



PAETEC

NEWS RELEASE

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**PAETEC's Equipment for Services Program Expanded Across its
42 State Operating Area**

FAIRPORT, N.Y. – Mar 31, 2009 – PAETEC Holding Corp. (NASDAQ GS: PAET), which provides data, voice, and Internet solutions to business-class customers nationwide, announced that the company has expanded its popular Equipment for Services (EFS) program to all of its 42 state operating territory utilizing a single pricing and quoting tool.

The EFS program takes a portion of a business' overall telecommunications profitability and applies it to a third party lease for needed hardware and software, such as a new PBX, router, copier, software applications or even office furniture. Since the program's inception ten years ago, it has financed more than \$80,000,000 in equipment with the typical subsidy from \$16,000 up to \$500,000 or more.

"We look at every customer relationship as an opportunity to make both our companies stronger," said Mario DeRiggi, president of national sales and service. "EFS is an extension of that win-win philosophy and has clearly differentiated us and our innovative solutions in the business telecom space."

The success of the program is rooted in proprietary software that determines profit margin of an overall telecommunications solution. A portion of the profit margin is reserved to meet corporate profitability guidelines and the remainder may be used for an equipment lease subsidy. Often, the overall solution, including an EFS equipment subsidy, may deliver newer, more robust solutions with industry-leading service for less cost than their incumbent carrier.

For example, PAETEC recently designed a total communications solution for a New England business, including connecting their eight sites with a secure MPLS VPN, each with local voice via PRI ISDN lines. Utilizing the EFS program, a portion of the network subsidized over \$500,000 in new equipment, including an 850-seat PBX and multiple routers.

“For most businesses in 2009, capital budgets are tighter than they have been in years.” said Lisa Fitzgerald, vice president of business development. “EFS changes the paradigm. PAETEC is no longer merely a vendor, but a true partner in our customers’ overall success by helping them grow their business and driving down operating and capital expenses.”

For more information on the program, visit www.paetec.com/efs/overview.html.

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.

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