

### Optical Internet

#### FOR IMMEDIATE RELEASE

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#### COGENT COMMUNICATIONS REPORTS SECOND QUARTER RESULTS

**[WASHINGTON, D.C. August 12, 2005]** Cogent Communications Group, Inc. (AMEX: COI) today announced net service revenue of \$33.8 million for the three months ended June 30, 2005, an increase of 65.8% over \$20.4 million for the three months ended June 30, 2004. Onnet revenue was \$18.9 million for the three months ended June 30, 2005, an increase of 38.9% over \$13.6 million for the three months ended June 30, 2004. On-net service is provided to customers located in buildings that are physically connected to Cogent's network by Cogentowned facilities.

Net service revenue increased 65.0% from \$41.3 million for the six months ended June 30, 2004 to \$68.2 million for the six months ended June 30, 2005. On-net revenue increased 37.0% from \$27.1 million for the six months ended June 30, 2004 to \$37.2 million for the six months ended June 30, 2005.

Earnings before interest, taxes, depreciation and amortization (EBITDA), as adjusted, was \$2.3 million for the three months ended June 30, 2005 compared to (\$2.4) million for the three months ended June 30, 2004. EBITDA, as adjusted, was \$7.0 million for the six months ended June 30, 2005 compared to (\$6.8) million for the six months ended June 30, 2004.

Net cash used in operating activities was \$1.5 million for the three months ended June 30, 2005 as compared to \$6.3 million for the three months ended June 30, 2004. Net cash used in operating activities was \$8.2 million for the six months ended June 30, 2005 as compared to \$17.7 million for the six months ended June 30, 2004.

Customer connections were 9,468 as of June 30, 2005 compared to 4,707 as of June 30, 2004. On-net buildings were 1,009 as of June 30, 2005 as compared to 930 as of June 30, 2004.

Basic and diluted net loss applicable to common stock was (\$0.47) for the three months ended June 30, 2005 compared to (\$29.51) for the three months ended June 30, 2004. Basic and diluted net loss applicable to common stock was (\$1.24) for the six months ended June 30, 2005 compared to (\$95.99) for the six months ended June 30, 2004. Weighted average common shares outstanding – basic and diluted - were 34,489,085 for the three months ended June 30, 2005 as compared to 753,130 for the three months ended June 30, 2004. Weighted average common shares outstanding – basic and diluted - were 25,156,397 for the six months ended June 30, 2005 as compared to 712,794 for the six months ended June 30, 2004.

#### Outlook - Full Year 2005 Estimates

- Cogent is amending its previously released full year 2005 estimate for net service revenue to between \$135.0 million and \$140.0 million from the previously issued guidance of between \$140.0 million to \$150.0 million. Net service revenue was \$91.3 million for 2004.
- Cogent is amending its previously released full year 2005 estimate for EBITDA, as adjusted, to between \$10.0 million and \$12.0 million from its previously issued guidance of between \$7.0 million and \$18.0 million. EBITDA, as adjusted, was (\$15.2) million for 2004.

#### Outlook - Third Quarter 2005 Estimates

- Cogent estimates net service revenue for the third quarter of 2005 to be between \$33.0 million and \$34.0 million as compared to \$21.7 million for the third quarter of 2004.
- Cogent estimates EBITDA, as adjusted, for the third quarter of 2005 to be between \$1.5 million to \$2.5 million as compared to (\$3.8) million for the third quarter of 2004.

## COGENT COMMUNICATIONS GROUP, INC., AND SUBSIDIARIES

## **Summary of Financial and Operational Results**

Metric (\$ in 000's, except per share data) - unaudited	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005
On-Net Revenue	\$13,479	\$13,632	\$14,285	\$16,538	\$18,216	\$18,936
% Change from previous Qtr.		1.1%	4.8%	15.8%	10.1%	4.0%
Off-Net Revenue	\$4,892	\$4,332	\$5,107	\$8,228	\$12,747	\$11,718
% Change from previous Qtr.		-11.4%	17.9%	61.1%	54.9%	-8.1%
Non-Core revenue (1)	\$2,574	\$2,423	\$2,344	\$3,452	\$3,451	\$3,152
% Change from previous Qtr.		-5.9%	-3.3%	47.3%	0.0%	-8.7%
Net service revenue - total	\$20,945	\$20,387	\$21,736	\$28,218	\$34,414	\$33,806
% Change from previous Qtr.		-2.7%	6.6%	29.8%	22.0%	-1.8%
Network operations expenses (2)	\$15,735	\$13,273	\$14,303	\$20,155	\$22,937	\$21,399
% Change from previous Qtr.		-15.6%	7.8%	40.9%	13.8%	-6.7%
Selling, general and administrative expenses (3)	\$9,581	\$9,538	\$9,089	\$12,174	\$10,296	\$10,096
% Change from previous Qtr.		-0.4%	-4.7%	33.9%	-15.4%	-1.9%
Depreciation and amortization expenses	\$14,536	\$13,749	\$13,369	\$14,991	\$13,680	\$12,795
% Change from previous Qtr.		-5.4%	-2.8%	12.1%	-8.7%	-6.5%
Basic and diluted net loss per common share applicable to common stock	\$(68.70)	\$(29.51)	\$(32.87)	\$(24.66)	\$(0.92)	\$(0.47)
% Change from previous Qtr.		57.0%	-11.4%	25.0%	96.3%	48.9%
Weighted average common shares – basic and diluted	672,457	753,130	806,151	820,125	16,260,654	34,489,085
% Change from previous Qtr.		12.0%	7.0%	1.7%	1,882.7%	112.1%
EBITDA, as adjusted (4)	\$(4,371)	\$(2,424)	\$(3,831)	\$(4,536)	\$4,657	\$2,311
% Change from previous Qtr.		44.5%	-58.0%	-18.4%	202.7%	-50.4%

