



PAETEC

NEWS RELEASE

Media Contact

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

Investor Contact

Pete Connoy
PAETEC
(585) 340-2649
peter.connoy@paetec.com

FOR IMMEDIATE RELEASE

PAETEC Announces Successful Interoperability Testing Between Dynamic IP with SIP Trunking and Cisco's Smart Business Communications System

FAIRPORT, N.Y. – Feb. 27, 2009 – PAETEC Holding Corp. (NASDAQ GS: PAET), which provides data, voice and Internet services to business-class customers nationwide today, announced that PAETEC's Dynamic IP SIP Trunking services have successfully completed interoperability testing with the Cisco® Smart Business Communications System. PAETEC's SIP Trunking Service is included in the latest release of Cisco's Configuration Assistant.

SIP Trunking, short for Session Initiation Protocol, converges data, voice, and Internet communications onto a single high-speed, pure-IP circuit that establishes the foundation for advanced communications capabilities. Certifying the interoperability of communications equipment and IP networks makes it easier for businesses to achieve the full benefits of advanced collaboration capabilities. In addition, certification across PAETEC's national geographic coverage means multi-site customers can link their locations coast-to-coast using a single network provider with ease.

"Especially in times like these, business-class customers must keep a sharp watch on expenses while also maintaining the quality of customer service," said John Chapman, senior vice president of marketing. "PAETEC's relationship with Cisco can help businesses address both priorities simultaneously."

“The integration of PAETEC’s SIP Trunking Service into the Cisco Configuration Assistant will help ensure a seamless setup and integration of Cisco’s Smart Business Communications Systems,” said Mark Monday, vice president, Small Business Solutions Business Unit, Cisco. “Businesses that take advantage of the pairing of IP-based platforms with SIP-based transport will be able to realize a simple, affordable, easy-to-manage unified communications solution with the ability to deploy hosted applications and advanced services.” Laboratory interoperability testing is designed to simulate the most typically used configurations.

With Dynamic IP services from PAETEC, customers can choose the bandwidth that truly meets their requirements, from a T-1 to DS-3, Ethernet or greater. Customers can also manage their own service in real-time through PAETEC’s secure online customer portal.

Other benefits of PAETEC's SIP Trunking service include:

- Standard G.729 Compression 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 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 the network, requiring less equipment for the end user.
- Unlimited and free site-to-site calling between Dynamic IP locations.
- Site-to-site voice and data sharing that is protected from the public Internet.

PAETEC Dynamic IP with SIP Trunking service earned *Telephony* magazine’s Most Innovative Product award for 2008. For more information on PAETEC, visit www.paetec.com.

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.

#