



PAETEC

NEWS RELEASE

Media Contact

Chris Muller
PAETEC
(585) 340-8218
chris.muller@paetec.com

Media Contact

Michael McCullough
Edelman
(404) 832-6782
michael.mccullough@edelman.com

Investor Contact

Tom Morabito
PAETEC
(585) 340-5413
tom.morabito@paetec.com

FOR IMMEDIATE RELEASE

PAETEC Launches MPLS, IP Ethernet Service

FAIRPORT, N.Y. (June 26, 2007) – PAETEC Holding Corp. (NASDAQ: PAET) today announced the availability of its Ethernet Local Loop transport service to support MPLS and Internet services. Ethernet access provides built-in scalability without the need to order additional facilities when more bandwidth is required.

Since Ethernet Local Loop carries traffic based on Internet Protocol (IP), it acts as a platform of transport for a broad range of PAETEC services. These IP services include PAETEC's Voice over Internet Protocol (VoIP), MPLS VPN data networking, and high-bandwidth Internet access.

"Accessing MPLS VPN and IP services over Ethernet provides customers with an economical alternative," said PAETEC Chief Marketing Officer Jack Baron. "PAETEC's Ethernet Local Loop provides a transport service that's scalable, available in incremental speeds and, because it's based on common Ethernet technology, can reduce equipment costs."

Businesses with high-bandwidth needs are typically those most likely to need the flexibility to quickly increase their bandwidth as their business requires it. With PAETEC

Ethernet Local Loop, customers can easily add more bandwidth without the time delay and expense of ordering and installing additional facilities. For instance, Ethernet Local Loop can be purchased in 1 Mbps increments starting from 1 Mbps to 1,000 Mbps, often without a change to their local loop.

Ethernet Local Loop is a familiar, proven technology that endorses low equipment costs and scalability far greater than its Time-Division Multiplexing (TDM) counterparts.

Growing demand for IP services, both Internet and Private IP Data networking, are rapidly expanding, especially with the addition of new applications such as:

- Increasingly active Intra/extranet web sites
- Data or document storage and retrieval
- Distance training/collaboration between sites
- Remote access via Internet using VPNs

Ethernet access has been available in the legacy US LEC markets, and is now available in the majority of the company's primary markets.

About PAETEC

PAETEC (NASDAQ: PAET) is personalizing business communications for medium and large businesses, enterprise organizations and institutions across the United States. We offer a comprehensive suite of IP, voice, data and Internet services, as well as enterprise communications management software, network security solutions, CPE, and managed services. For more information, visit www.paetec.com.

###