#### (...continued)

Metric (\$ in 000's, except per share data) - unaudited	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005
Cash used in operating activities	\$(11,582)	\$(6,344)	\$(3,863)	\$(4,636)	\$(6,622)	\$(1,539)
% Change from previous Qtr.		45.2%	39.1%	-20.0%	-42.8%	76.8%
Capital expenditures	\$1,833	\$2,205	\$2,297	\$3,800	\$3,092	\$5,058
% Change from previous Qtr.		20.3%	4.2%	65.4%	-18.6%	63.6%
Customer Connections – end of period						
On-Net	2,092	2,258	2,496	2,838	3,245	3,587
% Change from previous Qtr.		7.9%	10.5%	13.7%	14.3%	10.5%
Off-Net	1,134	1,140	1,427	4,481	4,469	4,302
% Change from previous Qtr.		0.5%	25.2%	214.0%	-0.3%	-3.7%
Non Core	1,468	1,309	1,305	1,859	1,721	1,579
% Change from previous Qtr.		-10.8%	-0.3%	37.1%	-7.4%	-8.3%
Total	4,694	4,707	5,228	9,178	9,435	9,468
% Change from previous Qtr.		0.3%	11.1%	75.6%	2.8%	0.3%
Other – end of period						
Buildings On Net	877	930	961	989	1,000	1,009
Employees	230	235	265	297	291	285

- (1) Consists of legacy services of companies whose assets or business were acquired by Cogent, including email, retail dial-up Internet access, shared web hosting, managed web hosting, managed security, voice services (only provided in Toronto, Canada), point to point private line services, managed modem services and until December 31, 2004 services provided to LambdaNet Germany under a network sharing arrangement as discussed in Cogent's SEC filings.
- (2) Excludes amortization of deferred compensation of \$212, \$213, \$207, \$226, \$96 and \$95 in the three months ended March 31, 2004, June 30, 2004, September 30, 2004, December 31, 2004, March 31, 2005 and June 30, 2005, respectively.
- (3) Excludes amortization of deferred compensation of \$2,820, \$2,832, \$2,753, \$2,999, \$3,099 and \$3,080 in the three months ended March 31, 2004, June 30, 2004, September 30, 2004, December 31, 2004, March 31, 2005 and June 30, 2005, respectively.
- (4) See schedule of non-GAAP metrics below for definition and reconciliation to GAAP measures. EBITDA, as adjusted, includes net gains from the disposition of assets of \$750 and \$3,476 in the three months ended March 31, 2004 and March 31, 2005, respectively and excludes gains on debt and lease restructurings.

#### Schedule of Non-GAAP Measures - EBITDA and EBITDA, as adjusted

EBITDA represents net (loss) income before income taxes, net interest expense, depreciation and amortization. Management believes the most directly comparable measure to EBITDA, as adjusted, calculated in accordance with GAAP is cash flows (used in) provided by operating activities.

EBITDA, as adjusted, represents EBITDA less gains on debt and lease restructurings. The Company has excluded these gains on restructurings because they relate to its capital structure and these transactions did not have an effect on its cash flows. The Company believes EBITDA, as adjusted, is a useful measure of its ability to service debt, fund capital expenditures, expand its business and make bonus determinations for its employees. EBITDA, as adjusted, is an integral part of the internal reporting and planning system used by management as a supplement to GAAP financial information. The Company also believes that EBITDA is a frequently used measure by securities analysts, investors, and other interested parties in their evaluation of issuers.

EBITDA and EBITDA, as adjusted, are not recognized terms under generally accepted accounting principles in the United States, or GAAP, and accordingly, should not be viewed in isolation or as a substitute for the analysis of results as reported under GAAP, but rather as a supplemental measure to GAAP. For example, EBITDA is not intended to reflect the Company's free cash flow, as it does not consider certain current or future cash requirements, such as capital expenditures, contractual commitments, changes in working capital needs, interest expenses and debt service requirements. The Company's calculations of EBITDA and EBITDA, as adjusted, may also differ from the calculation of EBITDA and EBITDA, as adjusted, by its competitors and other companies and as such, its utility as a comparative measure is limited.

## <u>COGENT COMMUNICATIONS GROUP, INC., AND SUBSIDIARIES</u> EBITDA and EBITDA, as adjusted, are calculated in the table below.

(\$ In 000's) - unaudited	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005	2005
unaudited							<u>Estimated</u>	<b>Estimated</b>
Cash flows (used in) provided by operating activities	\$(11,582)	\$(6,344)	\$(3,863)	\$(4,636)	\$(6,622)	(\$1,539)	1,100	\$(6,000)
Changes in working capital	4,461	1,161	(2,569)	(2,447)	5,386	1,217	(850)	\$5,100
Cash interest expense, net	2,000	2,759	2,601	2,465	2,417	2,633	1,750	8,750
Gains, debt and lease restructurings and asset sales, net	750		-	5,374	3,476	842	-	4,000
EBITDA, including gains	<u>\$(4,371)</u>	<u>\$(2,424)</u>	<u>\$(3,831)</u>	<u>\$756</u>	<u>\$4,657</u>	<u>\$3,153</u>	2,000	<u>\$11,850</u>
Gains, debt and lease restructurings	-	-	-	(5,292)	-	(842)	-	(850)
EBITDA, as adjusted	<u>\$(4,371)</u>	(\$2,424)	<u>(\$3,831)</u>	<u>\$(4,536)</u>	<u>\$4,657</u>	\$2,311	2,000	<u>\$11,000</u>

Cogent's SEC filings are available online via the Investor Relations section of <a href="https://www.cogentco.com">www.cogentco.com</a> or on the Securities and Exchange website at <a href="https://www.sec.gov">www.sec.gov</a>.

