ended 31st March 1995

	1995		1993	
	£	£	£	£
Net cash in/outflow from operating activities		12,080		3,149
Returns on investments and servicing of finance				
Interest received	462		-	
Interest paid	(88)		-	
Interest element of finance lease rentals	(1,798)		-	
		<u>(1,424)</u>		
Net cash in/(outflow) from returns on investments and servicing of finance		(1,424)		-
Investing activities				
Payments to acquire intangible assets	(26,466)		-	
Payments to acquire tangible assets	(37,382)		-	
		<u>(63,848)</u>		
Net cash in/(outflow) from investing activities		(63,848)		-
		<u>(53,192)</u>		<u>3,149</u>
Net cash in/(outflow) before financing		(53,192)		3,149
Financing				
Issue of ordinary share capital	-		224,800	
Capital element of finance lease contracts	(22,470)		-	
		<u>(22,470)</u>		
Net cash in/(outflow) from financing		(22,470)		224,800
		<u>(75,662)</u>		<u>227,949</u>
In/(Decrease) in cash and cash equivalents	£	(75,662)	£	227,949

The accompanying notes form an integral part of the financial statements.

Interglobe Telecommunications (International) Plc

Notes to the Cash Flow Statement
for the period ended 31st March 1995

1	Reconciliation of operating loss to net cash in/outflow from operating activities	1995 £	1993 £	
	Operating loss	(157,739)	(64,851)	
	Depreciation of tangible assets	30,254	5,835	
	Decrease in stocks	4,500	(4,500)	
	Increase in debtors	(84,307)	(41,365)	
	Increase in creditors due within one year	219,372	108,030	
	Net cash in/outflow from operating activities	<u>£ 12,080</u>	<u>£ 3,149</u>	
2	Analysis of changes in cash and cash equivalents during the period	1995 £	1993 £	
	Balance at 1st December 1993	106,890	-	
	Net cash in/(outflow)	(75,662)	106,890	
	Balance at 31st March 1995	<u>£ 31,228</u>	<u>£ 106,890</u>	
3	Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1995 £	1993 £	Change in period £
	Cash at bank and in hand	31,228	106,890	(75,662)
		<u>£ 31,228</u>	<u>£ 106,890</u>	<u>£ (75,662)</u>
4	Analysis of changes in financing during the period		Share capital £	Loans and finance lease obligations £
	Balance at 1st December 1993		224,800	-
	Cash in/(outflow) from financing		-	(22,470)
	Inception of finance lease contracts		-	56,891
	Balance at 31st March 1995		<u>£ 224,800</u>	<u>£ 34,421</u>

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the period ended 31st March 1995

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

1.2 Compliance with accounting standards

These financial statements have been prepared in accordance with Applicable Accounting Standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit. Amortisation commences in the year after the expenditure is concluded.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	25% and 33.33% on cost per annum
-------------------------------------	---	----------------------------------

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease.

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the period ended 31st March 1995

2. Turnover

The total turnover of the company for the period has been derived from its principal activity.

	Turnover	
	1995	1993
	£	£
Geographical market		
United Kingdom	370,568	221,118
USA	271,515	-
	<u>£ 642,083</u>	<u>£ 221,118</u>

3. Operating Loss

Operating loss is stated after charging:

	1995	1993
	£	£
Depreciation of tangible assets	30,254	5,835
Hire of plant and machinery	1,083	-
Auditors' remuneration	4,000	3,000
	<u>35,337</u>	<u>8,835</u>

and after crediting:

Research and development - current period's expenditure capitalised	(26,466)	(96,465)
	<u>(26,466)</u>	<u>(96,465)</u>

4. Other Interest Receivable and Similar Income

Bank interest received

	1995	1993
	£	£
Bank interest received	462	-
	<u>462</u>	<u>-</u>

5. Interest Payable and Similar Charges

On bank loans and overdrafts
Lease finance charges and hire purchase interest

	1995	1993
	£	£
On bank loans and overdrafts	88	-
Lease finance charges and hire purchase interest	1,798	-
	<u>£ 1,886</u>	<u>£ -</u>

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the period ended 31st March 1995

6.	Intangible Fixed Assets	Development Cost £
	Cost	
	At 1st December 1993	96,465
	Additions	26,466
	At 31st March 1995	<u>122,931</u>
	Net book value	
	At 31st March 1995	£ <u>122,931</u>
	At 30th November 1993	£ <u>96,465</u>

In accordance with the company's accounting policy, no amortisation has been charged up to 31st March 1995 as the 'switch' continued to be developed.

7.	Tangible assets	Fixtures, fittings & equipment £
	Cost	
	At 1st December 1993	24,594
	Additions	94,273
	At 31st March 1995	<u>118,867</u>
	Depreciation	
	At 1st December 1993	5,835
	Charge for period	30,254
	At 31st March 1995	<u>36,089</u>
	Net book values	
	At 31st March 1995	£ <u>82,778</u>
	At 30th November 1993	£ <u>18,759</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Net book value £	Depreciation charge £
Fixtures, fittings & equipment	<u>42,510</u>	<u>14,380</u>

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the period ended 31st March 1995

12. Share Capital	1995	1993
	£	£
Authorised		
500,000 Ordinary shares of £1 each	500,000	500,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
81,800 Ordinary 'A' shares of £1 each	81,800	81,800
143,000 Ordinary 'B' shares of £1 each	143,000	143,000
	<u> </u>	<u> </u>
	£ 224,800	£ 224,800
	<u> </u>	<u> </u>

On 22 January 1996 all shares were reclassified as ordinary shares from A and B shares.

13. Profit And Loss Account	1995	1993
	£	£
Accumulated losses at 1st December 1993	(64,851)	-
Retained loss for the period	(159,163)	(64,851)
	<u> </u>	<u> </u>
Accumulated losses at 31st March 1995	£ (224,014)	£ (64,851)
	<u> </u>	<u> </u>

14. Reconciliation of Movements in Shareholders' Funds	1995	1993
	£	£
Loss for the financial period	(159,163)	(64,851)
Proceeds of issue of shares	-	224,800
	<u> </u>	<u> </u>
Net depletion in shareholders' funds	(159,163)	159,949
Opening shareholders' funds	159,949	-
	<u> </u>	<u> </u>
Closing shareholders' funds	£ 786	£ 159,949
	<u> </u>	<u> </u>

15. Contingent Liabilities

The company has a trade dispute with a major telecommunications company and has disputed charges of £81,000. The company continues to trade with its supplier and the directors are confident that they have a valid claim. On grounds of prudence, the accounts have only reflected 50% of this claim as valid and the directors confirm that they will pursue their supplier for the whole amount. Should the company not be successful in their claim, the company's position will be affected by £41,000 plus any cost of concluding the case.

Interglobe Telecommunications (International) Plc

Notes to the Financial Statements
for the period ended 31st March 1995

16.	Directors' Emoluments	1995 £	1993 £
	Remuneration	<u>16,100</u>	<u>-</u>

17. Related Party Transactions

The following related party transactions took place during the period:-

Interglobe Telecommunications (International) Inc

The company made sales amounting to £271,515 to Interglobe Telecommunications (International) Inc., a company (incorporated in Delaware, USA) in which Mr P Ochtman (a director) has an interest.

