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**RHYTHMS NETCONNECTIONS BRINGS HIGH PERFORMANCE NETWORK
COMPUTING TO SAN DIEGO**

SAN DIEGO, February 19, 1998 -- Rhythms NetConnections,™ a high performance network computing company founded by former executives of several of the telecommunications industry's largest players, will bring state-of-the-art network computing technology and support to San Diego businesses beginning April 1. The six-month-old company, which recently completed its six-week alpha trial here, will offer a portfolio of data networking services through partnerships with local Internet Service Providers – including CTS Network Services (CTSNET), MillenniaNet, CONNECTNet and California Regional Intranet (CariNet!). The company has already constructed the city's largest-ever deployment of one ultra-high-speed data network service – placing Digital Subscriber Line (DSL) “collection points” in seven San Diego metropolitan central offices.

To meet growing business demand for powerful network computing applications like telecommuting, secure business internet partnerships and electronic commerce, Rhythms has assembled a package of business solutions that combine high speed transport technologies with appropriately configured hardware and software -- and technically-superior network management, integration and installation. The company will offer its services through Internet Service Providers (ISPs) and systems integrators because of their powerful relationships with business customers, and because of synergies in the product sets of Rhythms and the ISPs, according to Eric Geis, Rhythms co-founder and San Diego-based west coast vice president and general manager.

“We're interested in providing an optimum, high-performance business computing experience to our customers – not just providing high speed,” said Geis. “We believe businesses are looking for a way to optimize the power of network computing for business in a turnkey way. We intend to provide that experience.”

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“Although a number of companies have offered piece parts – high speed network links, equipment, software, or internet access alone; Rhythms offers an essentially finished solution. We offer powerful networks, customized with the business applications most critical to each customer’s requirements – supported and managed by technically- astute installation and customer service teams,” he said.

The Rhythms offering includes four components:

- a powerful portfolio of high speed access services, including DSL;
- state-of-the-art network management support from Rhythms network operations centers in San Diego and Englewood, Colorado;
- selection, management and installation of data networking hardware and software;
- strategic delivery partnerships with leading Internet Service Providers and Integrators.

Because of changes in regulation brought by the Telecommunications Act of 1996, Rhythms and other companies are now forging interconnection agreements with Pacific Bell and other regional bell operating companies to provide local telecommunications services. That opportunity has thrown open the doors for powerful competition in the business network computing environment, according to Catherine Hapka, Rhythms president and CEO.

“We’re seeing the convergence of three factors – deregulation of the local telco monopolies, the availability of workable high speed network technologies like DSL, and business demand for powerful network-distributed applications like telecommuting, virtual workgroup collaboration, remote call centers, secure intranets, and electronic commerce,” she said. “When we started Rhythms, it was with the intention of meeting these business computing needs in a premium way. We are committed to making our customers successful – and doing it quickly.”

“I have been a frustrated business end user myself -- and I was a frustrated executive as I tried to meet this set of customer needs within the constraints of a large RBOC bureaucracy. At Rhythms, we are leveraging that experience and making it happen quickly in an entrepreneurial environment.”

The company selected San Diego for its initial service launch because of the city’s large base of technically savvy “knowledge workers,” according to Hapka. “They have a tremendous appetite for high performance network computing, but are underserved by new network alternatives,” she said.

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During its alpha trial, Rhythms focused on meeting the needs of network “power users” through a trial partnership with San Diego-based CTSNET, which acted as the primary distributor of Rhythms services during the trial, which ended February 1.

“Our experience with Rhythms bears out the company’s premium service philosophy,” said Bill Blue, CTSNET’s principal and technical director. “They are very sharp people with powerful technical backgrounds who know how to do this right. We look forward to bringing their expertise to our customer base.”

The company is expected to complete its “beta” trial, which will include three additional ISP partners and more than 120 business users, on March 30. At that point, Rhythms solutions will be available throughout much of the San Diego metropolitan area through a number of Internet service providers. The company expects to negotiate a number of additional partnerships with ISPs before the end of its beta phase.

Rhythms NetConnections is an Englewood, Colorado-based business with regional headquarters in San Diego. Businesses interested in purchasing Rhythms NetConnections services can reach the company at 1-800-RHYTHMS or on the World Wide Web at www.Rhythms.net.