## COGENT COMMUNICATIONS GROUP, INC., AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2004 AND JUNE 30, 2005 (IN THOUSANDS, EXCEPT SHARE DATA)

Auser         Current asses:         1 3,444 (2)         8 3,892 (2)           Cash and eash equivalents         5 09 3,894 (2)         3,000 (2)           Short teen investments (\$355 and \$775 restricted, respectively)         5,00 (2)         2,01 (2)           Accounts receivable, net of allowance for doubtful accounts of \$5,229 and \$2,419, respectively         4,224 (2)         4,021           Property and equipment         4,35,75 (1)         48,10 (1)           Property and equipment, net         1,35,27 (2)         48,10 (1)           Accumulated depression, net         3,32,40 (2)         29,879           Intangible assets, net         3,125 (2)         1,05 (2)           Intangible assets, net         3,125 (2)         1,05 (2)           Contracting the assets (\$1,370 and \$1,421 restricted, respectively)         3,125 (2)         1,05 (2)           Intangible assets, net         3,125 (2)         1,05 (2)           Sest held for sole         1,125 (2)         1,05 (2)           Intal littles and stockholders' equit         2,125 (2)         1,05 (2)           Corrent fishillities and stockholders' equit         2,125 (2)         1,05 (2)           Corrent fishillities and stockholders' equit         2,125 (2)         1,05 (2)           Current fishillities         2,125 (2)         2,125 (2)         <			December 31, 2004	June 30, 2005 (Unaudited)
Restricted cannot equivalents         \$ 13,844   \$ 0,000           Short term investments (\$55 and \$775 restricted, respectively)         500         920           Accounts receivable, net of allowance for doubtful accounts of \$3,29 and \$2,419, respectively         13,564   4,623           Property and expenses and other current assets         70,750         70,810           Froperty and equipment         475,775   75,816           Accountal ded perceiation and amortization         (138,500)   10,410,820           Total property and equipment, net         30,240   29,879           Intangible assets         30,240   29,879           Accountalised amortization         30,240   29,879           Accountalised amortization         30,240   29,879           Australiance         31,25   30,800           Total intangible assets         12,20   20,800           Account for such assets         12,20   20,800           Account for such assets         12,20   20,800           Total intangible assets         12,20   20,800           Pother assets (\$3,1370 and \$1,421 restricted, respectively)         40,800           Total intangible assets         12,20   20,800           Total intangible assets         12,20   20,800           Total intangible assets         12,20   20,800           Total factor asset (asset) of the part of the pa				
Restricted cash   So		Ф	12.044 Ф	20.502
Short team investments (\$355 and \$775 restricted, respectively)   509   41430   4264		\$	13,844 \$	,
Accounts receivable, net of allowance for doubtul accounts of \$3,229 and \$2,419, respectively         1,564         14,462           Total current assets         3,214         62,73           Property and equipment         475,75         718,161           Property and equipment, net         337,275         314,07           Total property and equipment, net         30,202         29,879           Intangible assets         30,204         29,879           Intangible assets, net         31,225         1,088           Accountalist damoritization         1,220         2,215           Total intangible assets, net         3,125         1,088           Sasts Hedf or sale         1,220         4,825         4,805           Total sarces         1,220         8,805         1,805           Total sarces         2,220         1,805         1,805           Total sarces         1,220         1,805         1,805           Total sarces         2,200         1,822         1,822           Total sarces			500	
Pepal expenses and other current assets	Short term investments (\$355 and \$7/5 restricted, respectively)			
Property and equipment				·
Property and equipment         475.75         478.16           Property and equipment, net         (138.50)         (10.808)           Total property and equipment, net         370.725         314.073           Italiangible assets.         30,40         29.878           Intangible assets.         30,240         29.878           Caccumulated amoritzation         12.0         28.821           Otal intangible assets, net         12.0         48.82         48.02           Asset held for sale         12.0         48.25         48.02           Otal attention [1,37] and 61 Ag1 restricted, respectively)         6 12.0         18.28         48.02           Total activated in Stockholders' equit         15.00         18.28         48.02           Urrent Laurian         16.00         18.28         48.02           Accured labilities         20.06         16.20         16.20           Capital ease obligations, current maturities         20.06         16.20         18.20           Capital ease obligations, current maturities         16.00         18.20         18.20           Capital ease obligations, evidential and totals, activation of \$5.026 and \$4.326, respectively         16.00         19.20         18.20           Capital ease obligations, evidential activation of activ	* *			
Property and equipment         478,161         (18,080)         (16,080)           Accumulated depreciation and amortization         (13,800)         (16,080)           Total property and equipment, net         33,725         31,075           Intangible assets         (27,115)         (28,821)           Necumulated amortization         (27,115)         (28,821)           Total intangible assets, net         1,200         1,200         1,200           Asset held for sale         1,200         1,200         1,200           Asset held for sale         1,200         1,200         1,200           Istal assets         3,385,68         3,82,50         3,82,50           Istal asset sheld for sale         1,200         1,200         1,200           Istal asset sheld for sale         2,600         1,600         1,600           Istal asset sheld for sale         2,600         1,600         1,600           Accounts possible         2,000         1,600         1,600           Accincted liabilities         2,000         1,600         1,600           Contral large so obligations, current maturities         1,742         1,742         1,742           Capital large so obligations, seried Cisco Note - related party         1,742         1,742 </td <td></td> <td></td> <td>32,141</td> <td>02,373</td>			32,141	02,373
Accommitated depreciation and amortization         (164,088)           Total property and equipment, ent         33,72°         33,72°           Intangible assets.         30,24°         29,878           Langable assets.         30,24°         (28,821)           Continuinguible assets, net         30,24°         (28,821)           Intellinatinguible assets, net         31,25°         1,858           Asset held for sale         42,25°         4,825°           Other assets (\$1,370 and \$1,421 restricted, respectively)         8         7,878         8         8           Italitiss         1         2,25°         3,825°         1,828           Italitiss and stockholders' cruit         8         1,828°         1,828           Caronal payable         2         2,60°         10,828           Capital Lease obligations, current maturities         2,165°         1,828         1,721           Capital Lease obligations, ext of discount of \$\$.05 and \$4,326, respectively         1,165°         8         8,55°         1,60°         8         1,82°         9,72°         1,82°         9,72°         1,82°         1,82°         1,82°         1,82°         1,82°         1,82°         1,82°         1,82°         1,82°         1,82°         1,82° <th< td=""><td></td><td></td><td>175 775</td><td>179 161</td></th<>			175 775	179 161
Triangible assets   1902   1903   1			·	
Intangible assets         30,24         28 (28)           Intangible assets, and countariation         30,24         (28,21)           Countal containing the assets, and countariation         30,24         (28,28)           Total intangible assets, and countariation         1,22         4,28           Other assets (\$1,370 and \$1,421 restricted, respectively)         4,825         4,805           Italiance assets (\$1,370 and \$1,421 restricted, respectively)         5,286         8           Italiance assets (\$1,370 and \$1,421 restricted, respectively)         8,285         8           Italiance assets (\$1,370 and \$1,421 restricted, respectively)         8,285         8           Italiance assets (\$1,370 and \$1,421 restricted, respectively)         9,285         8         8,280           Italiance assets (\$1,370 and \$1,421 restricted, respectively)         20,695         10,224         10,242         <				
Data place sasets   19,000			331,213	314,073
