

SECURITIES AND EXCHANGE COMMISSION

FORM S-3

Registration statement for specified transactions by certain issuers

Filing Date: **1999-09-10**
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FILER

METROMEDIA FIBER NETWORK INC

CIK: **1043533** | IRS No.: **113168327** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **S-3** | Act: **33** | File No.: **333-86913** | Film No.: **99709727**
SIC: **4813** Telephone communications (no radiotelephone)

Mailing Address
C/O METROMEDIA FIBER
NETWORK SER INC
1 NORTH LEXINGTON AVE
WHITE PLAINS NY 10601

Business Address
C/O METROMEDIA FIBER
NETWORK SER INC
1 NORTH LEXINGTON AVE
WHITE PLAINS NY 10601
9144216700

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

METROMEDIA FIBER NETWORK, INC.

(Exact name of registrant as specified in its charter)

<TABLE>			
<S>	DELAWARE	<C>	4813
	(State or other jurisdiction of incorporation)		(Primary Standard Industrial Classification Code Number)
		<C>	11-3168327
			(I.R.S. Employer Identification No.)

</TABLE>

ONE NORTH LEXINGTON AVENUE
WHITE PLAINS, NY 10601
PHONE: (914) 421-6700

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

ARNOLD L. WADLER, ESQ.
EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
METROMEDIA FIBER NETWORK, INC.
ONE MEADOWLAND PLAZA
EAST RUTHERFORD, NJ 07073

(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPY TO:

<TABLE>			
<S>	DOUGLAS A. CIFU, ESQ. PAUL, WEISS, RIFKIND, WHARTON & GARRISON 1285 AVENUE OF THE AMERICAS NEW YORK, NY 10019-6064 (212) 373-3000	<C>	BLAIR W. WHITE, ESQ. STANTON D. WONG, ESQ. PILLSBURY MADISON & SUTRO LLP P. O. BOX 7880 SAN FRANCISCO, CA 94120 (415) 983-1000
		<C>	NICHOLAS P. SAGGESE, ESQ. MARK C. SMITH, ESQ. SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP 919 THIRD AVENUE NEW YORK, NY 10022 (212) 735-3000

</TABLE>

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time or at one time after the effective date of this Registration Statement as determined by the Selling Stockholders.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. / /

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. /X/

If this Form is filed to register additional securities for an offering

pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

 CALCULATION OF REGISTRATION FEE

<TABLE>
 <CAPTION>

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
Class A Common Stock, \$.01 par value per share.....	813,789 (1)	100% (2)	\$25,504,148 (2)	\$7,091 (3)

</TABLE>

(1) Based upon the maximum number of shares of common stock of Metromedia Fiber Network, Inc. that may be issued to the selling stockholders pursuant to the Agreement and Plan of Merger, dated as of June 22, 1999, by and among Metromedia Fiber Network, Inc., AboveNet Communications Inc. and Magellan Acquisition, Inc., upon the exercise of certain warrants and options of AboveNet Communications Inc.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rules 457(c) and 457(g) of the Securities Act of 1933. This amount was calculated by multiplying (1) 813,789, the maximum number of shares of common stock of Metromedia Fiber Network, Inc. to be received by the selling stockholders in connection with the merger upon the exercise of certain warrants and options of AboveNet Communications Inc., by (2) \$31.34, the average of the bid and asked prices of the shares of common stock of Metromedia Fiber Network, Inc. reported on the Nasdaq National Market on September 2, 1999.

(3) The registration fee has been calculated pursuant to Rules 457(c) and 457(g) under the Securities Act of 1933 by multiplying (1) \$25,504,148, the proposed maximum aggregate offering price by (2) .000278.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

 SUBJECT TO COMPLETION, DATED SEPTEMBER 10, 1999

THE INFORMATION IN THIS DOCUMENT IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS DOCUMENT IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

PRELIMINARY PROSPECTUS

813,789 SHARES
 METROMEDIA FIBER NETWORK, INC.
 CLASS A COMMON STOCK

 We are offering 813,789 of our shares of class A common stock issuable upon the exercise of certain warrants and options of AboveNet Communications Inc. held by several selling stockholders who are listed on page 4 of this document. The warrants and options held by those selling stockholders are exercisable for shares of our class A common stock by virtue of a merger between Metromedia Fiber Network and AboveNet Communications Inc.

These stockholders may sell their shares of class A common stock at prices which are based on the market price of the stock on United States exchanges or in negotiated transactions. They may also sell their shares through a combination of these methods.

Our class A common stock is traded on the Nasdaq National Market under the symbol "MFNX." On September 2, 1999, the last reported bid and asked price on the Nasdaq National Market was \$31.3125 and \$31.375 respectively, per share.

We will not receive any of the proceeds from the sale of the shares. However, we may receive cash consideration in connection with the exercise of the warrants and options held by the selling stockholders.

We will pay all of the expenses incident to the registration, offering and sale of these shares to the public under the registration statement other than commissions, fees and discounts of underwriters, brokers, dealers and agents, if any.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE METROMEDIA COMMON STOCK TO BE ISSUED IN CONNECTION WITH THIS DOCUMENT OR DETERMINED THAT THIS DOCUMENT IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

- , 1999

ABOUT OUR BUSINESS

We build metropolitan fiber optic infrastructure in the local loop in strategic Tier One markets, enabling technologically sophisticated organizations to implement the latest data, video, Internet and multimedia applications. By offering virtually unlimited, unmetered bandwidth at a fixed cost, we eliminate the bandwidth barrier, and redefine the way broadband capacity is sold.

Utilizing our infrastructure, customers are able to rapidly deploy state-of-the-art optical networks. Communications carriers and Internet service providers gain local loop connectivity to the most highly populated metropolitan areas. Corporate and government customers benefit from private building-to-building networks featuring the fastest transmission speeds available and the highest levels of reliability and security.

Our principal executive offices are located at One North Lexington Avenue, White Plains, New York 10601.

We acquired AboveNet on September 8, 1999 through a merger of AboveNet with our wholly-owned subsidiary. AboveNet is a leading provider of facilities-based, managed services for customer-owned Web servers and related equipment, known as co-location, and high performance Internet connectivity solutions for electronic commerce and other business critical Internet operations. AboveNet has developed a network architecture based upon strategically located facilities. These facilities, known as Internet service exchanges, allow Internet content providers direct access to Internet service providers. AboveNet's West Coast campus is comprised of two San Jose, California Internet service exchange facilities, one of which is under development. AboveNet's East Coast campus is comprised of the existing Vienna, Virginia Internet service exchange facility and the planned facilities in New York, New York and the Washington D.C. area. AboveNet's network architecture and peering relationships are designed to reduce the number of network connections or "hops" for data traveling across the Internet. By having both Internet content providers and Internet service providers co-located at AboveNet's Internet service exchange facilities, AboveNet enables its Internet service provider customers to offer their users "one hop" connectivity, through AboveNet's local area network, to the sites of the Internet content providers that are co-located at its facilities. AboveNet's customers include Internet content providers, Web hosting companies and Internet service providers. +

AboveNet designs its solutions to be flexible and to allow its customers to easily expand their use of its services as their Internet operations grow. AboveNet charges its customers based on how much space and bandwidth they use. This provides AboveNet's customers with a flexible, cost-effective method to increase their Internet operations.

AboveNet designs its services to enhance performance through a high-speed network, and AboveNet provides its customers with monitoring, notification and diagnostic services twenty-four hours a day, seven days a week. AboveNet's internally developed software monitors all of its direct and indirect network connections for delays in delivery of data packets and loss of data packets. This monitoring software allows AboveNet's network engineers to enhance performance by rerouting data traffic as problems occur to avoid congested

points.

USE OF PROCEEDS

We may receive cash consideration in connection with the exercise of the warrants and options held by the selling stockholders. We will not otherwise receive any proceeds from the sale by the selling stockholders of any of the shares offered with this prospectus. We intend to use any cash proceeds that we may receive in connection with these exercises for financing telecommunications networks and for general corporate purposes, including working capital. We will pay all of the costs of this offering other than commissions, fees and discounts of underwriters, brokers, dealers and agents, if any.

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DETERMINATION OF OFFERING PRICE

The selling stockholders have advised us that they may sell these shares from time to time on the Nasdaq National Market or any other national securities exchange or automated interdealer quotation system on which shares of our class A common stock are listed or quoted, through negotiated transactions or otherwise, including private sales. They may also sell these shares, directly or through one or more underwriters, brokers, dealers or agents from time to time in one or more transactions in the open market. Any of these transactions may be effected at market prices prevailing at the time of sale, at prices related to these prevailing market prices, at varying prices determined at the time of sale or at negotiated or fixed prices, in each case as determined by agreement between the selling stockholders and underwriters, brokers, dealers or agents, or purchasers.

THE SELLING STOCKHOLDERS

The selling stockholders listed in the table below will receive their shares of our class A common stock in connection with the merger of our wholly owned subsidiary, Magellan Acquisition, Inc., into AboveNet Communications Inc. on September 8, 1999. The selling stockholders were AboveNet warrant and option holders at the time of the merger. Upon the effectiveness of the merger, the warrants and options to purchase shares of common stock of AboveNet held by or to be granted to these selling stockholders became exercisable for shares of our class A common stock. In connection with this merger, we agreed to register the shares of our class A common stock that would be received by the selling stockholders upon exercise of their AboveNet options and warrants so that they may resell their Metromedia class A common stock if they so desire.

We list below with respect to the selling stockholders the number of shares of our class A common stock beneficially owned by each of them after the merger and prior to the offering covered by this prospectus. All the shares beneficially owned by each selling stockholder set forth below may be sold in this offering. Assuming the sale of all the shares set forth below, none of the selling stockholders will own any shares of our class A common stock except as otherwise described below.

<TABLE>
<CAPTION>

<S> SELLING STOCKHOLDER	BENEFICIAL OWNERSHIP PRIOR TO OFFERING	
	<C> SHARES	<C> PERCENTAGE
DEF Public Relations.....	2,937	*
Silicon Valley Bank.....	2,937 (1)	*
Transamerica Business Credit Corporation.....	131,638 (2)	*
Primus Technology.....	20,562 (3)	*
G&H Partners.....	5,875	*
CCG Facilities Integration.....	19,878 (4)	*
Rudolph & Sletten.....	10,128 (5)	*
Kenneth Rodriguez & Partners.....	6,750 (6)	*
Biggs Cardoso.....	3,969 (7)	*
Therma Corporation.....	3,969 (8)	*
Forest City.....	235,000	*
Thomas M. Hirst, Trustee, and John D. Hagner, Independent Trustee under the Trust Agreement of the Hirst Family Trust dated September 26, 1995.....	5,875	*
Synergism Partners.....	8,814 (9)	*

</TABLE>

* Less than 1%.

(1) Silicon Valley Equity Fund, an affiliate of Silicon Valley Bank, owns 207,159 shares of our class A common stock as a result of the merger. These shares are not included in the shares offered in this prospectus.

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(2) Includes 20,013 shares that may be issued upon exercise of warrants that may be granted on 12/31/99.

(3) Primus Technology Fund and Primus Technology BVI, two affiliates of Primus Technology, own 1,138,845 and 28,200 shares, respectively, of our class A common stock as a result of the merger. These shares are not included in the shares offered in this prospectus.

(4) Includes 5,141 shares that may be issued upon exercise of warrants that may be granted on 12/31/99.

(5) Includes 3,085 shares that may be issued upon exercise of warrants that may be granted on 12/31/99.

(6) Includes 2,056 shares that may be issued upon exercise of warrants that may be granted on 12/31/99.

(7) Includes 1,029 shares that may be issued upon exercise of warrants that may be granted on 12/31/99.

(8) Includes 1,029 shares that may be issued upon exercise of warrants that may be granted on 12/31/99.

(9) Includes 3,085 shares that may be issued upon exercise of warrants that may be granted on 12/31/99.

In addition, this prospectus covers 352,500 shares of our class A common stock that may be issued upon exercise of options granted or that may be granted to certain senior employees of AboveNet U.K. Limited, AboveNet Deutschland GmbH and Raiffeisen Rechenzentrum Ges.m.b.H pursuant to cooperation or shareholders agreements between AboveNet and these entities and that have become exercisable for shares of our class A common stock in connection with our merger with AboveNet.

PLAN OF DISTRIBUTION

We are registering 813,789 shares of our class A common stock on behalf of the selling stockholders who are listed above. We issued all of these shares upon exercise by these selling stockholders of their options and warrants to purchase shares of common stock of AboveNet and that we assumed in connection with our acquisition of AboveNet.

The selling stockholders may choose to sell their shares from time to time on the Nasdaq National Market, at market prices prevailing at the time of the sale, at prices related to the then prevailing market prices, in negotiated transactions or through a combination of these methods. In addition, these selling stockholders may choose one or more of the following alternatives for resales:

- a block trade in which a broker or dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal in order to facilitate the transaction;
- purchases by a broker or dealer as principal and resale by such broker or dealer for its account pursuant to this prospectus; and
- ordinary brokerage transactions and transactions in which the broker solicits purchasers.

The selling stockholders and any broker-dealers who act in connection with the sale of our shares of class A common stock under this prospectus may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act of 1933 and any commissions received by them and profit on any resale of our shares of class A common stock as principals might be deemed to be underwriting discounts and commissions under the Securities Act of 1933.

EXPERTS

The consolidated financial statements of Metromedia Fiber Network, Inc. appearing in our Annual Report (Form 10-K) for the year ended December 31, 1998, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by

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reference. These consolidated financial statements are incorporated herein by reference in reliance upon the report given on the authority of such firm as experts in accounting and auditing.

AboveNet's financial statements as of June 30, 1997 and 1998 and March 31, 1999 and for the period from March 8, 1996 (inception) to June 30, 1996, each of the years in the two-year period ended June 30, 1998 and for the nine months ended March 31, 1999 incorporated herein by reference from Metromedia's S-4 filed on August 5, 1999 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report included therein. These consolidated financial statements are incorporated herein by reference in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The Combined Statement of Assets to be Acquired and Liabilities to be Assumed of Palo Alto Internet Exchange as of December 26, 1998 and December 27, 1997 and the related Combined Statement of Revenues and Direct Expenses for the period June 12, 1998 through December 26, 1998, the period December 28, 1997 through June 11, 1998 and the fiscal year ended December 27, 1997 and December 29, 1996, incorporated herein by reference from Metromedia's S-4 filed on August 5, 1999. These consolidated financial statements are incorporated herein by reference in reliance on the reports of PricewaterhouseCoopers LLP, independent accountants given on the authority of said firm as experts in auditing and accounting.

LEGAL MATTERS

The validity of the shares of our class A common stock and certain other legal matters in connection with this offering will be passed upon on our behalf by Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any document that we file at the Securities and Exchange Commission's Public Reference Room at 450 Fifth Street N.W., Washington, D.C. 20549 and also at the regional offices of the Securities and Exchange Commission located at 7 World Trade Center, Suite 1300, New York, New York 10048 and the Citicorp Center at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Please call 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Reports, proxy statements and other information regarding issuers that file electronically with the Securities and Exchange Commission, including our filings, are also available to the public from the Securities and Exchange Commission's Web site at "<http://www.sec.gov>".

DOCUMENTS INCORPORATED BY REFERENCE

We have filed with the Securities and Exchange Commission a registration statement on Form S-3 under the Securities Act. This prospectus is a part of the registration statement and constitutes a prospectus of our company for the shares of our class A common stock to be sold by the selling stockholders. As allowed by the Securities and Exchange Commission rules, this prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

THE SECURITIES AND EXCHANGE COMMISSION ALLOWS US TO "INCORPORATE BY REFERENCE" THE INFORMATION THAT WE FILE WITH THEM, WHICH MEANS THAT WE CAN DISCLOSE IMPORTANT BUSINESS AND FINANCIAL INFORMATION ABOUT US TO YOU THAT IS NOT INCLUDED IN OR DELIVERED WITH THIS DOCUMENT BY REFERRING YOU TO THOSE DOCUMENTS.

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The information incorporated by reference is considered to be part of this document. Information that we file later with the Securities and Exchange Commission will automatically update and supersede this information. We incorporate by reference the documents listed below and any filing we will make with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 following the date of this prospectus and on or before the termination of the offering of the shares:

1. Annual Report on Form 10-K of Metromedia for the fiscal year ended December 31, 1998 (file no. 000-23269) filed on March 17, 1999;
2. Quarterly Report on Form 10-Q/A filed by Metromedia for the fiscal quarter ended March 31, 1999 (file no. 000-23269) on May 12, 1999 and Quarterly Report on Form 10-Q filed by Metromedia for the fiscal quarter ended June 30, 1999 (file no. 000-23269) filed on August 12, 1999;
3. Current Report on Form 8-K (file no. 000-23269) filed by Metromedia on June 30, 1999;
4. Current Report on Form 8-K (file no. 000-23269) filed by Metromedia on September 10, 1999;
5. The description of class A common stock contained in Metromedia's registration statement on Form 8-A (file no. 000-23269) filed on October 27, 1997 by Metromedia; and
6. Registration Statement on Form S-4 (registration no. 333-84541) filed on August 5, 1999.

YOU MAY REQUEST A COPY OF THESE FILINGS, AT NO COST, BY WRITING OR TELEPHONING US AT THE FOLLOWING ADDRESS:

METROMEDIA FIBER NETWORK, INC.
 ONE NORTH LEXINGTON AVENUE
 WHITE PLAINS, NEW YORK 10601
 ATTENTION: SECRETARY
 TELEPHONE REQUESTS MAY BE DIRECTED TO (914) 421-6700.

WE HAVE NOT AUTHORIZED ANYONE TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ABOUT OUR COMPANY THAT DIFFERS FROM OR ADDS TO THE INFORMATION IN THIS PROSPECTUS OR IN OUR DOCUMENTS OR THE DOCUMENTS THAT WE PUBLICLY FILE WITH THE SECURITIES AND EXCHANGE COMMISSION. THEREFORE, IF ANYONE DOES GIVE YOU DIFFERENT OR ADDITIONAL INFORMATION, YOU SHOULD NOT RELY ON IT.

THE INFORMATION CONTAINED IN THIS PROSPECTUS SPEAKS ONLY AS OF ITS DATE UNLESS THE INFORMATION SPECIFICALLY INDICATES THAT ANOTHER DATE APPLIES.

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 813,789 SHARES

METROMEDIA FIBER NETWORK, INC.
 CLASS A COMMON STOCK

 PROSPECTUS

, 1999

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING COVERED BY THIS PROSPECTUS. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY OUR COMPANY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, OUR COMMON STOCK IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH IN THIS PROSPECTUS OR IN THE AFFAIRS OF OUR COMPANY SINCE THE DATE HEREOF.

 PART II
 INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

<TABLE>

<S>	<C>
Registration fee to the Securities and Exchange Commission.....	\$ 7,091
NASDAQ additional quotation fee.....	\$16,275.78
Accounting fees and expenses.....	\$ 5,000
Legal fees and expenses.....	\$ 25,000
Miscellaneous expenses.....	\$ 1,000

Total.....	\$54,366.78

</TABLE>

The foregoing items, except for the registration fee to the Securities and Exchange Commission, are estimated. All expenses of the offering, other than selling discounts, commissions and legal fees and expenses incurred separately by the selling stockholders, will be paid by Metromedia.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") (other than an action by or in the right of the corporation) by reason of the fact that this person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by this person in connection with such action, suit or proceeding if this person acted in good faith and in a manner this person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. A Delaware corporation may indemnify any person under such section in connection with a proceeding by or in the right of the corporation to procure judgment in its favor, as provided in the preceding sentence, against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, except that no indemnification shall be made in respect thereof unless, and then only to the extent that, a court of competent jurisdiction shall determine upon application that this person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper. A Delaware corporation must indemnify any person who was successful on the merits or otherwise in defense of any action, suit or proceeding or in defense of any claim, issue or matter in any proceeding, by reason of the fact that this person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by this person in connection therewith. A Delaware corporation may pay for the expenses (including attorneys' fees) incurred by an officer or director in defending a proceeding in advance of the final disposition upon receipt of an undertaking by or on behalf of this director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation.

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Metromedia's Amended and Restated Certificate of Incorporation provides that Metromedia will indemnify any person, including persons who are not directors or officers of Metromedia, to the extent permitted by Section 145 of the Delaware General Corporation Law.

Section 102(b) (7) of the Delaware General Corporation Law provides that a Delaware corporation may in its articles of incorporation eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability: for any breach of the director's duty of loyalty to the corporation or its stockholder; for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; under Section 174 (pertaining to certain prohibited acts including unlawful payment of dividends or unlawful purchase or redemption of the corporation's capital stock); or for any transaction from which the director derived an improper personal benefit. Metromedia's Amended and Restated Certificate of Incorporation eliminates the liability of directors for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to Metromedia or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal

benefit, and provides that if the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of Metromedia shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

The Delaware General Corporation Law permits the purchase of insurance on behalf of directors and officers against any liability asserted against directors and officers and incurred by such persons in their capacity, or arising out of their status as such, whether or not the corporation would have the power to indemnify officers and directors against this liability. Metromedia's Amended and Restated Certificate of Incorporation allows Metromedia to maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of Metromedia or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not Metromedia would have the power to indemnify this person against this expense, liability or loss under the Delaware General Corporation Law. Metromedia has obtained liability coverage, which includes coverage to reimburse Metromedia for amounts required or permitted by law to be paid to indemnify directors and officers.

Metromedia's Amended and Restated Certificate of Incorporation limits the liability of directors thereof to the extent permitted by Section 102(b)(7) of the Delaware General Corporation Law.

Metromedia's Directors' and Officers' liability insurance policy is designed to reimburse Metromedia for payments made by it pursuant to the foregoing indemnification. This policy has aggregate coverage of \$25 million.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(A) EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
2.1**	Agreement and Plan of Merger among AboveNet Communications Inc., Metromedia Fiber Network, Inc. and Magellan Acquisition, Inc., dated June 22, 1999 (incorporated by reference to Metromedia Fiber Network's Current Report on Form 8K filed on June 30, 1999 for the event dated June 22, 1999 (File No. 000-23269)).

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EXHIBIT NUMBER	DESCRIPTION
2.2**	Amendment and Waiver, dated as of September 10, 1999, by and among Metromedia Fiber Network, AboveNet and Merger Sub (incorporated by reference from Metromedia Fiber Network's Current Report on Form 8-K filed on September 10, 1999 for the event dated September 8, 1999 (File No. 000-23269)).
3.1**	Form of Amended and Restated Certificate of Incorporation of Metromedia Fiber Network, Inc. (incorporated by reference to Metromedia Fiber Network's Registration Statement on Form S-1 (Registration No. 333-33653)).
3.2**	Form of Amended and Restated Bylaws of Metromedia Fiber Network, Inc. (incorporated by reference to Metromedia Fiber Network's Registration Statement on Form S-1 (Registration No. 333-33653)).
4.1**	Specimen Class A Common Stock Certificate of Metromedia Fiber Network, Inc. (incorporated by reference to Metromedia Fiber Network's Registration Statement on Form S-1 (Registration No. 333-33653)).
4.2*	Cooperation Agreement between AboveNet Deutschland GmbH and AboveNet, dated March 25, 1999.
4.3*	Shareholders Agreement relating to AboveNet UK Limited, by and among AboveNet, Mr. W Dobbie, Mr. A. MacSween and AboveNet UK Limited, dated March 1999.
4.4*	Shareholders Agreement by and between Raiffeisen Rechenzentrum Ges. m.b.H. and AboveNet, dated March 8, 1999.
4.5(a)*	Stock Subscription Warrant No. 1 to purchase shares of Common Stock of AboveNet issued to

Transamerica Business Credit Corporation, dated May 28, 1999.

- 4.5(b)* Stock Subscription Warrant No. 2 to purchase shares of Common Stock of AboveNet issued to Transamerica Business Credit Corporation.
- 4.5(c)* Stock Subscription Warrant No. 3 to purchase shares of Common Stock of AboveNet issued to Transamerica Business Credit Corporation.
- 4.5(d)* Stock Subscription Warrant No. 4 to purchase shares of Common Stock of AboveNet issued to Transamerica Business Credit Corporation.
- 4.5(e)* Stock Subscription Warrant No. 5 to purchase shares of Common Stock of AboveNet issued to Transamerica Business Credit Corporation.
- 4.6* Warrants to purchase shares of Series D Preferred Stock of AboveNet issued to Silicon Valley Bank.
- 4.7* Warrant to purchase shares of Common Stock of AboveNet issued to Primus Technology Fund, dated July 31, 1998.
- 4.8* Warrant to purchase shares of Common Stock of AboveNet issued to DEF Public Relations, dated July 23, 1998.
- 4.9* Warrant to purchase shares of Common Stock of AboveNet issued to G&H Partners, dated July 31, 1998.
- 4.10(a)* Warrant to purchase shares of Common Stock of AboveNet issued to Therma Corporation, dated October 14, 1998.
- 4.10(b)* Warrant to purchase shares of Common Stock of AboveNet issued to Therma Corporation.

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<TABLE>
<CAPTION>
EXHIBIT
NUMBER

DESCRIPTION

- | <C> | <S> |
|----------|--|
| 4.11(a)* | Warrant to purchase shares of Common Stock of AboveNet issued to Biggs Cardosa, dated October 14, 1998. |
| 4.11(b)* | Warrant to purchase shares of Common Stock of AboveNet issued to Biggs Cardosa. |
| 4.12(a)* | Warrant to purchase shares of Common Stock of AboveNet issued to CCG Facilities Integration, dated May 20, 1998. |
| 4.12(b)* | Warrant to purchase shares of Common stock of AboveNet issued to CCG Facilities Integration. |
| 4.13(a)* | Warrant to purchase shares of Common Stock of AboveNet issued to Kenneth Rodriguez & Partners, dated October 14, 1998. |
| 4.13(b)* | Warrant to purchase shares of Common Stock of AboveNet issued to Kenneth Rodriguez & Partners. |
| 4.14* | Warrant to purchase shares of Common Stock of AboveNet issued to Forest City Enterprises, Inc., dated December 4, 1998. |
| 4.15(a)* | Warrant to purchase shares of Common Stock of AboveNet issued to Rudolph & Sletten, dated October 14, 1998. |
| 4.15(b)* | Warrant to purchase shares of Common Stock of AboveNet issued to Rudolph & Sletten. |
| 4.16* | Warrant to purchase shares of Common Stock of AboveNet issued to Thomas M. Hirst, Trustee, and John D. Hagner, independent Trustee under the Trust Agreement of the Hirst family dated September 26, 1995. |
| 4.17* | Warrant to purchase shares of Common Stock of AboveNet issued to Synergism Partners. |
| 5.1* | Opinion of Paul, Weiss, Rifkind, Wharton & Garrison regarding the legality of the shares being issued pursuant to the Merger Agreement. |
| 21.1** | List of Subsidiaries of Metromedia Fiber Network, Inc. (incorporated by reference to Metromedia Fiber Network's Annual Report on Form 10-K for the fiscal year ended December 31, 1998). |
| 23.1* | Consent of Ernst & Young LLP. |
| 23.2* | Consent of Deloitte & Touche LLP. |
| 23.3* | Consent of PricewaterhouseCoopers LLP. |

- 23.4* Consent of Paul, Weiss, Rifkind, Wharton & Garrison (included in the opinion filed as Exhibit 5.1 to this Registration Statement).
- 24.1* Power of Attorney from officers and directors (included on the signature page of this Registration Statement).

</TABLE>

* Filed herewith.

** Previously filed.

(B) FINANCIAL DATA SCHEDULES.

None.

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ITEM 17. UNDERTAKINGS.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission this indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against these liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by this director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether this indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of this issue.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrant hereby undertakes that for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the

Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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The undersigned registrant hereby undertakes as follows:

(a) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c) the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

(b) Every prospectus (i) that is filed pursuant to the paragraph immediately preceding, or (ii) that purports to meet the requirements of section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned Registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11, or 13 of this Form, within one business day of receipt of this request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the Registration Statement through the date of responding to the request.

The undersigned Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the Registration Statement when it became effective.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Metromedia Fiber Network, Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on September 10, 1999.

<TABLE>
<S> <C> <C>
 METROMEDIA FIBER NETWORK, INC.