The balance due from Interglobe Telecommunications (International) Inc. at 31st March 1995 amounted to £59,907 which is shown in note 9 as trade debtors.

Pointsector Limited

The transactions of Pointsector Limited (a dormant company acting as a nominee for Interglobe Telecommunications (International) PLC) have been reflected in the accounts of Interglobe Telecommunications (International) PLC. Dormant accounts have been filed by Pointsector Limited.

18. Employees

Number of employees

The average weekly number of employees (including directors) during the period was:

	1995 Number	1993 Number
Office and management	<u>7</u>	<u>4</u>
Employment costs	£	£
Wages and salaries	95,324	7,831
Social security costs	8,372	394
	<u>£ 103,696</u>	<u>£ 8,225</u>

**INTERGLOBE TELECOMMUNICATIONS
INTERNATIONAL, INC.
Orlando, Florida**

Financial Statements
(Compiled)

For the Year Ended
March 31, 1997

Taylor & Ziegenbein

To the Board of Directors
Interglobe Telecommunications International, Inc.
Orlando, Florida

We have compiled the accompanying balance sheet of Interglobe Telecommunications International, Inc. as of March 31, 1997, and the related statements of income and retained earnings (deficit) and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Taylor & Ziegenbein, P.A.

Certified Public Accountants

June 3, 1997

Certified Public Accountants

Interglobe Telecommunications International, Inc.
 Statements of Operations and Retained Earnings (Deficit)
 For the Year Ended March 31, 1997

Revenue		
Phone card sales		\$ 5,083,003
Total Revenues		<u>5,083,003</u>
Cost of Sales		
Communications		4,754,304
Customer service costs		158,800
Commissions		51,133
Credit card charges		7,686
Total Cost of Sales		<u>4,971,923</u>
		<u>111,080</u>
Gross Profit		
Operating Expenses		
Advertising and promotion		5,565
Accounting fees		9,044
Amortization		100
Auto expense		5,528
Bank charges		1,210
Bad debt expense		31,760
Consulting fees		5,200
Corporate apartment		10,981
Depreciation		10,101
Entertainment and meals		5,075
Insurance - general		920
Professional fees		4,451
Licenses and fees		393
Loss on foreign exchange		3,630
Miscellaneous		118
Office expense		23,560
Payroll taxes		2,770
Postage and shipping		2,121
Rent - equipment		25,439
Salaries and other compensation		24,113

Interglobe Telecommunications International, Inc.
Balance Sheet
March 31, 1997

Assets

Current Assets	
Cash and cash equivalents	\$ 116,295
Accounts receivable (net of allowance for doubtful accounts of \$39,120)	1,005,668
Due from Worldcom	163,000
Inventory	8,360
Prepaid expenses	16,300
Total Current Assets	<u>1,309,623</u>
 Fixed Assets	
Furniture and fixtures	13,186
Computer equipment	19,849
Computer software	798
Leasehold improvements	1,145
Accumulated depreciation	<u>(12,233)</u>
Net Fixed Assets	22,745
 Other Assets	
Deposits	<u>2,209</u>
Total Other Assets	2,209
	 <u>\$ 1,334,577</u>

See Accompanying Notes and
Accountant's Compilation Report

Interglobe Telecommunications International, Inc.
Balance Sheet
March 31, 1997

Liabilities and Shareholders' Equity (Deficit)

Current Liabilities		
Accounts payable	\$	23,878
Commissions payable		28,036
Payroll taxes payable		580
Total Current Liabilities		<u>52,494</u>
Long-Term Liabilities		
Due to U.K. Company		1,522,348
Due to Delaware Company		20,295
Total Long-Term Liabilities		<u>1,542,643</u>
Shareholders' Equity (Deficit)		
Common stock		100
Retained earnings (Deficit)		(260,660)
Total Shareholders' Equity (Deficit)		<u>(260,560)</u>
	\$	<u><u>1,334,577</u></u>

See Accompanying Notes and
Accountant's Compilation Report

Interglobe Telecommunications International, Inc.
Statements of Operations and Retained Earnings (Deficit)
For the Year Ended March 31, 1997

Telephone	12,648
Travel expense	16,681
Utilities	<u>2,923</u>
Total Expenses	204,331
Operating Loss	<u>(93,251)</u>
Beginning Retained Earnings (Deficit)	(167,409)
Ending Retained Earnings (Deficit)	<u>\$ (260,660)</u>

See Accompanying Notes and
Accountant's Compilation Report

Interglobe Telecommunications International, Inc.
 Statement of Cash Flows
 For the Year Ended March 31, 1997

Cash Flows from Operating Activities	\$	(93,251)
Net loss		
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation		10,201
Write-off of start-up costs		401
Decrease (Increase) in Current Assets:		
Accounts receivable		(1,002,618)
Employee advances		106
Due from Worldcom		(163,000)
Inventories		(8,360)
Prepaid expense		(16,300)
Increase (Decrease) in Current Liabilities:		
Accounts payable		21,526
Payroll taxes payable		(148)
Commissions payable		28,036
Cash Provided by Operating Activities		<u>(1,223,407)</u>
 Cash Flow from Investing Activities		
Cash provided (used) by:		
Purchase of fixed assets		<u>(10,703)</u>
Net Cash Used by Investing Activities		(10,703)
 Cash Flow from Financing Activities		
Cash (used) or provided by financing activities:		
Due to U.K. Company		1,337,672
Due to Delaware Company		<u>12,733</u>
Net Cash Used in Financing Activities		1,350,405
 Net Increase (Decrease) in Cash		116,295
 Cash and equivalents at Beginning of Year		0
 Cash and equivalents at End of Year	\$	<u><u>116,295</u></u>

See Accompanying Notes and
 Accountant's Compilation Report

**Interglobe Telecommunications, Inc.
Orlando, Florida**

**Financial Statements
(Compiled)**

**From May 1, 1995 (inception)
to March 31, 1996**

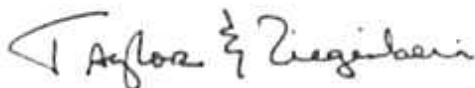
Taylor & Ziegenbein

To the Board of Directors
Interglobe Telecommunications, Inc.
Orlando, Florida

We have compiled the accompanying balance sheet of Interglobe Telecommunications, Inc. as of March 31, 1996, and the related statement of operations from May 1, 1995 (inception) to March 31, 1996, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.



