



PAETEC

NEWS RELEASE

Media Contact

Dan Smith
PAETEC
(469) 341-3129
daniel.smith@paetec.com

Investor Contact

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

PAETEC SIP Trunking Named “Most Innovative Product” by *Telephony*
Company uses IP Technology to Meet Business-Critical Requirements

FAIRPORT, N.Y. – (Oct. 2, 2008) -- PAETEC Holding Corp. (NASDAQ GS: PAET), which provides data, voice and Internet solutions to business-class customers nationwide, today said it has received the “Most Innovative Product” award from *Telephony* magazine for the company’s application of Session Initiation Protocol (SIP) Trunking service.

PAETEC offers SIP Trunking nationwide, which means multi-site customers no longer must develop patchwork solutions that involve multiple carriers for enterprise networking. The company also creates personalized SIP solutions tailored to specific customer needs, with multiple options for certified interoperable IP/PBX equipment from numerous world-class vendors. In addition, PAETEC can deliver the features of SIP trunking across both modern Internet Protocol (IP) platforms and traditional Time Division Multiplexing (TDM) network technology.

“The judges were impressed not just by this service but also by what PAETEC delivers to its customers in support of SIP trunking,” said Carol Wilson, *Telephony* editor-in-chief. “In this instance, they are innovating in the way they deploy SIP Trunking.”

The Telephony Innovation Awards were presented at “*Telephony Live: The Telecom Summit*” this week in Chicago. The awards recognize creative service development and deployment by telecommunications service providers, including telecom and cable companies, wireless service providers, managed and hosted service providers, ISPs and applications service providers. The judges included *Telephony’s* editorial staff and guest judges such as Daniel Briere, CEO of the consultancy TeleChoice; Vince Vittore, program manager with the Yankee Group; and Cindy Whelan, analyst with Current Analysis.

Whelan noted PAETEC’s exceptional level of customer support. “PAETEC offers a hosted VoIP service with features that are comparable to competing offers from the RBOCs and other providers,” Whelan said. “Where PAETEC shines against these competitors is in its focus on customer service.”

TeleChoice’s Briere said PAETEC’s SIP Trunking offer is appealing because it reduces the customers’ need to invest in CPE.

“PAETEC applies IP communications technology to address real customer needs,” said Sanjay Hiranandani, PAETEC’s Senior Vice President-Engineering. “With our SIP Trunking, customers can choose the bandwidth that truly meets their requirements, ranging from a T-1 to Gigabit Ethernet. Plus, numerous features are available to address security, connectivity, business continuity and other critical business issues.”

PAETEC’s SIP Trunking offer is ubiquitous in terms of features and functionality, allowing customers to transition at their own pace from TDM to IP networking. Customers have the flexibility to deploy either an IP/PBX with a native IP connection, or an Integrated Access Device with legacy TDM PBXs or key systems.

Other benefits of PAETEC's SIP Trunking include:

- Compression techniques that can significantly increase the number of high-quality voice circuits within a single T-1 compared with traditional Primary Rate Interfaces (PRIs).
- Quality of Service (QoS) capabilities that instantly prioritize voice signals over data. When no voice signals are present, all available bandwidth can be used for data.
- VoIP-to-TDM voice conversion provided within PAETEC's network.
- Unlimited and expanded free local calling areas.
- Site-to-site voice and data sharing that is isolated from the public Internet.
- Certified interoperability with customer premises equipment (CPE) from leading telecommunications equipment manufacturers.

About PAETEC

PAETEC (NASDAQ GS: PAET) is personalizing communications solutions for business 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.

###