 BY: /S/ STEPHEN A. GAROFALO

 Name: Stephen A. Garofalo
 Title: CHIEF EXECUTIVE OFFICER AND
 CHAIRMAN OF THE BOARD OF DIRECTORS

</TABLE>

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Silvia Kessel, Arnold L. Wadler and Gerard Benedetto, and each or either of them, his true and lawful attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed, with all exhibits thereto and the other documents in connection therewith, with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing whatsoever requisite or desirable to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement and the foregoing Power-of-Attorney have been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ STEPHEN A. GAROFALO Stephen A. Garofalo	Chief Executive Officer and Chairman of the Board of Directors	September 10, 1999
/s/ GERARD BENEDETTO Gerard Benedetto	Vice President, Chief Financial Officer	September 10, 1999
/s/ HOWARD M. FINKELSTEIN Howard M. Finkelstein	President, Chief Operating Officer and Director	September 10, 1999
/s/ VINCENT A. GALLUCCIO Vincent A. Galluccio	Senior Vice President and Director	September 10, 1999
/s/ SILVIA KESSEL Silvia Kessel	Executive Vice President and Director	September 10, 1999

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SIGNATURE	TITLE	DATE
/s/ JOHN W. KLUGE John W. Kluge	Director	September 10, 1999
/s/ DAVID ROCKEFELLER David Rockefeller	Director	September 10, 1999
Stuart Subotnick	Director	September 10, 1999
/s/ ARNOLD L. WADLER Arnold L. Wadler	Executive Vice President, General Counsel, Secretary and Director	September 10, 1999
/s/ LEONARD WHITE Leonard White	Director	September 10, 1999
Sherman Tuan	Director	September 10, 1999
David Rand	Director	September 10, 1999

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EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
<C>	<S>

- 2.1** Agreement and Plan of Merger among AboveNet Communications Inc., Metromedia Fiber Network, Inc. and Magellan Acquisition, Inc., dated June 22, 1999 (incorporated by reference to Metromedia Fiber Network's Current Report on Form 8K filed on June 30, 1999 for the event dated June 22, 1999 (File No. 000-23269)).
- 2.2** Amendment and Waiver, dated as of September 10, 1999, by and among Metromedia Fiber Network, AboveNet and Merger Sub (incorporated by reference from Metromedia Fiber Network's Current Report on Form 8-K filed on September 10, 1999 for the event dated September 8, 1999 (File No. 000-23269)).
- 3.1** Form of Amended and Restated Certificate of Incorporation of Metromedia Fiber Network, Inc. (incorporated by reference to Metromedia Fiber Network's Registration Statement on Form S-1 (Registration No. 333-33653)).
- 3.2** Form of Amended and Restated Bylaws of Metromedia Fiber Network, Inc. (incorporated by reference to Metromedia Fiber Network's Registration Statement on Form S-1 (Registration No. 333-33653)).
- 4.1** Specimen Class A Common Stock Certificate of Metromedia Fiber Network, Inc. (incorporated by reference to Metromedia Fiber Network's Registration Statement on Form S-1 (Registration No. 333-33653)).
- 4.2* Cooperation Agreement between AboveNet Deutschland GmbH and AboveNet, dated March 25, 1999.
- 4.3* Shareholders Agreement relating to AboveNet UK Limited, by and among AboveNet, Mr. W Dobbie, Mr. A. MacSween and AboveNet UK Limited, dated March 1999.
- 4.4* Shareholders Agreement by and between Raiffeisen Rechenzentrum Ges. m.b.H. and AboveNet, dated March 8, 1999.
- 4.5(a)* Stock Subscription Warrant No. 1 to purchase shares of Common Stock of AboveNet issued to Transamerica Business Credit Corporation, dated May 28, 1999.
- 4.5(b)* Stock Subscription Warrant No. 2 to purchase shares of Common Stock of AboveNet issued to Transamerica Business Credit Corporation.
- 4.5(c)* Stock Subscription Warrant No. 3 to purchase shares of Common Stock of AboveNet issued to Transamerica Business Credit Corporation.
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- 4.5(e)* Stock Subscription Warrant No. 5 to purchase shares of Common Stock of AboveNet issued to Transamerica Business Credit Corporation.
- 4.6* Warrants to purchase shares of Series D Preferred Stock of AboveNet issued to Silicon Valley Bank.
- 4.7* Warrant to purchase shares of Common Stock of AboveNet issued to Primus Technology Fund, dated July 31, 1998.
- 4.8* Warrant to purchase shares of Common Stock of AboveNet issued to DEF Public Relations, dated July 23, 1998.
- 4.9* Warrant to purchase shares of Common Stock of AboveNet issued to G&H Partners, dated July 31, 1998.

</TABLE>

<TABLE>
<CAPTION>
EXHIBIT
NUMBER

DESCRIPTION

- | <C> | <S> |
|----------|--|
| 4.10(a)* | Warrant to purchase shares of Common Stock of AboveNet issued to Therma Corporation, dated October 14, 1998. |
| 4.10(b)* | Warrant to purchase shares of Common Stock of AboveNet issued to Therma Corporation. |
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| 4.11(b)* | Warrant to purchase shares of Common Stock of AboveNet issued to Biggs Cardosa. |
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| 4.12(b)* | Warrant to purchase shares of Common Stock of AboveNet issued to CCG Facilities Integration. |
| 4.13(a)* | Warrant to purchase shares of Common Stock of AboveNet issued to Kenneth Rodriguez & Partners, dated October 14, 1998. |

- 4.13(b)* Warrant to purchase shares of Common Stock of AboveNet issued to Kenneth Rodriguez & Partners.
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- 4.17* Warrant to purchase shares of Common Stock of AboveNet issued to Synergism Partners.
- 5.1* Opinion of Paul, Weiss, Rifkind, Wharton & Garrison regarding the legality of the shares being issued pursuant to the Merger Agreement.
- 21.1** List of Subsidiaries of Metromedia Fiber Network, Inc. (incorporated by reference to Metromedia Fiber Network's Annual Report on Form 10-K for the fiscal year ended December 31, 1998).
- 23.1* Consent of Ernst & Young LLP.
- 23.2* Consent of Deloitte & Touche LLP.
- 23.3* Consent of PricewaterhouseCoopers LLP.
- 23.4* Consent of Paul, Weiss, Rifkind, Wharton & Garrison (included in the opinion filed as Exhibit 5.1 to this Registration Statement).
- 24.1** Power of Attorney from officers and directors (included on the signature page of this Registration Statement).

</TABLE>

* Filed herewith.

** Previously filed.

CONFORMED COPY

Register of Deeds No. 297 for 1999

NEGOTIATED

In FRANKFURT AM MAIN

on 25 March 1999 appeared before me

DR. GERHARD HESS

notary (Notar) in Frankfurt am Main, with offices in Taunusanlage 11, 60325 Frankfurt am Main the following persons who appeared at the request of the following Appearants at the offices of Oppenhoff & Radler Linklaters & Alliance at Mainzer Landstrasse 16, 60325 Frankfurt am Main:

1. Dr. Paul Steiner, born 19.05.56 with offices at AboveNet Communications, Inc., 50 W. San Fernando Street, No. 1010, San Jose, CA 95113, USA

acting not in his own name, rather in the name of:

AboveNet Communications, Inc., 50 W. San Fernando Street, No. 1010, San Jose, CA 95113, USA as its Vice President, International,
2. Mr Albrecht Wilhelm Kraas, born 07.07.1965 in Ludenscheid, residing at Pommernstr. 11, 53119 Bonn,
3. Mr Andreas Friedrich Schachtner, born 08.05.1962 in Essen, residing at Dessauer Str. 12, 44263 Dortmund,
4. Mr Michael Schneider, attorney, born 13.06.1962 in Bergneustadt, residing at Auf der Draveler Wiese 23, 53639 Konigswinter-Ittenbach, acting both in his own name and in the name of
 - a. Ms. Petra Schreck, Haussdorffstrasse, 189, 53129 Bonn

on the basis of a power of attorney dated 24 March 1999, a copy of which is certified and attached to this notarial document as ATTACHMENT 1, and
 - b. Ms. Elke Schneider, Auf der Draveler Wiese 23, 53639 Konigswinter

on the basis of a power of attorney dated 23 March 1999, a copy of which is certified and attached to this notarial document as

Appearant No. 1 identified himself by presenting his Austrian passport. Appearants Nos. 2, 3 and 4 identified themselves by presenting their German personal identity cards (Personalausweise).

Appearant No. 1, acting as stated, and Appearant No. 4, acting solely on behalf of Ms. Petra Schreck and Ms. Elke Schneider first requested notarization of the Purchase Agreement attached hereto as ATTACHMENT 3.

The Appearants 1, 2 and 3, acting as stated, and Appearant No. 4 acting solely in his own name, then requested the notarization in English of the Cooperation Agreement and Exhibits attached to this notarial document as ATTACHMENT 4 and the related shareholders resolutions. The notary informed the Appearants about their right to have translations of the English documents, and the Appearants stated that this was not desired.

The notary is fluent in the English language and has convinced himself that the Appearants are also fluent in English and German.

The notary explained the prohibition on acting as a notary under Section 3 para. 1 No. 7 "Beurkundungsgesetz" (Statute on Executing Deeds). The Appearants answered the notary's question about whether his firm had acted for the parties in the past on this matter in the negative.

The notarial document, including Attachments, was read to the Appearants, approved by them and signed by the notary and the Appearants in their own hands as follows:

[SIG ILLEGIBLE]

[SIG ILLEGIBLE]

[SIG ILLEGIBLE]

[SIG ILLEGIBLE]

[SIG ILLEGIBLE]

Attachment 1

V O L L M A C H T

HIERMIT WIRD IN SACHEN

InternetTreuhand GmbH

WEGEN

Verausserung und Übertragung meiner Geschäftsanteile
an der InternetTreuhand GmbH

HERRN RECHTSANWALT MICHAEL SCHNEIDER VOLLMACHT ERTEILT.

Die Vollmacht erstreckt sich auf die Verausserung und Ubertragung aller
Geschäftsanteile, die ich, Dr. Petra Schreck, Dipl. Geographin, geboren am
09.10.1967 in Langerwehe, wohnhaft Hausdorffstrasse 189, 53129 Bonn, an der
InternetTreuhand GmbH (AG Bonn, HRB 7642) halte. Hierbei handelt es sich um
einen Geschäftsanteil in Hohe von 45.000,00 DM, bei einem Stammkapital der
Gesellschaft von insgesamt 50.000,00 DM also um 90% der Geschäftsanteile. Diese
sollen an die Firma AboveNet Communications, Inc., 50 W. San Fernando St.,
#1010, San Jose, CA 95113 veraussert und ubertragen werden.

Die Vollmacht erstreckt sich weiterhin auf alle mit der Verausserung und
Ubertragung zusammenhangenden Rechtsgeschafte, insbesondere den Abschluss einer
Schiedsvereinbarung.

Bonn

24.3.99

/s/ Petra Schreck

Ort

Datum

Unterschrift

Vorstehende Ablichtung ist ein
vollsstendiges Lichthild der Urschrift.

Frankfurt am Main, den

24.3.99

[signature]

[SEAL]

Notar

Attachment 2

VOLLMACHT

HIERMIT WIRD IN SACHEN

Internet Treuhand GmbH

WEGEN

VerauBerung und Ubertragung meiner Geschäftsanteile
an der Internet Treuhand GmbH

HERRN RECHTSANWALT MICHAEL SCHNEIDER VOLLMACHT ERTEILT.

Die Vollmacht erstreckt sich auf die VerauBerung und Ubertragung aller
Geschäftsanteile, die ich, Elke Schneider geborene RoB, Dipl. Oecotrophologin,
geboren am 04 June 1961, wohnhaft in 53639 Konigswinter-Ittenbach, Auf der
Draveler Wiese 23, an der InternetTreuhand GmbH (AG Bonn, HRB 7642) halte.

Hierbei handelt es sich um einen Geschäftsanteil in Höhe von 5.000,00 DM, bei einem Stammkapital der Gesellschaft von insgesamt 50.000,00 DM also um 10% der Geschäftsanteile. Diese sollen an die Firma AboveNet Communications, Inc., 50 W. San Fernando St., #1010, San Jose, CA 95113 verauBert und übertragen werden.

Die Vollmacht erstreckt sich weiterhin auf alle mit der VeräuBerung und Übertragung zusammenhängenden Rechtsgeschäfte, insbesondere den AbschluB einer Schiedsvereinbarung.

[Illegible] -----	23.03.99 -----	/s/ [Signature Illegible] -----
Ort	Datum	Unterschrift

Verstehende Ablichtung ist ein
voilständiges Lichtbild der Urschrift.

Frankfurt am Main, den

[DR. GERHARD HESS NOTARY
IN FRANKFURT AM MAIH]

24.3.99 -----	/s/ [Signature Illegible] -----
------------------	------------------------------------

ATTACHMENT 3

PURCHASE AND TRANSFER AGREEMENT

between

1. Ms. Petra Schreck, Hausdorffstrasse 189, 53129 Bonn, and
 2. Ms. Elke Schneider, Auf der Draveler Wiese 23, 53639 Königswinter
- (also referred to as the "Sellers")

and

AboveNet Communications, Inc., 50 W. San Fernando Street, No. 1010, San Jose, CA 95113, USA, ("AboveNet")

SECTION 1

Ms. Schreck holds one share with the nominal value of DM 45,000 and Ms. Schneider holds one share in the nominal value of DM 5,000 in the limited liability company (Gesellschaft mit beschränkter Haftung) InternetTreuhand Gesellschaft für Registrierungsdienste mbH, registered under No. HRB 7042 in the commercial register maintained at the Municipal Court (Amtsgericht) in

Bonn. The capital contributions for the shares have been fully paid in cash. No other shares exist.

SECTION 2

Each of the Sellers hereby sells and transfers all of her respective share to AboveNet which accepts the sale and transfer. The transfer is effective with economic effect as of notarization.

SECTION 3

The purchase price for the shares is DM 49,000 which is immediately due for payment upon execution of this agreement. AboveNet is rendering payment by wire transfer of the purchase price today to the following account:

ACCOUNT HOLDER: SCHNEIDER & SCHOLLMEYER
TRUST ACCOUNT NO.: 3766593029
BANK: VOLKSBANK BONN-RHEIN-SIEG, HENNEF
GERMAN BANK CODE: 38060186
SWIFT CODE: GENO DE DD
REFERENCE: PURCHASE PRICE GERMANY

Attachment 4

COOPERATION AGREEMENT

between

AboveNet Communications, Inc., 50 W. San Fernando Street, No. 1010, San Jose, CA 95113, USA

(hereinafter, "AboveNet"),

and

1. Mr. Albrecht Wilhelm Kraas, residing at Pommernstr. 11, 53119 Bonn,
2. Mr. Andreas Friedrich Schachtner, residing at Dessauer Str. 12, 44263 Dortmund,
3. Mr. Michael Schneider, residing at Auf der Draveler Wiese 23, 53639

INTRODUCTION

- A. AboveNet and the NRW Principals wish to establish a jointly held German company which will provide carrier class facilities, including co-location and internet connectivity services ("Internet Service Exchange").
- B. AboveNet and the NRW Principals control certain software and intellectual property which will enable the German company to establish the Internet Service Exchange, and AboveNet and the NRW Principals intend to make this software and intellectual property available to the German company.
- C. AboveNet is today acquiring all shares in a German limited liability company (the "GmbH") which is currently only a shelf company. This GmbH will become the jointly held German company. The parties wish to increase the capital of the GmbH and redraft the articles of association accordingly. The parties, acting in their capacities as shareholders, will then conduct a first shareholders meeting and resolve further steps to be taken by the GmbH, including the conclusion of employment agreements with the NRW Principals, conclusion of a License, Connectivity and Marketing Agreement between AboveNet and the GmbH and adopting a business plan.
- D. In order to provide general rules for the course of the cooperation and implement the first stages of the cooperation, the parties are entering into this Cooperation Agreement.

Each of the Sellers warrants (steht dafür ein) as follows:

- 4.1 Each of the statements contained in Section 1 is correct.
- 4.2 The shares do not represent more than 70% of each Seller's net worth (Vermogen).
- 4.3 Each Seller can dispose freely of her share.
- 4.4 The company's Articles of Association in the version on record at the commercial register have not been amended.
- 4.5 Ms. Elke Schneider is registered as a Managing Director (Geschäftsführer) of the company. No other Managing Directors or "Prokuristen" have been appointed. No applications for the company are pending at the commercial register.
- 4.6 The sole asset of the Company is a bank account with a current balance today of at least DM 49,000. The Company has no liabilities (Verbindlichkeiten).

SECTION 1

CAPITAL INCREASE IN THE GMBH,
NEW ARTICLES OF ASSOCIATION

- 1.1 AboveNet is the sole shareholder in InternetTreuhand Gesellschaft fur Registrierungsdienste mbH, registered in the commercial register maintained at the municipal court (Amtsgericht) in Bonn. AboveNet hereby waives all requirements of notice and form for calling a shareholders meeting and conducts a shareholders meeting in InternetTreuhand Gesellschaft fur Registrierungsdienste mbH and resolves as follows:
- a. The existing two shares in the nominal value of [*] and [*] are hereby combined to form a single share in the nominal value of [*].
 - b. The stated capital of the company is hereby increased to a total of E 192,000. The nominal value of the above share is increased to E 96,000 and three additional shares in the nominal values of E 32,000 each are issued.
 - c. The increase in the existing share capital can be subscribed to by AboveNet Communications, Inc. The three shares of E 32,000 each can be subscribed to by each of Mr. Albrecht Wilhelm Kraas, Mr. Andreas Friedrich Schachtner and Mr. Michael Schneider.
 - d. The capital contributions to be paid by each of Mr. Kraas, Mr. Schachtner and Mr. Schneider are [*] each. AboveNet will make its contribution by paying the difference between [*] and [*], thus [*]. All contributions are immediately due for payment in cash.
 - e. In addition to the capital contributions, AboveNet will also pay a premium to the capital reserve (Kapitalrucklage) in the amount of [*] at the same time as it pays its capital contribution.
- 1.2 Mr. Kraas, Mr. Schachtner and Mr. Schneider each hereby subscribes to a share in the company in the nominal value of [*] in accordance with para. 1.1 c and d. AboveNet hereby subscribes to the increase in its share in accordance with para. 1.1 c and d.
- 1.3 The parties hereby waive all requirements of form and notice for conducting a shareholders meeting and hereby conduct a shareholders meeting in which they adopt new articles of association for the company as set forth in ANNEX 1a in German and ANNEX 1b in English.

THE SHAREHOLDERS CONTINUE THE MEETING AND RESOLVE THE FOLLOWING ITEMS IN

- * Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

SECTION 2

NON-MONETARY CONTRIBUTIONS, FUTURE FUNDING

- 2.1 AboveNet Deutschland GmbH will conclude the royalty free "License, Connectivity and Marketing Agreement" with AboveNet Communications, Inc. attached as ANNEX 2.
- 2.2 AboveNet Deutschland GmbH will obtain from IntraNet Gesellschaft fur Telekommunikation und Consulting GmbH a perpetual, royalty free, non-exclusive license to AboveNet Deutschland GmbH to use the software and related intellectual property listed in ANNEX 3 for the purpose of operating its own business. Nrs. 4 and 11 of the License, Connectivity and Marketing Agreement will apply mutatis mutandis (entsprechend).
- 2.3 The shareholders anticipate that they will obtain one or more additional investors who agrees to invest additional capital in an amount equal to [*] in AboveNet Deutschland GmbH. At that time AboveNet Communications, Inc. will also invest at least the same amount. The form of the AboveNet investment will be (at AboveNet's option) either the same securities as are sold to the third party investors or a note convertible, at any time at the option of the holder, into equity securities with a five year term with interest payments only during such term. The valuation of AboveNet Deutschland GmbH at which AboveNet's investment is made will be the same valuation as the third party investment. The convertible debt would be convertible into the same security as sold to the third party and the note would bear interest at a market interest rate. Both these investments will change the relative percentage ownership of the Company, increasing the percentage ownership of AboveNet and decreasing the ownership of the NRW Principals. The exact form of the third party's investment and AboveNet's investment will be determined at the time the investments are resolved. The parties understand that there are certain restrictions under German law on the extent to which debt can be converted to voting shares and the extent to which debt to a shareholder can be repaid.

SECTION 3

EMPLOYMENT AGREEMENTS

Each of Messrs. Schneider, Kraas and Schachtner will enter into an employment agreement as managing directors (Geschäftsführer) with AboveNet Deutschland

SECTION 4

APPOINTMENT OF MANAGING DIRECTORS, RULES OF BUSINESS

The contract partners hereby appoint Mr. Michael Schneider, Mr. Kraas and Mr. Schachtner as managing directors (Geschäftsführer) of AboveNet Deutschland GmbH. Each of them is granted sole signing authority. Frau Elke Schneider is removed as managing director (Geschäftsführerin). Her past conduct of the business is ratified (Entlastung wird erteilt).

THE SHAREHOLDERS MEETING IS NOW CONCLUDED. NO FURTHER RESOLUTIONS ARE PASSED.

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

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SECTION 5

LICENSE TO ABOVE NET

- 5.1 Messrs. Kraas, Schachtner and Schneider will cause IntraNet Gesellschaft für Telekommunikation und Consulting GmbH to grant a perpetual, royalty free, non-exclusive license to AboveNet Communications, Inc. to use the software and related intellectual property listed in ANNEX 5 for its own purposes and the purposes of its affiliates (Section 15 Stock Companies Act) until AboveNet becomes a shareholder in another German company providing services under the "AboveNet" name. Further development and support will be provided at standard commercial rates (marktüblichen Preisen). Nrs. 4 and 11 of the License, Connectivity and Marketing Agreement will apply mutatis mutandis (entsprechend).
- 5.1 Messrs. Kraas, Schachtner and Schneider will cause IntraNet Gesellschaft für Telekommunikation und Consulting GmbH to transfer the domain names "AboveNet.de", "Above.de" to the GmbH.

SECTION 6

TRANSFORMATION INTO A STOCK COMPANY

- 6.1 The contract partners anticipate transforming the GmbH into a stock company which will have stated capital (Grundkapital) of at least €1,000,000 of which between 5% and 10% will be made available for employee stock options which will entitle employees to purchase stock on the date the options vest (4 year vesting period) at the fair market value of the shares on the date the options were granted. The number of

shares reserved for the options cannot be increased before an initial public offering without the unanimous consent of the members on the Supervisory Board. This anticipation of the contract partners to transform the GmbH into a stock company does not create an obligation on the part of the contract partners to themselves invest further capital.

- 6.3 When the GmbH is transformed into a stock company, the contract partners will adapt as many of the provisions in the GmbH articles of association as possible into the articles of association of the stock company. To the extent that this is not possible, the contract partners will enter into a shareholders agreement which includes such provisions. In particular, if the contract partners establish the stock company with bearer shares, the restrictions on dispositions of shares and cancellation of shares set forth in Section VII of Annex 1 will apply mutatis mutandis among the previous shareholders in the GmbH. If the contract partners establish the stock company with registered shares (vinkulierte Namensaktien), they will include corresponding provisions in the articles of association of the stock company.

SECTION 6a ABOVENET STOCK OPTIONS

AboveNet intends to grant options to purchase AboveNet stock to employees of the GmbH subject to applicable accounting and legal issues from time to time and subject to separate option agreements to be concluded between AboveNet and the beneficiary. The aggregate number of options to be granted

shall be for up to 100,000 shares over four years (up to 15,000 shares in year 1, up to 20,000 in year 2, up to 25,000 shares in year 3, and up to 40,000 shares in year 4), unless the Company is acquired by a third party prior to such time, upon achievement of the revenue, net income and EBITDA targets in the Business Plan for the prior year. If the Company fails to meet such targets in any year, no options will be issued. Within 60 days from the end of the business year, the Company's auditors (currently Deloitte & Touche) shall determine whether the Company succeeded or failed to meet the targets in the Business Plan. The exercise price for the options shall be the fair market value of the AboveNet stock on the date the options are issued.

SECTION 7 CHOICE OF LAW, DISPUTE RESOLUTION

- 7.1 This Cooperation Agreement and all other agreements referred to herein are governed by German law, except for the "License, Connectivity and Marketing Agreement" with AboveNet Communications, Inc. which will be governed by California law.
- 7.2 If any provision in this Cooperation Agreement or any of the other agreements referred to herein is invalid, the remaining provisions and agreements will remain valid. The invalid provision will be deemed to have been replaced by a valid provision which comes as close as legally permissible to achieving the commercial effect of the invalid provision.

7.3 All disputes between the parties will be resolved in accordance with the separate arbitration agreement attached as ANNEX 6. This Arbitration Agreement does not, however, apply to the "License, Connectivity and Marketing Agreement" which contains its own arbitration clause.

DATED MARCH 1999

ABOVENET COMMUNICATIONS INC

MR. W. DOBBIE AND MR. A. MACSWEEN

- and -

ABOVENET UK LIMITED

SHAREHOLDERS AGREEMENT
RELATING TO
ABOVENET UK LIMITED

TARLO LYONS
Watchmaker Court
33 St. John's Lane
London
EC1M 4DB
Tel: 0171-405 2000
Fax: 0171-814 9423
Ref: RLH/RAC/334107

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AGREED TERM DOCUMENTS:

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- B. Draft Business Plan
- C. Dobbie Service Agreement
- D. MacSween Service Agreement
- E. Key Employee Agreements
- F. Licence Agreement
- G. Stock Purchase Agreement
- H. Loan Note Instrument

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SHAREHOLDERS AGREEMENT

DATE: March 1999

PARTIES:

- (1) ABOVENET COMMUNICATIONS, INC a corporation incorporated in the State of California USA on 8 March 1996 and reincorporated in the State of Delaware, USA in November 1998 whose business address is 50, W. San Fernando Street SE1010, San Jose, California, 95113, USA (together with its successors in title and permitted assigns `Inc'); and
- (2) WILLIAM DOBBIE of 1 Belgrave Crescent, Edinburgh EH4 3AQ and ANGUS MACSWEEN of 5 Ellergreen Road, Bearsden, Glasgow G61 2AJ (together with their respective successors in title "the Founders", which expression shall include either or both of them); and
- (3) ABOVENET UK LIMITED a company incorporated in England (CR No. 3740487) whose registered office is situate at 63 Queen Victoria Street, London EC4 (together with its successors in title and permitted assigns `the Company').

RECITALS:

- (A) The Company is a private company incorporated in England on 22 March 1999 under the Companies Acts 1985 and 1989 and has at the date hereof an authorised share capital of Pound Sterling1,111,000 divided into

1,111,000 Ordinary Shares of Pound Sterling1.00 each, 600,000 of which shares have been issued fully paid to the Founders

- (B) The parties have agreed to procure that the business of the Company is conducted in accordance with the provisions of this Agreement.

OPERATIVE PROVISIONS:

1. INTERPRETATION

In this Deed and its Recitals and Schedules:

`Affiliate' means with respect to any person (a) any entity of which the ownership interests conferring a majority of votes at meetings of interest owners of such entity are owned directly or indirectly by such person or (b) any entity which owns, directly

Page 1

or indirectly, ownership interests of such person conferring a majority of votes at meetings of interest owners of such person or (c) any entity of which the ownership interests conferring a majority of votes at meetings of interest owners of such person are owned directly or indirectly, by an entity which also owns ownership interests conferring a majority of votes at meetings of interest owners of such person or (d) any participator in relation to any such entity or a director of any such entity or any associate or relative of either thereof (if an individual) (all as such terms are defined in Section 417 of the Taxes Act)

`in the Agreed Terms' means in the form of an annexed draft agreed between the parties and initialed by way of identification by the parties or their respective legal advisers

`the Articles' means the Articles of Association of the Company to be adopted pursuant to Clause 2.1.1 as amended from time to time

`an `A' Director' means a director appointed by the holder or holders of the `A' Shares in accordance with Article 16 of the Articles and unless otherwise stated, includes his duly appointed alternate

`A' Shares' means the `A' Ordinary Shares of Pound Sterling1.00 each more particularly referred to in Clause 2.1.5 and any other shares so designated or, where the context so admits, so many thereof as may from time to time be in issue

`a `B' Director' means a director appointed by the holder or holders of 75% in nominal value of the `B' Shares in accordance with Article 16 of the Articles and unless otherwise stated, includes his duly appointed alternate

`B' Shares' means the `B' Ordinary Shares of Pound Sterling1.00 each more particularly referred to in Clause 2.1.5 and any other shares so designated, or where the context so admits, so many thereof as may from time to time be in issue

`the Board' means the board of directors of the Company for the time being or from time to time

`the Business' means the business of establishing and operating an Internet Co-location Centre and Internet Service Exchange, including occupying and maintaining a property for an Internet Co-location Centre, operating related local network infrastructure in cooperation with Inc, and marketing and sales activities relating to the sale of services and products detailed in the Licence Agreement

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`the Business Plan' means the four year business plan in the form to be agreed by the Original Shareholders pursuant to Clause 2.2 but pending such agreement shall mean the Draft Business Plan

`C' Shares' means the `C' Ordinary Shares of Pound Sterling1.00 each more particularly referred to in Clause 2.1.5 and any other shares so designated, or where the context so admits, so many thereof as may from time to time be in issue

`Controlling Interest' means in relation to any company the holding (directly or indirectly) of more than 50 per cent of the Equity Share Capital of that company or the ability to direct the casting of more than 50 per cent of the votes normally entitled to be cast at a shareholders' meeting of that company and for the purposes of ascertaining whether any Person shall have a Controlling Interest (as defined) account shall also be taken of the shareholding or voting rights held by any Affiliate of that Person

`Convertible Loan Notes' means convertible loan notes of the Company constituted by the Loan Note Instrument

`Director' means any director for the time being of the Company including where applicable any alternate director

`Draft Business Plan' means the draft four year business plan in the Agreed Terms

`the Effective Date' means the date on which the various matters referred to in Clause 2.1 are completed

`Equity Share Capital' shall have the meaning ascribed to such expression by Section 744 of the UK Companies Act 1985

`Financial Year' means the financial year (as defined in the UK Companies Act 1985) of the Company, being the year from 22 March 1999 to 30 June 2000 and thereafter the year ending on 30 June in each year

`Group Company' means, in relation to any company, any Holding Company of that company and any Subsidiary of that company or of any of its Holding Companies

`Inc's Original Holding' means the 133,334 `A' Shares subscribed by Inc pursuant to Clause 2.1.6, any further `A' Shares subscribed by it pursuant to Clause 2.2 and any

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`A' Shares acquired by it as a consequence of exercising its conversion rights under any Convertible Loan Note(s)

`ISP' means an internet service provider

`Key Employees' means such senior employees of the Company as the Board shall from time to time determine

`Key Employee Agreement' means an agreement to be entered into between the Company and each of the Key Employees, each such agreement being in or substantially in the Agreed Terms

`Licence Agreement' means the License, Connectivity and Marketing Agreement between Inc (1) and the Company (2) in the Agreed Terms

`Loan Note Instrument' means the instrument constituting Pound Sterling 1,200,000 5 per cent Convertible Loan Notes of the Company in the Agreed Terms

`Mr. Dobbie' means Mr. William Dobbie, one of the Founders

`the Dobbie Service Agreement' means the service agreement between the Company (1) and Mr. Dobbie (2) in the Agreed Terms

"Mr. MacSween" means Mr. Angus MacSween, one of the Founders

`the MacSween Service Agreement' means the service agreement between the Company (1) and Mr. MacSween (2) in the Agreed Terms

`Ordinary Shares' means the `A' Shares and/or (as the context requires) the `B' Shares and/or (as the context requires) the `C' Shares in the capital of the Company

`the Original Shareholders' means Inc and the Founders

`Person' includes and individual, corporation, unincorporated association or partnership

`Retention Account' shall have the meaning ascribed to such expression by Clause 2.3

`Share' means a share in the capital of the Company of whatever class

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`the Shareholders' means the Original Shareholders or any Person or Persons to whom they lawfully transfer their Shares or who is or are allotted Shares in the Company pursuant to the provisions of this Agreement

`Subsidiary' and 'Holding Company' shall bear the meanings ascribed to such expressions by Section 736 of the UK Companies Act 1985

`Supplemental Agreement' means an agreement entered into pursuant to Clause 29.2.