Accumulated amoritization         (27,115)         (28,821)           Total intangible assets, net         3,125         1,085           Asset held for sale         1,220         4,825         4,805           Other assets (1,370 and \$1,421 restricted, respectively)         4,825         3,825         3,825           Liabilities and stockholders' equit         8,825         3,825         3,825         3,825           Licensity and the search of the second of the second payable         16,009         10,826         10,826         6,824         6,926         10,826         6,824         6,926         10,826         6,824         6,926         10,826         6,824         6,926         6,926         10,826         6,926         6,926         10,826         6,926         6,926         10,826         6,926         6,926         7,428         7,071         7,422			30.240	29 879
Total intangible assets, net   3,125   1,088   1,088   1,080				
Absent belief or sale         1,220         4,805           Other assets (S1,370 and \$1,421 restricted, respectively)         4,805         3,828         3,820           Total assets         3,78,58         8         3,820           Libilities and stockholders' equity         3,820         8           Cerrent liabilities         3,006         1,620         1,620           Accured liabilities         2,060         1,632         1,620           Capital lease obligations, current maturities         2,060         1,748         3,021           Total current liabilities         1,748         3,021         3,025           Convertible subordinated ontes, net of discount of \$5,026 and \$4,326, respectively         5,855         2,855         2,815         5,865           Other long-term liabilities         1,060         9,887         8,955         2,413           Other long-term liabilities         1,060         1,202         2,413           Other long-term liabilities         1,060         1,202         2,413           Convertible preferred stock, Series F, 0,001 par value; 11,000 shares authorized, issued, and outstanding at long 10,000         1,000         4,078         9,000           Convertible preferred stock, Series F, 0,0001 par value; 41,030 shares authorized, issued and outstanding at December 31, 2004; none a			( , ,	
Oble assets (\$1,370 and \$1,421 restricted, respectively)         4,875         3,878.6				
Description   Profession   Pr				4.805
Disabilities and stockholders' equity   Current liabilities   \$16,000   \$10,826     Accounts payable   \$16,000   \$10,826     Accounts payable   \$7,488   7,071     Total current liabilities   74,488   7,071     Total current liabilities   75,665   7,665     Capital lease obligations, net of discount of \$5,026 and \$4,326, respectively   5,165   5,865     Capital lease obligations, net of current maturities   7,882   7,885     Capital lease obligations, net of current maturities   7,885   7,805     Capital lease obligations, net of current maturities   7,885   7,805     Capital lease obligations, net of current maturities   7,885   7,805     Capital lease obligations, net of current maturities   7,885   7,805     Capital lease obligations, net of current maturities   7,885   7,805     Capital lease obligations, net of current maturities   7,885   7,805     Capital lease obligations, net of current maturities   7,885   7,805     Capital lease obligations, net of current maturities   7,885   7,805     Capital lease obligations, net of current maturities   7,885   7,805     Capital lease obligations, net of current maturities   7,885   7,805     Commentible preferred stock, Series F, 50,001 par value; 1,1000 shares authorized, issued, and outstanding at 10,904   7,885   7,905     Convertible preferred stock, Series F, 50,001 par value; 3,901 shares authorized, issued and outstanding at 10,904   7,906   7,906     Convertible preferred stock, Series F, 50,001 par value; 3,891 shares authorized, issued and outstanding at 10,904   7,907	· · · · · · · · · · · · · · · · · · ·	\$		
Caccanta payable   \$ 16,090 \$ 10,324				
Accounts payable         \$ 16,090 \$         10,326           Account liabilities         20,669         16,324           Capital lease obligations, current maturities         7,488         7,071           Total current liabilities         44,247         34,221           Amended and Restated Cisco Note – related party         5,165         5,865           Convertible subordinated notes, net of discount of \$5,026 and \$4,326, respectively         5,165         5,865           Capital lease obligations, net of current maturities         95,887         89,586           Other long-term liabilities         166,096         132,055           Capital lease obligations, net of current maturities         16,096         132,055           Other long-term liabilities         166,096         132,055           Commitments and contingencies:         166,096         132,055           Convertible preferred stock, Series F, \$0,001 par value; \$11,000 shares authorized, issued, and outstanding at December 31, 2004; none at June 30, 2005         10,000         10,000           Convertible preferred stock, Series I, \$0,001 par value; \$4,001 shares authorized, \$45,821 shares issued and outstanding at December 31, 2004; none at June 30, 2005         2,545         -           Convertible preferred stock, Series I, \$0,001 par value; 3,891 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005         2,588				
Accrued liabilities         20,669         16,324           Capital lease obligations, current maturities         7,488         7,071           Total current liabilities         44,247         34,221           Amended and Restated Cisco Note – related party         5,165         5,655           Convertible subordinated notes, net of discount of \$5,026 and \$4,326, respectively         5,165         5,865           Capital lease obligations, net of current maturities         95,887         89,586           Other long-term liabilities         166,096         132,085           Commettible preferred stock, Series F, 50,001 par value; 11,000 shares authorized, issued, and outstanding at 10,904         —           Convertible preferred stock, Series G, 50,001 par value; 41,030 shares authorized, 41,021 shares issued and outstanding at 10,904         —           Convertible preferred stock, Series G, 50,001 par value; 41,030 shares authorized, 41,021 shares issued and outstanding at 10,470         —           Convertible preferred stock, Series B, 50,001 par value; 3,000 shares authorized, 45,821 shares issued and outstanding at 10,470         —           Convertible preferred stock, Series B, 50,001 par value; 3,000 shares authorized, 2,575 share issued and outstanding at 19,421         —           December 31, 2004, none at June 30, 2005         —           Convertible preferred stock, Series K, 50,001 par value; 2,600 shares authorized, issued and outstanding at 2,588		\$	16.090 \$	10.826
Capital lease obligations, current maturities         7,488         7,071           Total current liabilities         44,247         34,221           Amended and Restated Cisco Note – related party         17,842         —           Convertible subordinated notes, net of discount of \$5,026 and \$4,326, respectively         5,165         5,865           Capital lease obligations, net of current maturities         95,867         89,556           Other long-term liabilities         166,096         132,055           Committents and contingencies:         166,096         132,055           Convertible preferred stock, Series F, \$0,001 par value; 11,000 shares authorized, issued, and outstanding at preferred stock, Series G, \$0,001 par value; 41,030 shares authorized, 41,021 shares issued and value outstanding at December 31, 2004; none at June 30, 2005         —           Convertible preferred stock, Series I, \$0,001 par value; 84,001 shares authorized; 45,821 shares issued and value and part and an at June 30, 2005         —           Convertible preferred stock, Series I, \$0,001 par value; 3,800 shares authorized, 2,575 shares issued and outstanding at December 31, 2004; none at June 30, 2005         —           Convertible preferred stock, Series I, \$0,001 par value; 3,891 shares authorized, issued and outstanding at part and an at June 30, 2005         —           Convertible preferred stock, Series I, \$0,001 par value; 3,891 shares authorized, issued and outstanding at part and an at June 30, 2005         — <td< td=""><td></td><td>-</td><td></td><td></td></td<>		-		
Total current liabilities				
S.   S.   S.   S.   S.   S.   S.   S.	,		·	
S.   S.   S.   S.   S.   S.   S.   S.	Amended and Restated Cisco Note – related party			´—
