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PAETEC

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Toshiba, PAETEC Certify Nationwide Interoperability of CPE and SIP Trunking

Toshiba Is PAETEC's First National VoIP CPE Manufacturer Sales Channel Partner

IRVINE, Calif., and Fairport, N.Y., July 29, 2008 — Toshiba America Information Systems Inc., Telecommunication Systems Division (Toshiba — www.telecom.toshiba.com) and PAETEC Holding Corp. (NASDAQ GS: PAET) today announced that Toshiba's Strata® CIX™ family of IP business communication systems has been certified as interoperable with PAETEC's SIP Trunking services nationwide.

The combination of Toshiba equipment and PAETEC SIP Trunking is available now across the country. PAETEC delivers personalized communications solutions to business-class customers and serves more than 4.1 million access line equivalents nationwide. PAETEC's service footprint will extend to 82 of the top 100 U.S. Metropolitan Statistical Areas in 2008. Toshiba America Information Systems, Telecommunication Systems Division is focused on VoIP business communication solutions, including award-winning Internet Protocol-based (IP) telephone systems, video collaboration tools, call center applications, and custom productivity applications.

"This collaboration is a significant milestone in the evolution of IP-based communications," said Sanjay Hiranandani, PAETEC senior vice president, Engineering. "The nationwide interoperability of Toshiba's equipment and PAETEC's SIP Trunking mitigates the need for large enterprises to create patchwork network solutions to address different parts of the country. PAETEC operates 39 soft switches, and they all can now

deliver the reliability and durability of Toshiba's VoIP business communication systems to business-class customers nationwide."

"The Toshiba-PAETEC SIP Trunking service gives Toshiba Strata CIX IP system users ISDN-like features over a data connection without the need to buy separate services for voice and data," said Eric Abing, product manager, Toshiba America Information Systems, Telecommunication Systems Division. "With this agreement, Toshiba's dealers receive extensive training, dedicated support and revenue sharing opportunities with PAETEC."

"As Enterprise SIP Solutions evolve, agreements between Service Providers and equipment manufacturers will increasingly become prevalent," said Rebecca Swensen, research analyst, VOIP Services at IDC. "The PAETEC and Toshiba strategic partnership is unique. This relationship facilitates simplicity, flexibility and the ability to customize solutions to fit customer needs. This will simplify the process of migrating enterprise customers to SIP solutions."

National Sales Channel Partner Agreement

In addition, the companies announced that Toshiba has become a National Master Sales Agent for PAETEC, making SIP Trunking services available across the country through Toshiba's national network of Authorized Dealers.

"In bringing PAETEC services to our Authorized Toshiba Dealers and enterprise customers, we can now offer nationwide SIP Trunking services, which is a major benefit for both our national account and SMB customers," said Brian Metherell, vice president and general manager, Toshiba America Information Systems, Telecommunication Systems Division. "We also can offer all our customers a one-stop shop for SIP Trunking and related services regardless of their location nationwide."

"This agreement marks PAETEC's first national sales channel partnership with a VoIP CPE manufacturer, and it gives hundreds of Authorized Toshiba Dealers access to

PAETEC's national support structure," said Jeff Howe, PAETEC Vice President and General Manager for National Channel Sales. "With PAETEC, Toshiba's dealers can offer a cost-effective, reliable voice communications solution that utilizes the power and flexibility of SIP Trunking. Our network services can help Toshiba dealers further solidify their relationships with end-user customers."

SIP Trunking Availability for Toshiba IP Business Communication Systems

Unlike legacy network solutions that require a VoIP Gateway to connect the IP network and TDM trunks, the Strata CIX system with an MIPU card and PAETEC's SIP Trunking benefits from a native IP connection. An integrated circuit handles both data and voice. The same MIPU interface also supports IP stations, remote users, soft phones, WiFi® telephones, and Strata Net multi-system networking.

To ensure high-quality voice communications, PAETEC's Quality of Service (QoS) capabilities instantly give voice signals priority over data. When no voice signals are present, all available bandwidth can be used for data.

The benefits of PAETEC's SIP Trunking include:

- Compression techniques that can deliver more high-quality voice pathways simultaneously over a single T1 connection than the traditional Primary Rate Interfaces (PRIs), resulting in improved network efficiency.
- Dynamic allocation of voice and data bandwidth requirements.
- VoIP-to-TDM voice conversion provided in the network.
- Unlimited and expanded free local calling areas.
- Site-to-site voice and data sharing that is protected from the public Internet.
- Lower cost per voice path and user as the number of users grows.

To find an Authorized Toshiba Dealer in your area, visit the Toshiba website at www.telecom.toshiba.com. For more information on PAETEC, visit www.paetec.com.

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.

About Toshiba America Information Systems Inc. (TAIS)

Headquartered in Irvine, Calif., TAIS is comprised of four business units: Digital Products Division, Imaging Systems Division, Storage Device Division, and Telecommunication Systems Division. Together, these divisions provide mobile products and solutions, including industry leading portable computers; projectors; imaging products for the security, medical and manufacturing markets; storage products for automotive, computer and consumer electronics applications; and telephony equipment and associated applications.

TAIS provides sales, marketing and services for its wide range of information products in the United States and Latin America. TAIS is an independent operating company owned by Toshiba America, Inc., a subsidiary of Toshiba Corporation, which is a global leader in high technology and integrated manufacturing of electrical and electronic components, products and systems, as well as major infrastructure systems. Toshiba has more than 191,000 employees worldwide and annual sales of over US \$76 billion (FY2007). For more information on Toshiba's leading innovations, visit the company's Web site at www.toshiba.com.

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