`Taxes Act' means the UK Income and Corporation Taxes Act 1988.

1.2 In this Agreement, references to any statutory provision shall include such provision as from time to time amended, whether before on or (in

the case of re-enactment or consolidation only) after the date hereof, and shall be deemed to include provisions of earlier legislation (as from time to time amended) which have been re-enacted (with or without modification) or replaced (directly or indirectly) by such provision and shall further include all statutory instruments or orders from time to time made pursuant thereto.

1.3 In this Agreement and its Schedules:

- 1.3.1 the neuter gender shall include the masculine and the feminine;
- 1.3.2 the singular number shall include the plural and vice versa;
- 1.3.3 the headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement; and
- 1.3.4 references to Recitals, Clauses and Schedules and sub-divisions thereof, unless a contrary intention appears, are to the Recitals and Clauses of and Schedules to this Agreement and sub-divisions thereof respectively.

1.4 The Schedules form part of this Agreement and shall be construed and shall have the same full force and effect as if expressly set out in the body of this Agreement.

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ESTABLISHMENT OF THE COMPANY

- 2.1 Forthwith upon the execution of this Agreement each of the Original Shareholders shall itself take or (as appropriate) shall cause to be taken at directors' meetings and shareholders meetings of the Company the following steps in the following order:-
- 2.1.1 the increase of the authorised share capital of the Company to Pound Sterling2,311,000 by the creation of 1,200,000 Ordinary Shares of Pound Sterling1 each
 - 2.1.2 the adoption by the Company of new Articles of Association in the Agreed Terms;
 - 2.1.3 the appointment of David Rand and (on a temporary basis) Paul Steiner, each as an `A' Director of the Company who shall be deemed so appointed pursuant to the Articles;
 - 2.1.4 the redesignation of Mr. Dobbie and Mr. MacSween as `B' Directors of the Company who shall be deemed so appointed pursuant to the Articles;
 - 2.1.5 the redesignation of the existing issued Ordinary Shares in the capital of the Company registered in the name of Mr Dobbie as `B' Shares and the redesignation of the existing issued Ordinary Shares in the capital of the Company registered in the name of Mr MacSween as `B' Shares and the conversion and redesignation of 1,600,000 of the remaining unissued shares as `A' Shares and the balance of 111,000 of the unissued Shares as `C' Shares in each case having the rights set out in the Articles;
 - 2.1.6 Inc shall deliver to the Board an application for the allotment

and issue to it at a subscription price of Pound Sterling [*] per share of 133,334 `A' Shares accompanied by payment in full in cash of the subscription moneys of Pound Sterling [*];

2.1.7 the parties shall procure that a Board Meeting of the Company is held at which the application referred to in Clause 2.1.6 shall be approved and the shares applied for shall be allotted and issued to Inc in accordance with its application;

2.1.8 Inc and the Company shall enter into the Licence Agreement;

2.1.9 Mr. Dobbie and the Company shall enter into the Dobbie Service Agreement; and

*Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

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2.1.10 Mr. MacSween and the Company shall enter into the MacSween Service Agreement.

2.2 The Original Shareholders shall in good faith seek to refine and finalise the Draft Business Plan and to agree the form of the Business Plan as soon as practicable following the Effective Date and in any event by 30 April 1999. Within 30 days of such agreement, (subject to each of the Founders having complied with Clause 15.1 and provided that (i) neither the Company nor the Founders are in material breach of this Agreement and (ii) the Company is not in material breach of the Licence Agreement) Inc shall apply or procure applications from third parties for an additional 266,666 `A' Shares at a subscription price of Pound Sterling 4.50 per share payable in full in cash on subscription. The parties shall procure that a Board Meeting of the Company is held within seven days of such application(s) at which such application(s) are approved and the shares applied for shall be allotted and issued to the applicant(s) in accordance with their respective applications.

2.3 The subscription moneys in respect of the application(s) referred to in Clause 2.2 (namely Pound Sterling 1,199,997) shall be credited to a separate interest bearing bank account in the name of the Company ("the Retention Account"), which account shall be opened by the Company as soon as practicable following the Effective Date. No cheques may be drawn on or amounts withdrawn from the Retention Account except in accordance with Clause 11.3

3. WARRANTIES BY FOUNDERS

3.1 The Founders jointly and severally warrant and represent to Inc that no charge, lien or other encumbrance exists or will be created over any interest in all or any of the Shares held by them or either of them (without the prior written consent of Inc acting reasonably provided that such consent may be withheld or given or given subject to reasonable conditions, as Inc may acting reasonably deem fit);

4. OBJECTIVES OF THE COMPANY

4.1 Each of the Shareholders undertakes with the others to use all reasonable endeavours to procure (so far as it is able to do) that the activities of the Company shall be limited to the Business.

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4.2 Each of the Shareholders undertakes with the others that it will use all reasonable endeavours to procure that the Company shall conduct the Business on sound commercial profit making principles so as to generate the maximum achievable revenues.

4.3 Each of the Shareholders further undertakes that it will use its best endeavours to promote the Business and the interests of the Company Provided that this Clause 4.3 shall not apply to Inc or any Affiliate of Inc at any time after the Licence Agreement has terminated or any of the rights granted thereunder to the Company have ceased to be exclusive.

5. DIRECTORS AND CHAIRMAN

5.1 The maximum number of Directors holding office at any time shall be seven.

5.2 Unless and until otherwise agreed between the Shareholders, Inc shall have the right (but not the obligation) to appoint and maintain in office from time to time up to two `A' Directors (or if and for so long as there are more `A' Shares in issue than `B' Shares in issue, up to three `A' Directors) and the persons holding not less than 75% in nominal value of the `B' Shares shall have the right to appoint and maintain in office from time to time up to three `B' Directors (or if and for so long as there are more `A' Shares in issue than `B' Shares in issue, up to two `B' Directors) and each shall have the right to remove any director so appointed by it and to appoint another in his place (such appointment and removal to be effected by notice in writing to the Company).

5.3 In addition, the `A' Directors (if any) and the `B' Directors may by notice to the Company together appoint up to two more persons with relevant industry experience (and who are approved by all of them or if there is no `A' Director, by the `B' Directors and Inc) as additional directors. Any person so appointed may be removed and another appointed in his place (such appointment and removal to be effected by notice in writing to the Company signed by the `A' Directors and the `B' Directors or, if there is no `A' Director, by the `B' Directors and someone duly authorised on behalf of Inc).

5.4 The Chairman at any meeting of the Board shall not be entitled to a second or casting vote nor shall the Chairman have a second or casting vote in the case of an equality of votes at any general meeting of the Company.

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5.5 If Inc does not exercise its right to maintain an `A' Director in office, it shall nonetheless be entitled from time to time to appoint a person to attend at meetings of the Directors as an observer and any person so appointed ("an Observer") shall be given (at the same time as the Directors) notice of all meetings of the Directors and all agendas, minutes and other papers relating to such meetings.

5.6 An Observer shall be entitled to attend any and all meetings of the Directors and to speak and place items on the agenda for discussion provided that an Observer shall not be entitled in any circumstances to vote. Inc may remove an Observer appointed by it and appoint another person in his place. Any such appointment and removal shall be effected by notice in writing to the Company signed by someone duly authorised on behalf of Inc.

6. BOARD MEETINGS

6.1 The Shareholders shall procure that at all times during the continuance of this Agreement meetings of the Board of the Company shall unless otherwise agreed between the Shareholders be held at regular intervals (and in any event not less frequently than once every quarter) and shall be convened on not less than 30 days notice in writing to the Directors and (if at any time there is no 'A' Director) Inc accompanied by an agenda specifying the business to be transacted.

6.2 With effect from 1 April 1999 the quorum necessary for the transaction of the business of the Directors shall be two if no 'A' Director is appointed and three if an 'A' Director has been appointed of whom throughout the meeting one shall be an "A" Director (if any is appointed) and one a "B" Director (a "Board Quorum"). A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Prior to 1 April 1999 a Board Quorum shall comprise any two Directors.

6.3 If a Board Quorum is not present within half an hour from the time appointed for the meeting, or if during the meeting a Board Quorum ceases to be present, the meeting shall stand adjourned to the day 30 days following the date appointed for the meeting at the same time and place or to such other time and place as the Directors may determine (such adjourned meeting being called the "First Adjourned Meeting").

6.4 If a Board Quorum is not present within half an hour from the time appointed for the First Adjourned Meeting, or if during the First Adjourned Meeting a Board Quorum

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ceases to be present, the First Adjourned Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time and place as the Directors may determine (such further adjourned meeting being called the "Second Adjourned Meeting")

6.5 If a Board Quorum is not present within half an hour from the time appointed for the Second Adjourned Meeting, or if during the Second Adjourned Meeting a Board Quorum ceases to be present the Directors present shall be a quorum.

7. SECRETARY

7.1 Mr MacSween (or such other person as may from time to time be determined by the Board) shall act as the Secretary of the Company.

8. REGISTERED OFFICE

8.1 The registered office of the Company shall be 63 Queen Victoria Street, London EC4 or such other place in England as may from time to time be determined by the Board and approved in writing by Inc.

9. AUDITORS

9.1 The auditors of the Company shall be Deloitte & Touche or such other firm of Chartered Accountants of international standing and reputation as may from time to time be the auditors of (or the United Kingdom associate of the auditors of) Inc.

10. ACCOUNTING REFERENCE DATE

10.1 The accounting reference date of the Company for the purpose of Section 224 of the UK Companies Act 1985 shall be 30 June or such other date as may from time to time be determined by the Board and approved in writing by Inc.

11. BANKERS

11.1 The Company shall maintain bank accounts with Clydesdale Bank plc and/or such other bank or banks as may from time to time be determined by the Board and approved in writing by Inc.

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11.2 The Shareholders shall procure that all cheques drawn by the Company and other withdrawals from the said accounts shall be signed or otherwise authorised in accordance with the bank mandate from time to time approved by Inc and the Board.

11.3 The Shareholders shall procure that save as Inc may otherwise agree in writing from time to time, no cheques shall be drawn by the Company on or other withdrawal made from the Retention Account:

11.3.1 save for expenditure and investments as envisaged in the Business Plan; and

11.3.2 unless the same shall be signed or otherwise authorised by Mr. Dave Larsen (or such other person as Inc may from time to time nominate for the purpose by notice in writing to the Company).

12. COMPANY BOOKS RECORDS AND ACCOUNTS

12.1 The Shareholders shall procure that the Company shall keep such books records and accounts in connection with its business and shall provide such financial trading or other information regarding the affairs of the Company as the Shareholders shall from time to time require and without prejudice to the foregoing shall procure that the Company shall at all times comply with the provisions of the UK Companies Acts 1985 and 1989 (or any statutory modification or re-enactment thereof) provided that each of the Shareholders shall have the right at its own cost to call for examine and inspect at all reasonable times the books records and accounts of the Company and may appoint or authorise any Person to make such examination and inspection on their behalf.

- 12.2 Notwithstanding the generality of Clause 12.1 the Shareholders shall procure that the Company prepares and makes available to each of them:
- 12.2.1 quarterly financial statements within 15 days of the end of the relevant quarter prepared in accordance with US GAAP;
 - 12.2.2 profit forecasts cashflow forecasts and budgets for each Financial Year prior to the commencement of each such Financial Year.
 - 12.2.3 audited annual financial statements within 30 days of the end of the relevant Financial Year prepared in accordance with US GAAP

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Provided that Inc shall reimburse to the Company the reasonable additional cost to the Company of having any quarterly or annual financial statements, initially prepared for the purposes of this Clause 12.2 in accordance with UK accounting principles and practices, brought into compliance with US GAAP.

- 12.3 The Shareholders shall use all reasonable endeavours to procure that within six (6) months of the end of each Financial Year of the Company:
- 12.3.1 the auditors of the Company shall prepare and deliver proper audited accounts in accordance with statutory requirements together with the auditors statutory report in respect of such Financial Year; and
 - 12.3.2 that such audited accounts and auditors' report shall be laid before the Company together with the directors' report thereon for approval by the members of the Company in general meeting.

13. OPERATION OF THE COMPANY

- 13.1 Each of the Shareholders covenants with the others that it shall exercise all voting rights and other powers of control available to it in relation to the Company so as to procure (insofar as it is able by the exercise of such voting rights and powers) and the Company, to the extent permitted by law, covenants with the Shareholders that the Company shall not without the prior written consent of both Inc and both of the Founders (such consent not to be unreasonably withheld or delayed by any of them):-
- 13.1.1 make any alteration or variation whatsoever to its Memorandum or Articles of Association; or
 - 13.1.2 cease or threaten to cease to carry on its business; or
 - 13.1.3 make any material change in the nature of its business or commence any new type of business; or
 - 13.1.4 borrow any monies in excess of the amounts provided for in the Business Plan in respect of the first Financial Year ending 30 June 2000 and thereafter in the annual budget produced under Clause 12.2 and approved by both Inc and the Founders; or

- 13.1.5 create any mortgage charge or lien (other than a lien arising by operation of law) over or otherwise use as security its undertaking property or assets or any part thereof or any interest therein (including goodwill and uncalled capital); or
- 13.1.6 enter into any guarantee or indemnity or stand surety for the obligations of any third party or enter into any agreement for the same for an aggregate amount in excess of the amounts provided for in the Business Plan in respect of the first Financial Year ending 30 June 2000 and thereafter in the annual budget produced under Clause 12.2 and approved by both Inc and the Founders; or
- 13.1.7 make any loan or advance or (except in the ordinary course of business) grant any credit to any person; or
- 13.1.8 sell transfer lease assign or otherwise dispose of any real property, whether freehold or leasehold, or of the whole or a material part of its undertaking property or assets (or interest therein) or contract so to do;
- 13.1.9 enter into any contract arrangement or commitment involving expenditure on capital account (in excess of the amounts provided for in the Business Plan in respect of the first Financial Year of the Company ending 30 June 2000 and thereafter in the annual budget produced under Clause 12.2 and approved by both Inc and the Founders) or the realisation of capital assets; or
- 13.1.10 engage any senior employee on a compensation package in excess of that provided for in the Business Plan in respect of the first Financial Year ending 30 June 2000 and thereafter in the annual budget produced under Clause 12.2 and approved by both Inc and the Founders; or
- 13.1.11 take or agree to take any freehold or leasehold interest in or licence over any land; or
- 13.1.12 (without prejudice to the generality of Clause 13.1.27) enter into any transaction arrangement or agreement with or for the benefit of any Director (except for the Dobbie Service Agreement and MacSween Service Agreement); or

- 13.1.13 acquire any material asset (or receive any material service) at more than market value or dispose of any material asset (or give any material service) at less than market value; or
- 13.1.14 acquire or create or dispose of any interest in any Subsidiary or acquire the undertaking or assets or any substantial part of the business of any Person; or
- 13.1.15 appoint or remove any Director or the chairman of the Company

(except as provided for hereunder or as permitted under the Articles); or

- 13.1.16 initiate any litigation or arbitration other than in the ordinary course of business or settle or compromise any claims, litigation or arbitration (other than monetary settlements or compromises involving payments to or by the Company of less than US \$50,000 in aggregate in any one Financial Year); or
- 13.1.17 permit any transfer of Shares in the Company except in accordance with this Agreement and the Articles of Association for the time being; or
- 13.1.18 pay any fees or make any other payments (other than emoluments due by reason of their employment) to any Directors; or
- 13.1.19 allot or issue any unissued shares for the time being or create or issue any new shares; or
- 13.1.20 alter any rights attaching to any class of share in the capital of the Company; or
- 13.1.21 consolidate, sub-divide or convert the Company's share capital or in any way alter the rights attaching thereto; or
- 13.1.22 enter into any partnership or (other than in the ordinary course of business) profit sharing agreement with any Person; or
- 13.1.23 do or permit or suffer to be done any act or thing whereby the Company may be wound up (whether voluntarily or compulsorily), save as otherwise expressly provided for in this Agreement; or

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- 13.1.24 issue any debentures or debenture stock or other securities convertible into shares or debentures or any share warrants or any options in respect of shares; or
- 13.1.25 enter into any contract or transaction except in the ordinary and proper course of the Business and on arm's length terms; or
- 13.1.26 acquire, purchase or subscribe for any shares, debentures, mortgages or securities (or any interest therein) in any company, trust or other body; or
- 13.1.27 save as specifically provided in the Licence Agreement, the Dobbie Service Agreement and/or the MacSween Service Agreement or in the Business Plan in respect of the first Financial Year ending 30 June 2000 and thereafter in the annual budget produced under Clause 12.2 and approved by both the Founders and Inc create any contract with or obligation to pay money or money's worth in excess of US \$20,000 in any one Financial Year to any Founder or to any Shareholder or to any Affiliate of such Founder or Shareholder or to any Person as a nominee or associate of any such Founder or Shareholder or Affiliate (including any renewal thereof or any variation in the terms of

any existing contract or obligation); or

- 13.1.28 appoint any committee of the Board or any local board or delegate any of the powers of the Directors to such committee or local board; or
- 13.1.29 merge or amalgamate with any other company or undertaking; or
- 13.1.30 enter into any compromise or arrangement to which Section 425 of the UK Companies Act 1985 applies; or
- 13.1.31 change the accounting policies of the Company save as required to comply with UK GAAP; or
- 13.1.32 capitalise or repay any amount standing to the credit of any reserve of the Company or redeem or purchase any shares of the Company or otherwise reorganise the share capital of the Company; or
- 13.1.33 surrender to any Founder or Shareholder or to any Affiliate of such Founder or Shareholder any loss, relief, allowance, exemption, set-off,

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deduction or credit in computing or against income, profits, gains or taxation or any right to a repayment of taxation.

- 13.2 Notwithstanding anything contained in this Agreement Inc hereby consents to the issue and allotment of new shares in the Company at the time of and in connection with a Flotation (as defined in Clause 23.10) to which Clause 23.9 applies.
- 13.3 The Founders undertakes with Inc that, notwithstanding any voting rights or powers or control otherwise available to them, they will permit Inc to conduct negotiations in connection with and enforce in each case on behalf of or in the name of the Company all and any rights arising or enforceable against:
 - 13.3.1 Mr. Dobbie under the Dobbie Service Agreement and/or Mr. MacSween under the MacSween Service Agreement and in particular but without limitation to the generality of the foregoing Inc shall be solely responsible for reviewing the Founders' salaries and approving any increases thereof; and/or
 - 13.3.2 Iomart Limited under the letter of today's date from Iomart Limited to the Company.
- 13.4 Inc undertakes with the Founders that, notwithstanding any voting rights or powers or control otherwise available to it, it will permit the Founders to conduct negotiations in connection with and enforce on behalf of or in the name of the Company all and any rights arising or enforceable against Inc under the Licence Agreement.

14. KEY EMPLOYEES

Each of the Founders and the Shareholders covenants with the others that it shall exercise all voting rights and other powers of control

available to it in relation to the Company so as to procure (insofar as it is able by the exercise of such voting rights and powers) and the Company covenants with the Shareholders that the Company and each Key Employee shall enter into a Key Employee Agreement at the same time as or before that Key Employee commences employment with the Company.

15. INSURANCE OBLIGATIONS

15.1 As soon as practicable after Completion and in any event no later than 30 April 1999 the Founders will obtain up to date medical reports the scope of each of which is satisfactory to Inc in all material respects (including findings, range of report and

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qualification of reporter). If both the Founders shall have failed to comply with this Clause 15.1 by 30 April 1999 (or such later date as Inc may in writing agree) then the Company shall be wound up as soon as practicable.

15.2 Each of the Founders and the Shareholders covenants with the others that it shall exercise all voting rights and other powers of control available to it in relation to the Company so as to procure (insofar as it is able by the exercise of such voting rights and powers) and the Company covenants with the Shareholders that the Company shall at its own expense within one month of the Effective Date:

15.2.1 effect and maintain for its own benefit, key man five year term and disability insurance with an insurance company of good repute on the lives of each of the Founders (who will co-operate fully in all respects in relation thereto) in the sum of not less than US \$1 million each; and

15.2.2 effect and maintain for the benefit of each Director, other officer or auditor of the Company in respect of any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer or auditor in such amount as the Board considers reasonable.

16. EMPLOYEE SHARE OPTION SCHEME(S)

16.1 Notwithstanding anything else in this Agreement the Shareholders hereby consent to the creation and implementation of one or more Employee Share Option Schemes whereby senior employees of the Company may be granted options to acquire in aggregate not more than 111,000 'C' Shares (or such greater number as Inc and the Founders may agree in writing from time to time) (being part of the authorised but unissued share capital of the Company at the date hereof) on terms that the exercise price per Share in respect of any such option shall be the fair market value of a share on the date of grant of the option and otherwise on such terms as the Original Shareholders may approve Provided that no option may be granted to an employee or consultant before his engagement with the Company begins. The grant of any such option shall require the unanimous approval of the Board (such approval not to be unreasonably withheld).

16.2 It is the intention of the Shareholders that (subject to the Shareholders being satisfied with relevant accounting, tax and legal

Person acquires a Controlling Interest in Inc) Inc will grant options to purchase Inc Common Stock to senior employees of the Company during the Financial Year of the Company ending on the dates referred to in column (A) below in respect of up to the aggregate numbers of shares of Inc set opposite those dates in column (B) below:

<TABLE>

<CAPTION>

(A) Financial Year ending: -----	(B) Nos. of Inc. shares* -----
<S>	<C>
30.06.00	15,000
30.06.01	20,000
30.06.02	25,000
30.06.03	40,000

</TABLE>

*The numbers of shares and/or subscription price therefor shall be adjusted in such manner as Inc's auditors confirm to be fair and reasonable in the event of any stock splits, stock dividends, combinations, recapitalisations or like changes in the outstanding capital stock of Inc.

The grant of options shall be dependent upon the audited financial statement of the Company demonstrating the Company's achievement of revenue, net income and EBITDA targets specified in the Business Plan, as modified from time to time with the written approval of Inc. The price per share at which an option may be exercised will be the fair market value of an Inc share at the date when the option is issued. Each option granted will be subject to such terms as the Original Shareholders approve.

It shall be a term of any option that if any Person acquires a Controlling Interest in Inc in a transaction in which employee options are assumed or options of the acquiror are substituted for outstanding employee options, Inc shall have the right to require the optionholder to release his option in Inc ("the Old Option") on the grant to him of an option in the acquiring company which is equivalent to the Old Option.

17. DUE ADMINISTRATION OF THE COMPANY

17.1 Each of the Shareholders undertakes with the others and the Company undertakes with each Shareholder that (except as the Shareholders may otherwise agree in writing) it will at all times exercise all voting rights and powers of control available to it in relation to the Company so as to give full effect to the terms and conditions of this Agreement including, where appropriate, the carrying into effect of such terms as if they were embodied in the Company's Memorandum and Articles of Association.

18. GLOBAL TECHNICAL COMMITTEE

- 18.1 Inc shall establish a global technical committee ("the Technical Committee") comprising one suitably qualified and experienced delegate nominated by each of Inc, the Company and the other companies in which Inc directly or indirectly shall have an interest and which shall be formed in territories outside the Territory (as defined in the Licence Agreement), whose respective businesses shall be the establishment of Internet Co-location Centres and Internet Service Exchanges in those other territories (the Business and such other businesses being herein called the "Relevant Businesses").
- 18.2 The role of the Technical Committee shall be to consider all technical matters pertaining to the smooth running and efficient operation of the Relevant Businesses and to recommend to Inc ways in which the same might be improved.
- 18.3 Inc shall consider the proper and reasonable recommendations of the Technical Committee in good faith.
- 18.4 The Technical Committee shall meet quarterly at such locations as Inc shall from time to time decide. Inc shall meet the reasonable travel and accommodation expenses of the delegates in travelling to and from and attending at such meetings.

19. TRANSFER OF SHARES

- 19.1 Each of the Shareholders agrees with the others that the transfer of any of its Shares shall be restricted in accordance with the provisions of the Articles and (where applicable) in accordance with the terms of this Agreement.
- 19.2 A Share may be transferred otherwise than in accordance with this Agreement and/or the Articles only where and insofar as the holders (including the proposing transferor) for the time being holding not less than 90 per cent of the Shares then in issue consent in writing to the transfer of that Share.
- 19.3 Provided that Inc's shareholding does not drop below 13% of the Equity Share Capital in the case of one or more transfers pursuant to Clauses 19.3.2 or 19.3.3 (save for the avoidance of doubt the immediately foregoing proviso shall not apply to any transfer(s) made pursuant to Clause 19.3.1) Inc may transfer:

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- 19.3.1 subject to the provisions of Clause 29.2 any Share held by it to any Person who acquires a Controlling Interest in or purchases all or substantially all of the assets of Inc or to an Affiliate of such Person; provided that simultaneously therewith such Person (or an Affiliate of such Person) accepts an assignment of the benefit and burden of the Licence Agreement; or
- 19.3.2 at any time on or before 31 December 1999 any Share comprised in Inc's Original Holding at a price no greater than the price at which the Share was originally subscribed without restriction to any venture capital fund or financial

institution which, in either case, is a shareholder in Inc; or

19.3.3 at any time on or before 31 December 1999 any Share comprised in Inc's Original Holding at a price no greater than the price at which the Share was originally subscribed to any other venture capital fund or financial institution with the prior written approval of the Founders (such approval not to be unreasonably withheld or delayed in the case of a venture capital fund or financial institution of good standing and repute).

19.4 The provisions of Clauses 19.5, 19.6, 19.7 and 19.8 shall apply if at any time a Person ("the Offeror") shall make a bona fide offer which if accepted would result in the Offeror (and/or an Affiliate of the Offeror) acquiring a Controlling Interest in the Company.

19.5 The parties to whom the offer is addressed (herein "the Proposing Transferors") severally covenant with Inc that they will not at any time accept the offer from the Offeror in respect of any of their shares in the Company unless the offer extends to all the Proposing Transferors' shares in the Company and unless the Proposing Transferors shall first have procured in favour of Inc a bona fide offer (herein an "Exit Offer") from the Offeror to acquire all of the shares held by Inc in the Company at a price per Ordinary Share no less (and otherwise on terms no less favourable) than that payable for each Ordinary Share being sold by the Proposing Transferors and at a price per share other than an Ordinary Share of no less than par value and the Proposing Transferors shall not dispose of any interest in any share in the Company held by them (other than as aforesaid) unless:-

19.5.1 an Exit Offer shall first have been made and communicated to Inc, which Exit Offer shall be irrevocable for a period of not less than twenty-eight

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(28) days from the date it is made ("the Offer Period") and shall state the identity of the Offeror and the terms upon which and the price at which the Offeror is prepared to acquire the shares in the Company held by Inc; and

19.5.2 either:-

- (i) Inc shall within the Offer Period have accepted the Exit Offer or negotiated alternative terms mutually acceptable to it and the Offeror; or
- (ii) Inc shall within the Offer Period have offered to purchase all the shares of the Proposing Transferors in the Company at a price per share no less (and otherwise on terms no less favourable save as provided in Clause 19.10) than that offered by the Offeror under the terms of the Exit Offer; or
- (iii) Inc shall have rejected the Exit Offer and for this purpose the Exit Offer shall be deemed to have been rejected if (aa) Inc has not accepted it within the Offer Period as provided in Clause 19.5.2 (i) or (bb) Inc has not offered to purchase all the shares of the

Proposing Transferors as provided in Clause 19.5.2 (ii) within the Offer Period.