Other long-term liabilities         2,955         2,413           Total liabilities         166,096         132,055           Committents and contingencies:         Stockholders' equity:           Convertible preferred stock, Series F, \$0.001 par value; \$1,000 shares authorized, issued, and outstanding at December 31, 2004; none at June 30, 2005         Convertible preferred stock, Series G, \$0.001 par value; \$4,001 shares authorized, \$4,821 shares issued and ustanding at December 31, 2004; none at June 30, 2005         Convertible preferred stock, Series I, \$0.001 par value; \$4,001 shares authorized; \$45,821 shares issued and outstanding at December 31, 2004; none at June 30, 2005         Convertible preferred stock, Series I, \$0.001 par value; \$4,001 shares authorized, \$45,821 shares issued and outstanding at December 31, 2004; none at June 30, 2005         Convertible preferred stock, Series I, \$0.001 par value; \$4,001 shares authorized, \$45,821 shares issued and outstanding at December 31, 2004; none at June 30, 2005         Convertible preferred stock, Series I, \$0.001 par value; \$4,001 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005         Convertible preferred stock, Series I, \$0.001 par value; \$4,001 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005         Convertible preferred stock, Series I, \$0.001 par value; \$4,001 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005         Convertible preferred stock, Series I, \$0.001 par value; \$4,001 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005         Convertible preferred			5,165	5,865
Total liabilities         166,096         132,055           Commitments and contingencies:         10,000         132,005           Stockholders' equity:         10,000         10,000         -           Convertible preferred stock, Series F, \$0.001 par value; \$1,000 shares authorized, \$4,021 shares issued and outstanding at 10,000         40,778         -           Convertible preferred stock, Series G, \$0.001 par value; \$4,001 shares authorized; \$45,821 shares issued and outstanding at December \$1, 2004; none at June 30, 2005         44,309         -           Convertible preferred stock, Series J, \$0.001 par value; \$4,001 shares authorized, \$2,575 shares issued and outstanding at December \$1, 2004; none at June 30, 2005         4         -           Convertible preferred stock, Series J, \$0.001 par value; \$3,801 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005         -         -           Convertible preferred stock, Series J, \$0.001 par value; \$4,801 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005         -         -           Convertible preferred stock, Series J, \$0.001 par value; \$4,801 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005         927         -           Convertible preferred stock, Series M, \$0.001 par value; \$1,501 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005         18,333         -           Convertible preferred stock, Series M, \$0.001 par value; \$3,701 shares authorized, i			95,887	89,556
Commitments and contingencies: Stockholders' equity: Convertible preferred stock, Series F, \$0.001 par value; 11,000 shares authorized, issued, and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series G, \$0.001 par value; 41,030 shares authorized, 41,021 shares issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series H, \$0.001 par value; 84,001 shares authorized; 45,821 shares issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series I, \$0.001 par value; 3,000 shares authorized, 2,575 shares issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series I, \$0.001 par value; 3,000 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series I, \$0.001 par value; 2,600 shares authorized, issued and outstanding at 19,421 December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at 2,588 December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series K, \$0.001 par value; 185 shares authorized, issued and outstanding at 927 December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series L, \$0.001 par value; 3,701 shares authorized, issued and outstanding at 927 December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at 18,353 December 31, 2004; none at June 30, 2005 Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, 1 44 respectively Additional paid-in capital Deferred compensation Convertible preferred stock, Series M, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, 1 44 Deferred compensation Convertible preferred stock, 900 Convertible preferred stock, 900 Convertible preferred stock, 900 Conv	Other long-term liabilities		2,955	2,413
Stockholders' equity:  Convertible preferred stock, Series F, \$0.001 par value; 11,000 shares authorized, issued, and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series G, \$0.001 par value; 41,030 shares authorized, 41,021 shares issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series H, \$0.001 par value; 84,001 shares authorized; 45,821 shares issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series I, \$0.001 par value; 3,000 shares authorized, 2,575 shares issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series I, \$0.001 par value; 3,891 shares authorized, issued and outstanding at 19,421  December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at 2,588  December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series K, \$0.001 par value; 185 shares authorized, issued and outstanding at 927  December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series L, \$0.001 par value; 185 shares authorized, issued and outstanding at 927  December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at 18,353  December 31, 2004; none at June 30, 2005  Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding at 18,353  December 31, 2004; none at June 30, 2005  Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding at 236,692  Additional paid-in capital 236,692  Additional paid-in capital 236,692  Additional paid-in capital 246,694  Treasury stock, 61,462 shares 46,405  Accumulated other comprehensive income – foreign currency translation adjustment 15,515  Accumulated deficit (174,808)	Total liabilities		166,096	132,055
Convertible preferred stock, Series F, \$0.001 par value; 11,000 shares authorized, issued, and outstanding at 10,904 — December 31, 2004; none at June 30, 2005 — Outstanding at December 31, 2004; none at June 30, 2005 — Outstanding 31, 2004; none at June 30, 2005 — Outstanding 31, 2004; none 31, 2004;				
December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series G, \$0.001 par value; 41,030 shares authorized, 41,021 shares issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series H, \$0.001 par value; 84,001 shares authorized; 45,821 shares issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series I, \$0.001 par value; 3,000 shares authorized, 2,575 shares issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series J, \$0.001 par value; 3,891 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series J, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series L, \$0.001 par value; 185 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding at December 31, 2004; none at June 30, 2005 Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, 1 44 respectively Additional paid-in capital 236,692 439,904 Deferred compensation 226,692 439,904 Deferred compensation 226,692 439,904 Deferred compensation 326,692 439,904 Defer				
Convertible preferred stock, Series G, \$0.001 par value; 41,030 shares authorized, 41,021 shares issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series I, \$0.001 par value; 84,001 shares authorized; 45,821 shares issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series I, \$0.001 par value; 3,000 shares authorized, 2,575 shares issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series I, \$0.001 par value; 3,891 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series K, \$0.001 par value; 185 shares authorized, issued and outstanding at Pocember 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at Pocember 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at Pocember 31, 2004; none at June 30, 2005  Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, and the stock purchase warrants authorized a			10,904	_
outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series H, \$0.001 par value; 84,001 shares authorized; 45,821 shares issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series I, \$0.001 par value; 3,000 shares authorized, 2,575 shares issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series I, \$0.001 par value; 3,891 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series I, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series I, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series I, \$0.001 par value; 185 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series I, \$0.001 par value; 3,701 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, 1 44 respectively  Radditional paid-in capital 236,692 439,904 Deferred compensation (22,533) (15,919) Stock purchase warrants 764 764 Treasury stock, 61,462 shares (90) (90) Formulated other comprehensive income – foreign currency translation adjustment 1,515 559 Accumulated deficit (143,684) (174,808)			40.550	
Convertible preferred stock, Series II, \$0.001 par value; 84,001 shares authorized; 45,821 shares issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series I, \$0.001 par value; 3,000 shares authorized, 2,575 shares issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series J, \$0.001 par value; 3,891 shares authorized, issued and outstanding at 19,421 — December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at 2,588 — December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series L, \$0.001 par value; 185 shares authorized, issued and outstanding at 927 — December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at 18,353  December 31, 2004; none at June 30, 2005  Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, 1 44  respectively  Additional paid-in capital 236,692 439,904  Deferred compensation (22,533) (15,919)  Stock purchase warrants 764 764  Treasury stock, 61,462 shares (90) (90)  Accumulated other comprehensive income – foreign currency translation adjustment 1,515 559  Accumulated deficit (143,684) (174,808)			40,778	_