August 16, 1996

Certified Public Accountants

Interglobe Telecommunications, Inc.
Balance Sheet
March 31, 1996

Assets

Current Assets			
Accounts receivable	\$ 3,050.00		
Employee advances	<u>105.92</u>		
Total Current Assets		\$ 3,155.92	
Fixed Assets			
Furniture & fixtures	10,677.63		
Computer equipment	12,797.11		
Leasehold improvements	1,145.04		
Accumulated depreciation	<u>(2,032.57)</u>		
Net Fixed Assets		22,587.21	
Other Assets			
Deposits	2,208.71		
Startup costs	<u>401.40</u>		
Total Other Assets		2,610.11	
Total Assets		\$ <u>28,353.24</u>	

Interglobe Telecommunications, Inc.
Balance Sheet
March 31, 1996

Liabilities and Equity

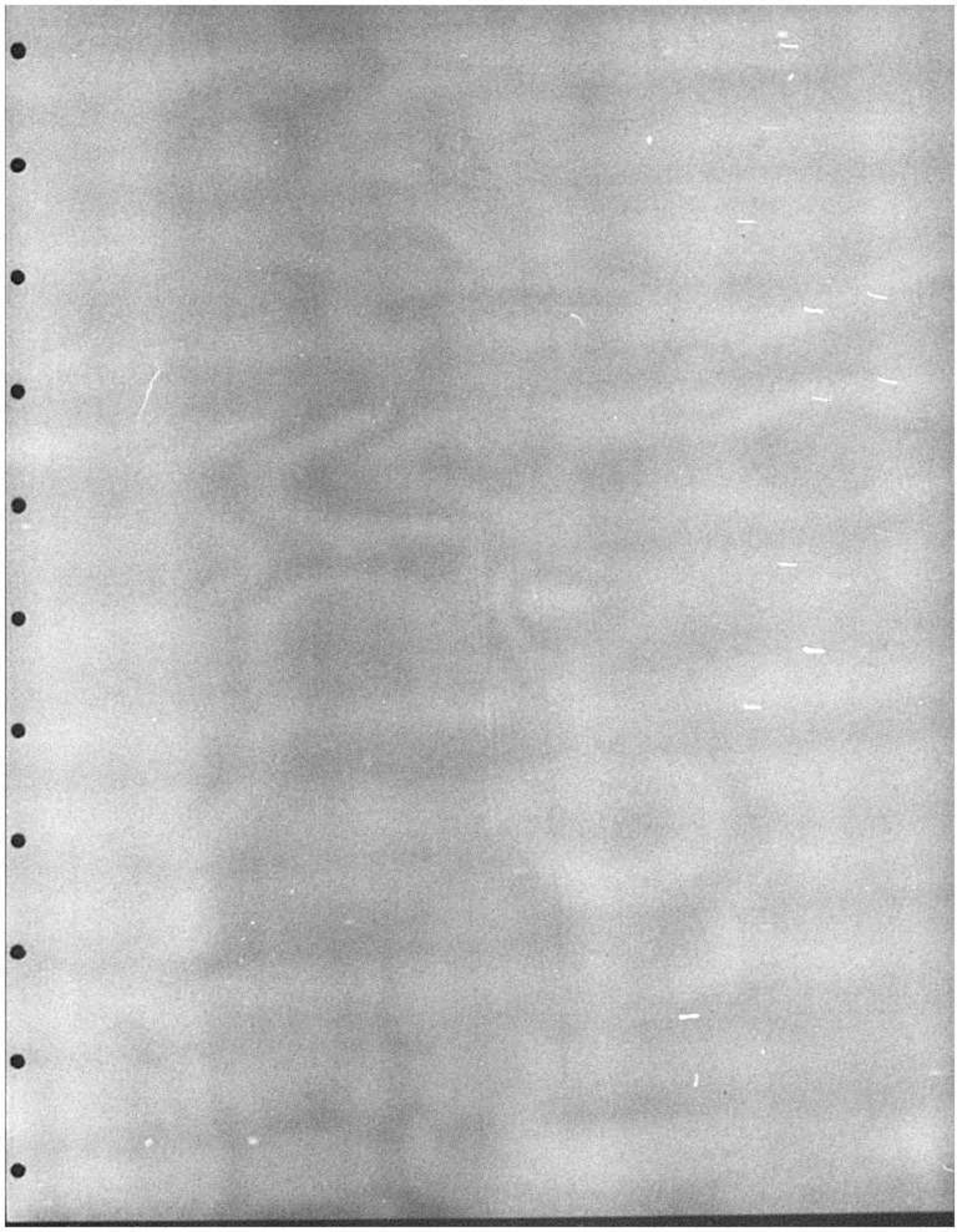
Current Liabilities		
Accounts payable	\$ 2,352.84	
Payroll taxes payable	<u>727.76</u>	
Total Current Liabilities		\$ 3,080.60
Other Liabilities		
Due to U.K. company	184,675.93	
Due to Delaware company	<u>7,562.00</u>	
Total Other Liabilities		192,237.93
Equity		
Common stock	100.00	
Retained earnings	<u>(167,065.29)</u>	
Total Equity (Deficit)		(166,965.29)
Total Liabilities and Equity		<u>\$ 28,353.24</u>

See Accompanying Accountant's Compilation Report

Interglobe Telecommunications, Inc.
Statement of Operations
From May 1, 1995 (Inception) to March 31, 1996

Revenue	
Phone card sales	\$ 356,770.46
Total Revenue	<u>356,770.46</u>
Cost of Sales	
Phone card costs	353,408.97
Shipping and handling	20.00
Total Cost of Sales	<u>353,428.97</u>
Gross Profit	3,341.49
Operating Expenses	
Advertising	37,596.40
Auto expense	1,136.80
Bank charges	139.37
Commissions	12,300.00
Corporate apartment	7,892.16
Depreciation	2,032.57
Dues and subscriptions	59.97
Entertainment	1,801.07
Licenses	305.00
Miscellaneous	1,822.18
Office expense	11,391.54
Payroll taxes	3,159.13
Postage & shipping	1,435.88
Professional fees	1,911.00
Rent-office	19,388.61
Rent-equipment	3,503.54
Salaries	19,810.00
Telephone	7,716.49
Travel	35,231.62
Utilities	1,773.45
Total Operating Expenses	<u>170,406.78</u>
Net Loss	<u>\$ (167,065.29)</u>

See Accompanying Accountant's Compilation Report



MANAGERIAL CAPABILITY

Applicant is a wholly-owned subsidiary of Interglobe Telecommunications (International) Plc, a U.K. corporation ("Parent"). Applicant's President, Philip Ochtman, is the Managing Director and principal shareholder of Parent. Parent will provide managerial capability to Applicant. The following pages outline Parent's managerial capability.

Directors & Senior Management

Mr Phillip Ochtman - Managing Director

The majority shareholder, Mr Ochtman is a Dutch national residing in the UK. Before joining Interglobe in 1993 he worked for Fortune 500 companies such as British Telecom, British Petroleum, and Coca-Cola.

Mr Ochtman has a BSc. Honours Degree from the City University in London. As a large shareholder of Interglobe, Mr Ochtman is on familiar ground, having successfully operated as a principal of a telecommunications hardware manufacturer and distributor in France.

Mr Sammy Ziser - Director

Mr Sammy Ziser who also lives in London is the founder of Interglobe with a shareholding of 22%. He is a board member and financial and business adviser to Mr Ochtman. Mr Ziser is a successful businessman with other businesses and many real estate investments in London and abroad.

Mr Barry Mowbray - Director

Mr Mowbray is a Director of WorldCom's UK operations which is a £250 million business in its own right. Mr Mowbray is a board member and his experience with WorldCom, as well as his experience with Shipton Communications, Phillips UK, and with British Telecom make him an invaluable business adviser to Mr Ochtman.