19.6 If an Exit Offer, having been made on the basis prescribed by Clause 19.5, is accepted pursuant to Clause 19.5.2 (i) the Proposing Transferors and Inc shall be at liberty for a period of up to sixty (60) days from the date of acceptance to sell all (but not part only) of their shares in the Company to the Offeror conditionally upon the Offeror also buying at the same time all of the shares of Inc in the Company, such sales in each case to be on the terms of the Exit Offer or such other terms as may be mutually acceptable to all of the Offeror, the Proposing Transferors and Inc. So far as is practicable, it shall be a term of the Exit Offer that completion of the sale of the shares of the Proposing Transferors in the Company shall take place contemporaneously with completion of the sale of the shares of Inc in the Company and that the consideration payable in respect of both such sales shall be satisfied in the same manner and paid at the same time or times.

19.7 If, an Exit Offer having been made on the basis prescribed by Clause 19.5, subject to Clause 19.10, Inc in accordance with Clause 19.5.2 (ii) shall within the Offer Period

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offer to purchase all the shares of the Proposing Transferors in the Company at a price per share no less (and otherwise on terms no less favourable) than that offered by the Offeror under the terms of the Exit Offer, then within 45 days after the expiry of the Offer Period

- o if the consideration offered by Inc consists wholly or partly of Common Shares of Inc, Inc and the proposing transferor shall enter into a Purchase Agreement in the Agreed Terms and
- o in any event (subject to the said Purchase Agreement being entered into, if required) Inc shall (subject as provided in Clause 19.15.1.2 and 19.15.2) complete the purchase and the Proposing Transferors shall complete the sale of all (but not some only) of the Proposing Transferors' shares in the Company at such price and on such terms (such completion being herein called "Completion"). Such Shares shall be sold with full title guarantee and free from all liens, charges and encumbrances and with all rights attaching to them with effect from the date of Completion.

19.8 If an Exit Offer, having been made on the basis prescribed by Clause 19.5, is rejected or is deemed to have been rejected by Inc pursuant to Clause 19.5.2 (iii), the Proposing Transferors shall be at liberty for a period of up to sixty (60) days from the date of rejection of the Exit Offer or expiry of the Offer Period (as appropriate) to sell all (but not part only) of their shares in the Company to the Offeror on the terms of the Exit Offer (but not otherwise).

19.9 If the consideration payable by the Offeror shall consist in whole or part of something other than cash and/or marketable securities whose value on a given day is readily ascertainable, then the value of such other consideration ("the Other Consideration") shall be such value as Inc and the Company shall agree. In the event of disagreement, the determination of the value of the Other Consideration shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and

acting at the joint expense of the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales at the request of either Inc or the Company) whose decision shall be final and binding.

- 19.10 The consideration offered by Inc pursuant to Clause 19.5.2 (ii) may (at Inc's election) consist wholly of cash or wholly of Common Shares of Inc or partly of one and partly

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of the other Provided that Inc's Common Stock is then traded on the NASDAQ National Market or listed on a major US Securities Exchange. If Inc's Common Stock is not then traded on the NASDAQ National Market or listed on a major US Securities Exchange the consideration shall be cash.

- 19.11 If the Common Shares offered by way of consideration (the "Consideration Shares") are not registered with the SEC prior to the Completion, Inc shall within 30 days after the date of Completion, file with the SEC a registration statement under the Securities Act of 1933, as amended, of the United States (the "Securities Act") covering the resale to the public by the shareholders of the Consideration Shares (the "Registration Statement"). Inc shall use reasonable efforts to cause the Registration Statement to be declared effective by the SEC as soon as practicable. Inc shall use its best efforts to cause the Registration Statement to remain effective until the earlier of (i) 120 days from the effective date of the Registration Statement (the "Selling Period") or (ii) such time as all of the Consideration Shares covered by the Registration Statement have been sold pursuant thereto.

- 19.12 Notwithstanding the foregoing:

19.12.1 Inc may, at any time, delay the filing or effectiveness of the Registration Statement or suspend the Registration Statement after effectiveness and may further, by written notice to the Shareholders, require the Shareholders immediately to cease sales of the Consideration Shares during the Selling Period if, and for so long as, Inc determines acting reasonably that the existence of any fact or the happening of any event (including without limitation pending negotiations relating to, or the consummation of, a transaction or the occurrence of any other event) would require additional disclosure of material information by Inc in the Registration Statement the confidentiality of which it has a valid business purpose to preserve or which fact or event would render Inc unable to comply with SEC requirements (in either case, a "Suspension Event").

19.12.2 If Inc delays or suspends the Registration Statement or requires any Shareholder to cease sales of shares pursuant to Clause 19.12.1, Inc shall, as promptly as practicable following the termination of the circumstance which entitled Inc to do so ("the Reinstatement Period"), take such actions as may be necessary to file or reinstate the

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effectiveness of the Registration Statement and/or give written notice to the Shareholder concerned authorising that Shareholder to resume sales pursuant to the Registration Statement. If as a result thereof the prospectus included in the Registration Statement has been amended to comply with the requirements of the Securities Act Inc shall enclose such revised prospectus with the notice to Shareholders given pursuant to this Clause 19.12.2, and Shareholders shall make no offers or sales of shares pursuant to the Registration Statement other than by means of such revised prospectus.

19.12.3 In the case of any Suspension Event occurring to and delaying the filing of the Registration Statement, Inc shall file the Registration Statement in accordance with Clause 19.12.2 and shall be required to keep the Registration Statement effective until the earlier of (i) such time as all the Common Shares offered thereby have been disposed of in accordance with the intended methods of distribution set forth in the Registration Statement or (ii) 120 days plus an extended period equal to the number of days during which any such suspension was in effect.

19.13 Where Clause 19.11 applies:

19.13.1 In connection with the filing by Inc of the Registration Statement, Inc shall furnish to the Shareholders copies of the prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act and such additional copies as are reasonably required by the Shareholders.

19.13.2 Inc shall use its best efforts to register or qualify the Consideration Shares covered by the Registration Statement under the securities laws of such states as the Shareholders shall reasonably request; provided, however, that Inc shall not be required in connection with this Clause 19.13.2 to qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction.

19.13.3 If Inc has delivered final prospectuses to the Shareholders and after having done so the prospectus is amended to comply with the requirements of the Securities Act, Inc shall promptly notify the

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Shareholders and, if requested by Inc the Shareholders shall immediately cease making offers or sales of shares under the Registration Statement and return all prospectuses to Inc. Inc shall promptly provide the Shareholders with revised prospectuses and, following receipt of the revised prospectuses, the Shareholders shall be free to resume making offers and sales under the Registration Statement.

19.13.4 Inc shall pay the expenses incurred by it in complying with its obligations under Clauses 19.11 to 19.14 inclusive, including all registration and filing fees, exchange listing fees, fees and expenses of counsel for Inc and fees and expenses of accountants for Inc but excluding (i) any brokerage fees, selling commissions or underwriting discounts incurred by the

Shareholders in connection with sales under the Registration Statement and (ii) the fees and expenses of any counsel retained by the Shareholders.

19.14 Inc shall not be required to include any Consideration Shares in the Registration Statement unless each Shareholder furnishes to Inc in writing such information regarding the Shareholder and the proposed sale of Common Shares by the Shareholder as Inc may reasonably request in writing in connection with the Registration Statement or as shall be required in connection therewith by the SEC or any state securities law authorities.

19.15.1 If Inc elects to offer a consideration consisting wholly or partly of Common Shares in Inc then:

19.15.1.1 if the Consideration Shares are registered with the SEC prior to Completion, the number of Consideration Shares to be issued to satisfy the relevant element of the consideration ("the Relevant Consideration") shall be determined by dividing the amount of the Relevant Consideration by the value of one Common Share (based upon the average closing price on NASDAQ or a major US Securities Exchange of one Common Share over the 10 trading days ending three trading days prior to Completion)

19.15.1.2 if the Consideration Shares are not registered with the SEC prior to Completion then:

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(i) the number of Consideration Shares to be issued to satisfy the Relevant Consideration shall be calculated as provided in Clause 19.15.1.1, save that

(ii) if the closing price on NASDAQ or a major US Securities Exchange of a Common Share on the day prior to the registration statement becoming effective is less than the average closing price on NASDAQ or a major US Securities Exchange of one Common Share over the 10 trading days ending three trading days prior to Completion, then Inc will provide the transferring Shareholders with (at Inc's option) cash or additional Common Shares sufficient to compensate them for such decrease.

19.15.2 If a Suspension Event occurs within the first 45 days after the Registration Statement becomes effective which delays the sale of the Consideration Shares and the value of a Consideration Share at the end of the Reinstatement Period (based upon the average closing price on NASDAQ or a major US Securities Exchange of one Common Share over the 10 trading days immediately prior to the end of the Reinstatement Period) is less than the value of a Consideration Share immediately prior to the Suspension Event (based upon the average closing price on NASDAQ or a major US Securities Exchange of one Common Share over the 10 trading days prior to the Suspension Event) then Inc will provide the transferring shareholders with (at Inc's option) cash or additional Common Shares sufficient to compensate them for such decrease.

19.16 At completion of the sale the transferring Party shall procure that the

director(s) of the Company who are nominees of the transferring Party shall forthwith resign (without any claims for loss of office or otherwise).

19.17 The provisions of Clause 19.18 shall apply if:

19.17.1 at any time the Founders and/or the Affiliates of either or both of them (the "Intending Transferors") receive from Inc a bona fide offer (the "Offer") in respect of any of their Shares in the Company; and

19.17.2 the Intending Transferors together hold 50% or more of the Shares for the time being in issue and wish to accept such Offer; and

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19.17.3 Inc also wishes to purchase the Shares in the Company other than those of the Intending Transferors (the "Other Shares" and the holders thereof are herein called the "Other Shareholders") at a price per Share no less (and otherwise on terms no less favourable) than that payable for each Share being sold by the Intending Transferors.

19.18 Where this Clause 19.18 applies the Other Shareholders shall be deemed to have accepted the Offer on the day after such Offer is made.

19.19 If an Offer having been made on the basis prescribed by Clause 19.17 is deemed to be accepted pursuant to Clause 19.18 then the Intending Transferors and the Other Shareholders shall be at liberty for a period of up to 90 days from the date of the Offer to sell all (but not part only) of their shares in the Company to Inc conditionally upon Inc buying all of the shares in the Company, such sales to be on the terms of the Offer. So far as practicable, it shall be a term of the offer that completion of the sale of the shares of the Intending Transferors in the Company shall take place contemporaneously with the completion of the sale of the shares of the Other Shareholders. All such Shares shall be sold with full title guarantee and free from all liens, charges and encumbrances and with all rights attaching to them with effect from the date of completion of the sales.

19.20 If after becoming bound to transfer any of its Shares the transferring party makes default in transferring such Shares (or any of them) the Company may receive the purchase monies or other consideration and the transferring Party shall be deemed to have appointed one Director or the Secretary of the Company his or its agent to execute a transfer of the relevant Shares to the purchaser and upon execution of such transfer the Company shall hold the purchase monies or other consideration in trust for the transferring Party. The receipt of the Company for the purchase monies or other consideration shall be a good discharge for the purchaser and after his, its or their names has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any Person.

20. CHARGING OF SHARES

20.1 None of the Shareholders shall (except with the prior written consent of both of the Original Shareholders acting reasonably, provided that such consent may be withheld or given or given subject to such reasonable

any charge, lien or other encumbrance over any interest in all or any of the Shares held by it. It is agreed that either or both of the Original Shareholders may reasonably withhold consent if the proposed chargee, lien holder or other encumbrancer does not agree to be bound by this Agreement.

21. FINANCE

- 21.1 The Founders jointly and severally undertake to use their best commercial endeavours to procure that plant and equipment required by the Company to carry on the Business having a list price of not less than Pound Sterling1,200,000 shall be leased by the Company from one or more independent third parties on commercial arms length terms.
- 22.2 The Company may from time to time prior to 31 December 1999 by notice in writing to Inc require Inc (subject only to Inc and the Founders agreeing the Conversion Basis, as defined in the Loan Note Instrument, in accordance with Clause 21.3 below) to subscribe for the nominal amount of Convertible Loan Notes specified in such notice. Any such notice shall be accompanied by a copy of the minute of the meeting of the Board at which the issue of the notice was approved. The total nominal amount of Convertible Loan Notes required by all such notices to be subscribed shall in no event exceed Pound Sterling1,200,000.
- 21.3 Within 21 days of the issue of a notice pursuant to Clause 21.2 Inc and the Founders shall seek in good faith to agree the Conversion Basis. For these purposes only, the value of the entire issued Equity Share Capital of the Company shall be treated as three times the expected revenues of the Company for the 12 months following the issue of the said notice, as agreed between Inc and the Founders. In the absence of agreement as to the applicable Conversion Basis, Inc shall not be obliged to subscribe for any Convertible Loan Notes.
- 21.4 Within 21 days of the Conversion Basis having been agreed (and provided always that (i) neither the Company, nor the Founders or any or all of the foregoing, are in material breach of this Agreement and (ii) the Company is not in material breach of the Licence Agreement and (iii) the Founders have procured that plant and equipment required by the Company to carry on the Business to a list price of not less than Pound Sterling1,200,000 has been leased by the Company from one or more third parties on commercial arms length terms and (iv) each of the Founders has complied with Clause 15.1) the Company shall duly execute the Loan Stock Instrument and Inc

shall subscribe or procure that Permitted Third Parties subscribe in cash at par the nominal amount of the Convertible Loan Notes specified in the relevant notice. The minimum subscription by any single Permitted Third Party shall not be less than Pound Sterling300,000. For the purposes of this Clause 21.4, "Permitted Third Parties" means:

- (a) any venture capital funds or financial institutions which, in either case, are Shareholders in Inc;
- (b) any other venture capital funds or financial institutions which are approved in writing in advance by the Founders (such approval not to be unreasonably withheld or delayed in the case of a venture capital fund or financial institution of good standing and repute).

21.5 The Parties shall procure that the Company forthwith allots the Convertible Loan Notes subscribed in accordance with the previous provisions of this Clause and issues a certificate in respect thereof to the subscribers therefor forthwith upon receipt by the Company of payment in full for the Convertible Loan Notes subscribed by Inc.

21.6 In addition to or instead of issuing Convertible Loan Notes to Inc, the Company may by 31 December 1999 (or such later date as the Original Shareholders may agree in writing) raise capital from venture capitalists and/or financial institutions in any case of good standing and reputation who is/are acceptable to the Original Shareholders and on terms which are acceptable to the Original Shareholders. The Shareholders shall co-operate with such capital raising. Each of the Original Shareholders will have the right (but not the obligation) to subscribe part of such additional capital so as to ensure that the Ordinary Shares held by it immediately after such capital raising represents the same percentage of the issued Equity Share Capital that its Ordinary Shares represented immediately prior to such capital raising.

21.7 The Shareholders hereby agree for the avoidance of doubt that (save as expressly provided in Clause 21.4 in relation to Inc's obligation to subscribe or procure subscribers for Convertible Loan Notes) nothing in this Clause 21 shall be construed so as to require any of them to provide any further finance for the Company.

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2. DIVIDEND POLICY

22.1 Unless Inc otherwise agrees in writing, the Company shall not make any distribution of profits in respect of the Financial Years ending 30 June 2000, 30 June 2001 and 30 June 2002.

22.2 If in respect of any Financial Year ending on or after 30 June 2003 the Company shall have profits available for distribution (within the meaning of Part VIII of the Companies Act) then (unless the Shareholders otherwise agree in writing in respect of a particular Financial Year) the Shareholders shall procure that such profits shall be applied in the following manner and order of priority:

- (a) the provision of working and fixed capital to finance the continuing operations and growth of the Business and the Company and transfers to reserves consistent with the normal commercial requirements of businesses similar to those carried on by the Company all in the amounts provided for in the annual budget for the next succeeding Financial Year produced under Clause 12.2 and approved by at least four Directors;

- (b) the payment (provided that all Convertible Loan Notes then outstanding (i) have been repaid in full or (ii) have been converted into `A' Shares or (iii) in the absence of such repayment or conversion, Inc has given its prior written consent to the same):
- o in respect of the Financial Years ending 30 June 2003 and 30 June 2004 of cash dividends of up to 25 per cent of post-tax profits (or, if less up to 25 per cent of accumulated distributable profits)
 - o in respect of Financial Years ending on and after 30 June 2005 of cash dividends of up to 75 per cent of the post-tax profits (or, if less, up to 75 per cent of accumulated distributable profits).

After (in each case) adequate cash has been reserved to provide for the items referred to in (a) above for the succeeding Financial Year, all as determined and agreed by a majority of the Directors and within seven (7) months after the end of the Financial Year concerned.

- 22.3 In deciding whether in respect of any Financial Year the Company had or has profits available for distribution the Parties shall procure that the auditors of the Company

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shall certify whether such profits are available or not and the amount thereof (if any). In giving such certificate the auditors shall act as experts and not arbitrators and their determination shall be final and binding on the Parties.

23. PURCHASE OPTION

- 23.1 In consideration of the sum of Pound Sterling1 now paid by Inc to the Founders (receipt of which is hereby acknowledged) it is hereby agreed that (subject as provided in Clause 23.9) at any time between 1 July 2002 and 30 June 2004 (both dates inclusive), Inc may serve notice ("Option Notice") on the Founders and the other Shareholders requiring the Founders and such other Shareholders to sell all their Shares in the Company ("the Option Shares") at the Option Price (as defined in Clause 23.2).

- 23.2 "Option Price" means a fair price per Share as at the date of the Option Notice determined by an independent valuation expert from a first tier bank or firm of chartered accountants of international standing and reputation (not being the auditors for the time being or past auditors of the Company, Inc or the Founders or of any Affiliate of any of them) agreed upon by the Founders and Inc and whose costs shall be borne by Inc and the Founders equally and in default of such agreement determined in accordance with the following formula viz:

$$\text{"Option Price"} = \frac{A + B}{2}$$

Where:

"A" is a fair price per Share as at the date of the Option Notice determined by an independent valuation expert from a first tier bank or firm of chartered accountants of international standing and reputation (not being the auditors for the time being or past auditors of the Company, Inc or the Founders or any Affiliate of any of them) appointed by Inc and whose costs shall be borne by Inc ; and

"B" is a fair price per Share as at the date of the Option Notice determined by an independent valuation expert from a first tier bank or firm of chartered accountants of international standing and reputation (not being the auditors for the time being or past auditors of the Company, Inc or the Founders or any Affiliate of any of them) appointed by the Founders and whose costs shall be borne by the Founders.

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In determining a fair price pursuant to this Clause 23.2 an independent valuation expert:

- o shall apply US valuation principles for valuing comparable private US Internet co-location companies and shall take account of the value of the Company to Inc
- o shall assume a sale on a going concern basis as between a willing buyer and a willing seller contracting on arm's length terms as at the date of the Option Notice and on the basis that no account is taken of the fact that the Shares are a particular portion (and in particular whether a minority or a majority) of the total number of Ordinary Shares of the Company
- o shall act as an expert and not as an arbitrator
- o may consult with and take such advice as is in his opinion desirable from such persons as he may determine
- o shall, before the issue of any determination hereunder, offer the opportunity to each Shareholder to review the information on the basis of which such certificate is to be given and allow such parties to make written representations of reasonable length to him in regard thereto
- o shall lay down such time limits for the provision of information to him and for the making of such written representations as in his discretion he considers reasonable and
- o shall endeavour to issue his determination within two months of his being instructed to do so and the Shareholders shall use their reasonable endeavours to procure that the determination is issued within such period.

23.3 Provided that if A/B is greater than 1.2 or less than 0.8 then in the absence of agreement between Inc and the Founders the Option Price shall be determined by an independent valuation expert from a London firm of chartered accountants of international standing and reputation (not being (i) the auditors for the time being or past auditors of the Company, or Inc or the Founders or any Affiliate of any of them or (ii) a firm previously instructed under Clause 23.2) agreed upon by Inc and the Founders or in default of agreement nominated on the application of either such party on notice to the other by the President for the time

being of the Institute of Chartered Accountants in England and Wales. The costs of such independent valuation expert shall be borne by Inc and the Founders equally.

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In determining a fair price pursuant to this Clause 23.3, the independent valuation expert shall have regard to the matters and assumptions referred to in Clause 23.2 and to the valuations prepared by the other two independent valuation experts.

- 23.4 Within 45 days after the determination of the Option Price
- o if the consideration offered by Inc consists wholly or partly of Common Shares of Inc, Inc, the Founders and the other Shareholders shall enter into a Purchase Agreement in the Agreed Terms and
 - o in any event (subject to the said Purchase Agreement being entered into, if required) Inc shall (subject as provided in Clause 23.8.2) complete the purchase and the Founders and the other Shareholders shall complete the sale of all (but not some only) of the Option Shares (such Completion being hereinafter called "Completion"). The Option Shares shall be sold with full title guarantee and free from all liens, charges and encumbrances and with all rights attaching to them with effect from the date of Completion.

23.5 On Completion the Founders and the Shareholders (other than Inc) shall deliver to Inc:

23.5.1 duly executed transfers of the Option Shares and the share certificates relating to those Shares; and

23.5.2 a waiver or waivers duly signed by all the members of the Company of any rights of pre-emption relative to the Option Shares

and Inc shall deliver to the Founders and the other members the consideration for the Option Shares.

23.6 The Option Price may (at Inc's election) be satisfied wholly in cash or wholly in Common Shares of Inc or partly in one and partly in the other provided that Inc Common Stock is then traded on the NASDAQ National Market or listed on a major US Securities Exchange. If Inc Common Stock is not traded on the NASDAQ National Market or listed on a major US Securities Exchange the consideration shall be cash.

23.7 If Inc elects to satisfy the whole or part of the Option Price in Common Shares, the provisions of Clauses 19.11 to 19.14 inclusive shall apply mutatis mutandis.

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23.8 If Inc elects to satisfy the Option Price wholly or partly in Common Shares then:

23.8.1 if the Common Shares to satisfy the whole or any part of the Option Price are registered with the SEC prior to Completion

then the number of Shares to be issued to satisfy the relevant element of the consideration ("the Relevant Consideration") shall be determined by dividing the amount of the Relevant Consideration by the value of one Common Share (based upon the average closing price of Common Shares over the 10 trading days ending three trading days prior to such completion)

23.8.2 the provisions of Clauses 19.15.1.2 and 19.15.2 shall apply mutatis mutandis.

23.9 The option contained in Clause 23.1 shall lapse forthwith automatically on a Flotation:

23.9.1 on the London Stock Exchange or EASDAQ if the Total Capitalisation at the time of Flotation exceeds US \$75,000,000 and the Amount Raised exceeds US \$10,000,000 or

23.9.2 on the NASDAQ National Market if the Total Capitalisation at the time of Flotation exceeds US \$100,000,000 and the Amount Raised exceeds US \$20,000,000.

23.10 For the purposes of Clause 23.9:

"Flotation" means the becoming effective of a listing for the share capital of the Company on the official list of the London Stock Exchange or the admission of any Shares to trading on EASDAQ or the closing of a public offering registered under the Securities Act (as defined in clause 19.11).

"Amount Raised" means the gross amount of any new money raised by the Company from the subscription for new shares issued by the Company at the time of and in connection with the Flotation.

"Total Capitalisation" means on a Flotation, the valuation placed upon the `A' Shares, the `B' Shares and the `C' Shares as shown in a prospectus or listing particulars or offering circular published in connection with such Flotation less the Amount Raised.

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24. DEFAULT

24.1 For the purpose of this Clause the following expressions shall have the following meanings:-

24.1.1 `an event of default' means in relation to any Shareholder the occurrence of any of the following in relation to it:-

EVENTS TRIGGERING SALE OF SHARES FOR NIL CONSIDERATION

24.1.1.1 the commission of a material breach of its obligations under Clause 3 (Warranty by Founders), Clause [13] (Operation of the Company), Clause 26 (Confidentiality and Disclosure), Clause 27 (Non-Competition) or Clause 28 (Non-Solicitation) of this Agreement and, in the case of a breach capable of remedy, failure to remedy the same within thirty (30) days after being given notice in writing so to do by any other Shareholder such notice to be headed `CURE NOTICE' and to refer to this Clause and

the possibility of the Shareholder served with the notice being required to sell its Shares pursuant to this Clause; or

- 24.1.1.2 (in the case of Inc) Inc unlawfully terminates the Licence Agreement at any time; or
- 24.1.1.3 (in the case of Inc) Inc lawfully terminates the Licence Agreement on not less than 180 days notice expiring on or before 30 June 2001 pursuant to Clause 12.4.4 thereof;
- 24.1.1.4 (in the case of Mr. Dobbie) Mr. Dobbie prior to 30 June 2001 and provided that the Founders hold a Controlling Interest in the Company:
 - (i) "Voluntarily Resigns" (which expression shall mean in relation to any person that he voluntarily resigns without the agreement of Inc, as a director or terminates his employment with the Company (otherwise than by reason of death or total and permanent disability as certified by a medical

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practitioner approved by Inc, such approval not to be unreasonably withheld)) or;

- (ii) is properly and legally and summarily dismissed without notice or on short notice (as provided for in his service contract or particulars of employment) (herein "Summarily Dismissed"); or

24.1.1.5 (in the case of Mr MacSween) Mr. MacSween on or prior to 30 June 2001 and at a time when the Founders hold a Controlling Interest in the Company:

(i) Voluntarily Resigns; or

(ii) is Summarily Dismissed; or

EVENTS TRIGGERING SALE OF SHARES FOR 50% OF SUBSCRIPTION PRICE

24.1.1.6 (in the case of Mr Dobbie) Mr. Dobbie after 30 June 2001 but on or prior to 30 June 2002 and provided that the Founders hold a Controlling Interest in the Company:

(i) Voluntarily Resigns; or

(ii) is Summarily Dismissed; or

24.1.1.7 (in the case of Mr MacSween) Mr. MacSween after 30 June 2001 but on or prior to 30 June 2002 and provided that the Founders hold a Controlling Interest in the Company:

(i) Voluntarily Resigns; or

- (ii) is Summarily Dismissed; or
- 24.1.1.8 (in the case of Mr Dobbie) Mr. Dobbie on or prior to 30 June 2001 and provided that the Founders do not hold a Controlling Interest in the Company:
- (i) Voluntarily Resigns; or
 - (ii) is Summarily Dismissed; or

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- 24.1.1.9 (in the case of Mr MacSween) Mr. MacSween on or prior to 30 June 2001 and provided that the Founders do not hold a Controlling Interest in the Company:
- (i) Voluntarily Resigns; or
 - (ii) is Summarily Dismissed; or
- 24.1.1.10 (in the case of Inc) Inc lawfully terminates the Licence Agreement on not less than 180 days notice expiring after 30 June 2001 but on or before 30 June 2002 pursuant to Clause 12.4.4 thereof; or

EVENTS TRIGGERING SALE OF SHARES FOR SUBSCRIPTION PRICE

- 24.1.1.11 (In the case of Inc) any distress, execution, sequestration or other process being levied or enforced upon or sued out against any substantial part of its property which is not contested in good faith or discharged within 28 days; or
- 24.1.1.12 (In the case of Inc) its inability to pay its debts as they fall due within the meaning of Section 123 of the UK Insolvency Act 1986; or
- 24.1.1.13 (In the case of Inc) it ceasing or threatening to cease wholly or substantially to carry on its business, otherwise than for the purpose of a reconstruction or amalgamation without insolvency previously approved by the other Shareholder (such approval not to be unreasonably withheld or delayed); or
- 24.1.1.14 (In the case of Inc) any encumbrancer taking possession of, or a receiver, trustee or administrator being appointed over the whole or any substantial part of its undertaking, property or assets in the case of Inc its entry into Chapter II administration; or
- 24.1.1.15 (In the case of Inc) the making of an order or the passing of a resolution for its winding up, otherwise than for the purpose of a reconstruction or amalgamation without insolvency

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previously approved by the other Shareholder (such approval not to be unreasonably withheld or delayed); or

24.1.1.16 (in the case of Mr Dobbie) Mr. Dobbie after 30 June 2001 but on or prior to 30 June 2002 and provided that the Founders do not hold a Controlling Interest in the Company:

(i) Voluntarily Resigns; or

(ii) is Summarily Dismissed; or

24.1.1.17 (in the case of Mr MacSween) Mr. MacSween after 30 June 2001 but on or prior to 30 June 2002 and provided that the Founders do not hold a Controlling Interest in the Company:

(i) Voluntarily Resigns; or

(ii) is Summarily Dismissed; or

24.1.1.18 (in the case of Inc) the Company terminates the Licence Agreement by reason of Inc's material breach thereof pursuant to Clause 12.2 thereof where the notice of termination expires on or before 30 June 2002; or

24.1.1.19 (in the case of Founders and for so long only as the Founders hold a Controlling Interest in the Company) Inc terminates the Licence Agreement by reason of the Company's material breach thereof pursuant to Clause 12.2 thereof where the notice of termination expires on or before 30 June 2002; or

24.1.1.20 (in the case of the Founders) if an Inc Competitor acquires directly or indirectly any interest in any Affiliate of the Founders, where the term "Inc Competitor" means an entity whose business (or that of any Affiliate of such an entity) includes the business of providing co-location and/or Internet connectivity services; or

EVENTS TRIGGERING SALE OF SHARES AT FAIR PRICE

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24.1.1.21 in the case of Inc) Inc lawfully terminates the Licence Agreement after 30 June 2002 pursuant to Clause 12.4.4 thereof; or

24.1.1.22 (in the case of Inc) the Company terminates the Licence Agreement by reason of Inc's material breach thereof pursuant to Clause 12.2 thereof where the notice of termination expires after 30 June 2002; or

24.1.1.23 (in the case of the Founders and for so long only as the Founders hold a Controlling Interest in the

Company) Inc terminates the Licence Agreement by reason of the Company's material breach thereof pursuant to Clause 12.2 thereof where the notice of termination expires after 30 June 2002; or

24.1.1.24 any governmental action prohibiting or preventing it from continuing to hold shares in the Company or to perform this Agreement; or

24.1.1.25 (in the case of Mr Dobbie) Mr. Dobbie after 30 June 2002:

(i) Voluntarily Resigns; or

(ii) is Summarily Dismissed; or

24.1.1.26 (in the case of Mr MacSween) Mr. MacSween after 30 June 2002:

(i) Voluntarily Resigns; or

(ii) is Summarily Dismissed.