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Convertible preferred stock, Series I, \$0.001 par value; 3,000 shares authorized, 2,575 shares issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series I, \$0.001 par value; 3,891 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series L, \$0.001 par value; 185 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 185 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, 1 44 respectively  Additional paid-in capital 236,692 439,904  Deferred compensation (22,533) (15,919)  Stock purchase warrants 764 764  Treasury stock, 61,462 shares (90) (90)  Accumulated other comprehensive income – foreign currency translation adjustment 1,515 559  Accumulated deficit (143,684) (174,808)			44,309	_
at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series J, \$0.001 par value; 3,891 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series L, \$0.001 par value; 185 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 185 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, 1 44 respectively  Additional paid-in capital 236,692 439,904  Deferred compensation (22,533) (15,919)  Stock purchase warrants 764 764  Treasury stock, 61,462 shares (90) (90)  Accumulated other comprehensive income – foreign currency translation adjustment 1,515 559  Accumulated deficit (143,684) (174,808)			2 5 4 5	
Convertible preferred stock, Series J, \$0.001 par value; 3,891 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series L, \$0.001 par value; 185 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, and the substanding at Perspectively Additional paid-in capital Perspectively Additional paid-in capital Perspectively Additional paid-in capital Perspectively Additional paid-in capital Perspectively At the substanding At Treasury stock, 61,462 shares warrants Treasury stock, 61,462 shares Perspectively Accumulated other comprehensive income – foreign currency translation adjustment 1,515 S59 Accumulated deficit (143,684) (174,808)			2,343	_
December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series L, \$0.001 par value; 185 shares authorized, issued and outstanding at Pecember 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at Pecember 31, 2004; none at June 30, 2005  Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, respectively  Additional paid-in capital Peferred compensation (22,533) (15,919)  Stock purchase warrants 764 764  Treasury stock, 61,462 shares (90) (90)  Accumulated other comprehensive income – foreign currency translation adjustment 1,515 559  Accumulated deficit (143,684) (174,808)			19.421	_
Convertible preferred stock, Series K, \$0.001 par value; 2,600 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series L, \$0.001 par value; 185 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005 Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, respectively Additional paid-in capital Deferred compensation \$236,692\$ Stock purchase warrants \$236,692\$ Treasury stock, 61,462 shares \$27,487\$ Accumulated other comprehensive income – foreign currency translation adjustment \$1,515\$ Accumulated deficit \$2,588\$  —  2,588 —  2,588 —  927 —  18,353 —  18,353 —  18,353 —  244  18,353 —  44  44  45  46  47  47  47  48  49,904  49,904  40,900			17,421	
December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series L, \$0.001 par value; 185 shares authorized, issued and outstanding at  December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at  December 31, 2004; none at June 30, 2005  Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, respectively  Additional paid-in capital  Deferred compensation  Stock purchase warrants  Treasury stock, 61,462 shares  Accumulated other comprehensive income – foreign currency translation adjustment  Accumulated deficit  December 31, 2004; none at June 30, 2005  Convertible preferred stock, \$0.001 par value; 3,701 shares authorized, issued and outstanding at  18,353  18,353  18,353  December 31, 2004; none at June 30, 2005  Convertible preferred stock, \$0.001 par value; 3,701 shares authorized, issued and outstanding at  18,353  December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at  18,353  December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at  18,353  December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at  18,353  December 31, 2004; none at June 30, 2005  Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at  18,353  December 31, 2004; none at June 30, 2005  Common stock, \$0.001 par value; 75,000,000 shares authorized, issued and outstanding at  18,353  December 31, 2004; none at June 30, 2005  10, 236,692  439,904  10, 236,692  439,904  10, 236,692  439,904  10, 236,692  439,904  10, 236,692  439,904  10, 236,692  439,904  10, 236,692  439,904  10, 236,692  439,904  10, 236,692  439,904  10, 236,692  439,904  10, 236,692  439,904  10			2.588	_
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December 31, 2004; none at June 30, 2005       18,353         Convertible preferred stock, Series M, \$0.001 par value; 3,701 shares authorized, issued and outstanding at December 31, 2004; none at June 30, 2005       18,353         Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, respectively       1       44         Additional paid-in capital Deferred compensation Stock purchase warrants       (22,533)       (15,919)         Stock purchase warrants Treasury stock, 61,462 shares Accumulated other comprehensive income – foreign currency translation adjustment Accumulated deficit       1,515       559         Accumulated deficit       (143,684)       (174,808)			927	_
December 31, 2004; none at June 30, 2005       4         Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, respectively       1       44         Additional paid-in capital       236,692       439,904         Deferred compensation       (22,533)       (15,919)         Stock purchase warrants       764       764         Treasury stock, 61,462 shares       (90)       (90)         Accumulated other comprehensive income – foreign currency translation adjustment       1,515       559         Accumulated deficit       (143,684)       (174,808)				
Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding, respectively       1       44         Additional paid-in capital       236,692       439,904         Deferred compensation       (22,533)       (15,919)         Stock purchase warrants       764       764         Treasury stock, 61,462 shares       (90)       (90)         Accumulated other comprehensive income – foreign currency translation adjustment       1,515       559         Accumulated deficit       (143,684)       (174,808)			18,353	
respectively       Additional paid-in capital       236,692       439,904         Deferred compensation       (22,533)       (15,919)         Stock purchase warrants       764       764         Treasury stock, 61,462 shares       (90)       (90)         Accumulated other comprehensive income – foreign currency translation adjustment       1,515       559         Accumulated deficit       (143,684)       (174,808)	December 31, 2004; none at June 30, 2005			
Additional paid-in capital       236,692       439,904         Deferred compensation       (22,533)       (15,919)         Stock purchase warrants       764       764         Treasury stock, 61,462 shares       (90)       (90)         Accumulated other comprehensive income – foreign currency translation adjustment       1,515       559         Accumulated deficit       (143,684)       (174,808)	Common stock, \$0.001 par value; 75,000,000 shares authorized; 827,487 and 43,888,212 shares outstanding,		1	44
Deferred compensation         (22,533)         (15,919)           Stock purchase warrants         764         764           Treasury stock, 61,462 shares         (90)         (90)           Accumulated other comprehensive income – foreign currency translation adjustment         1,515         559           Accumulated deficit         (143,684)         (174,808)				
Stock purchase warrants764764Treasury stock, 61,462 shares(90)(90)Accumulated other comprehensive income – foreign currency translation adjustment1,515559Accumulated deficit(143,684)(174,808)				•
Treasury stock, 61,462 shares(90)(90)Accumulated other comprehensive income – foreign currency translation adjustment1,515559Accumulated deficit(143,684)(174,808)				
Accumulated other comprehensive income – foreign currency translation adjustment 1,515 559 Accumulated deficit (143,684) (174,808)				
Accumulated deficit (143,684) (174,808)				
Total stockholders' equity 212,490 250,454				
Total liabilities and stockholders' equity \$ 378,586 \$ 382,509	I otal liabilities and stockholders' equity	\$	<i>5</i> 78,586 \$	382,509