Alan Omnet - Technical Director

Has a BSc (Hons) Degree in Business Computing Systems and joined Interglobe in 1992 having obtained valuable experience in a variety of industries, including companies like MPC International, and the South Thames Training and Enterprise Council.

John Read - UK & USA Sales Manager: Is a member of the Chartered Institute of Marketing. He has extensive management experience in the Travel Industry with companies such as Thomas Cook, Lunn Poly and Thomson Holidays.

Nitsa Kelly - European Sales Manager: Has been with Interglobe since its inception. Has spent fourteen years in the travel industry in various management positions.

Amanda Doran - Marketing Manager: Joined the company in 1996 and has six years experience in marketing management.

Niall Tallon - Product Development Manager: He has sound practical experience in the Telecommunications industry, and a degree in Business Studies and Law.

Tom Dougherty - Operations Manager: Joined the company in 1997, after holding a number of management positions with the Automobile Association, and spending the last three years as a management consultant.

Brian Omnet - Finance Manager: Has a BA (Hons) degree in Accountancy and Finance. Joined Interglobe in 1996, having been with Stow Hayward previously.

Staffing Requirements

Technical - in a market noted for rapid technological advancement, the company has always had strength in this area. Extra staff will be needed to support the expanded network and to ensure the company can sustain its reputation for innovation & technical expertise.

Product Development - in 1997 Interglobe appointed a Product Development manager to ensure that the company is able to respond promptly and effectively to the opportunities arising from deregulation in Europe.

Marketing - in a highly competitive industry Interglobe needs to fully understand the market, its strengths, weaknesses, opportunities and threats: Its needs to be able to reach its customers effectively and continue to present its products professionally. In 1996 the company appointed a Marketing Manager to join the Senior Management team.

Sales - Interglobe's rapid revenue growth is a testament both to the product and its sales team. Additional staff have been employed to maintain the pattern and to manage accounts.

Customer Service - exceptional customer service and the multi-lingual Operator Service remain central to the success of the company. over the next two years, the customer service team will double to cope with the increased workload.

Administration - as the company grows it specifically aims to benefit from economies of scale and to eradicate duplication of effort. Minimal expansion will be necessary to support the accounting and budgetary structure of the company, and to ensure the efficient dealing of new business.

Interglobe Satellite Sites - as the company extends the network, some staff will be needed to provide local support and management in each city. A standard staffing pattern has been established and will be applied to all satellites according to need.

In Year One a maximum of 2 sales staff, 2 telesales, 1 administrator and 1 technician; and in Year Two, an extra 1 sales, 1 telesales, 1 administrator, with a 'site manager' and personal assistant, according to requirements.

Manpower projections

* Staff at Interglobe satellite sites

<i>Excludes Senior Management</i>	1997	1998	1999
Technical	5	11	14
Product Development	1	2	3
Sales - Europe	2	6	8
Sales - U.K & U.S.A.	6	12	16
Customer Services	39	66	85
Administration	13	21	24
USA - Site Based*	10	10	10
Europe & World - Site Based*	56	131	191
TOTALS	131	253	345

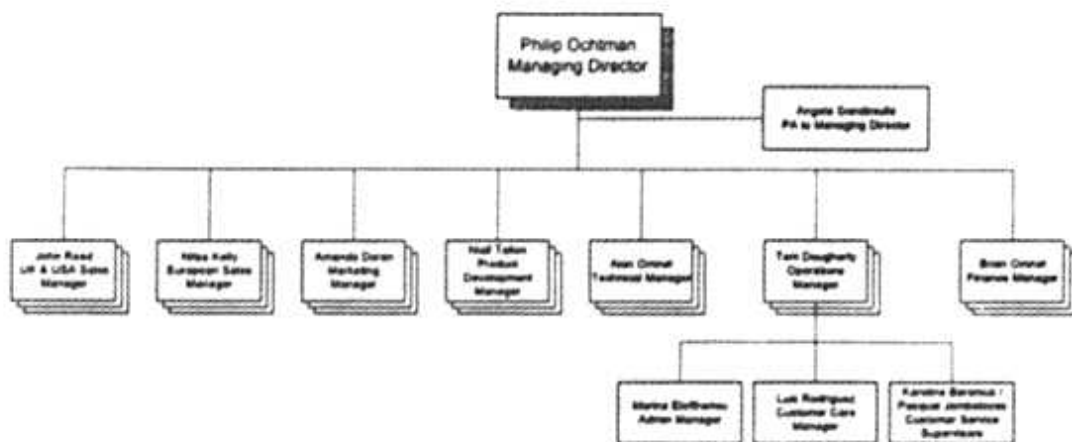
The company encourages and rewards commitment to customer service and quality. Staff turnover is low and many senior employees joined the company at the outset and have grown with it, achieving promotion and increased responsibility.

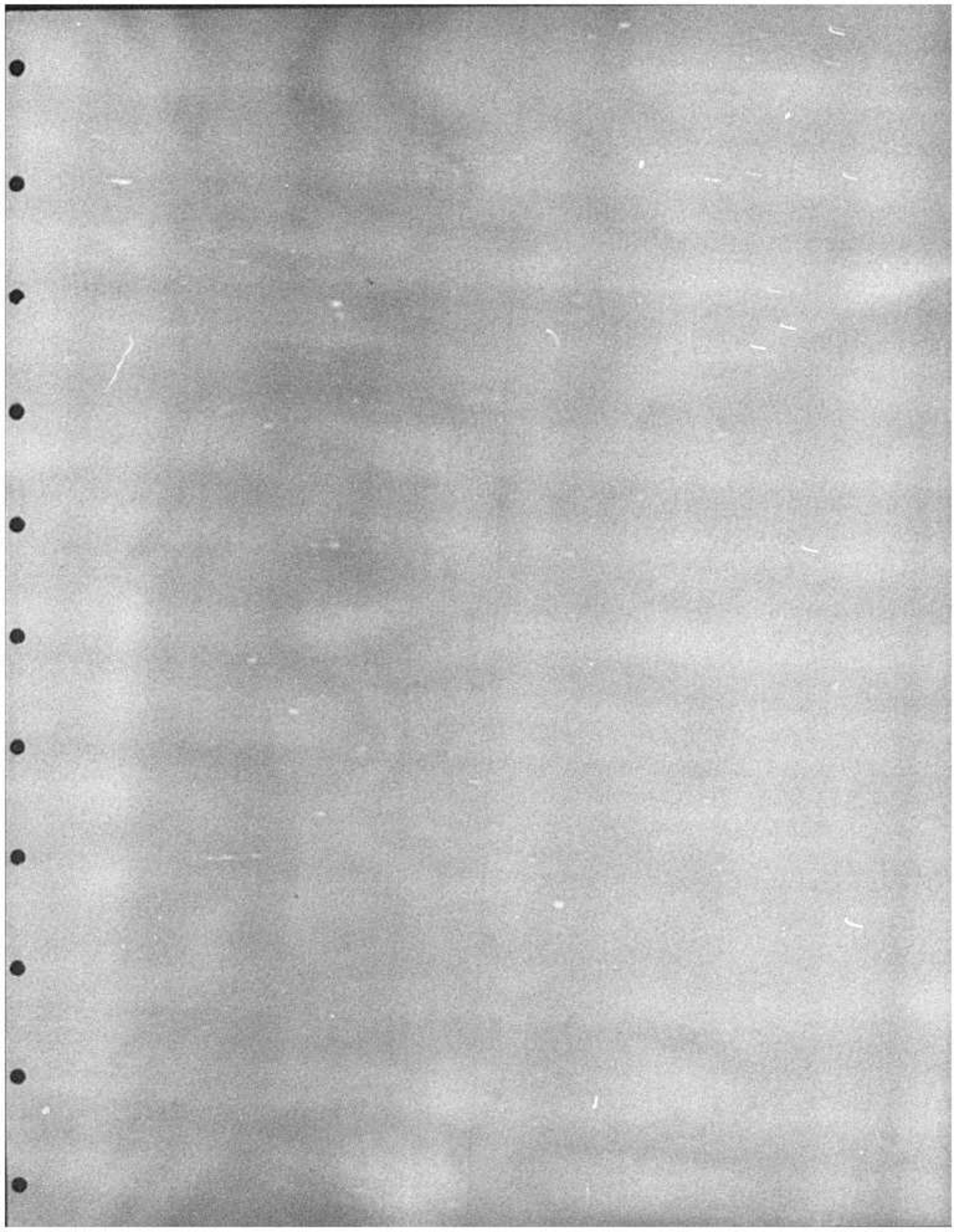
In 1997 Interglobe will achieve ISO 9002, apply for 'Investors in People'; and introduce company-wide bonus and share option schemes.