24.1.2 'the Prescribed Price' shall mean in respect of any Ordinary Shares the subject matter of the relevant option;

24.1.2.1 in the case of an event of default falling within Clause 24.1.1.1 to 24.1.1.5 inclusive nil per share;

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24.1.2.2 in the case of an event of default falling within Clause 24.1.1.6 to 24.1.1.10 inclusive, 50 per cent of the subscription price of each share;

24.1.2.3 in the case of an event of default falling within Clause 24.1.1.11 to 24.1.1.20 inclusive the subscription price of each share;

24.1.2.4 in the case of an event of default falling within Clause 24.1.1.21 to 24.1.1.26 inclusive a fair price per share determined in the same way as the Option Price under Clause 23.

24.2 If a Shareholder commits or suffers an event of default (as defined in Clause 24.1.1), then the other Shareholders shall be entitled in its or their (as the case may be) entire discretion to require the defaulting Shareholder to sell all of the Shares held or beneficially owned by the defaulting Shareholder to (subject as provided below) the other Shareholders in proportion (as nearly as may be) to their then holdings of Shares in the Company for a sum in aggregate equal to the Prescribed Price (as defined in Clause 24.1.2) by serving written notice on the defaulting Shareholder at any time within ninety (90) days of the date of the occurrence of such event of default coming to the knowledge of the other Shareholder stating that the option hereby conferred is exercised Provided that if any other Shareholder shall not wish to take up its proportion of the Shares of the defaulting Shareholder, then such proportion may be taken up by those other Shareholders who do wish to take up their proportion pro rata as nearly as may be to the respective

numbers of Shares then held by such other Shareholders and so on and so forth for so long as any other Shareholder continues to state its willingness to purchase Shares of the defaulting Shareholder.

- 24.3 If the option conferred by Clause 24.2 above is exercised, the defaulting Shareholder shall deliver to the other Shareholder(s) within twenty-eight (28) days after the date of service of the notice exercising such option or within twenty eight (28) days of the date the Prescribed Price is ascertained and notified to the Shareholders (whichever shall be the later) one or more duly executed transfers in respect of all its Ordinary Shares made out in such numbers and in favour of the other Shareholder(s), as determined in accordance with Clause 24.2, may in writing direct together with the

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supporting Share Certificates therefor (or an appropriate indemnity in respect of any lost Certificates) and against such delivery the other Shareholder(s) shall make full payment in sterling in London of the Prescribed Price (as defined in Clause 24.1.2) for such Ordinary Shares. The Ordinary Shares so transferred shall be deemed to be sold by the transferor with full title guarantee with effect from the date of such transfer free from any lien, charge or encumbrance with all rights attaching thereto.

- 24.4 At completion of the sale the Directors who were nominees of the seller Shareholder shall forthwith resign (without any claims for loss of office or otherwise).
- 24.5 Completion of all relevant matters referred to in this clause shall take place simultaneously.
- 24.6 Inc may elect to satisfy some or all of the Prescribed Price payable by it under this Clause wholly in cash or wholly in Common Shares of Inc or partly in one and partly in the other provided that Inc Common Stock is then traded on the NASDAQ National Market or listed on a major US Securities Exchange. If Inc Common Stock is not traded on the NASDAQ National Market or listed on a major US Securities Exchange the consideration shall be cash. The provisions of Clause 19.11 to 19.14 inclusive shall apply mutatis mutandis.
- 24.7 If Inc elects to satisfy the Prescribed Price wholly or partly in Common Shares then:
- 25.7.1 if the Common Shares to satisfy the whole or any part of the Prescribed Price are registered with the SEC prior to Completion then the number of Shares to be issued to satisfy the relevant element of the consideration ("the Relevant Consideration") shall be determined by dividing the amount of the Relevant Consideration by the value of one Common Share (based upon the average closing price of Common Shares over the 10 trading days ending three trading days prior to such completion)
- 25.7.2 the provisions of Clauses 19.15.1.2 and 19.15.2 shall apply mutatis mutandis.
- 24.8 If after becoming bound to transfer its Shares the defaulting Shareholder makes default in transferring such Shares (or any of them) the Company may receive the purchase monies or other consideration and

agent to execute a transfer of the relevant Shares to the other Shareholder and upon execution of such transfer the Company shall hold the purchase monies or other consideration in trust for the defaulting Shareholder. The receipt of the Company for the purchase monies or other consideration shall be a good discharge for the other Shareholder and after its name has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any Person.

25. LEGEND ON SHARE CERTIFICATES

25.1 Each certificate representing any of the Shares held by each of the Shareholders in accordance with this Agreement and hereafter acquired by any lawfully permitted transferee or successor shall bear the following legend:-

'The holders of the Shares represented by this Certificate are subject to the restrictions contained in a Shareholders Agreement between the Company and its shareholders, a copy of which may be inspected at the registered office of the Company.'

26. CONFIDENTIALITY AND DISCLOSURE

26.1 Each of the Directors of the Company may communicate any information acquired by him in relation to the Company to the Shareholder appointing him, subject always to the parties' duty of confidentiality contained in Clause 26.2.

26.2 Each party will treat as confidential any information provided to it by any of the others which has not been published, or which is not already known to the receiving party, and will impose a similar duty of confidentiality on any person to whom it is permitted to transfer such information. The parties will maintain the utmost confidentiality regarding this Agreement at all times and none of the parties will make any announcement to the public or to any third party regarding the arrangements contemplated by this Agreement without the consents of the others such consent not to be unreasonably withheld or delayed save (in the absence of agreement) for any statement or disclosure which may be required by law or called for by the requirements of NASDAQ National Market and/or the US Securities and Exchange Commission and/or the London Stock Exchange and/or EASDAQ and any such statement or disclosures shall be no more extensive than is usual or necessary to meet the requirements imposed upon the party making such statement or disclosure.

26.3 Whilst the parties shall use their best endeavours to ensure compliance with this Clause a party in breach of its terms shall not thereby commit a material breach of its obligations under this Agreement for the purpose of Clause 24.1.1.1 if it can show that it took reasonable steps

to prevent the breach and it could not reasonably have been expected to have prevented it.

27. NON-COMPETITION

27.1 Each of the Shareholders undertakes that it will not while it or any of its Affiliates is a member of the Company or for a period of one year thereafter (the 'Restricted Period') (and will procure that during the Restricted Period none of its Affiliates will), either alone or jointly with others, whether as principal, agent, manager, shareholder, independent contractor or in any other capacity, directly or indirectly through any other person, for its own benefit or that of others at any time during the Restricted Period engage in or carry on or be concerned or interested in any business in the United Kingdom in competition with the Company (other than as a holder for investment of no more than 5% of any class of shares or securities dealt in on a recognised stock exchange).

27.2 The restrictions contained in Clause 27.1 shall not prevent or inhibit Inc or any Affiliate of Inc from engaging in or carrying on or being concerned or interested in any business in the United Kingdom in competition with the Company at any time after the Licence Agreement has terminated or any of the rights granted thereunder to the Company have ceased to be exclusive.

27.3 The above restrictions are considered reasonable by the parties but in the event that any such restriction shall be found to be void but would be valid if some part thereof was deleted or the period of application reduced such restriction shall apply with such modification as may be necessary to make it valid and effective.

28. NON-SOLICITATION

Each Shareholder undertakes that it will not and neither will its Affiliates either during the continuance of this Agreement or for a period of one year thereafter:

28.1 solicit in competition with the Company the custom of any Person, who shall during the 12 months prior to the relevant time be a customer of the Company provided that this Clause 28.1 shall not apply to Inc and its Affiliates; or

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28.2 endeavour to solicit or entice away from the Company or employ any Person who during the 12 months prior to the relevant time was an employee of the Company unless such person shall have been unfairly or unlawfully dismissed by the Company.

29. ASSIGNMENT

29.1 Neither of the Shareholders shall assign or transfer or purport to assign or transfer any of its rights or obligations hereunder save Inc in connection with a transfer of its shares to a Person who acquires a Controlling Interest in or purchases all or substantially all of the assets of Inc or to an Affiliate of such Person provided that simultaneously therewith, such Person or its Affiliate accepts an

assignment of the benefit and burden of the Licence Agreement. If following such an assignment, the Founders would (but for such assignment) be obliged to accept Common Shares or Common Stock of Inc in whole or partial consideration for the sale of the Founders' Shares, then if the Founders so agree at the time of such sale (such agreement not to be unreasonably withheld or delayed) the Founders shall be obliged to accept Common Shares or Common Stock of the Person concerned. In the absence of such agreement at such time, the Person shall have no ability to satisfy amounts due to the Founders by the issue of Common Shares or Common Stock. Save as aforesaid, references herein to Common Shares of Inc or Common Stock of Inc or similar expressions shall be read as references to Common Shares of the Person concerned or (as the case may be) Common Stock of the Person concerned.

- 29.2 The parties to this Agreement shall procure that (except for (i) any allottee under Clause 2.2 or (ii) any transferee under a transfer made pursuant to Clauses 19.3.2 or 19.3.3 or any successor in title to any such allottee or transferee) any transferee or allottee of shares in the Company shall, prior to any transfer or allotment to it taking effect, have entered into an agreement with the parties to this Agreement and the other holder or holders for the time being of all the shares in the Company substantially in the form set out in the Schedule and provided that such transfer or allotment is not otherwise prohibited by this Agreement each party to this Agreement shall enter into such an agreement whenever requested to do so by any other party to this Agreement.

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30. PROPRIETARY KNOW-HOW

- 30.1 Save as expressly provided herein no party shall have any right as a consequence of this Agreement to utilise any know-how or other intellectual property licensed to the Company by any other without the other's prior written consent.

31. NAMES

- 31.1 The parties acknowledge that the Company does not have any rights to the use of the names AboveNet, Internet Service Exchange, AboveNet One-Hop Solution, One-Hop Consortium, One-Hop Consortium Member, Global One-Hop Network, Global One-Hop Consortium, AboveNet Global One-Hop Network, ISPCondo, WebCondo, MRTG, ASAP, APS, EtherValve or any other current or future trade mark or name of Inc or to any goodwill associated therewith save to the extent provided in the Licence Agreement.
- 31.2 If at any time both Inc and its Affiliates cease to hold any shares in the Company the Shareholders and the Company shall procure that within one month thereafter the Company shall cease to use the name AboveNet for any purpose and shall take such steps as are necessary to remove such name from the registered corporate name of the Company and the Shareholders (other than Inc) and their respective Affiliates (other than any Affiliate of Inc) shall not thereafter use or suffer to be used the name of AboveNet in connection with the operation of the Business.

32. TERM

- 32.1 This Agreement shall take effect from the date hereof and shall subject as hereinbefore mentioned continue until:
- 32.1.1 Terminated by mutual consent in writing by the Shareholders; or
 - 32.1.2 The date of the commencement of the Company's winding up; or
 - 32.1.3 The date upon which any Shareholder ceases to be a holder of Ordinary Shares in the Company (other than in circumstances where Inc's Ordinary Shares are transferred to a Person who acquires a Controlling Interest in Inc or to an Affiliate of such Person as permitted herein) in which case the Agreement shall terminate as regards the Shareholder so ceasing but shall continue as regards the other Shareholders

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Provided that termination shall be without prejudice to any rights of the Shareholders accrued at that time and the terms of this Agreement shall nevertheless continue to bind the Shareholders thereafter to such extent and for so long as may be necessary to give effect to the rights and obligations embodied herein.

33. INTEREST

- 33.1 If any party fails to make any payment hereunder on the due date or within the applicable period for payment, such party shall pay interest to the payee on the amount for the time being outstanding at the rate of 3% per annum above the base lending rate of Bank of Scotland for the time being in force on the basis of actual days elapsed from the due date for payment or from the date of the expiry of such period (as the case may be) until payment in full (after as well as before judgement).

34. SEVERABILITY

- 34.1 Each of the provisions contained in this Agreement and in each clause and sub-clause hereof shall be construed as independent of every other such provision to the effect that if any provision of this Agreement shall be determined to be illegal invalid and/or unenforceable then such determination shall not affect any other provisions of this Agreement all of which other provisions shall remain in full force and effect.
- 34.2 If any provision of this Agreement shall be determined to be illegal invalid and/or unenforceable but would be legal valid or enforceable if amended the parties hereto shall consult together in good faith and agree the scope and extent of any modification or amendment necessary to render the provision legal, valid and enforceable and so as to give effect to the intention of the parties as recorded in this Agreement.

35. CONFLICT WITH ARTICLES

- 35.1 The parties hereby agree that if and to the extent the Articles of Association of the Company conflict with the provisions of this Agreement the provisions of this Agreement shall prevail as between the Shareholders.

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36. NO PARTNERSHIP

36.1 Nothing in this Agreement shall constitute or be deemed to constitute a partnership between any of the parties hereto and neither of the Shareholders shall have any authority to bind the other in any way.

37. FURTHER ASSURANCE

37.1 The parties hereto shall and shall use their respective reasonable endeavours to procure that any necessary third parties shall do execute and perform all such further deeds documents assurances costs and things as any of the parties may reasonably require by notice in writing to the others to carry the provisions of this Agreement into full force and effect.

38. COSTS

38.1 The Shareholders agree that they shall each pay their own costs legal fees and other expenses incurred in relation to the negotiation preparation and execution of this Agreement and all documents ancillary thereto.

39. ENTIRE AGREEMENT

39.1 This Agreement (and the Articles of Association, the Dobbie Service Agreement, the MacSween Service Agreement and the Licence Agreement, constitute the entire agreement between the parties in connection with the subject matter herein contained and shall take effect in substitution for all previous agreements and arrangements whether oral written or implied between them in relation to such subject matter.

39.2 Each of the parties hereto confirms that, in agreeing to enter into this Agreement, it has not relied on any representation, warranty or undertaking (except those contained in this Agreement and/or the Licence Agreement) and for the avoidance of doubt each party hereby irrevocably and unconditionally waives any right to any remedy of any nature for breach of any representation, warranty or undertaking (except those contained in this Agreement) which there may have been or which may hereafter occur.

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40. VARIATION

40.1 No variation of any of the terms of this Agreement (or of any other documents referred to herein) shall be effective unless it is in writing and signed by or on behalf of each of the parties hereto or thereto. The expression 'variation' shall include any variation, supplement, deletion or replacement however effected.

41. WAIVER/FORBEARANCE

41.1 The rights of any party shall not be prejudiced or restricted by any

indulgence or forbearance extended to the other and no waiver by any party in respect of any breach shall operate or be deemed to operate as a waiver in respect of any subsequent breach.

42. EXECUTION IN COUNTERPARTS

42.1 This Agreement may be executed in counterparts each of which when executed and delivered shall be deemed to be an original but all of which together shall constitute one and the same instrument.

43. NOTICES

43.1 Any notice to be given by any party to this Agreement shall be in writing and shall be deemed duly served if delivered personally or sent by facsimile transmission or by prepaid registered post (airmail in the case of an address for service outside the United Kingdom) or delivered by recognised international courier (who in the latter case obtains a receipt for the notice signed by or on behalf of the addressee) to the addressee at the address or (as the case may be) the facsimile number of that party set opposite its name below:

<TABLE>
<CAPTION>

Name of Party: -----	Address and Facsimile Number -----
<S> AboveNet Communication Inc	<C> 50, W. San Fernando Street SE1010, San Jose, California, 95113, USA Fax No. 001 408 367 6688 Marked for the attention of the President

<TABLE>

<S> AboveNet UK Limited	<C> 63 Queen Victoria Street, London EC4 Fax No. 0171-329 4000 Marked for the attention of Mr R. Masters
Mr. W. Dobbie	1 Belgrave Crescent, Edinburgh EH4 3AQ
Mr. A. MacSween	5 Ellergreen Road, Bearsden, Glasgow GG1 2AJ

</TABLE>

or at such other address (or facsimile number) as the party to be served may have notified (in accordance with the provisions of this clause) for the purposes of this agreement.

43.2 Any notice sent by facsimile shall be deemed served three hours after despatch, if despatched on a business day before 3.00 pm or in any other case, at midday on the business day after the date of despatch.

Here 'business day' means a day on which banks are open in the city or other location to which the notice is sent; and the times mentioned are those in that location.

43.3 Clause 43.2 does not apply:-

43.3.1 if before the time which the notice would otherwise be deemed to have been served, the receiving party informs the sending party that the notice has been received in a form which is unclear in a material respect; and

43.3.2 if the receiving party does that by telephone, it despatches a confirmatory telex or fax within three hours.

43.4 Any notice served by prepaid registered post shall be deemed served 48 hours after posting to an address in the United Kingdom or 5 days after posting to an address outside the United Kingdom.

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43.5 In proving the service of any notice it will be sufficient to prove in the case of a letter that such letter was properly stamped addressed and placed in the post or delivered or left at the current address if delivered personally and in the case of a facsimile (subject as provided in clause 43.3) that such facsimile transmission was duly despatched to the facsimile number of the addressee given above or subsequently notified for the purposes of this Agreement.

44. GOVERNING LAW AND JURISDICTION

44.1 This Agreement (together with all documents referred to herein) shall be governed by and construed and take effect in accordance with English law.

44.2 Each of the parties hereto hereby submits to the jurisdiction of the High Court of England and agrees that in the event of any action being commenced the process by which it is commenced may be served on them in accordance with Clause 43.

ATTESTATION:

This Agreement has been executed and delivered as a Deed the day and year first above written.

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THE SCHEDULE
(FORM OF SUPPLEMENTAL DEED)

DATE:

PARTIES:

- (1) [] LIMITED (CR No.) whose registered office is

situate at [] [together with its successors in
title and permitted assigns 'the New Party']; and
- (2) [NOTE: All the parties to the principal Agreement including any person
who has entered into a Supplemental Agreement pursuant to the Principal
Agreement but excluding any person (other than the Transferor) who has
ceased to be a Shareholder].

RECITALS:

- (A) Under the terms of an Agreement dated [] 199. ('the Principal
Agreement') and entered into between [] [and to which
[] ('the Transferor') is [an original party] [a party by virtue
of a Supplemental Deed dated []] the Transferor has sold and
transferred to the New Party [[insert number and type of shares] subject to
the New Party entering into this Supplemental Deed OR [the New Party has
agreed to subscribe for [insert number and type of shares]]
- (B) The New Party wishes to accept such shares subject to such condition and
to enter into this Supplemental Deed pursuant to the Principal
Agreement.

OPERATIVE TERMS:

1. Expressions defined in the Principal Agreement shall (unless the context
otherwise requires) have the same meaning when used in this Agreement.
2. The New Party undertakes to and covenants with all the parties to the
Principal Agreement (including any person who has entered into a
Supplemental Agreement pursuant to the Principal Agreement) to comply
with the provisions of and to perform all the obligations in the
Principal Agreement so far as they become due to be

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observed and performed on or after the date hereof as if the New Party
had been an original party to the Principal Agreement [[in place of] [as
well as] the Transferor].

3. The New Party shall become a Shareholder [and the Transferor shall cease
to be a Shareholder] and on and after the date hereof the New Party
shall have the benefit of the provisions of the Principal Agreement as
if the New Party had been an original party thereto [[in place of] [as
well as] the Transferor] and the Principal Agreement shall be construed
and apply accordingly.
- [4. For the avoidance of doubt, the New Party shall not be entitled to any
amount which has fallen due for payment to the Transferor before the
date hereof and shall not be liable in respect of any breach or
non-performance of the obligations of the Transferor pursuant to the
Principal Agreement before the date hereof and the Transferor shall
remain entitled to each such amount and shall not be released from any
liability of any such breach or non-performance.]

EXECUTION:

EXECUTED and DELIVERED by)
ABOVENET COMMUNICATIONS INC)
(acting by Dr. Paul Steiner its duly)
appointed Attorney))
as a Deed in the presence of:)

.....
Witness signature

.....
Witness name in block capitals

.....
.....
.....
Witness address

.....
Witness occupation

EXECUTED and DELIVERED by)
ABOVENET UK LIMITED)
as a Deed in the presence of:-)

.....
Director

.....
Director

EXECUTED and DELIVERED by)
WILLIAM DOBBIE)
as a Deed in the presence of:-)

.....
Witness signature

.....
Witness name in block capitals

.....
.....
.....
Witness address

.....
Witness occupation

EXECUTED and DELIVERED by)
ANGUS MACSWEEN)
(acting by Mr. William Dobbie his duly)
appointed attorney))
as a Deed in the presence of:-)

.....
Witness signature

.....
Witness name in block capitals

.....
.....
.....
Witness address

.....
Witness occupation

SHAREHOLDERS AGREEMENT

entered into by and between

Raiffeisen Rechenzentrum Ges.m.b.H having its registered offices at 1020 Vienna, Hollandstrasse 11-13 (hereinafter referred to as "RRZ")

and

AboveNet Communications, Inc.
having its registered office at
50 W. San Fernando Street, #1010, San Jose, CA 95113
(hereinafter referred to as "AboveNet")

(hereinafter collectively also referred to as "Parties")

as follows:

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Exhibit ./1 RRZ Service Agreement
Exhibit ./2 License, Connectivity and Marketing Agreement with AboveNet
Exhibit ./3 Articles of Association of AboveNet Austria GmbH
Exhibit ./4 By-laws for the Managing Director
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Exhibit ./6 List of Affiliates
Exhibit ./7 Business Plan

PREAMBLE

- (1) RRZ and AboveNet will form AboveNet Communications GmbH (in the following referred to as "the Company" or "AboveNet Austria GmbH"), a joint venture for the purpose of establishing a co-branded Internet Service Exchange.
- (2) This Shareholders Agreement shall govern the formation of the Company (I.) and the relationship between the Parties (II.).

Therefore, it is agreed as follows:

I. FORMATION OF THE COMPANY

SECTION 1 SHAREHOLDER STRUCTURE OF THE COMPANY

- (1) ESTABLISHMENT OF THE COMPANY: RRZ and AboveNet shall establish AboveNet Communications GmbH with a nominal share capital of [*] that will be fully paid in cash by all Parties upon formation of the Company. Each Party will

hold a 50% share [*] in the Company.

- (2) PARTICIPATION AND OWNERSHIP STRUCTURE: The Parties have informed each other of their current group structure and the intended structure of their respective shareholding in the

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Company and undertake to keep each other informed in writing of any future ownership changes thereof at all times.

SECTION 2 SUBSCRIPTION RIGHT

- (1) SUBSCRIPTION RIGHT: The Parties shall have the right (but not an obligation) to participate in any increase of the Company's share capital and/or other future financing, if any, in proportion to their respective shareholding in order to maintain their original ownership rights, respectively (hereinafter referred to as "Subscription Right").
- (2) WAIVER OF SUBSCRIPTION RIGHT: If a Party fails to participate in any particular capital increase, it waives its subscription right with respect to that capital increase irrevocably and without consideration for the benefit of the other Party.

SECTION 3 NON-EQUITY CONTRIBUTIONS

CONTRIBUTIONS: In addition to the equity contributions described in Clause 1 para 1 hereunder, the Parties will provide the following non-equity contributions to the Company:

(a) RRZ:

RRZ will make the non-equity contributions and provide the services specified in and in accordance with the provisions of the RRZ Service Agreement (Exhibit ./1).

(b) AboveNet:

AboveNet will provide to the Company a license in the form of the License, Connectivity and Marketing Agreement (hereinafter "Licence Agreement") attached hereto as Exhibit ./2.

The License Agreement will inter alia provide for termination clauses;

the Company's rights under the License Agreement shall inter alia terminate (i) in the case of termination of this Agreement by AboveNet other than for cause, effective 12 (twelve) months after the termination date or (ii) in the case of termination of this Agreement by RRZ or termination of this Agreement by AboveNet for cause, within 60 (sixty) days following termination. In each case the Company shall pay royalties pursuant to License Agreement from the day the

termination notice is received until the effective date of termination. The Licence Agreement will furthermore provide for termination clauses for the event that a competitor of AboveNet acquires influence on RRZ or any of its Affiliates directly or indirectly. The Company's rights under the RRZ Service Agreement (Exhibit ./1) shall terminate (i) in the case of termination by RRZ, effective 12 (twelve) months after the termination date within one year or (ii) in the case of termination by AboveNet within 60 (sixty) days following termination. In each case the Company shall have the right to use the facility under the same terms and conditions as applicable immediately prior to such termination once termination is declared from the day the termination notice is received until the effective date of termination.

II. RELATIONSHIP BETWEEN THE PARTIES

SECTION 4 SCOPE

Part II of this Shareholder Agreement shall become effective as soon as the notarial deed establishing AboveNet Austria GmbH is duly executed by the Parties or their duly empowered representatives.

SECTION 5 ARTICLES OF ASSOCIATION, BY-LAWS, COMPANY BUSINESS POLICY

- (1) ARTICLES OF ASSOCIATION: The Company shall have Articles of Association in accordance with Exhibit ./3. The shareholder meeting shall issue by-laws for the Managing Director in accordance with Exhibit ./4 and for the Shareholders Committee in accordance with Exhibit ./5.
- (2) ARM'S LENGTH TRANSACTIONS: All of the Company's transactions, in particular with companies that are affiliated with or related to the parties AboveNet and RRZ must be made at arm's length. The Company will also solicit and conclude transactions with companies that are not related to AboveNet and RRZ.
- (3) AFFILIATES: The term affiliated company shall be defined as any Company or person which is controlled by, controls or is under common control with the entities of AboveNet or RRZ (hereinafter referred to as "Affiliate").

A list of current AboveNet and RRZ Affiliates is attached hereto as Exhibit ./6. Exhibit ./6 will be updated at least quarterly and a copy thereof provided to the other Party, respectively without delay.

SECTION 6
TRANSFORMATION TO AKTIENGESELLSCHAFT; OPTION POOL

- (1) AboveNet shall have the right to request the transformation of the Company from a Gesellschaft mit beschränkter Haftung (GmbH) into an Aktiengesellschaft (AG) at any time after 24 months after the registration of the Company in the Commercial Register. Upon receipt of such request the Parties shall take all necessary - corporate - measures to execute the transformation, including but not limited to shareholders' resolutions, adaptation of corporate agreements like the Articles of Association and this Shareholders Agreement.
- (2) After the transformation of the Gesellschaft mit beschränkter Haftung (GmbH) to an Aktiengesellschaft (AG), an Option Pool (which will not be less than 5% or more than 10% of the total equity based upon the initial valuation) will be reserved for future issuances of options to employees. The number of shares reserved under the Option Pool may not be increased until the Company's initial public offering unless such increase is unanimously approved by the Shareholders Committee. Options will be granted at fair market value on date of grant, which cannot be before the date of employment.
- (3) At the time AboveNet exercises its right to request the transformation to an AG, the terms and conditions of a future IPO shall be discussed. Provided the Parties agree to such stock exchange listing, the Parties shall undertake to cooperate in the preparation and completion of an initial public offering as necessary, such as cooperate in the preparation and disclosure of information; disclosure of relevant provisions of this agreement; the disclosure of key data and analyses and other relevant information as necessary; the timing of the public offering; and a coordination of time frames and procedures among the Parties.

