



**PAETEC**

**NEWS RELEASE**

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**PAETEC Honored by Association for Financial Professionals**

“Pinnacle Award” Recognizes Efforts that Include Program  
to Reduce Capital Expense and Enhance Customer Service

LOS ANGELES – (October 21, 2008) -- PAETEC Holding Corp. (NASDAQ GS: PAET) today said the company has received the Association for Financial Professional's (AFP) Pinnacle Award in the Strategy category for “Treasury as a Strategic Partner.” The association honored PAETEC’s Treasury department for its role as a strategic partner that enhances corporate success, including the creation of a customer-equipment rental program that reduces upfront capital expenses for both customers and PAETEC.

The equipment-rental program, launched in early 2007, has generated more than \$8 million in capital-expense savings for PAETEC on top of savings achieved by participating customers. The program also gives customers future flexibility to cost-effectively maintain advanced communications capabilities in a world of rapidly evolving technology.

PAETEC Chief Financial Officer Keith Wilson accepted the award on Sunday at the AFP Annual Conference in Los Angeles.

“In today's economy, where capital and credit are scarce, PAETEC provides a solution that does not require customer capital expenditure for communications equipment,” Wilson said. “With this program, customers can acquire network services as well as the necessary hardware from one company for one monthly recurring charge.

“PAETEC has worked hard to achieve a sound financial position, and we constantly look for ways to operate prudently and improve the effectiveness of our financial management,” Wilson said. “I congratulate our Treasury department for the recognition they have earned for their role in this effort.”

In the industry, communications carriers frequently will give business-class customers equipment such as network routers and integrated access devices. Carriers typically recover the equipment costs over time via higher charges for network services. These arrangements require upfront capital expenses for carriers, and the responsibility for maintenance and records can be confusing.

The company's Treasury department created a mutually beneficial solution in which PAETEC leases equipment and then rents it to end users. PAETEC is responsible for equipment maintenance, monitoring and support for the life of the contract. "There's no finger-pointing about responsibility," Wilson said. "We take care of it, and that makes life easier for customers."

At the end of the contract term, the customer can either continue to rent the equipment, or they can return it and upgrade to a more advanced communications system without facing the loss of embedded costs of replacing owned equipment.

The rental program is similar to PAETEC's Equipment for Services option that can reduce or even eliminate a customer's capital expense for equipment as part of a network-services contract. "There are significant differences and benefits with each program," said PAETEC Chief Operating Officer Edward "EJ" Butler, Jr. "The important thing is that PAETEC continues to go the extra mile to help customers operate more effectively and cost-efficiently."

Jim Kaitz, President and CEO of AFP, said, "The Pinnacle Award recognizes innovative and strategic solutions to business challenges in the treasury and finance fields. The 2008 Pinnacle Award winners have developed solutions that have significantly improved their organizations' effectiveness."

**About PAETEC**

PAETEC (NASDAQ GS: PAET) is personalizing communications for business-class customers across the United States. We offer a comprehensive suite of data, voice, and IP services, as well as enterprise communications management software, network security solutions, CPE, and managed services. For more information, visit [www.paetec.com](http://www.paetec.com).

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