Senior Management

During 1996 the senior management team was strengthened to bring in young talent and breadth of business experience.

Interglobe Telecommunications (International) PLC





TECHNICAL CAPABILITY

Applicant is a wholly-owned subsidiary of Interglobe Telecommunications (International) Plc, a U.K. corporation ("Parent"). Applicant will route its intra-Florida interexchange calls via the transatlantic circuit facilities and London switching equipment of its Parent. Parent will provide technical capability to Applicant. The following pages describe Parent's technical capability.

Interglobe Telecommunications Technical Overview

24th March 1997

Technical Description

Interglobe has many technical components which have been fully integrated to produce an effective enterprise solution. They can be broken down as follows:-

- **Network Infrastructure**
- **Enterprise Client/Server Solution**
- **Telecommunications Switch Platform**
- **Communications Systems**
- **Office PABX**

Network Infrastructure

Interglobe's Network can be divided into three major categories, LAN, WAN and Management. Currently Interglobe has two LAN's, London and Orlando. The LAN in London has been built to meet the requirements for the next two years and will only grow in small amounts as we have successfully implemented a CAT5 cabling infrastructure plan that allows for modular growth. With the addition of a Cabletron MMAC Plus in the basement we have huge growth potential for any future LAN/WAN requirements over a variety of protocols including ATM and Gigabit Ethernet. The Orlando office has a small undeveloped LAN, if chosen as our main US site, CAT5 and Intelligent Network equipment will need to be installed.

The current WAN strategy is to implement a Frame Relay Data Network with a private network provided by WorldCom. In keeping with the rest of our Network Strategy all of the hardware will be Cabletron and Cabletron Subsidiary Manufacturers for reasons of Management, reliability, performance and world-wide availability. It is expected that Network Management Software will be upgraded from the current PC version of Cabletron's Spectrum Element Management (SPEL) to the full NT or UNIX Spectrum for Open Systems Intelligent Management Platform.

LAN Growth

With the implementation of a strategic roll out plan for telecommunications services there will be a requirement for further LAN installations at other locations. Each location regardless of size will need to be connected to either London or yet to be determined US site. At each location, we will be able to replicate the type of technology that has been used in the UK LAN.

WAN Growth

WAN growth is dependent upon the growth of remote sites. The first implementation of a WAN will be using Frame Relay however, later this year we will be able to use ATM at any site where it is required. Suitable sites for ATM are London and our main US site

where ATM capable network devices are available and viable. The ease of expansion offered by a varied Frame Relay & ATM Virtual Private Circuit means we can start with a relatively small network and Committed Information Rate (CIR), this refers to the amount of traffic we are guaranteed by WorldCom and expand this as necessary with effectively no ceiling beyond what WorldCom can provide.

Network Management

It will be necessary to implement centralised Network Management for the entire network once we have more than one or two remote sites. The current management platform does not offer enough features for the continued growth of the company. In keeping with our decision to use Cabletron equipment whenever it is viable it is a natural progression to implement a Cabletron Network Management platform, namely SPECTRUM, mentioned earlier.

Enterprise Client Server Solution

We are about to implement a Client Server Solution which is built on a Windows NT 4.0 Server with Microsoft SQL Server 6.5 as the Database Management System. This is running on a Data General Avilion Server which has been specifically designed for enterprise applications.

This Solution has been developed to meet the specific requirements of Interglobe. It resolves many of the issues which have arisen by using a Foxpro database. It is Solution which allows users to have access to all the information they need. It has been built so that each department within Interglobe has a tailored interface. For example, sales personnel want to access data a different way from administration personnel.

Not only is this Solution built to adapt to new products easily, but it has been developed with large call volumes in mind. We now have a system which will meet our needs for the next three years.

Telecommunications Switch Platform

Interglobe has developed a sturdy calling card platform over the past 5 years. The platform consists of PC based switches utilising Rhetorex, Aculab and Dialogic telecommunications and voice processing boards. The architecture and software was developed in-house and gives us a strong competitive advantage over other companies who rely on third party developers to enhance their products.

Our objective at Interglobe is to provide quality telecommunications products by combining leading edge computer telephony technology with robust hardware components.

The switch platform currently has a capacity of over 1000 ports - it is a modular platform and we are able to add capacity at short notice. All of the PC switches are connected across a Local Area Network (LAN) to customer service representatives who are able to quickly respond to customer queries.

Communications Systems

We have introduced Lotus Domino 4.5 which is a communication application as well as many other things. It is a group-working system, development environment and Internet server all in one. This product enables people to send e-mail, send faxes across the network and to discuss new promotions as they come on line. There are many other features which we are yet to fully implement and there are new companion products coming out every day for this new and exciting system.

We have also provided an FTP Server for our marketing partners and resellers to send and receive files quickly and easily. Another system which we are trialling is a Remote Access Server which enables users to work remotely but feel that they are connected to our LAN.

A truly essential communications system to our business is our Credit Card Server. This provides a dial-up link to merchant services to verify and charge credit cards on-line. We are moving towards an ISDN connection in the near future to speed up this process and to cope with the increase in the number of transactions we are now handling.

Office PABX

We have spent long hours searching the market for a telephone system which can meet our business requirements. We are a company which will push a telephone system to its limits. It must be available 24 hours a day and 365 days a year, it must be expandable to respond to our growth, it must be feature rich yet manageable. The most important issue is that it must be open and accessible to a Computer Telephony Integration Developer.

The system we found was the Inter-Tel Axxess. It is fully TSAPI and TAPI compliant, it also offers an excellent proprietary API and it is well established in the market place. It provides a quality Automated Call Distribution option which can be moulded to our application.