In the event of an IPO, Parties shall also discuss in good faith appropriate amendments to the Articles of Association and this Agreement to conform with the requirements for a Company with public shareholders.

SECTION 7
MANAGEMENT BOARD

- (1) APPOINTMENT RIGHT: The Company's Management shall consist of one Managing Director, who shall be appointed for an initial term of two years; appointments for

consecutive terms of up to three years are possible. Moreover, each of the Parties may request premature termination/recall of the Managing Director due to failure by the Managing Director to achieve annual business targets set forth in the business plan agreed to by the parties in connection with the formation of the Company, for the first three business years and later from time to time, at least three months before the end of a business year for the following business year.

- (2) **REPORTING:** The Managing Director shall submit (i) to the Shareholders Committee and (ii) to AboveNet and RRZ respectively, monthly, quarterly and annual written financial statements and reports on the business development of the Company and the status in achieving monthly, quarterly and annual business targets, respectively in a format and on recurring due dates notified to the Managing Director by the Shareholders Committee from time to time. Such (financial) statements and reports will inter alia be integrated into the consolidated reports of the Parties to the authorities, including in the case of AboveNet, the SEC. Therefore AboveNet and RRZ shall inter alia receive (i) quarterly financial statements done in accordance with US GAAP within 15 days after quarters end and (ii) audited annual financial statements within 30 days after year end in accordance with US GAAP.

SECTION 8 SHAREHOLDERS COMMITTEE

- (1) **ESTABLISHMENT:** The Company has a Shareholders Committee, established pursuant to Clause 8 hereof.
- (2) **COMPOSITION:** The Shareholders Committee shall consist of five members, four of which are nominated by the Parties pursuant to Clause 8.3 hereof and elected by the Shareholders Meeting pursuant to Clause 8.4, and one of which is elected by the Shareholders Meeting. After the transformation into an AG, the Shareholders Committee shall consist of seven members, four of which are nominated by the Parties pursuant to Clause 8.3 hereof and elected by the Shareholders Meeting pursuant to Clause 8.4, and three of which are elected by the Shareholders Meeting.
- (3) **NOMINATION:** The Parties agree that AboveNet shall have the right to nominate two members, and RRZ shall have the right to nominate two members of the Shareholders Committee. The Parties shall exercise this right pursuant to Clause 8.6 hereof.

- (4) ELECTION: The Shareholders Meeting elects the members of the Shareholders Committee. Each Party shall vote for the election of candidates nominated pursuant to Clause 8.3 hereof. The members of the Shareholders Committee nominated pursuant to Clause 8.3 shall be elected by three quarters of the votes cast. The other members shall be elected by unanimous vote.
- (5) REPLACEMENT AND REMOVAL: If one Party should wish to replace a member of the Shareholders Committee nominated by it, then the other Party shall vote for the removal of such member and the election of the new member to be nominated by the Party that nominated the removed member, regardless of whether the removal is for or without cause. Each Party may also remove members of the Shareholders Committee nominated by it without immediately replacing them. If the Chairman is removed as Shareholders Committee member, such person shall be replaced immediately.
- (6) NOMINATION AND REMOVAL NOTICES: The nomination and removal rights pursuant to this Clause shall be exercised by notice to the other Party, sent by registered mail with a notice period of four weeks before the Shareholders Meeting, in which such appointment or removal is to be resolved. The Company shall be timely notified to ensure that the agenda can be set accordingly.
- (7) TERM: Election shall be for two year periods. Shareholders Committee members may be re-elected. If a member of the Shareholders Committee resigns from the Shareholders Committee prior to the expiry of the term and should an election take place to replace this member, the term of the newly elected Shareholders Committee member shall coincide with the expiry of term of the Shareholders Committee member who has prematurely resigned.
- (8) MATTERS TO BE DECIDED BY SHAREHOLDERS COMMITTEE: The Shareholders Committee shall pass resolutions on all matters to be decided by shareholders resolution or voted on by the Shareholders Meeting or provided for in the by-laws for the Managing Director from time to time and any other matters set forth in this Agreement.
- (9) MATTERS REQUIRING SHAREHOLDERS COMMITTEE'S APPROVAL: The following management measures and matters to be resolved by Shareholders Resolution/Shareholders Meeting shall require the approval of the Shareholders Committee:
1. any merger or acquisition transaction;
 2. any sale, transfer, pledge or other disposition of any assets of the Company;

3. after transformation into an AG: redemption or repurchase of any outstanding shares of the Company;
4. entering into any transaction, agreement, or arrangement (or modify any existing arrangement) with any shareholder of the Company, except for ordinary course of business transactions between the affiliates of the shareholders which have a value of less than USD 20,000 (twenty thousand), and except for transactions under the Service and License Agreements;
5. making any Capital expenditures other than approved as part of the Business Plan attached hereto;
6. in case of transformation into an AG: issuing any stock or other securities with rights equal to or senior to AboveNet's and/or the Parties' securities, other than in a public offering which (i) raises at least USD 10,000,000 (Dollars ten million) for the Company at a pre-money valuation of at least USD 60,000,000 (Dollars sixty million) if such offering is on an Austrian exchange or EASDAQ or (ii) raises at least USD 20,000,000 (Dollars twenty million) for the Company at a pre-money valuation of at least USD 125,000,000 (Dollars one hundred twenty five million) if the offering is on the NASDAQ National Market;
7. entering into any compensation arrangements with senior management; 8. settling any claims or litigation (other than monetary settlements under USD 5,000);
9. incurring or guaranteeing debt;
10. after transformation into an AG: issuing more than an agreed upon number of options to employees;
11. paying dividends or making other distributions to shareholders;
12. amending any of Company's Articles of Association;
13. appointing and recalling a managing director or making any material change in the management or the nature of the business of the Company;
14. modifying the 4-year Business Plan, including any changes in the pricing that would negatively affect the average price per megabit of bandwidth;
15. deciding on arbitration experts;
16. selection and appointment of auditors, which shall be from among the leading international accountancy firms;
17. after transformation into an AG: deciding on terms for the initial public offering of the Company's shares

18. the transformation of the Gesellschaft mit beschränkter Haftung (GmbH) into an Aktiengesellschaft (AG);
19. after transformation into an AG: the increase of the number of shares reserved under the Option Pool before the Company's initial public offering pursuant to Clause 6.2 hereof;
20. consenting to the pledge or other encumbrance of shares in the Company.
- (10) MAJORITY REQUIREMENTS AND PARTIES VETO RIGHT. Resolutions of the Shareholders Committee are (in principle) adopted by four fifths of the votes cast, if the Shareholders Committee has five members. After an increase of the number of Shareholders Committee members to seven members, resolutions are adopted by five sevenths of the votes cast. In the case of written vote pursuant to Clause 8.15 hereof, the members of the Shareholders Committee shall notify the Company as to whether they will vote in favor of or against any item on the agenda within ten business days after receipt of a written summary of all of the material terms of the proposed action. If a member of the Shareholders Committee votes against the resolution of a proposed action, the issue shall be subject to an additional voting. In case of Clause 8.9.16 AboveNet shall have the right to nominate the auditor; the other Parties shall consent to such auditor and may exercise their veto right only if the nominated auditor (i) is not affiliated with AboveNet's US auditors and/or (ii) is not from among the leading international accountancy firms. The auditor for the first business year shall be Deloitte & Touche Vienna. In case of Clause 8.9.14, resolutions are adapted unanimously. RRZ shall have the right to request revisions of the Business Plan if market conditions have materially changed, or if the growth rate of the market is materially different to the anticipated growth rate of the market. Such request may be made no more than once in a business year for the following business year. In this case AboveNet agrees to negotiate in good faith revisions to the targets set forth in the business plan for a particular business year and to vote to approve such negotiated revisions.
- (11) INFLUENCE ON CORPORATE BODIES OF THE COMPANY: The Parties agree that they will (i) instruct the Shareholders' representatives and their proxies to exercise their voting rights in Shareholders Resolutions/Shareholders Meetings pursuant to the resolutions of the Shareholders Committee and (ii) exercise their influence on the Managing Director of the Company that the business of the Company be conducted pursuant to the resolutions of the Shareholders Committee. In case shareholders' representatives and their proxies do not exercise their voting rights in shareholders resolutions/shareholders' meetings in accordance with the resolutions of

the Shareholders Committee, shareholders resolutions passed contrary to resolutions of the Shareholders Committee shall be reversed in resolutions/shareholders' meeting to be passed/called as soon as possible.

- (12) QUORUM: The Shareholders Committee constitutes a quorum if four Shareholders Committee members are present in the case of a Shareholders Committee constituted with five members, and if six members are present in the case of a Shareholders

Committee constituted with seven members. Members of Shareholders Committee may issue written voting proxies (fax sufficient) to other Members.

- (13) CALLING OF MEETINGS: The Shareholders Committee meetings shall be convened by the Chairman, which Chairman shall be one of the AboveNet appointees to the Shareholders Committee, to be determined by AboveNet, or, failing him, by any other member of the Shareholders Committee to the address last made known. The minimum advance notice shall be 30 (thirty) business days. A meeting may be called by registered letter, telegram, telefax, or via electronic means.

- (14) MINUTES: The Chairman of the Shareholders Committee shall procure that minutes of the Shareholders Committee shall be taken, in which at least the agenda, the members present and the result of any voting shall be reflected. Such minutes shall be signed by the Chairman of the Shareholders Committee and shall be made available to the Parties without undue delay.

- (15) WRITTEN RESOLUTIONS: Unless one of the Parties objects in writing to this manner of passing the resolution within one week from receipt of a proposed resolution, all resolutions of the Shareholders Committee may be adopted by written consent. The Chairman of the Shareholders Committee shall coordinate the voting by written consent and shall provide the Members of the Shareholders Committee with the result of the written vote without undue delay.

- (16) REMUNERATION FOR EXTERNAL SHAREHOLDER COMMITTEE MEMBERS: Members of the Shareholders Committee nominated by the Shareholders pursuant to Clause 8.3 hereof shall have no claim to remuneration or reimbursement for expenses for Shareholder Committee meetings. External members of the Shareholders Committee shall be entitled to reimbursement of expenses and an attendance fee to be determined by the Shareholders' Meeting from time to time.

SECTION 9 RIGHT OF FIRST REFUSAL

- (1) RIGHT OF FIRST REFUSAL: All current and future (see Clause 18.2) shareholders in the Company grant the Parties a right of first refusal and subscription right (hereinafter referred to as the "Right of First Refusal") to the shares in the Company.

- (2) CASE OF RIGHT OF FIRST REFUSAL: If one or more of the shareholders intend to sell his (their) share(s) in the Company or parts thereof (hereinafter referred to as the "Share" or the "Shares") to third parties against payment or gratuitously or sell them in another manner or assign them to third party(ies) against payment or gratuitously (e.g. by way of in-kind contribution), the other shareholders shall be entitled to of a Right of First Refusal with respect to such Shares. The shareholder proposing the sale shall immediately offer the Shares to the (other) Party(ies) in proportion to their respective shareholdings for exercise of the Right of First Refusal. Transfers by the shareholders to Affiliates (other than a third party that acquirers AboveNet) shall be subject to the other Parties' consent, which shall not be unreasonably withheld, and shall, in the case of consent, not constitute transfer to third parties.
- (3) PRESENTATION OF OFFER: If a shareholder proposes a transfer that is subject to the Right of First Refusal , the shareholder(s) proposing to sell its (their) share(s) shall be obligated to present to the other Party(ies) the purchase or sale offer, alienation or acquisition offer or the corresponding legal transaction concluded as condition precedent by transmitting a certified copy of the document which must contain the entire conditions of the legal transaction (in particular however not limited to the identity of the proposed acquirer, the nominal value of the share(s) to be transferred, remuneration and conditions of payment).
- (4) EXERCISE OF RIGHT OF FIRST REFUSAL: The Party(ies) have the right to exercise the Right of First Refusal within a deadline of 20 (twenty) business days as of notification pursuant to para 3 by offering to take over the share(s) to be transferred at the same price and on substantially the same terms (other than the form of consideration) as offered by the proposed acquiror.
- (5) CASH OR MARKETABLE SECURITIES CONSIDERATION: If the proposed acquiror has offered cash consideration or marketable securities, the Parties shall have the right to pay as consideration cash, or in the case of AboveNet, cash and/or AboveNet stock valued at the current stock market rate (valuation) or a combination of cash and stock, at its own election. The shareholders shall not be entitled to transfer their shares for any consideration other than cash or marketable securities without the unanimous consent of the other shareholders.

In the event that AboveNet chooses stock as the form of consideration, the stock shall, at the sole option of AboveNet, be either (i) tradable on NASDAQ at the time of the closing of the acquisition or (ii) AboveNet shall agree to use its all reasonable efforts to register the shares with the U.S. Securities and Exchange Commission (the "SEC") for resale

within 90 (ninety) days of the closing, subject to AboveNet's right to extend such 90 (ninety) day period if it has material non-public information, the disclosure of which would have an adverse effect on AboveNet or its stockholders. If the shares are registered prior to the closing, the number of shares to be issued shall be determined by dividing the valuation of the Company by the value of one AboveNet share (based upon the average closing price of AboveNet stock over the ten trading days ending three trading days prior to the closing). If the closing price of the AboveNet stock on the day prior to the day it becomes tradable on NASDAQ is less than the value of one share of AboveNet stock (based upon the average closing price of the AboveNet stock over the ten trading days ending three trading days prior to the closing), AboveNet will provide the shareholders at AboveNet's option, cash or additional shares AboveNet stock with a value sufficient to compensate them for such decrease.

(6) Registration of Shares:

(a) Registration of Shares. If the shares of AboveNet common stock (the "Common Shares") are not registered with the U.S. Securities and Exchange Commission (the "SEC") prior to the Closing, AboveNet shall, within 30 days after the Closing Date, file with the SEC a registration statement under the Securities Act covering the resale to the public by the shareholders of the Common Shares (the "Registration Statement"). AboveNet shall use reasonable efforts to cause the Registration Statement to be declared effective by the SEC as soon as practicable. AboveNet shall use its reasonable efforts, subject to subsection (b) below, to cause the Registration Statement to remain effective for until the earlier of (i) 120 days from the effective date of the Registration Statement (the "Selling Period") or (ii) such time as all of the Common Shares covered by the Registration Statement have been sold pursuant thereto.

(b) Limitations on Registration Rights.

(i) AboveNet may, at any time, delay the filing or effectiveness of the Registration Statement or suspend the Registration Statement after effectiveness and may further, by written notice to the shareholders, require that shareholders immediately cease sales of the Common Shares during the Selling Period in the event that, and for so long as, AboveNet determines that the existence of any fact or the happening of any event (including without limitation pending negotiations relating to, or the consummation of, a transaction or the occurrence of any other event) would require additional

disclosure of material information by AboveNet in the Registration Statement the confidentiality of which AboveNet has a business purpose to preserve or which fact or event would render AboveNet unable to comply with SEC requirements (in either case, a "Suspension Event").

- (ii) If AboveNet delays or suspends the Registration Statement or requires Investor to cease sales of shares pursuant to Section b.i above, AboveNet shall, as promptly as practicable following the termination of the circumstance which entitled AboveNet to do so, take such actions as may be necessary to file or reinstate the effectiveness of the Registration Statement and/or give written notice to Investor authorizing Investor to resume sales pursuant to the Registration Statement. If as a result thereof the prospectus included in the Registration Statement has been amended to comply with the requirements of the Securities Act, AboveNet shall enclose such revised prospectus with the notice to shareholder given pursuant to this Section b.ii, and shareholders shall make no offers or sales of shares pursuant to the Registration Statement other than by means of such revised prospectus.
 - (iii) In the case of any Suspension Event occurring prior to and delaying the filing of the Registration Statement, AboveNet shall file the Registration Statement in accordance with Section b.ii above and shall be required to keep the Registration Statement effective until the earlier of (i) such time as all of the shares offered thereby have been disposed of in accordance with the intended methods of distribution set forth in the Registration Statement or (ii) 120 days plus an extended period equal to the number of days during which any such suspension was in effect.
- (c) Registration Procedures.
- (i) In connection with the filing by AboveNet of the Registration Statement, AboveNet shall furnish to the shareholders copies of the prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act and such additional copies as are reasonably requested by the shareholders.
 - (ii) AboveNet shall use its best efforts to register or qualify the Common Shares covered by the Registration Statement under the securities laws of such states as the shareholders shall reasonably request; provided, however, that AboveNet shall not be required in connection with this Section c.ii to

qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction.

(iii) If AboveNet has delivered final prospectuses to the shareholders and after having done so the prospectus is amended to comply with the requirements of the US Securities Act of 1933, as amended, AboveNet shall promptly notify the shareholders and, if requested by AboveNet, the shareholders shall immediately cease making offers or sales of shares under the Registration Statement and return all prospectuses to AboveNet. AboveNet shall promptly provide the shareholders with revised prospectuses and, following receipt of the revised prospectuses, the shareholders shall be free to resume making offers and sales under the Registration Statement.

(iv) AboveNet shall pay the expenses incurred by it in complying with its obligations under this Section -, including all registration and filing fees, exchange listing fees, fees and expenses of counsel for AboveNet, and fees and expenses of accountants for AboveNet, but excluding (i) any brokerage fees, selling commissions or underwriting discounts incurred by Investor in connection with sales under the Registration Statement and (ii) the fees and expenses of any counsel retained by the shareholders.

(d) Requirements of Shareholders. AboveNet shall not be required to include any Common Shares in the Registration Statement unless each shareholder furnishes to AboveNet in writing such information regarding the shareholder and the proposed sale of Common Shares by the shareholder as AboveNet may reasonably request in writing in connection with the Registration Statement or as shall be required in connection therewith by the SEC or any state securities law authorities.

(7) DUE DATE OF REMUNERATION: The remuneration shall be due within 30 (thirty) days following the conclusion of the proceeding pursuant to para 2 through 4, the remuneration pursuant to para 5 shall be due within 30 (thirty) days as of determination of the remuneration under subpara 5 hereof. In case of default in payment, default interests in the amount of 4 (four) percent over the discount rate (Basiszinssatz) as fixed by decree from time to time shall be paid.

(8) NON-EXERCISE OF RIGHT OF FIRST REFUSAL: If the Party(ies) choose(s) not to exercise the Right of First Refusal in a particular case, the shareholder(s) obligated to the preemptive sale may sell, alienate, or transfer the Shares as to which the right of first refusal

within 6 (six) months following notification of the Right of First Refusal, however - in case of a sale or a transfer to a third party - only to the disclosed third party and in all cases of Right of First Refusals only subject to the provisions and conditions exactly as disclosed pursuant to para 3. If the shareholder(s) obligated to the preemptive sale does not alienate or transfer the Shares subject to the Right of First Refusal within this deadline, the Right of First Refusal shall cease to exist for the case in question yet shall in general continue to exist.

- (9) STATEMENTS AND NOTIFICATIONS: All statements and notifications according to the above provisions shall be made by certified airmail letter or courier mail or personally delivered. Unless expressly provided otherwise, all of the deadlines mentioned in the above provisions shall be counted as of five business days after dispatch (date of the postal stamp).

SECTION 10 PUT OPTIONS

- (1) PUT OPTION 1: RRZ hereby irrevocably offers to buy and accept from AboveNet the shares in the Company ("Put Option 1"). This option may only be exercised with respect to all shares, and may not be exercised partially.
- (2) EXERCISE OF PUT OPTION: Put Option 1 may be exercised by AboveNet (i) if, without AboveNet's prior written approval, nominal capital of the Company is sold by RRZ to a third party or parties in a single transaction or a series of related transactions, and such third party(ies) does (do) not offer to purchase all of AboveNet's shares in the Company on the same terms as shares are being purchased from other shareholders or (ii) a direct or indirect competitor of Above Net acquires direct or indirect ownership of RRZ. In case of (i) AboveNet may demand as its purchase price the higher of the price per share being offered by the third party and the remuneration determined under Clause 10 subpara 3 below and in case of (ii) the remuneration shall be determined under Clause 10 subpara 3 below. AboveNet shall exercise its Put Option within 20 (twenty) business days after written notification by RRZ or the Company, respectively, from the closing of the transaction or transactions.
- (3) DETERMINATION OF REMUNERATION: If no agreement on the amount of consideration for the Shares can be reached within 14 (fourteen) days following the Effective Date, the price shall be the fair market value as determined by a certified Austrian auditing and tax consultancy company or by a certified Austrian auditor and tax consultant mutually

agreed upon by AboveNet and RRZ (hereinafter referred to as "the Arbitration Expert"). If AboveNet and RRZ cannot agree to an arbitration expert within 14 (fourteen) days, each shall select an expert and have the price evaluated. If the two evaluations are more than 20 (twenty) % apart, an Arbitration Expert shall be appointed upon application by one of the shareholders by the President of the Vienna Chamber of Certified Accountants. The arbitration opinion by this expert shall be binding upon the respective Parties. The costs for the Arbitration Expert shall be borne by both Parties, whereby AboveNet shall pay one half, and RRZ the other half.

- (4) DECLARATION OF ACCEPTANCE: The declaration of acceptance of the offer under the Put Option shall be timely and properly made provided AboveNet exercises the Put Option and thereby accepts the offer hereunder in the form of a the written, duly signed acceptance declaration to RRZ. The sale and assignment of the Shares shall be deemed concluded upon service of an original copy of the Notarial Acceptance Deed to RRZ.
- (5) EFFECTIVE DATE: The effective date for the sale and transfer shall be the day on which the respective written acceptance declarations are delivered to RRZ (hereinafter referred to as "Effective Date").
- (6) PAYMENT DUE DATE: Purchase Price shall be due and payable to AboveNet within thirty (30) business days from (i) the Effective Date and (ii) in case of Art 10.3 the service of the arbitrator's opinion (10.3), respectively.
- (7) PUT OPTION 2: AboveNet hereby irrevocably offers to buy and accept from RRZ the shares in the Company ("Put Option 2"). This option may only be exercised with respect to all shares, and may not be exercised partially
- (8) EXERCISE OF PUT OPTION 2: Put Option 2 may be exercised by RRZ if, without RRZ's prior written approval, nominal capital of the Company is sold by AboveNet to a third party or parties in a single transaction or a series of related transactions, and such third party(ies) does (do) not offer to purchase all of RRZ's shares in the Company on the same terms as shares are being purchased from other shareholders. In such case RRZ may demand as the purchase price for their shares the higher of the the price per share being offered by the third party and the remuneration shall be determined under Clause 10 subpara 9 below. RRZ shall exercise its Put Option within 20 (twenty) business days after written notification by AboveNet or the Company, respectively, from the closing of the transaction or transactions.

- (9) DETERMINATION OF REMUNERATION: If no agreement on the amount of consideration for the Shares can be reached within 4 (four) weeks following receipt of the termination notice by the remaining shareholder(s), the fair market value of the shares shall be determined by a certified Austrian auditing and tax consultancy company or by a certified Austrian auditor and tax consultant mutually agreed upon by AboveNet and RRZ (hereinafter referred to as "the Arbitration Expert"). If AboveNet and RRZ cannot agree to an arbitration expert within 14 (fourteen) days, each shall select an expert and have the price evaluated. If the two evaluations are more than 20 (twenty) % apart, an Arbitration Expert shall be appointed upon application by one of the shareholders by the President of the Vienna Chamber of Certified Accountants. The arbitration opinion by this expert shall be binding upon the respective Parties. The costs for the Arbitration Expert shall be shared by the Parties, whereby AboveNet shall pay 50% and RRZ shall pay 50%.
- (10) DECLARATION OF ACCEPTANCE: The declaration of acceptance of the offer under the Put Option shall be timely and properly made provided RRZ exercises the Put Option and thereby accepts the offer hereunder in the form of a the written, duly signed acceptance declaration to AboveNet. The sale and assignment of the Shares shall be deemed concluded upon service of an original copy of the Notarial Acceptance Deed to AboveNet.
- (11) EFFECTIVE DATE: The effective date for the sale and transfer shall be the day on which the respective written acceptance declarations are delivered to AboveNet (hereinafter referred to as "Effective Date").
- (12) FORM OF CONSIDERATION. AboveNet shall be entitled to pay the Purchase Price in either cash or shares of AboveNet stock. In the event that AboveNet chooses stock as the form of consideration, the stock shall, at the sole option of AboveNet, be either (i) tradable on NASDAQ at the time of the closing of the acquisition or (ii) AboveNet shall agree to use its all reasonable efforts to register the shares with the U.S. Securities and Exchange Commission (the "SEC") for resale within 90 (ninety) days of the closing, subject to AboveNet's right to extend such 90 (ninety) day period if it has material non-public information, the disclosure of which would have an adverse effect on AboveNet or its stockholders. If the shares are registered prior to the closing, the number of shares to be issued shall be determined by dividing the valuation of the Company by the value of one AboveNet share (based upon the average closing price of AboveNet stock over the ten trading days ending three trading days prior to the closing). If the closing price of the AboveNet stock on the day prior to the day it becomes tradable on NASDAQ is less than

the closing value of one share of AboveNet stock (based upon the average closing price of the AboveNet stock over the ten trading days ending three trading days prior to the closing), AboveNet will provide the shareholders

at AboveNet's option, cash or additional shares AboveNet stock with a value sufficient to compensate them for such decrease.

- (13) REGISTRATION OF SHARES. If AboveNet chooses stock as the form of consideration the provisions of Clause 9 subpara 6 shall apply.
- (14) PAYMENT DUE DATE: Purchase Price shall be due and payable to RRZ within thirty (30) business days from (i) the Effective Date and (ii) in case of Art 10.9 the service of the arbitrator's opinion (10.9), respectively.

SECTION 11 TRANSFER, REDEMPTION AND ENCUMBRANCE OF SHARES

- (1) TRANSFER OF SHARES: No shares of the company may be transferred without the approval of the Shareholders Meeting where an approval by 90 % of the outstanding shares is required, which approval shall not be unreasonably withheld, especially since the Parties are protected under the Right of First Refusal and the Call Options. Transfers of shares in the Company by the shareholders to Affiliates shall be subject to the other Parties' consent, which shall not be unreasonably withheld, and shall, in the case of consent, not constitute transfer to third parties.
- (2) REDEMPTION OF SHARES: After the transformation of the Company into an AG, the Company shall not have the right to redeem the Company's shares under any circumstances, except that if the holders of 90 % of the outstanding shares (including the shares held by AboveNet) agree to such redemption.
- (3) RESTRICTIONS ON ENCUMBRANCE: Shares may only be pledged or otherwise encumbered with the consent of the Shareholders Committee. If such consent is given, it is only valid if the pledgee concluded an agreement with the other Shareholders which grants such other Shareholders the rights provided for in this Agreement, particularly the right of first refusal.

SECTION 12 COMPETITION CLAUSE

- (1) NON-COMPETITION: Without the consent of the Company to be given by unanimous resolution of the Shareholders, the Parties may neither engage in the Company's line of business (co-location and connectivity services) nor acquire participations in companies that provide such services (such as Frontier, Exodus, Concentric, EUNet, PSI, AtHome, or Telekabel) in Austria. The members of the corporate bodies of the Company may not engage in any activities, self-employed or employed, including but not limited to accepting a position as managing or supervising body (e.g. shareholder committee, supervisory board), doing business for their own or for another

persons account, or acquiring direct or indirect (e.g. through trustees) participations in a company that engages in the same line of business in Austria, as personally liable shareholders or through a capital interest of any kind.

- (2) TERM: The competition clause shall be valid for the term of this Agreement and a period of one year thereafter and shall be limited to the territory of Austria. The one year post-termination prohibition shall not apply in case of termination for cause, to the Party terminating for cause or in the event of a termination under Clause 15.3 hereunder.
- (3) SUSPENSION/TERMINATION: AboveNet and Affiliates shall not be bound (i) during suspension or following expiration of the exclusivity under the License Agreement (Exhibit./3) or following termination of the License Agreement itself and/or (ii) if any Affiliate of RRZ breaches this Clause 12.
- (4) AFFILIATES: The competition clause applies to the Parties and to all Affiliates. It will not qualify as a violation of this non-compete provision if affiliates from Raiffeisen Upper Austria, Salzburg, Carinthia or Tyrol engage in competitive activities. In such case, AboveNet (and Affiliates) shall not be bound by the non-compete clause in the named area.
- (5) EXEMPTION WITH REGARD TO NETWAY: RRZ shall transfer all existing outsourcing businesses provided to Netway to the Company on a best price guarantee (i.e. the Company will charge the lowest price it charges other customers with comparable space and bandwidth requirements), and will not provide co-location services and (i.e. in combination with) Internet Connectivity services in this area to Netway or any other company. RRZ shall procure that Netway will not expand its co-location services and not compete with the Company unless all those services are outsourced to the Company and all related connectivity is purchased exclusively from the Company. Additionally, RRZ will procure that Netway will purchase a minimum of 75% of its entire connectivity

needs from the Company, provided that the Company offers competitive prices at comparable quality and purchase volume levels. A transition period of one year will apply to allow the completion of existing supplier agreements, provided however, that upon termination of any such agreement, it will not be renewed and be replaced with services from the Company until the condition of this paragraph is fulfilled. If this clause 12.5 is violated, AboveNet shall have the right to terminate the exclusivity of the license agreement, and shall no longer be bound by the competition provisions in this section 12 .