# COGENT COMMUNICATIONS GROUP, INC., AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2004 AND JUNE 30, 2005 (IN THOUSANDS EXCEPT SHARE AND PER SHARE AMOUNTS)

		Three Months Ended June 30, 2004 (Unaudited)	Three Months Ended June 30, 2005 (Unaudited)
Net service revenue	\$	20,387 \$	33,806
Operating expenses:			
Network operations (including \$213 and \$95 of amortization of deferred compensation,		13,486	21,494
respectively, exclusive of amounts shown separately)			
Selling, general, and administrative (including \$2,832 and \$3,080 of amortization of		12,370	13,176
deferred compensation, respectively)			
Depreciation and amortization		13,749	12,795
Total operating expenses	·	39,605	47,465
Operating loss		(19,218)	(13,659)
Gain on Cisco debt repayment		_	842
Interest income and other, net		120	162
Interest expense		(3,127)	(3,496)
Net loss	\$	(22,225) \$	(16,151)
Net loss per common share:			
Basic and diluted net loss per common share	\$	(29.51) \$	(0.47)
Weighted-average common shares—basic and diluted		753,130	34,489,085

# COGENT COMMUNICATIONS GROUP, INC., AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND JUNE 30, 2005 (IN THOUSANDS EXCEPT SHARE AND PER SHARE AMOUNTS)