Technical Strategy

Interglobe entered the telecommunications market at a time of technological revolution. Large telecommunications companies constrained by regulation, bureaucracy and legacy systems suddenly came under attack from competition on all levels. Interglobe realised that by concentrating on our core products, we would establish ourselves in the market while having time to produce a highly innovative platform which would enable us to quickly gain market share in other areas of the telecommunications industry.

Customers want simplicity, features, competitive prices, accurate billing and excellent customer service. In order to achieve this, Interglobe has focused on the following technical objectives:-

- Provide Effective Customer Solution - **Simple and Accurate**
- Produce Advanced Telecommunications Platform - **Competitive Advantage**
- Produce International Solution - **Simple Manageability**
- Utilise Automation to the Maximum - **Efficient and Effective**
- Build Least Cost Routing Platform - **Lowest Costs**
- Implement Communications Infrastructure - **Better Communication**

1. Provide Effective Customer Solution - **Simple and Accurate**

The platform has to be enhanced specifically to offer a quality, fast, simple and highly available service to customers. Many platforms can become overly complicated with menu systems and this is not what the customer needs. Also, we have to ensure that customers are able to use dialling procedures which they are familiar with.

It is essential that at each point of contact with the customer, they feel that they are dealing with a professional organisation. One point of contact is when they use the card and another is when they receive the bill at the end of the month. Therefore, it is imperative that the billing system is flexible enough to present the customer with information that makes sense to them as well as being accurate.

Many companies will be able to get new customers, but the key to it is keeping the customers for the long term and ensuring they are happy with the service.

2. Produce Advanced Telecommunications Platform - **Competitive Advantage**

Our strategy is to establish ourselves as one of the first companies to achieve the synthesis of Telecommunications, Client/Server Database Technology, Computer Telephony Integration, Internet and new generation PC-based Technology to produce a *powerful, real-time, highly accessible, flexible and customer-oriented* platform.

Many companies have achieved some of this, but none have a fully integrated platform. The platform we envision will provide many services to customers including debit card, calling card, voice mail, fax mail, message forwarding and will also be used for Interactive Voice Response for market research and promotions. The architecture is such that any new products can be quickly and easily implemented.

We are using open systems, which means that different components of hardware and software can be replaced with other components. Therefore, as new technologies become available we are able to introduce them to our platform without having to alter the infrastructure. This can often be a limiting factor in many businesses as they struggle to keep up with new innovation

All development of this platform will be in house so that we are not reliant on paying huge fees to switch manufacturers for new features.

3. Produce International Solution - Simple Manageability

We have always concentrated on producing a truly international solution which can be easily replicated in different countries while adapting itself to suit new localised requirements. One of the most important design features in this type of architecture is that it can be easily managed from a centralised headquarters.

Our intention is that our telecommunications switches can be easily configured and commissioned in different locations, yet all development work and support can be done centrally so as to maximise cost effectiveness.

In order to connect the switches to a centralised database, it is thus necessary to introduce a stable Wide Area Network (WAN) and Local Area Network (LAN) infrastructure. Again, due to the fact that technology is rapidly changing in this area, we must adopt a strategy which is modular, expandable and dependable. There is no point in using low cost network components which can handle the current requirements and then find that we need to replace the whole backbone as the network reaches higher capacity. We must provide a solution which is proven and manageable. We are also aware that the data requirements for each location will be different and the equipment must be compatible and manageable. As bandwidth demands increase, we will have to replace frame relay connections with ATM or dedicated circuits.

The other key area which must be addressed is how to handle multiple currencies, tax rates and languages. Any platform must deal with these in such a way as not to cause confusion for customer or employee. Most of the charging of customers is completed via credit card and therefore any charging system would have to connect to a merchant service which can handle multiple currencies.

4. Utilise Automation to the Maximum - Efficient and Effective

In the last few years, we have automated various tasks such as credit card charging and batch processing of applications. In the case of credit card charging, it meant that we were able to charge 10,000 customers as easily as we used to charge 100 customers without too much increase in the workforce.

The area which would bring many benefits to Interglobe is the Internet. Everything from applying for a calling card to altering short codes can be done by the customers themselves, thus ensuring that they are responsible for data-entry and allowing us to concentrate on improving the service. People would do a lot of the administration work themselves.

We will also look at new ways to automate processes such as card printing, card fulfilment and responding to customer enquiries. This can be achieved by utilising systems such as fax-back, thermal card printers and automatic folding and enveloping products.

5. Build Least Cost Routing Platform - **Lowest Costs**

In order to offer competitive rates to our customers, we must have the best rates from our suppliers. By using service from a variety of carriers, we not only improve our network resilience and redundancy, but it allows us to select different carriers for inbound and outbound routes. The platform will cope with many carriers and will be easy to manage as prices fluctuate in the market. Carriers give discounts for large call volumes and the platform must ensure that calls are carefully distributed.

6. Implement Communications Infrastructure - **Better Communication**

Interglobe is a company which will depend on its communication infrastructure to operate. With sales offices and switch centres in many locations, there must always be a way to communicate effectively.

To achieve this, we have put in place e-mail, voice-mail and network fax solutions to meet the needs of a growing multinational corporation. We are working towards a universal messaging solution which will bring all of these components together into a single system so one does not have to access three different types of messages. All messages will be held in one place and utilising text-to-speech and speech-to-text technology, we will build a system which can be used from a PC or a telephone. Another part of the Internet strategy will be to enable access through the Internet to this universal messaging system.

Interglobe Telecommunications Technical Overview

3rd January 1997

Our strategy at Interglobe is to provide quality telecommunications products by utilising a combination of leading edge computer telephony technology with robust hardware components. This means that we develop our own software on proven hardware equipment such as Cabletron, IBM, Data General, Dialogic, Aculab, Rhetorex, HP and Compaq.

Interglobe has developed a robust calling card platform over the past 5 years. The platform consists of PC based switches utilising Rhetorex, Aculab and Dialogic telecommunications and voice processing boards. The architecture was developed in-house and gives us a strong competitive advantage over other companies who rely on third party developers to enhance their products.

The switch platform currently has a capacity of over 1000 ports - it is a modular platform and we are able to add capacity at short notice. All of the PC switches are connected across a Local Area Network (LAN) to customer service representatives who are able to quickly respond to customer queries. The LAN hardware is Cabletron, some of the most robust network equipment on the market. We use a combination of Novell and NT servers on our enterprise network.