- (6) EMPLOYEES: The Company shall procure that each of the key employees of the

Company shall enter into agreement not to compete with the Company during their employment by the Company and for one year thereafter, subject to continuation of salary payment for that one-year period. This provision shall not apply if the Company is sold and the individuals are employed with the acquirer.

- (7) SOLICITATION OF EMPLOYEES: AboveNet and RRZ shall not solicit or employ any employees of the Company without written consent of the Company, except for employees who have been dismissed for other than cause (Entlassung).

SECTION 13 INSPECTION OF BOOKS

All shareholders shall have the right to inspect upon appropriate notice through their (authorized) representatives the Company's general books and records and to obtain photocopies of such books and records at all times.

SECTION 14 ABOVENET STOCK OPTION PLAN

AboveNet intends to grant options to purchase AboveNet stock to employees of the Company subject to applicable accounting and legal issues from time to time and subject to separate option agreements to be concluded between AboveNet and the beneficiary.. The aggregate number of options to be granted shall be for up to 100,000 shares over four years (up to 15,000 shares in year 1, up to 20,000 in year 2, up to 25,000 shares in year 3, and up to 40,000 shares in year 4), unless the Company is acquired by a third party prior to such time, upon achievement of the revenue, net income and EBITDA targets in the Business Plan attached

hereto as Exhibit ./7 for the prior year. If the Company fails to meet such targets in any year, no options will be issued. Within 60 days from the end of the business year, the Company's auditors (currently Deloitte & Touche) shall determine whether the Company succeeded or failed to meet the targets in the Business Plan. The exercise price for the options shall be the fair market value of the AboveNet stock on the date the options are issued.

III. GENERAL TERMS

SECTION 15 TERM OF THE SHAREHOLDERS AGREEMENT

- (1) TERM: This Shareholders Agreement is concluded for an indefinite term.

- (2) DISSOLUTION: This Agreement shall be binding upon the Parties thereto until both Parties agree to dissolve the Agreement by unanimous written resolution, or if in case of (a) and (b) one of the Parties and in case (d) the non-breaching Party gives written notice of termination in case of
- (a) dissolution or liquidation of the Company;
 - (b) initiation of insolvency proceedings over the assets of the Company, Above Net, or RRZ;
 - (c) an exercise of the Put Option under Clause 10; or
 - (d) a material breach by one of the Parties of any material obligation of the License Agreement or the Agreement hereunder;

whereupon all rights and obligations under this Agreement shall immediately expire, unless a term of this Agreement expressly provides for a survival period.

- (3) EXIT AND EXIT PENALTY: The Parties may furthermore terminate this Agreement as of the end of any calendar quarter by providing the Company with at least three months prior written notice pursuant to Art 11 of the Articles of Association. Such termination notice must be sent by registered letter accompanied by telefax sent the same day to the Company and the other Party (i) If the effective date of termination is within the first 24 (twenty four) months following registration of the Company,

however, the exiting Party shall be subject to payment of a penalty of USD 5,000,000 (five million) to the other Party. Additionally, the Party terminating shall lose its equity capital provided and all investments made. The remaining Party shall have the right to request from the exiting Party the assignment of the exiting Party's shares for a nominal transfer price of ATS 1 (one Austrian Shilling) within a notice period of four weeks following receipt of termination notice; such request must be by registered letter accompanied by telefax sent the same day to the exiting Party. Should the remaining Party choose not to exercise such right, the Company shall be liquidated as of the effective date of termination of the Agreement . The Parties undertake to vote for the liquidation of the Company requiring unanimous vote of the shareholders' meeting. (ii) If the effective date of termination is after the first 24 (twenty-four) months following the registration of the Company in the Companies' Register, no Termination Penalty shall apply. The remaining Party shall have the right to request from the exiting Party the assignment of the exiting Party's shares within a notice period of four weeks following receipt of termination notice; such request must be by registered letter accompanied by telefax sent the same day to the exiting Party. The transfer price

shall be the fair market value of the shares as agreed between the Parties and failing such agreement on the amount of consideration for the Shares, it shall be determined by an Arbitration Expert who shall be appointed pursuant to the Rules described under Clause 10 above.

- (4) "ABOVENET" NAME: The parties acknowledge that neither RRZ nor the Company has any rights to the use of the name "AboveNet" or to any goodwill associated therewith save to the extent provided in the Licence Agreement. Thus, leaving further rights under the Licence Agreement unaffected, in case of loss of exclusivity under the Licence Agreement and/or if at any time AboveNet and/or its Affiliates cease to hold any shares in the Company, RRZ and the Company shall procure that the Company shall cease to use the name AboveNet for any purpose and shall take such steps as are necessary to remove such name from the registered corporate name of the Company and RRZ and its Affiliates shall not thereafter use or suffer to be used the name of AboveNet in connection with the operation of the Business.
- (5) EFFECTS: The validity of this Agreement shall also be applicable to all Shares acquired by the Parties in the future by way of purchase, in the course of capital increases or in any other manner.

SECTION 16 CONFIDENTIALITY

- (1) CONFIDENTIAL INFORMATION: Each Party hereto undertakes for itself and for its Affiliates the fulfillment by which of this obligation it guarantees, to keep confidential the following information regarding the business operations of the Company or any of its subsidiaries and to prevent the passing on of this confidential information to third parties:
- (a) any information that is specifically marked as "Confidential";
 - (b) information which the management of the Company or either of the Parties has requested in writing to be kept confidential;
 - (c) information which by its nature must be kept confidential in order to prevent adverse consequences to the business of the Company;
 - (d) information relating to the contents of this Agreement and its Exhibits.
- (2) LIMITATION ON THE FLOW OF INFORMATION: The Parties shall endeavor to give access to said confidential information only to such persons who are either bound by professional duty of confidentiality or who require knowledge of the information as employees, representatives, authorized

persons, advisors, officers or directors of the respective Party or one of their Affiliated Companies for orderly conduct of business of the Party concerned. The Party shall also require the recipients of the information to undertake to keep the confidential information secret.

- (3) DURATION OF OBLIGATION: The obligation of this Clause shall continue to be in force even after a Party shall have ceased to be a partner to this Agreement or a Shareholder of the Company.
- (4) INFORMATION NOT TO BE KEPT SECRET: For the purpose of this Clause the following information shall not be considered to be confidential:
- (a) information already the public domain;
 - (b) information which becomes known through no fault of the disclosee;
 - (c) information which becomes known independently of the disclosure;
 - (d) information which is necessary to be disclosed in the course of a stock exchange listing of the Company or under the rules of the SEC or the Nasdaq National Market;
 - (e) information the disclosure of which is in the justified interest of one of the Parties in the course of the sale of his participation in the Company; the Party shall require the recipients of the information to undertake to keep the confidential information secret.

Nothing herein shall be construed as preventing a Party from disclosing confidential information where it is under a duty, under applicable law, regulation, court or administrative decision to make such disclosure, such as, in case of AboveNet, in public filings with the SEC.

- (5) WAIVER: The Company hereby waives for itself any right to keep confidential any matters which are to be disclosed under this Agreement by members of the Management Board of the Company to the Parties.

SECTION 17 COSTS

- (1) All costs resulting from negotiating and drafting this Agreement, including, but not limited to, legal, accountancy and financial advisors fees, shall be borne by such Party where they occurred and shall not be reimbursable by the other Party or the Company.
- (2) No stamp duties and transfer taxes should arise in connection with the

conclusion of this Agreement.

SECTION 18
GENERAL

- (1) ENTIRE AGREEMENT: This Agreement and the documents referred to in this Agreement contain the entire agreement between the Parties relating to the transactions contemplated by this Agreement and supersede any previous agreements between the Parties (if any) relating to these transactions.

- (2) EFFECTS ON THIRD PARTIES: This agreement shall be binding upon each of the parties and their respective successors and assignees. The validity of this Agreement shall also be applicable to all Shares acquired in the future by way of purchase or in any other manner. Any acquirers of shares in the future shall be obliged to enter into this agreement. The Parties intend to seek a third shareholder for AboveNet Austria GmbH to increase the market potential for named Company. Following accession of such third Shareholder, the participation quotas is expected to be one third for each shareholder. Parties agree to amend this Shareholders Agreement in case of (i) the accession of parties different from the Parties to the Shareholders Agreement and/or (ii) transformation of AboveNet Austria GmbH into an AG and/or (iii) the establishment of a supervisory board and/or (iv) an IPO of AboveNet Austria GmbH being in preparation.

- (3) INTERPRETATION: Clause and subsection headings in this Agreement are for ease of reference only and do not affect the substance of any provision. Words denoting the singular include the plural and vice versa, words denoting any one gender include all genders. All references to a statutory provision shall be construed as including references to any statutory modification or re-enactment thereof (whether before or after the date of this Agreement) for the time being in force.

- (4) MODIFICATIONS TO AGREEMENT: This Agreement and its Exhibits shall not be amended orally and shall not be modified or discharged, in whole or in part, otherwise than by an instrument in writing signed by all Parties hereto or their successors or assignees.

- (5) NO THIRD PARTY BENEFICIARIES: This Agreement shall inure to the benefit of, and be binding upon, each of the Parties and their respective successors and assignees, subject to the provision of this Agreement, but shall not inure to the benefit of any third party. Except as expressly provided for under this Agreement, none of the rights and obligations under this Agreement may be assigned or transferred to third parties without the prior written consent of the other Party.

- (6) SEVERABILITY AND INVALIDITY: Should any provisions of this Agreement be or

become wholly or partly invalid or unenforceable, this will not affect the validity or enforceability of the remaining provisions. The invalid or unenforceable provisions shall be substituted by a valid or enforceable provision which in its essential purpose comes as close as possible to the invalid or unenforceable provision; the same applies mutatis mutandis to any gaps in this Agreement.

- (7) WAIVERS: The failure of any Party to enforce or to exercise, at any time or for any period of time any right or remedy arising pursuant to or under this Agreement does not constitute, and shall not be construed as, a waiver of such right or remedy and shall in no way affect that Party's right to enforce or exercise it later, provided that such right is not time barred or precluded. Any waiver to this effect must be in writing.
- (8) EXHIBITS: All exhibits to this Agreement are an integral part of this Agreement as if fully set forth herein. All references herein to an exhibit shall be deemed to be references to a clause of this Agreement unless the context shall otherwise require.
- (9) NOTICES: All notices required or permitted by this Agreement shall be in writing, be given by an authorized representative of the relevant Party and shall be sent to the recipient via registered mail and telefax to the address set forth below or an address to be provided by the relevant Party in writing and via registered mail under reference to this Clause to the other Party:
- If to RRZ:
Raiffeisen Rechenzentrum Ges.m.b.H
attn: Mr. Martin Hell
Mr. Wilfried Pruschak
1020 Vienna, Hollandstrasse 11-13
- If to AboveNet:
AboveNet Communications, Inc.
attn: Mr. Warren J. Kaplan
Dr. Paul Steiner
50 W. San Fernando Street, #1010, San Jose, CA 95113
- (10) COUNTERPARTS: This Agreement is executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.
- (11) LANGUAGE: This Agreement has been produced in the English language and the negotiations relating to this Agreement were conducted in English; any translations are for working purposes only and have no influence on the interpretation of this Agreement.

- (12) ANNOUNCEMENTS: No announcement concerning this Agreement or its subject matter or any ancillary matter shall be made by any Party except as permitted herein or as required by law without the prior written approval of the other Parties such approval not to be unreasonably withheld or delayed.

SECTION 19
APPLICABLE LAW, ARBITRATION

- (1) APPLICABLE LAW: The validity, interpretation and performance of this Agreement shall be governed by the laws of the Republic of Austria, excluding the rules regarding choice of law and excluding the United Nations Convention on Contracts for the international sale of goods.
- (2) ARBITRATION CLAUSE: Any disputes arising out of or in connection with this Agreement, including disputes on its conclusion, binding effect, amendment and termination shall be finally settled by a three-person Arbitration Tribunal under the Rules of Arbitration of the International Chamber of Commerce (ICC). AboveNet and RRZ shall each nominate one arbitrator, who shall be confirmed by the Court of Arbitration of the International Chamber of Commerce. If one Party fails to nominate an arbitrator within four weeks after the institution of the arbitration proceedings, the Court of Arbitration shall appoint such arbitrator. The third arbitrator shall be appointed jointly by the arbitrators and confirmed by the Court of Arbitration. If the two arbitrators fail to agree on the appointment of the chairman within four weeks of confirmation, the chairman shall be appointed by the Court of Arbitration.
- (3) PLACE, LANGUAGE: The place of the arbitration shall be Vienna, the language of the arbitration proceedings shall be English without translation. The Arbitral Tribunal has to decide in the award which party has to bear the costs of the arbitration (or in what proportions the costs shall be borne by the Parties) including the fees of counsel having assisted the Parties.
- (4) INJUNCTIVE RELIEF:: The Parties hereto agree that, in addition to any and all other remedies that may be available under this Agreement and its Exhibits, each Party shall be entitled for the enforcement of its claims to injunctive relief as may be granted by a court of competent jurisdiction.

Vienna, this

For Raiffeisen Rechenzentrum Ges.m.b.H

For AboveNet Communications, Inc.

For AboveNet Communications GmbH, joining the Agreement and signing with respect to Clauses which shall bind the Company, e.g. Arts 5/2, 12/6.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

NO. 1

STOCK SUBSCRIPTION WARRANT

TO PURCHASE COMMON STOCK OF

ABOVENET COMMUNICATIONS, INC. (THE "COMPANY")

DATE OF INITIAL ISSUANCE: MAY 28, 1998

THIS CERTIFIES THAT for value received, TRANSAMERICA BUSINESS CREDIT CORPORATION or its registered assigns (hereinafter called the "Holder") is entitled to purchase from the Company, at any time during the Term of this Warrant, Forty Five Thousand (45,000) shares of common stock, \$0.01 par value, of the Company (the "Common Stock"), at the Warrant Price, payable as provided herein. The exercise of this Warrant shall be subject to the provisions, limitations and restrictions herein contained, and may be exercised in whole or in part.

SECTION 1. DEFINITIONS.

For all purposes of this Warrant, the following terms shall have the meanings indicated:

COMMON STOCK - shall mean and include the Company's authorized Common Stock, \$0.01 par value, as constituted at the date hereof.

EXCHANGE ACT - shall mean the Securities Exchange Act of 1934, as amended from time to time.

SECURITIES ACT - the Securities Act of 1933, as amended.

TERM OF THIS WARRANT - shall mean the period beginning on the date of initial issuance hereof and ending on June 1, 2003.

WARRANT PRICE - \$1.00 per share, subject to adjustment in accordance with Section 5 hereof.

WARRANTS - this Warrant and any other Warrant or Warrants issued in

connection with a Commitment Letter dated April 29, 1998 executed by the Company and Transamerica Business Credit Corporation (the "Commitment Letter") to the original holder of this Warrant, or any transferees from such original holder or this Holder.

WARRANT SHARES - shares of Common Stock purchased or purchasable by the Holder of this Warrant upon the exercise hereof.

SECTION 2. EXERCISE OF WARRANT.

2.1. PROCEDURE FOR EXERCISE OF WARRANT. To exercise this Warrant in whole or in part (but not as to any fractional share of Common Stock), the Holder shall deliver to the Company at its office referred to in Section 12 hereof at any time and from time to time during the Term of this Warrant; (i) the Notice of Exercise in the form attached hereto, (ii) cash, certified or official bank check payable to the order of the Company, wire transfer of funds to the Company's account, or evidence of any indebtedness of the Company to the Holder (or any combination of any of the foregoing) in the amount of the Warrant Price for each share being purchased, and (iii) this Warrant. Notwithstanding any provisions herein to the contrary, if the Current Market Price (as defined in Section 5) is greater than the Warrant Price (at the date of calculation, as set forth below), in lieu of exercising this Warrant as hereinabove permitted, the Holder may elect to receive shares of Common Stock equal to the value (as determined below) of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the office of the Company referred to in Section 12 hereof, together with the Notice of Exercise, in which event the Company shall issue to the Holder that number of shares of Common Stock computed using the following formula (a "Net Exercise"):

$$CS = \frac{WCS \times (CMP - WP)}{CMP}$$

Where

- CS equals the number of shares of Common Stock to be issued to the Holder
- WCS equals the number of shares of Common Stock purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised (at the date of such calculation)
- CMP equals the Current Market Price (at the date of such calculation)
- WP equals the Warrant Price (as adjusted to the date of such calculation)

In the event of any exercise of the rights represented by this Warrant, a

certificate or certificates for the shares of Common Stock so purchased, registered in the name of the Holder or such other name or names as may be designated by the Holder, shall be delivered to the Holder hereof within a reasonable time, not exceeding fifteen (15) days, after the rights represented by this Warrant shall have been so exercised; and, unless this Warrant has expired, a new Warrant representing the number of shares (except a remaining fractional share), if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder hereof within such time. The person in whose name any certificate for shares of Common Stock is issued upon exercise of this Warrant shall for all purposes be deemed to have become the holder of record of such shares on the date on which the Warrant was surrendered and payment of the Warrant Price and any applicable taxes was made, irrespective of the date of delivery of such certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date at which the stock transfer books are open.

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2.2. TRANSFER RESTRICTION LEGEND. Each certificate for Warrant Shares shall bear the following legend (and any additional legend required by (i) any applicable state securities laws and (ii) any securities exchange upon which such Warrant Shares may, at the time of such exercise, be listed) on the face thereof unless at the time of exercise such Warrant Shares shall be registered under the Securities Act:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be sold or transferred in the absence of such registration or an exemption therefrom under said Act."

Any certificate issued at any time in exchange or substitution for any certificate bearing such legend (except a new certificate issued upon completion of a public distribution under a registration statement of the securities represented thereby) shall also bear such legend unless, in the opinion of counsel for the Company the securities represented thereby are not, at such time, required by law to bear such legend.

SECTION 3. COVENANTS AS TO COMMON STOCK. The Company covenants and agrees that all shares of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that it will pay when due and payable any and all federal and state taxes which may be payable in respect of the issue of this Warrant or any Common Stock or certificates therefor issuable upon the exercise of this Warrant. The Company further covenants and agrees that the Company will at all times have authorized and reserved, free from preemptive rights, a sufficient number of shares of Common

Stock to provide for the exercise of the rights represented by this Warrant. If and so long as the Common Stock issuable upon the exercise of this Warrant is listed on any national securities exchange, the Company will, if permitted by the rules of such exchange, list and keep listed on such exchange, upon official notice of issuance, all shares of such Common Stock issuable upon exercise of this Warrant.

SECTION 4. ADJUSTMENT OF NUMBER OF SHARES. Upon each adjustment of the Warrant Price as provided in Section 5, the Holder shall thereafter be entitled to purchase, at the Warrant Price resulting from such adjustment, the number of shares (calculated to the nearest tenth of a share) obtained by multiplying the Warrant Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment and dividing the product thereof by the Warrant Price resulting from such adjustment.

SECTION 5. ADJUSTMENT OF WARRANT PRICE. The Warrant Price shall be subject to adjustment from time to time as follows:

(i) If, at any time during the Term of this Warrant, the number of shares of Common Stock outstanding is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split-up of shares of Common Stock, then, following the record date fixed for the determination of holders of Common Stock entitled to receive such stock dividend, subdivision or split-up, the Warrant Price shall be appropriately decreased so that the number of shares of Common Stock issuable upon the exercise hereof shall be increased in proportion to such increase in outstanding shares.

(ii) If, at any time during the Term of this Warrant, the number of shares of Common Stock outstanding is decreased by a combination of the outstanding shares of Common Stock, then, following the record date for such combination, the Warrant Price shall appropriately increase so that the number of

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shares of Common Stock issuable upon the exercise hereof shall be decreased in proportion to such decrease in outstanding shares.

(iii) In case, at any time during the Term of this Warrant, the Company shall declare a cash dividend upon its Common Stock payable otherwise than out of earnings or earned surplus or shall distribute to holders of its Common Stock shares of its capital stock (other than Common Stock), stock or other securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends and distributions) or options or rights (excluding options to purchase and rights to subscribe for Common Stock or other securities of the Company convertible into or exchangeable for Common Stock), then, in each such case, immediately following the record date fixed for the determination of the holders of Common Stock entitled to receive such dividend or distribution, the Warrant Price in effect thereafter shall be determined by multiplying the Warrant Price in effect immediately prior to such

record date by a fraction of which the numerator shall be an amount equal to the difference of (x) the Current Market Price of one share of Common Stock minus (y) the fair market value (as determined by the Board of Directors of the Company, whose determination shall be conclusive) of the stock, securities, evidences of indebtedness, assets, options or rights so distributed in respect of one share of Common Stock, and of which the denominator shall be such Current Market Price.

(iv) All calculations under this Section 5 shall be made to the nearest cent or to the nearest one-tenth (1/10) of a share, as the case may be.

(v) For the purpose of any computation pursuant to this Section 5, the Current Market Price at any date of one share of Common Stock shall be deemed to be the average of the daily closing prices for the 15 consecutive business days ending on the last business day before the day in question (as adjusted for any stock dividend, split, combination or reclassification that took effect during such 15 business day period). The closing price for each day shall be the last reported sales price regular way or, in case no such reported sales took place on such day, the average of the last reported bid and asked prices regular way, in either case on the principal national securities exchange on which the Common Stock is listed or admitted to trading or as reported by Nasdaq (or if the Common Stock is not at the time listed or admitted for trading on any such exchange or if prices of the Common Stock are not reported by Nasdaq then such price shall be equal to the average of the last reported bid and asked prices on such day as reported by The National Quotation Bureau Incorporated or any similar reputable quotation and reporting service, if such quotation is not reported by The National Quotation Bureau Incorporated); provided, however, that if the Common Stock is not traded in such manner that the quotations referred to in this clause (v) are available for the period required hereunder, the Current Market Price shall be determined in good faith by the Board of Directors of the Company or, if such determination cannot be made, by a nationally recognized independent investment banking firm selected by the Board of Directors of the Company (or if such selection cannot be made, by a nationally recognized independent investment banking firm selected by the American Arbitration Association in accordance with its rules).

(vi) Whenever the Warrant Price shall be adjusted as provided in Section 5, the Company shall prepare a statement showing the facts requiring such adjustment and the Warrant Price that shall be in effect after such adjustment. The Company shall cause a copy of such statement to be sent by mail, first class postage prepaid, to each Holder of this Warrant at its, his or her address appearing on the Company's records. Where appropriate, such copy may be given in advance and may be included as part of the notice required to be mailed under the provisions of subsection (viii) of this Section 5.

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(vii) Adjustments made pursuant to clauses (i), (ii) and (iii) above shall be made on the date such dividend, subdivision, split-up, combination or

distribution, as the case may be, is made, and shall become effective at the opening of business on the business day next following the record date for the determination of stockholders entitled to such dividend, subdivision, split-up, combination or distribution.

(viii) In the event the Company shall propose to take any action of the types described in clauses (i), (ii), or (iii) of this Section 5, the Company shall forward, at the same time and in the same manner, to the Holder of this Warrant such notice, if any, which the Company shall give to the holders of capital stock of the Company.

(ix) In any case in which the provisions of this Section 5 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event issuing to the Holder of all or any part of this Warrant which is exercised after such record date and before the occurrence of such event the additional shares of capital stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of capital stock issuable upon such exercise before giving effect to such adjustment exercise; provided, however, that the Company shall deliver to such Holder a due bill or other appropriate instrument evidencing such Holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

SECTION 6. OWNERSHIP.

6.1. OWNERSHIP OF THIS WARRANT. The Company may deem and treat the person in whose name this Warrant is registered as the holder and owner hereof (notwithstanding any notations of ownership or writing hereon made by anyone other than the Company) for all purposes and shall not be affected by any notice to the contrary until presentation of this Warrant for registration of transfer as provided in this Section 6.

6.2. TRANSFER AND REPLACEMENT. This Warrant and all rights hereunder are transferable in whole or in part upon the books of the Company by the Holder hereof in person or by duly authorized attorney, and a new Warrant or Warrants, of the same tenor as this Warrant but registered in the name of the transferee or transferees (and in the name of the Holder, if a partial transfer is effected) shall be made and delivered by the Company upon surrender of this Warrant duly endorsed, at the office of the Company referred to in Section 12 hereof. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft or destruction, and, in such case, of indemnity or security reasonably satisfactory to it, and upon surrender of this Warrant if mutilated, the Company will make and deliver a new Warrant of like tenor, in lieu of this Warrant; provided that if the Holder hereof is an instrumentality of a state or local government or an institutional holder or a nominee for such an instrumentality or institutional holder an irrevocable agreement of indemnity by such Holder shall be sufficient for all purposes of this Section 6, and no evidence of loss or theft or destruction shall be necessary. This Warrant shall be promptly cancelled by the Company upon the surrender hereof in connection with any transfer or replacement. Except as otherwise provided above, in the case of the loss, theft or destruction of a Warrant, the Company shall pay all

expenses, taxes and other charges payable in connection with any transfer or replacement of this Warrant, other than stock transfer taxes (if any) payable in connection with a transfer of this Warrant, which shall be payable by the Holder. Holder will not transfer this Warrant and the rights hereunder except in compliance with federal and state securities laws.

SECTION 7. MERGERS, CONSOLIDATION, SALES.

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(i) In the case of any proposed reorganization or reclassification of the capital stock of the Company, then, as a condition of such reorganization or reclassification, lawful and adequate provision shall be made whereby the Holder of this Warrant shall thereafter have the right to receive upon the basis and upon the terms and conditions specified herein, in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable hereunder, such shares of stock, securities or assets as may (by virtue of such reorganization or reclassification) be issued or payable with respect to or in exchange for the number of shares of such Common Stock purchasable hereunder immediately before such reorganization or reclassification. In any such case appropriate provision shall be made with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof shall thereafter be applicable as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of this Warrant.

(ii) For the purpose of this Warrant, "Acquisition" means any sale, license, or other disposition of all or substantially all of the assets of the Company, or any reorganization, consolidation, or merger of the Company where the holders of the Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction.

(iii) If, on the closing date for any Acquisition, the Current Market Price of the Warrant Shares (or other securities issuable upon exercise of this Warrant) is greater than or equal to three (3) times the Warrant Price, then the successor entity may, at its option, either assume the obligations of the Company under this Warrant or not assume the obligations of the Company under this Warrant. If, on the closing date for any Acquisition, the Current Market Price of the Warrant Shares (or other securities issuable upon exercise of this Warrant) is less than three (3) times the Warrant Price, then the successor entity shall assume the obligations of the Company under this Warrant. If the successor entity assumes the obligations of the Company under this Warrant (whether voluntarily or involuntarily), then this Warrant shall be exercisable for the same class and amount of securities, cash, and/or other property as would be payable for the Warrant Shares issuable upon exercise of this Warrant as if such Warrant Shares were outstanding on the closing date for the Acquisition. If the successor entity does not assume the obligations of the Company under this Warrant, then this Warrant shall be deemed to have been automatically exercised pursuant to the Net Exercise described in Section 2.1

immediately prior to the closing of the Acquisition and thereafter the Holder shall participate in the Acquisition as a holder of the Warrant Shares (or other securities issuable upon exercise of this Warrant) on the same terms as other holders of the same class of securities of the Company.

SECTION 8. NOTICE OF DISSOLUTION OR LIQUIDATION. In case of any distribution of the assets of the Company in dissolution or liquidation (except under circumstances when the foregoing Section 7 shall be applicable), the Company shall give notice thereof to the Holder hereof and shall make no distribution to shareholders until the expiration of thirty (30) days from the date of mailing of the aforesaid notice and, in any case, the Holder hereof may exercise this Warrant within thirty (30) days from the date of the giving of such notice, and all rights herein granted not so exercised within such thirty-day period shall thereafter become null and void.

SECTION 9. NOTICE OF EXTRAORDINARY DIVIDENDS. If the Board of Directors of the Company shall declare any dividend or other distribution on its Common Stock except out of earned surplus or by way of a stock dividend payable in shares of its Common Stock, the Company shall mail notice thereof to the Holder hereof not less than thirty (30) days prior to the record date fixed for determining shareholders entitled to participate in such dividend or other distribution, and the Holder hereof shall not participate in

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such dividend or other distribution unless this Warrant is exercised prior to such record date. The provisions of this Section 9 shall not apply to distributions made in connection with transactions covered by Section 7.

SECTION 10. FRACTIONAL SHARES. Fractional shares shall not be issued upon the exercise of this Warrant but in any case where the Holder would, except for the provisions of this Section 10, be entitled under the terms hereof to receive a fractional share upon the complete exercise of this Warrant, the Company shall, upon the exercise of this Warrant for the largest number of whole shares then called for, pay a sum in cash equal to the excess of the value of such fractional share (determined in such reasonable manner as may be prescribed in good faith by the Board of Directors of the Company) over the Warrant Price for such fractional share.

