



**PAETEC**

**NEWS RELEASE**

FOR IMMEDIATE RELEASE

**PAETEC Holding Corp. Closes \$350 Million Senior Secured Notes Offering**

**FAIRPORT, N.Y. – June 29, 2009** – PAETEC Holding Corp. (NASDAQ GS: PAET), which provides data, voice, and Internet solutions to business-class customers nationwide, announced today that the Company has closed its previously announced senior secured notes offering. The Company issued senior secured notes in an aggregate principal amount of \$350 million in a private offering to institutional investors. The senior secured notes have a fixed interest rate of 8 7/8% and mature in 2017.

“We were pleased that the offering was well-received by the debt market, which enabled us to complete the offering within a short timeframe,” said Arunas A. Chesonis, chairman and CEO. “By extending our debt maturities, we now have enhanced financial flexibility to invest in our network, customer support, and expansion of our product suite. Over our 11 years, our conservative fiscal management has allowed PAETEC to thrive in times where others have not.”

As previously announced, the Company used the net proceeds from the offering to repay a portion of the loans outstanding under PAETEC's existing senior secured term loan credit facility.

“PAETEC's history of disciplined financial management has enabled the Company to access the capital markets opportunistically,” said Keith Wilson, chief financial officer. “The continued support from the financial community is a solid validation of our long term strategy and being a competitive communications market leader.”

Additional information about the senior secured notes offering will be contained in the Company's current report on Form 8-K to be filed with the Securities and Exchange Commission.

### **Forward-Looking Statements**

Except for statements that present historical facts, this release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In some cases, you can identify these statements by such forward-looking words as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will" and "would," or similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause PAETEC's actual operating results, financial position, levels of activity or performance to be materially different from those expressed or implied by such forward-looking statements. Some of these risks, uncertainties and factors are discussed under the caption "Risk Factors" in PAETEC's 2008 annual report on Form 10-K and in PAETEC's subsequently filed SEC reports. They include, but are not limited to, the following risks, uncertainties and other factors: general economic conditions and trends; the continued availability of necessary network elements at acceptable cost from competitors; changes in regulation and the regulatory environment; industry consolidation; PAETEC's ability to manage its business effectively; competition in the markets in which PAETEC operates; failure to adapt product and service offerings to changes in customer preferences and in technology; PAETEC's ability to integrate the operations of acquired businesses; PAETEC's ability to implement its acquisition strategy; any significant impairment of PAETEC's goodwill; future sales of PAETEC's common stock in the public market and PAETEC's ability to raise capital in the future; interest rate risks and compliance with covenants under PAETEC's debt agreements; PAETEC's ability to attract and retain qualified personnel and sales agents; PAETEC's failure to obtain and maintain network permits and rights-of-way; PAETEC's involvement in disputes and legal proceedings; PAETEC's ability to maintain and enhance its back office systems; and effects of network failures, system breaches, natural catastrophes and other service interruptions. PAETEC disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

**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](http://www.paetec.com).

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