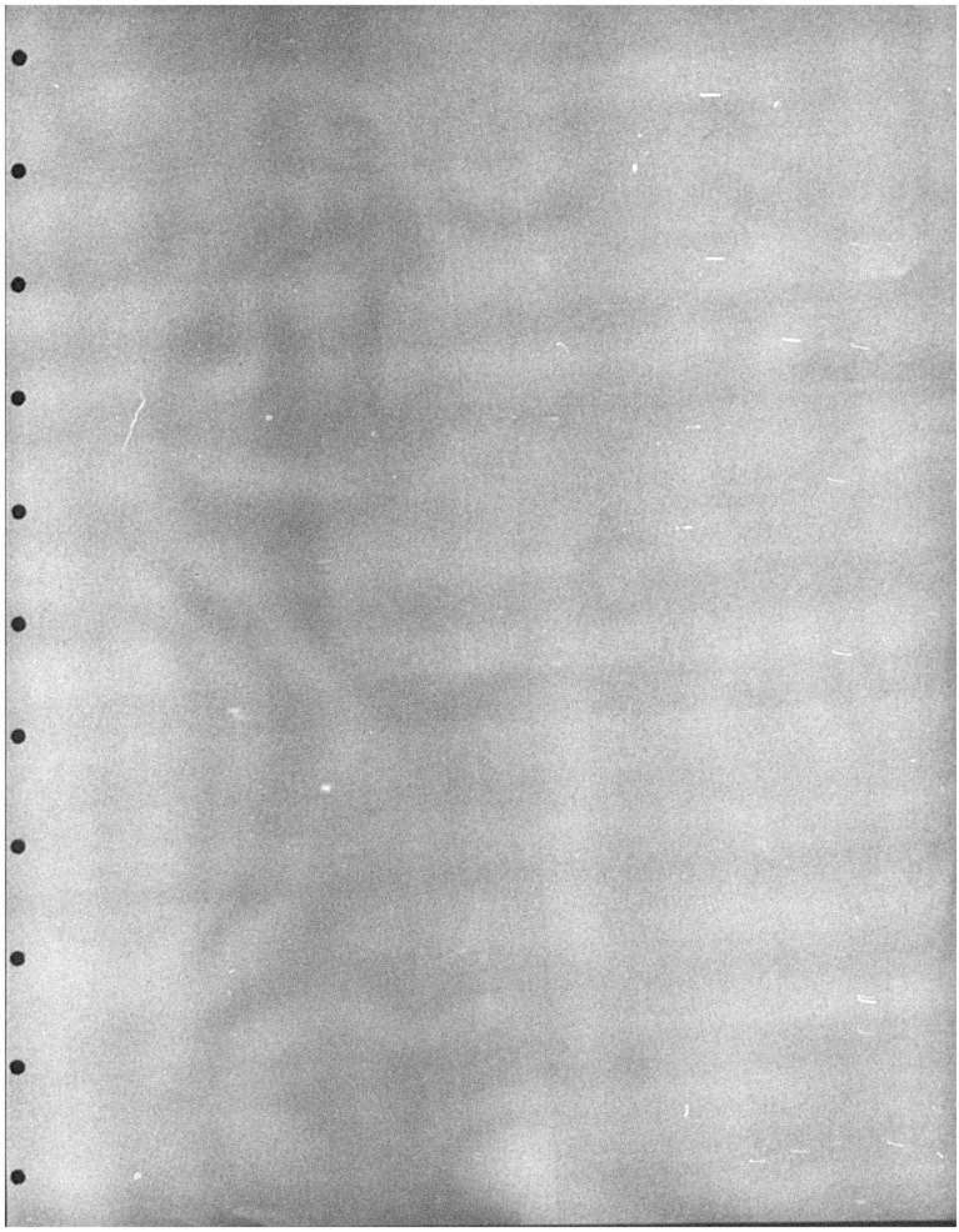
The switch platform offers least cost routing capabilities which enables us to provide highly competitive pricing and effective network diversity and redundancy.

The platform has been enhanced specifically to offer a quality, fast, simple and highly available service to customers. Many platforms can become overly complicated with menu systems and this is not what the customer needs.

We are able to offer different price tariffs, customised voice prompts, customised cards, customised literature to give the impression that the service is provided by a reseller. Interglobe currently works with customers as a service provider, a marketing partner, a bureau or we work directly with end users.

To summarise:-

- Quality Telecommunications Products
- Leading Edge Technology
- Robust Hardware
- Flexible Software
- High Capacity
- Fast and Efficient Service
- Flexible Supplier Relationship



**ATTACHMENT TO
INTERGLOBE APPLICATION**

PROPOSED TARIFF

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Interglobe Telecommunications International, Inc., with principal offices at 7616 Southland Boulevard, Orlando, Florida 32809 ("Company").

Issued: September 5, 1997
by:

Marc Pearce, Secretary
7616 Southland Blvd., Orlando, FL 32809

Effective: _____

CHECK SHEET

The sheets listed below, which are inclusive of this tariff, are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date of the bottom of this page.

SHEET	REVISION
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original

TABLE OF CONTENTS

Title Sheet 1
Check Sheet 2
Table of Contents 3
Symbols Sheet 4
Tariff Format Sheets 5
Section 1 - Technical Terms and Abbreviations 7
Section 2 - Rules and Regulations 8
Section 3 - Description of Service 12
Section 4 - Rates 16

SYMBOLS SHEET

The following are the only symbols used for the purposes indicated below:

D - Delete Or Discontinue

I - Change Resulting In An Increase to a Customer's Bill

M - Moved From Another Tariff Location

N - New

R - Change Resulting In A Reduction To A Customer's Bill

T - Change in Text Or Regulation But No Change In Rate Or Change

TARIFF FORMAT SHEETS

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc, the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is now always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence. There are nine levels in paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).

TARIFF FORMAT SHEETS

D. Check Sheets - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the customer's location to an Interglobe Telecommunications International, Inc. network switching center.

Authorization Code - A numerical code, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes.

Company or Carrier - Interglobe Telecommunications International, Inc.

Customer - the person, firm, corporation or other entity which orders service and is responsible for payment of charges due and compliance with the Company's tariff regulations.

Day - From 8:00 AM up to but not including 5:00 PM local time Sunday through Friday.

Evening - From 5:00 PM up to but not including 11:00 PM local time Sunday through Friday.

Holidays - Company's recognized holidays are New Year's Day, Martin Luther King, Jr. Day, Presidents Day, Ground Hog Day, St. Patrick's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Day.

Night/Weekend - From 11:00 PM up to but including 8:00 AM Sunday through Friday, and 8:00 AM Saturday up to but not including 5:00 PM Sunday.

SECTION 2 - RULES AND REGULATIONS**2.1 Undertaking of Company**

Company's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this Tariff.

Company installs, operates, and maintains the communications services provided herein in accordance with the terms and conditions set forth under this Tariff. It may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Company's network. The customer shall be responsible for all charges due for such service agreement.

The Customer's services and facilities are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.

2.2 Limitations

2.2.1 Service is offered subject to the availability of facilities and provisions of this tariff.

2.2.2 Company reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control; or when the customer is using service in violation of the law or the provisions of this Tariff.

2.2.3 All facilities provided under this Tariff are directly controlled by Company, and the customer may not transfer or assign the use of service or facilities, except with the express written consent of Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations (Cont.)

2.2.4 Prior written permission from Company is required before any assignment or transfer. All regulations and conditions contained in this Tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

2.3 Liabilities of Company

2.3.1 Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur.

2.3.2 Company shall be indemnified and held harmless by the customer against:

(A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over Company's facilities.

(B) All other claims arising out of any act or omission of the customer in connection with any service or facility provided by Company.

SECTION 2 - RULES AND REGULATIONS**2.4 Interruption of Service**

2.4.1 Credit allowance for the interruption of service which is not due to Company's testing or adjusting, negligence or the customer, or to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set forth in 2.3.1 herein. It shall be the obligation of the customer to notify Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by the customer within his control, if any, furnished by the customer and connected to Company's facilities.