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RHYTHMS NETCONNECTIONS SIGNS MC INFO, CARINET! AND K-ONLINE AS CHANNEL PARTNERS; ADDS @BACKUP AS APPLICATIONS PARTNER

SAN DIEGO, March 31, 1998 -- Rhythms NetConnections,™ the high performance network computing company who begins San Diego commercial availability of its Digital Subscriber Line (DSL)-based networking services on April 1, today announced new channel relationships with MC Info, one of the area's largest network integrators, as well as CariNet! and K-Online, two rapidly growing San Diego Internet Service Providers. In addition, Rhythms has selected @Backup's network-based data-restoration and archiving technology, and will offer these services in Rhythms' first release of its new network-based applications portfolio.

MC Info represents the first Network Integrator channel partnership for Rhythms in the San Diego area. "We view our partnership with MC Info as strategically important, and value their long history of excellence in designing complex, high-end networks throughout the Southern California market," said Jim Masterson, Rhythms vice president of business development. "They have a 13-year track record in deployment of ATM and ethernet switching, as well as large-scale network builds for clients like the US Navy's Pacific Fleet, the US Marine Corps, SAIC and GTE, which proves their strength in new technologies and hybrid networks. Our mission to deliver high-performance networking to San Diego will be well-supported through MC Info's talented sales teams, systems engineers and network management resources."

"Innovations like Digital Subscriber Line are capable of enhancing an entire generation of networks in use today," emphasized Kim McCaffrey, president of MC Info. "We've built networks for many clients using hybrid transport technologies to serve their top 20 - 30 sites. To cost-effectively reach the next tier of remote access sites requires a breakthrough in price/performance. Rhythms' DSL and their high-quality network engineering of end-to-end managed capacity will provide that breakthrough."

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Rhythms' portfolio of Internet Service Providers is expanding daily, fulfilling the second prong of its indirect sales strategy. "By adding CariNet and K-Online to our Internet Service Provider distribution system," stated Fredrick Smith, Rhythms vice president of sales., "we tap into entirely new segments of the market such as small office/home office (SOHO), and emerging electronic commerce access. These new channels are focused on high growth, as are many of our previously announced channels such as MillenniaNet. They value our wide footprint of deployment to business sites throughout San Diego. Also, the backing of Kobey Corporation for K-Online represents deep resources and a unique advocacy to support small/start-up business access to new technology."

Rhythms will bring an additional five Central Offices online by June 5, increasing the served base in San Diego County to 12 Local Exchange COs. "We are on schedule to serve 85% of medium and large business sites throughout this metro area by end of year," stated Eric Geis, "and will have all 18 of the County's top COs up and running with Rhythms by 4Q 1998."

Key to Rhythms' strategy is the delivery of embedded application services for end-users. The first of these applications will be remote file backup for teleworkers as well as remote access sites and small businesses. "The @Backup service brings an IT-class remote file backup capability to the Rhythms customer base," said Michael Sabo, Rhythms director of application services. "They are market leaders because of their highly-reliable and cost-effective network software. The core functions of centralized archiving, recovery and restoration of desktop data are critical for distributed network users, from home offices up to Fortune 100 corporations. And their robust storage media and user-friendly interfaces overcome the limitations of current alternatives for local backup."

The Rhythms relationship is a first-of-its kind for @Backup. "Rhythms brings @Backup a customer base of teleworkers and small businesses who desperately need an off-site backup solution," stated @Backup CEO Gary Sutton. "Our industrial-strength remote backup service is secure and reliable – the perfect complement for Rhythms' high-performance network solutions."

Rhythms NetConnections is an Englewood, Colorado-based business with regional headquarters in San Diego. Its services include high-performance networking solutions such as Power Internet access, MetroLAN enterprise networks, legacy network integration and frame relay gateway service. Rhythms distributes its capabilities through market-leading Network Integrators and Internet Service Providers. Telecommunication services for Rhythms are provided by ACI, a wholly owned subsidiary of Rhythms.

Businesses interested in purchasing Rhythms NetConnections services can reach

MC Info at 1-760-942-4164 or via the World Wide Web at www.mcinfo.com.

CariNet! at 1-619-974-5080, or via the World Wide Web at www.cari.net.

K-Online at 1-619-523-2700, or via the World Wide Web at www.k-online.com.

MillenniaNet at 1-619-279-6638 or via the World Wide Web at www.mill.net.

Rhythms can be reached at 1-800-RHYTHMS or on the World Wide Web at www.Rhythms.net.

@Backup can be reached on the World Wide Web at www.atbackup.com.

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