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**NEUTRAL TANDEM RAISES \$12 MILLION
TO FUEL GROWTH OF NATION'S ONLY INDEPENDENT TANDEM NETWORK**

**Leading Tandem Provider Reaches Milestone of 100 Million Numbers,
Offers Cost-Effective Solution to ILEC Monopoly**

CHICAGO, June 5, 2006 – Neutral Tandem Inc., the nation's only provider of inter-carrier independent tandem and voice peering services, announced today it has completed a \$12-million, Series C funding round led by new investor Montagu Newhall Associates, Inc. Wasatch Advisors Inc. also participated in the round with previous investor Mesirow Financial, and with original investors DCM - Doll Capital Management and New Enterprise Associates. Having raised nearly \$50 million since being founded in 2003, the company said it plans to use its new capital for accelerating network growth, IP enhancements and national marketing initiatives.

Neutral Tandem operates the country's only independent TDM and IP-based tandem network for wireless, wireline, cable and broadband service providers to exchange traffic, providing the only alternative to monopoly-based ILEC interconnections. Neutral Tandem offers more interconnections—with 100 million telephone number end points—to more carriers, in more locations than any other alternate tandem provider.

“We are delighted to be a part of the Neutral Tandem team,” said Ashton Newhall, Founding General Partner of Montagu Newhall Associates, Inc. “Their unique services offer revolutionary interconnection solutions for both existing and next-generation providers while providing critical network diversity for the nation's telecommunications infrastructure.”

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“Our continued ability to raise capital and attract new investors is a clear indication of our strong customer traction and market leadership,” said Rob Junkroski, Chief Financial Officer of Neutral Tandem. “We are very pleased to have Montagu Newhall Associates, Inc. and Wasatch Advisors, Inc. join our existing investors in building a tandem network that will increasingly appeal to VoIP and wireless providers for many years to come.”

Neutral Tandem currently provides tandem services to more than 45 major carriers, including nearly all of the major wireless, competitive local exchange carriers (CLECs), cable and VoIP providers. The company is operational in 40 U.S. markets including: Atlanta, Chicago, Cincinnati, Cleveland, Columbus (OH), Detroit, Indianapolis, Los Angeles, Miami, Milwaukee, Minneapolis, New York, Tampa (FL) and the state of Connecticut and is increasing its geographic footprint to include four additional markets in 2006: Boston, MA; Northern New Jersey; Orlando, FL; and Washington, D.C.

About Montagu Newhall Associates, Inc.

Founded in 2000 with offices in Owings Mills, Maryland, London, England and Redwood City, California, Montagu Newhall Associates, Inc. is a venture capital fund of funds manager with over \$450 million in committed capital. Investors in the firm’s three funds are provided access to diversified portfolios of top-tier venture capital funds and a limited number of direct venture investments. The firm’s Industry Advisory Board includes Richard Kramlich, Charles Newhall III, and Ryan Drant (New Enterprise Associates), Bob More and James Blair (Domain Associates), James Swartz (Accel Partners) and Barry Eggers (Lightspeed Venture Partners). For further information, visit the Montagu Newhall website at www.montagunewhall.com.

About Wasatch Advisors, Inc.

Wasatch Advisors, Inc. is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. As of December 31, 2005, Wasatch managed approximately \$10 billion in assets for pension and profit

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sharing plans, unions, foundations, endowments, individuals, and trusts. Wasatch Advisors, Inc. pursues a disciplined approach to investing focused on bottom-up, fundamental analysis designed to develop a deep understanding of the investment potential of individual companies.

About DCM - Doll Capital Management

DCM is a top-performing venture capital firm supporting entrepreneurs building early-stage technology companies. DCM partners manage over US\$1billion and have funded leading technology companies including 2Wire, 51job (Nasdaq: JOBS), About.com (The New York Times Co.), All About (JASDAQ: 2454), @Motion (Openwave), Foundry Networks (Nasdaq: FDRY), HireRight, Internap (AMEX: IIP), IPivot (Intel), JCI (Nasdaq Japan - Hercules: 9424), Kabu.com (TSE:8703), nQuire (Siebel), PGP Corporation, Recourse Technologies (Symantec), Sigmatel (Nasdaq: SGTL), SMIC (NYSE: SMI), and UUNet (MCI). DCM offers hands-on operational guidance and access to an extensive network of resources, including close relationships with many of the Pacific Rim's leading companies and investors. For more information, please visit DCM's website at www.dcmvc.com.

About New Enterprise Associates

New Enterprise Associates (NEA) is a leading venture capital firm focused on helping entrepreneurs create and build major new enterprises that use technology to improve the way we live, work and play. Since its founding in 1978, the firm has followed the same basic principles: support their entrepreneurs, provide an excellent return to their limited partners and practice their profession with high standards and respect. Practicing classic venture capital for over 25 years, NEA focuses on early stage investments, playing an active role in assisting management to build companies of lasting value. With \$6 billion under management, NEA's experienced management team has invested in over 500 companies, of which more than 150 have gone public and more than 200 have been acquired. NEA has offices in Reston, Virginia; Menlo Park, California; and Baltimore, Maryland. For additional information, visit www.nea.com.

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About Mesirow Financial

Headquartered in Chicago and founded in 1937, Mesirow Financial is a leading diversified financial services firm, offering Investment Management, Investment Services, Insurance Services, Investment Banking, Consulting and Real Estate expertise. The employee-owned firm has more than \$20 billion in assets under management, custody and advisory and over 1,000 employees in 17 offices across the country. Mesirow Financial's private equity division has more than \$800 million of committed capital under management providing private equity partnership and direct investment programs for its clients. For more information, visit www.mesirowfinancial.com.

About Neutral Tandem

Neutral Tandem Inc. is the nation's only provider of independent tandem and voice peering services to wireless, wireline, cable and VoIP companies. Founded in 2003, the company has created the largest non-PSTN (Public Switched Telephone Network) tandem network in the U.S., facilitating inter-carrier communications with a cost-effective alternative to the Incumbent Local Exchange Carrier (ILEC) network. Neutral Tandem's solutions build redundancy, security and operational efficiencies into the nation's telecommunications infrastructure by connecting over 100 million telephone number end points in over 40 U.S. markets. The company is headquartered in Chicago. Please visit Neutral Tandem's website at: www.neutraltandem.com.