2.4.2 For purposes of credit computation, every month shall be considered to have 720 hours.

2.4.3 No credit shall be allowed for an interruption of a continuous duration of less than two hours.

2.4.4 The customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit Formula:

$$\text{Credit} = A/720 \times B$$

"A" - outage time in hours

"B" - total monthly charge for affected facility

SECTION 2 - RULES AND REGULATIONS

2.5 Deposits

Company does not require a deposit from the customer, other than the amount of the prepaid debit card.

2.6 Advance Payments

For customers whom Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary a new advance payment will be collected for the next month.

2.7 Taxes

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

SECTION 3 - DESCRIPTION OF SERVICE3.1 Timing of Calls3.1.1 When Billing Charges Begin and Terminate For Phone Calls

The customer's long distance usage charge is based on the actual usage of Company's network. Usage begins when the the called party picks up the receiver, (i.e. when 2 way communication, often referred to as "conversation time" is possible.). When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up.

3.1.2 Billing Increments

Unless otherwise specified in this tariff, the minimum call duration for billing purposes is 1 minute for a connected call. Calls beyond 1 minute are billed in 1 minute increments.

3.1.3 Per Call Billing Charges

Billing will be rounded up to the nearest penny for each call.

3.1.4 Uncompleted Calls

There shall be no charges for uncompleted calls.

SECTION 3 - DESCRIPTION OF SERVICE**3.2 Billing of Calls**

All charges due by the subscriber are payable at any agency duly authorized to receive such payments. Any objection to billed charges should be promptly reported to Company. Adjustments to customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

3.3 Payment of Calls**3.3.1 Late Payment Charges**

Interest charges of 1 1/2% per month may be assessed on all unpaid balances more than thirty days old.

3.3.2 Return Check Charges

A return check charge of \$20.00 or 5% of the amount of the check, whichever is greater, will be assessed for checks returned for insufficient funds.

3.4 Restoration of Service

A reconnection fee of \$25.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

SECTION 3 - DESCRIPTION OF SERVICE3.4 Flat Rate Service

Usage charges are based on a flat per minute rate. In the event that mileage sensitive products are offered, usage charges will be based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers that are produced by Bell Communications Research in the NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

FORMULA:

$$\sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

EXAMPLE: Distance between Miami and Tallahassee

	<u>V</u>	<u>H</u>
Miami	8,354	546
New York	<u>7,871</u>	<u>1,720</u>
Difference	483	-1,174

Square and add: 233,289 + 1,378,276 = 1,611,565

Divide by 10 and round: 1,611,565 / 10 = 161,156.5
= 161,157Take square root and round: 161,157 = 401.4
402 miles

SECTION 3 - DESCRIPTION OF SERVICE3.5 Service Offerings3.5.1 Prepaid Debit Card Service.

This service allows the customer to call an 800 access number and authorization code, specified on the telephone calling card, to gain access to Company's network. This service consists of telephone calling cards, purchased by the customer in advance of making calls. Company provides operator assistance to the calling party as needed in making calls. Company reduces value of the telephone calling card automatically for each minute of calling time. The calling party is notified by the Company during the call when the remaining value of the card is three minutes, and at one minute intervals thereafter. The calling party can increase the value of the card by authorizing the operator to charge the increased value to the customer's authorized credit card. When the value of the card has expired, the call is terminated by the Company.

SECTION 4 - RATES

4.1 Prepaid Debit Card Rates

The flat rate per minute is \$0.36. This flat rate applies irrespective of the following: distance between the calling and called parties, time of day or night, date, and holiday or non-holiday. Calls are rounded to the next higher minute when they consume a fraction of a minute. Customers, not Company, are responsible for any hotel surcharges.

4.2 Special Promotions

The company may, from time to time, offer special promotions to its customers waiving certain charges. These promotions will be approved by the FPSC with specific starting and ending dates and under no circumstances run for longer than 90 days in any 12 month period.

4.3 Special Rates For the Handicapped

4.3.1 Directory Assistance

To the extent that this product may be offered, there shall be no charge for up to fifty calls per billing cycle from lines or trunks serving individuals with disabilities. The Company shall charge the prevailing tariff rates for every call in excess of 50 within a billing cycle.

4.3.2 Hearing and Speech Impaired Persons

To the extent that there may be TDD users, intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

4.3.3 Telecommunications Relay Service ("TRS")

To the extent that there may be TRS, for intrastate toll calls received from the relay service, the company will when billing relay calls discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

SHAW PITTMAN
POTTS & TROWBRIDGE
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

STAMP & RETURN

2300 N Street, N.W.
Washington, D.C. 20037-1128
202.663.8000
Facsimile 202.663.8007

1675 Broadway
New York, NY 10019-5820

ROBERT E. CONN
Senior Counsel
202.663.8093
robert_conn@shawpittman.com

September 4, 1997

DEPOSIT

DATE

Via Federal Express

D 6 0 8

SEP 0 5 1997

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850

Re: Application To Provide Interexchange Telecommunications Service

Dear Sir/Madam:

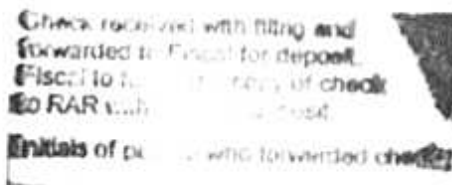
Interglobe Telecommunications International, Inc. ("Applicant") is filing an original and six copies of an application to provide interexchange telecommunications service within the State of Florida. Initially, Applicant will provide only prepaid debit card service.

The application consist of: (1) the Commission's Application Form; (2) Appendices B and C thereto; (3) Attachment entitled, "Financial Capability"; (4) Attachment entitled, "Managerial Capability"; (5) Attachment entitled, "Technical Capability"; and (6) the Proposed Tariff.

Also enclosed is a check in the amount of \$250.00 for the application filing fee.

Please return to me the enclosed extra receipt-stamped copy of this transmittal letter in the enclosed self-addressed, pre-stamped envelope.

I am available to answer my questions or to provide any necessary additional information. My address and telephone/facsimile numbers are shown in this letterhead.



Sincerely,

Robert E. Conn
Robert E. Conn
Attorney for Interglobe

Enclosures

SHAW PITTMAN
POTTS & TROWBRIDGE
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATION

STAMP & RETURN

2300 N Street, N.W.
Washington, D.C. 20037-1128
202.663.8000
Facsimile 202.663.8007

ROBERT E. CONN
Senior Counsel
202.663.8093
robert_conn@shawpittman.com

1675 Broadway
New York, NY 10019-5820

September 4, 1997

Via Federal Express

DEPOSIT

DATE

D 6 0 8

SEP 05 1997

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850

971173-TT

Re: Application To Provide Interexchange Telecommunications Service

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Also enclosed is a check in the amount of \$250.00 for the application filing fee.



1760

1760

DATE AMOUNT
Aug 28, 1997 \$250.00

Memo:

PAY

Two Hundred Fifty and 0/100 Dollars

Florida Public Svs. Commission

AUTHORIZED SIGNATURE