	Six Months Ended June 30, 2004 (Unaudited)	Six Months Ended June 30, 2005 (Unaudited)
Net service revenue	\$ 41,332 \$	68,219
<b>Operating expenses:</b> Network operations (including \$425 and \$191 of amortization of deferred compensation, respectively, exclusive of amounts shown separately)	29,433	44,526
Selling, general, and administrative (including \$5,652 and \$6,179 of amortization of deferred compensation, respectively)	24,771	26,570
Depreciation and amortization	28,285	26,476
Total operating expenses	 82,489	97,572
Operating loss	 (41,157)	(29,353)
Gains on disposition of assets, net	_	3,372
Gain on Cisco debt repayment	_	842
Interest income and other, net	1,132	370
Interest expense	 (6,370)	(6,355)
Net loss	\$ (46,395) \$	(31,124)
Beneficial conversion charges	(22,028)	
Net loss applicable to common stock	\$ (68,423) \$	(31,124)
Net loss per common share:		_
Basic and diluted net loss per common share	\$ (65.09) \$	(1.24)
Beneficial conversion charges	(30.90)	
Basic and diluted net loss per common share applicable to common stock	(95.99)	(1.24)
Weighted-average common shares—basic and diluted	712,794	25,156,397

# COGENT COMMUNICATIONS GROUP, INC., AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND JUNE 30, 2005 (IN THOUSANDS)

	Six Months Ended June 30, 2004	Six Months Ended June 30, 2005
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net loss	\$ (46,395) \$	(31,124)
Adjustments to reconcile net loss to net cash used in operating activities:		
Gains—dispositions of assets and debt, net	(737)	(3,981)
Depreciation and amortization	28,285	26,476
Amortization of debt discount—convertible notes	478	700
Amortization of deferred compensation	6,077	6,370
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	4,884	(1,557)
Prepaid expenses and other current assets	913	(598)
Other assets	189	(410)
Accounts payable, accrued and other liabilities	 (11,323)	(4,037)
Net cash used in operating activities	(17,629)	(8,161)
Cash flows from investing activities:		
Purchases of property and equipment	(4,038)	(8,150)
Purchase of German network assets	_	(932)
Maturities (purchases) of short term investments	2,276	(164)
Restricted cash-collateral under credit facility	_	(4,000)
Cash acquired – Cogent Europe	2,159	
Proceeds from other acquired assets	596	_
Purchases of intangible assets	(161)	_
Proceeds from dispositions of assets	 3,682	5,122
Net cash provided by (used in) investing activities	4,514	(8,124)
Cash flows from financing activities:		
Proceeds from sale of common stock, net	_	63,723
Cash acquired - mergers	21,966	
Proceeds from issuance of subordinated note – related party	_	10,000
Repayment of subordinated note – related party		(10,000)
Borrowings under credit facility	_	10,000
Repayments under credit facility	_	(10,000)
Repayment of Cisco note – related party	_	(17,000)
Repayment of advances from LNG Holdings—related party	(1,227)	
Repayments of capital lease obligations	(2,081)	(5,024)
Net cash provided by financing activities	 18,658	41,699
Effect of exchange rate changes on cash	(418)	(666)
Net increase in cash and cash equivalents	5,125	24,748
Cash and cash equivalents, beginning of period	7,875	13,844
Cash and cash equivalents, end of period	\$ 13,000 \$	38,592
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#### **Conference Call and Web site Information**

Cogent will host a conference call with financial analysts at 8:30 a.m. (EDT) today to discuss Cogent's operating results for the second quarter 2005. Investors and other interested parties may access a live audio webcast of the earnings call under "Events" at the Investor Relations section of Cogent's website at <a href="www.cogentco.com">www.cogentco.com</a>. A replay of the webcast, together with the press release, will be available on the website following the earnings call.

#### **About Cogent Communications**

Cogent Communications (AMEX: COI) is a multinational, Tier 1 facilities-based ISP recently ranked by Ovum-RHK as the largest provider of Ethernet services in the United States. Cogent specializes in providing businesses with high speed Internet access and point-to-point transport services. Cogent's facilities-based, all-optical IP network backbone spans 12 countries and provides IP services in over 85 markets located in North America and Europe.

Cogent Communications is headquartered at 1015 31st Street, NW, Washington, D.C. 20007. For more information, visit www.cogentco.com. Cogent Communications can be reached in the United States at (202) 295-4200 or via email at <a href="mailto:info@cogentco.com">info@cogentco.com</a>.

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Except for historical information and discussion contained herein, statements contained in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The specific forward-looking statements cover Cogent's expectations for revenue and EBITDA, as adjusted, for the third quarter of 2005 and fiscal year 2005. The statements in this release are not guarantees of future performance and actual results could differ materially from our current expectations. Numerous factors could cause or contribute to such differences. Some of the factors and risks associated with our business are discussed in Cogent's filings with the Securities and Exchange Commission.

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