SECTION 11. SPECIAL ARRANGEMENTS OF THE COMPANY. The Company covenants and agrees that during the Term of this Warrant, unless otherwise approved by the Holder of this Warrant:

11.1. WILL RESERVE SHARES. The Company will reserve and set apart and have available for issuance at all times, free from preemptive or other preferential rights, the number of shares of authorized but unissued Common Stock deliverable upon the exercise of this Warrant.

11.2. WILL NOT AMEND CERTIFICATE. The Company will not amend its

Certificate of Incorporation to eliminate as an authorized class of capital stock that class denominated as "Common Stock" on the date hereof.

11.3. WILL BIND SUCCESSORS. This Warrant shall be binding upon any corporation or other person or entity succeeding to the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets.

SECTION 12. NOTICES. Any notice or other document required or permitted to be given or delivered to the Holder shall be delivered at, or sent by certified or registered mail to, the Holder at Transamerica Technology Finance Division, 76 Batterson Park Road, Farmington, Connecticut 06032, Attention: Assistant Vice President, Lease Administration, with a copy to the Lender at Riverway II, West Office Tower, 9399 West Higgins Road, Rosemont, Illinois 60018, Attention: Legal Department or to such other address as shall have been furnished to the Company in writing by the Holder. Any notice or other document required or permitted to be given or delivered to the Company shall be delivered at, or sent by certified or registered mail to, the Company at 50 W. San Fernando Street #1010, San Jose, California, 95113, Attention: Controller or to such other address as shall have been furnished in writing to the Holder by the Company. Any notice so addressed and mailed by registered or certified mail shall be deemed to be given when so mailed. Any notice so addressed and otherwise delivered shall be deemed to be given when actually received by the addressee.

SECTION 13. NO RIGHTS AS STOCKHOLDER; LIMITATION OF LIABILITY. This Warrant shall not entitle the Holder to any of the rights of a shareholder of the Company except upon exercise in accordance with the terms hereof. No provision hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Warrant Price hereunder or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

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SECTION 14. LAW GOVERNING. THE VALIDITY, INTERPRETATION, AND ENFORCEMENT OF THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

SECTION 15. "MARKET STAND-OFF" AGREEMENT. The Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to an underwritten initial public offering of the Company's securities (an "Initial Offering") and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any

shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing provisions of this Section 15 shall apply only to the Company's Initial Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holder if all officers and directors and greater than one percent (1%) shareholders of the Company enter into similar agreements. The underwriters in connection with the Company's Initial Offering are intended third party beneficiaries of this Section 15 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period,

SECTION 16. MISCELLANEOUS. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by both parties (or any respective predecessor in interest thereof). The headings in this Warrant are for purposes of reference only and shall not affect the meaning or construction of any of the provisions hereof

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer this 28th day of May, 1998.

ABOVENET COMMUNICATIONS, INC.

[CORPORATE SEAL]

By: /s/ STEPHEN BELOMY

Title: Executive Vice President and
Chief Financial Officer

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FORM OF NOTICE OF EXERCISE

(TO BE SIGNED ONLY UPON EXERCISE OF THE WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO EXERCISE THE WITHIN WARRANT

The undersigned hereby exercises the right to purchase shares of Common Stock which the undersigned is entitled to purchase by the terms of the within Warrant according to the conditions thereof, and herewith.

(check one]

[] makes payment of \$_____ therefor; or

[] directs the Company to issue _____ shares, and to withhold _____ shares in lieu of payment of the Warrant Price, as described in Section 2.1 of the Warrant.

All shares to be issued pursuant hereto shall be issued in the name of and the initial address of such person to be entered on the books of the Company shall be:

The shares are to be issued in certificates of the following denominations:

[Type Name of Holder)

By: _____

Title: _____

Dated: _____

FORM OF ASSIGNMENT
(ENTIRE)

[TO BE SIGNED ONLY UPON TRANSFER OF ENTIRE WARRANT)

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ all rights of the undersigned under and pursuant to the within Warrant, and the undersigned does hereby irrevocably constitute and appoint

_____ Attorney to transfer the said Warrant on the books of the Company,
with full power of substitution.

[Type Name of Holder)

By: _____

Title: _____

Dated: _____

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

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FORM OF ASSIGNMENT
(PARTIAL)

[TO BE SIGNED ONLY UPON PARTIAL TRANSFER OF WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ (i) the rights of the undersigned to purchase _____ shares of Common Stock under and pursuant to the within Warrant, and (ii) on a non-exclusive basis, all other rights of the undersigned under and pursuant to the within Warrant, it being understood that the undersigned shall retain, severally (and not jointly) with the transferee(s) named herein, all rights assigned on such non-exclusive basis. The undersigned does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Warrant on the books of the Company, with full power of substitution.

[Type Name of Holder)

By: _____

Title: _____

Dated: _____

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

No. 2

STOCK SUBSCRIPTION WARRANT

To Purchase Common Stock of

ABOVENET COMMUNICATIONS, INC. (the "Company")

DATE OF INITIAL ISSUANCE: May___, 1998

THIS CERTIFIES THAT for value received, TRANSAMERICA BUSINESS CREDIT CORPORATION or its registered assigns (hereinafter called the "Holder") is entitled to purchase from the Company, at any time during the Term of this Warrant, Forty Five Thousand (45,000) shares of common stock, \$0.01 par value, of the Company (the "Common Stock"), at the Warrant Price, payable as provided herein. The exercise of this Warrant shall be subject to the provisions, limitations and restrictions herein contained, and may be exercised in whole or in part.

SECTION 1. Definitions.

For all purposes of this Warrant, the following terms shall have the meanings indicated:

Common Stock - shall mean and include the Company's authorized Common Stock, \$0.01 par value, as constituted at the date hereof.

Exchange Act - shall mean the Securities Exchange Act of 1934, as amended from time to time.

Securities Act - the Securities Act of 1933, as amended.

Term of this Warrant - shall mean the period beginning on the date on which the Company closes its "Series D" round of equity financing and ending on the date which is the fifth (5th) anniversary of the date of issuance.

Warrant Price - shall mean the price per share paid by purchasers of shares of the Company's Series D Preferred Stock, subject to adjustment in accordance with Section 5 hereof.

Warrants - this Warrant and any other Warrant or Warrants issued in connection with a Commitment Letter dated April 29, 1998 executed by the Company and Transamerica Business Credit Corporation (the "Commitment Letter") to the original holder of this Warrant, or any transferees from such original holder or this Holder.

Warrant Shares - shares of Common Stock purchased or purchasable by the Holder of this Warrant upon the exercise hereof.

SECTION 2. Exercise of Warrant.

2.1. Procedure for Exercise of Warrant. To exercise this Warrant in whole or in part (but not as to any fractional share of Common Stock), the Holder shall deliver to the Company at its office referred to in Section 12 hereof at any time and from time to time during the Term of this Warrant: (i) the Notice of Exercise in the form attached hereto, (ii) cash, certified or official bank check payable to the order of the Company, wire transfer of funds to the Company's account, or evidence of any indebtedness of the Company to the Holder (or any combination of any of the foregoing) in the amount of the Warrant Price for each share being purchased, and (iii) this Warrant. Notwithstanding any provisions herein to the contrary, if the Current Market Price (as defined in Section 5) is greater than the Warrant Price (at the date of calculation, as set forth below), in lieu of exercising this Warrant as hereinabove permitted, the Holder may elect to receive shares of Common Stock equal to the value (as determined below) of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the office of the Company referred to in Section 12 hereof, together with the Notice of Exercise, in which event the Company shall issue to the Holder that number of shares of Common Stock computed using the following formula (a "Net Exercise"):

$$CS = \frac{WCS \times (CMP - WP)}{CMP - Where}$$

CS	equals the number of shares of Common Stock to be issued to the Holder
WCS	equals the number of shares of Common Stock purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised (at the date of such calculation)
CMP	equals the Current Market Price (at the date of such calculation)
WP	equals the Warrant Price (as adjusted to the date of such calculation)

In the event of any exercise of the rights represented by this Warrant, a certificate or certificates for the shares of Common Stock so purchased, registered in the name of the Holder or such other name or names as may be designated by the Holder, shall be delivered to the Holder hereof within a reasonable time, not exceeding fifteen (15) days, after the rights represented by this Warrant shall have been so exercised; and, unless this Warrant has expired, a new Warrant representing the number of shares (except a remaining fractional share), if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder hereof within such time. The person in whose name any certificate for shares of Common Stock is issued upon exercise of this Warrant shall for all purposes be deemed to have become the holder of record of such shares on the date on which the Warrant was surrendered and payment of the Warrant Price and any applicable taxes was made, irrespective of the date of delivery of such certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open.

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2.2. Transfer Restriction Legend. Each certificate for Warrant Shares shall bear the following legend (and any additional legend required by (i) any applicable state securities laws and (ii) any securities exchange upon which such Warrant Shares may, at the time of such exercise, be listed) on the face thereof unless at the time of exercise such Warrant Shares shall be registered under the Securities Act:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be sold or transferred in the absence of such registration or an exemption therefrom under said Act."

Any certificate issued at any time in exchange or substitution for any certificate bearing such legend (except a new certificate issued upon completion of a public distribution under a registration statement of the securities represented thereby) shall also bear such legend unless, in the opinion of counsel for the Company the securities represented thereby are not, at such time, required by law to bear such legend.

SECTION 3. Covenants as to Common Stock. The Company covenants and agrees that all shares of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that it will pay when due and payable any and all federal and state taxes which may be payable in respect of the issue of this Warrant or any Common Stock or certificates therefor issuable upon the exercise of this Warrant. The Company further

covenants and agrees that the Company will at all times have authorized and reserved, free from preemptive rights, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant. If and so long as the Common Stock issuable upon the exercise of this Warrant is listed on any national securities exchange, the Company will, if permitted by the rules of such exchange, list and keep listed on such exchange, upon official notice of issuance, all shares of such Common Stock issuable upon exercise of this Warrant.

SECTION 4. Adjustment of Number of Shares. Upon each adjustment of the Warrant Price as provided in Section 5, the Holder shall thereafter be entitled to purchase, at the Warrant Price resulting from such adjustment, the number of shares (calculated to the nearest tenth of a share) obtained by multiplying the Warrant Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment and dividing the product thereof by the Warrant Price resulting from such adjustment.

SECTION 5. Adjustment of Warrant Price. The Warrant Price shall be subject to adjustment from time to time as follows:

(i) If, at any time during the Term of this Warrant, the number of shares of Common Stock outstanding is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split-up of shares of Common Stock, then, following the record date fixed for the determination of holders of Common Stock entitled to receive such stock dividend, subdivision or split-up, the Warrant Price shall be appropriately decreased so that the number of shares of Common Stock issuable upon the exercise hereof shall be increased in proportion to such increase in outstanding shares.

(ii) If, at any time during the Term of this Warrant, the number of shares of Common Stock outstanding is decreased by a combination of the outstanding shares of Common Stock, then, following

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the record date for such combination, the Warrant Price shall appropriately increase so that the number of shares of Common Stock issuable upon the exercise hereof shall be decreased in proportion to such decrease in outstanding shares.

(iii) In case, at any time during the Term of this Warrant, the Company shall declare a cash dividend upon its Common Stock payable otherwise than out of earnings or earned surplus or shall distribute to holders of its Common Stock shares of its capital stock (other than Common Stock), stock or other securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends and distributions) or options or rights (excluding options to purchase and rights to subscribe for Common Stock or other securities of the Company convertible into or exchangeable for Common Stock), then, in each such case, immediately following the record date fixed for the determination of the holders of Common Stock entitled to receive such dividend or distribution, the Warrant Price in effect thereafter shall be

determined by multiplying the Warrant Price in effect immediately prior to such record date by a fraction of which the numerator shall be an amount equal to the difference of (x) the Current Market Price of one share of Common Stock minus (y) the fair market value (as determined by the Board of Directors of the Company, whose determination shall be conclusive) of the stock, securities, evidences of indebtedness, assets, options or rights so distributed in respect of one share of Common Stock, and of which the denominator shall be such Current Market Price.

(iv) All calculations under this Section 5 shall be made to the nearest cent or to the nearest one-tenth (1/10) of a share, as the case may be.

(v) For the purpose of any computation pursuant to this Section 5, the Current Market Price at any date of one share of Common Stock shall be deemed to be the average of the daily closing prices for the 15 consecutive business days ending on the last business day before the day in question (as adjusted for any stock dividend, split, combination or reclassification that took effect during such 15 business day period). The closing price for each day shall be the last reported sales price regular way or, in case no such reported sales took place on such day, the average of the last reported bid and asked prices regular way, in either case on the principal national securities exchange on which the Common Stock is listed or admitted to trading or as reported by Nasdaq (or if the Common Stock is not at the time listed or admitted for trading on any such exchange or if prices of the Common Stock are not reported by Nasdaq then such price shall be equal to the average of the last reported bid and asked prices on such day as reported by The National Quotation Bureau Incorporated or any similar reputable quotation and reporting service, if such quotation is not reported by The National Quotation Bureau Incorporated); provided, however, that if the Common Stock is not traded in such manner that the quotations referred to in this clause (v) are available for the period required hereunder, the Current Market Price shall be determined in good faith by the Board of Directors of the Company or, if such determination cannot be made, by a nationally recognized independent investment banking firm selected by the Board of Directors of the Company (or if such selection cannot be made, by a nationally recognized independent investment banking firm selected by the American Arbitration Association in accordance with its rules).

(vi) Whenever the Warrant Price shall be adjusted as provided in Section 5, the Company shall prepare a statement showing the facts requiring such adjustment and the Warrant Price that shall be in effect after such adjustment. The Company shall cause a copy of such statement to be sent by mail, first class postage prepaid, to each Holder of this Warrant at its, his or her address appearing on the Company's records. Where appropriate, such copy may be given in advance and may be included as part of the notice required to be mailed under the provisions of subsection (viii) of this Section 5.

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(vii) Adjustments made pursuant to clauses (i), (ii) and (iii) above

shall be made on the date such dividend, subdivision, split-up, combination or distribution, as the case may be, is made, and shall become effective at the opening of business on the business day next following the record date for the determination of stockholders entitled to such dividend, subdivision, split-up, combination or distribution.

(viii) In the event the Company shall propose to take any action of the types described in clauses (i), (ii), or (iii) of this Section 5, the Company shall forward, at the same time and in the same manner, to the Holder of this Warrant such notice, if any, which the Company shall give to the holders of capital stock of the Company.

(ix) In any case in which the provisions of this Section 5 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event issuing to the Holder of all or any part of this Warrant which is exercised after such record date and before the occurrence of such event the additional shares of capital stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of capital stock issuable upon such exercise before giving effect to such adjustment exercise; provided, however, that the Company shall deliver to such Holder a due bill or other appropriate instrument evidencing such Holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

SECTION 6. Ownership.

6.1. Ownership of This Warrant. The Company may deem and treat the person in whose name this Warrant is registered as the holder and owner hereof (notwithstanding any notations of ownership or writing hereon made by anyone other than the Company) for all purposes and shall not be affected by any notice to the contrary until presentation of this Warrant for registration of transfer as provided in this Section 6.

6.2. Transfer and Replacement. This Warrant and all rights hereunder are transferable in whole or in part upon the books of the Company by the Holder hereof in person or by duly authorized attorney, and a new Warrant or Warrants, of the same tenor as this Warrant but registered in the name of the transferee or transferees (and in the name of the Holder, if a partial transfer is effected) shall be made and delivered by the Company upon surrender of this Warrant duly endorsed, at the office of the Company referred to in Section 12 hereof. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft or destruction, and, in such case, of indemnity or security reasonably satisfactory to it, and upon surrender of this Warrant if mutilated, the Company will make and deliver a new Warrant of like tenor, in lieu of this Warrant; provided that if the Holder hereof is an instrumentality of a state or local government or an institutional holder or a nominee for such an instrumentality or institutional holder an irrevocable agreement of indemnity by such Holder shall be sufficient for all purposes of this Section 6, and no evidence of loss or theft or destruction shall be necessary. This Warrant shall be promptly cancelled by the Company upon the surrender hereof in connection with any transfer or replacement. Except as otherwise provided above, in the

case of the loss, theft or destruction of a Warrant, the Company shall pay all expenses, taxes and other charges payable in connection with any transfer or replacement of this Warrant, other than stock transfer taxes (if any) payable in connection with a transfer of this Warrant, which shall be payable by the Holder. Holder will not transfer this Warrant and the rights hereunder except in compliance with federal and state securities laws.

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SECTION 7. Mergers, Consolidation, Sales.

(i) In the case of any proposed reorganization or reclassification of the capital stock of the Company, then, as a condition of such reorganization or reclassification, lawful and adequate provision shall be made whereby the Holder of this Warrant shall thereafter have the right to receive upon the basis and upon the terms and conditions specified herein, in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable hereunder, such shares of stock, securities or assets as may (by virtue of such reorganization or reclassification) be issued or payable with respect to or in exchange for the number of shares of such Common Stock purchasable hereunder immediately before such reorganization or reclassification. In any such case appropriate provision shall be made with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof shall thereafter be applicable as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of this Warrant.

(ii) For the purpose of this Warrant, "Acquisition" means any sale, license, or other disposition of all or substantially all of the assets of the Company, or any reorganization, consolidation, or merger of the Company where the holders of the Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction.

(iii) If, on the closing date for any Acquisition, the Current Market Price of the Warrant Shares (or other securities issuable upon exercise of this Warrant) is greater than or equal to three (3) times the Warrant Price, then the successor entity may, at its option, either assume the obligations of the Company under this Warrant or not assume the obligations of the Company under this Warrant. If, on the closing date for any Acquisition, the Current Market Price of the Warrant Shares (or other securities issuable upon exercise of this Warrant) is less than three (3) times the Warrant Price, then the successor entity shall assume the obligations of the Company under this Warrant. If the successor entity assumes the obligations of the Company under this Warrant (whether voluntarily or involuntarily), then this Warrant shall be exercisable for the same class and amount of securities, cash, and/or other property as would be payable for the Warrant Shares issuable upon exercise of this Warrant as if such Warrant Shares were outstanding on the closing date for the Acquisition. If the successor entity does not assume the obligations of the Company under this Warrant, then this Warrant shall be deemed to have been automatically exercised pursuant to the Net Exercise described in Section 2.1

immediately prior to the closing of the Acquisition and thereafter the Holder shall participate in the Acquisition as a holder of the Warrant Shares (or other securities issuable upon exercise of this Warrant) on the same terms as other holders of the same class of securities of the Company.

SECTION 8. Notice of Dissolution or Liquidation. In case of any distribution of the assets of the Company in dissolution or liquidation (except under circumstances when the foregoing Section 7 shall be applicable), the Company shall give notice thereof to the Holder hereof and shall make no distribution to shareholders until the expiration of thirty (30) days from the date of mailing of the aforesaid notice and, in any case, the Holder hereof may exercise this Warrant within thirty (30) days from the date of the giving of such notice, and all rights herein granted not so exercised within such thirty-day period shall thereafter become null and void.

SECTION 9. Notice of Extraordinary Dividends. If the Board of Directors of the Company shall declare any dividend or other distribution on its Common Stock except out of earned surplus or by way

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of a stock dividend payable in shares of its Common Stock, the Company shall mail notice thereof to the Holder hereof not less than thirty (30) days prior to the record date fixed for determining shareholders entitled to participate in such dividend or other distribution, and the Holder hereof shall not participate in such dividend or other distribution unless this Warrant is exercised prior to such record date. The provisions of this Section 9 shall not apply to distributions made in connection with transactions covered by Section 7.

SECTION 10. Fractional Shares. Fractional shares shall not be issued upon the exercise of this Warrant but in any case where the Holder would, except for the provisions of this Section 10, be entitled under the terms hereof to receive a fractional share upon the complete exercise of this Warrant, the Company shall, upon the exercise of this Warrant for the largest number of whole shares then called for, pay a sum in cash equal to the excess of the value of such fractional share (determined in such reasonable manner as may be prescribed in good faith by the Board of Directors of the Company) over the Warrant Price for such fractional share.

SECTION 11. Special Arrangements of the Company. The Company covenants and agrees that during the Term of this Warrant, unless otherwise approved by the Holder of this Warrant:

11.1. Will Reserve Shares. The Company will reserve and set apart and have available for issuance at all times, free from preemptive or other preferential rights, the number of shares of authorized but unissued Common Stock deliverable upon the exercise of this Warrant.

11.2. Will Not Amend Certificate. The Company will not amend its Certificate of Incorporation to eliminate as an authorized class of capital

stock that class denominated as "Common Stock" on the date hereof.

11.3. Will Bind Successors. This Warrant shall be binding upon any corporation or other person or entity succeeding to the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets.

SECTION 12. Notices. Any notice or other document required or permitted to be given or delivered to the Holder shall be delivered at, or sent by certified or registered mail to, the Holder at Transamerica Technology Finance Division, 76 Batterson Park Road, Farmington, Connecticut 06032, Attention: Assistant Vice President, Lease Administration, with a copy to the Lender at Riverway II, West Office Tower, 9399 West Higgins Road, Rosemont, Illinois 60018, Attention: Legal Department or to such other address as shall have been furnished to the Company in writing by the Holder. Any notice or other document required or permitted to be given or delivered to the Company shall be delivered at, or sent by certified or registered mail to, the Company at 50 W. San Fernando Street #1010, , San Jose, California, 95113, Attention: Controller or to such other address as shall have been furnished in writing to the Holder by the Company. Any notice so addressed and mailed by registered or certified mail shall be deemed to be given when so mailed. Any notice so addressed and otherwise delivered shall be deemed to be given when actually received by the addressee.

SECTION 13. No Rights as Stockholder; Limitation of Liability. This Warrant shall not entitle the Holder to any of the rights of a shareholder of the Company except upon exercise in accordance with the terms hereof. No provision hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the Holder, shall give

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rise to any liability of the Holder for the Warrant Price hereunder or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 14. Law Governing. THE VALIDITY, INTERPRETATION, AND ENFORCEMENT OF THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

SECTION 15. "Market Stand-Off" Agreement. The Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to an underwritten initial public offering of the Company's securities (an "Initial Offering") and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any

shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing provisions of this Section 15 shall apply only to the Company's Initial Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holder if all officers and directors and greater than one percent (1%) shareholders of the Company enter into similar agreements. The underwriters in connection with the Company's Initial Offering are intended third party beneficiaries of this Section 15 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

SECTION 16. Miscellaneous. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by both parties (or any respective predecessor in interest thereof). The headings in this Warrant are for purposes of reference only and shall not affect the meaning or construction of any of the provisions hereof

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer this 28 day of May, 1998.

ABOVENET COMMUNICATIONS, INC.

[CORPORATE SEAL]

By: /s/ Stephen P. Belomy

Title: Executive Vice President and

Chief Financial Officer

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FORM OF NOTICE OF EXERCISE

[To be signed only upon exercise of the Warrant]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO EXERCISE THE WITHIN WARRANT

The undersigned hereby exercises the right to purchase _____ shares

of Common Stock which the undersigned is entitled to purchase by the terms of the within Warrant according to the conditions thereof, and herewith[check one]

/ / makes payment of \$_____ therefor; or

/ / directs the Company to issue _____ shares, and to withhold _____ shares in lieu of payment of the Warrant Price, as described in Section 2.1 of the Warrant.

All shares to be issued pursuant hereto shall be issued in the name of and the initial address of such person to be entered on the books of the Company shall be:

The shares are to be issued in certificates of the following denominations:

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

FORM OF ASSIGNMENT
(ENTIRE)

[To be signed only upon transfer of entire Warrant]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ all rights of the undersigned under and pursuant to the within Warrant, and the undersigned does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Warrant on the books of the Company, with full power of substitution.

[Type Name of Holder]

By:

Title:

Dated:

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

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FORM OF ASSIGNMENT
(PARTIAL)

[To be signed only upon partial transfer of Warrant]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ (i) the rights of the undersigned to purchase ___ shares of Common Stock under and pursuant to the within Warrant, and (ii) on a non-exclusive basis, all other rights of the undersigned under and pursuant to the within Warrant, it being understood that the undersigned shall retain, severally (and not jointly) with the transferee(s) named herein, all rights assigned on such non-exclusive basis. The undersigned does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Warrant on the books of the Company, with full power of substitution.

[Type Name of Holder]

By:

Title:

Dated:

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

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THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

NO. 3
STOCK SUBSCRIPTION WARRANT

TO PURCHASE COMMON STOCK OF

ABOVENET COMMUNICATIONS, INC. (THE "COMPANY")

DATE OF INITIAL ISSUANCE: SEPTEMBER 30, 1998

THIS CERTIFIES THAT for value received, TBCC FUNDING TRUST II or its registered assigns (hereinafter called the "Holder") is entitled to purchase from the Company, at any time during the Term of this Warrant, Fifty Thousand (50,000) shares of common stock, \$0.01 par value, of the Company (the "Common Stock"), at the Warrant Price, payable as provided herein. The exercise of this Warrant shall be subject to the provisions, limitations and restrictions herein contained, and may be exercised in whole or in part.

SECTION 1. DEFINITIONS.

For all purposes of this Warrant, the following terms shall have the meanings indicated:

COMMON STOCK - shall mean and include the Company's authorized Common Stock, \$0.01 par value, as constituted at the date hereof.

EXCHANGE ACT - shall mean the Securities Exchange Act of 1934, as amended from time to time.

SECURITIES ACT - the Securities Act of 1933, as amended.

TERM OF THIS WARRANT - shall mean the period beginning on the date of initial issuance hereof and ending on September 29, 2003.

WARRANT PRICE - \$2.50 per share, subject to adjustment in accordance with Section 5 hereof.

WARRANTS - this Warrant and any other Warrant or Warrants issued in connection with a Commitment Letter dated September 25, 1998 executed by the

Company and Transamerica Business Credit Corporation (the "Commitment Letter") to the original holder of this Warrant, or any transferees from such original holder or this Holder.

WARRANT SHARES - shares of Common Stock purchased or purchasable by the Holder of this Warrant upon the exercise hereof.

SECTION 2. EXERCISE OF WARRANT.

2.1. PROCEDURE FOR EXERCISE OF WARRANT. To exercise this Warrant in whole or in part (but not as to any fractional share of Common Stock), the Holder shall deliver to the Company at its office referred to in Section 12 hereof at any time and from time to time during the Term of this Warrant: (i) the Notice of Exercise in the form attached hereto, (ii) cash, certified or official bank check payable to the order of the Company, wire transfer of funds to the Company's account, or evidence of any indebtedness of the Company to the Holder (or any combination of any of the foregoing) in the amount of the Warrant Price for each share being purchased, and (iii) this Warrant. Notwithstanding any provisions herein to the contrary, if the Current Market Price (as defined in Section 5) is greater than the Warrant Price (at the date of calculation, as set forth below), in lieu of exercising this Warrant as hereinabove permitted, the Holder may elect to receive shares of Common Stock equal to the value (as determined below) of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the office of the Company referred to in Section 12 hereof, together with the Notice of Exercise, in which event the Company shall issue to the Holder that number of shares of Common Stock computed using the following formula (a "Net Exercise"):

$$CS = \frac{WCS \times (CMP - WP)}{CMP}$$

Where

- CS equals the number of shares of Common Stock to be issued to the Holder
- WCS equals the number of shares of Common Stock purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised (at the date of such calculation)
- CMP equals the Current Market Price (at the date of such calculation)
- WP equals the Warrant Price (as adjusted to the date of such calculation)

In the event of any exercise of the rights represented by this Warrant, a certificate or certificates for the shares of Common Stock so purchased, registered in the name of the Holder or such other name or names as may be designated by the Holder, shall be delivered to the Holder hereof within a reasonable time, not exceeding fifteen (15) days, after the rights represented by this Warrant shall have been so exercised; and, unless this Warrant has expired, a new Warrant representing the number of shares (except a remaining fractional share), if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder hereof within such time. The person in whose name any certificate for shares of Common Stock is issued upon exercise of this Warrant shall for all purposes be deemed to have become the holder of record of such shares on the date on which the Warrant was surrendered and payment of the Warrant Price and any applicable taxes was made, irrespective of the date of delivery of such certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open.

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2.2. TRANSFER RESTRICTION LEGEND. Each certificate for Warrant Shares shall bear the following legend (and any additional legend required by (i) any applicable state securities laws and (ii) any securities exchange upon which such Warrant Shares may, at the time of such exercise, be listed) on the face thereof unless at the time of exercise such Warrant Shares shall be registered under the Securities Act:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be sold or transferred in the absence of such registration or an exemption therefrom under said Act."

Any certificate issued at any time in exchange or substitution for any certificate bearing such legend (except a new certificate issued upon completion of a public distribution under a registration statement of the securities represented thereby) shall also bear such legend unless, in the opinion of counsel for the Company the securities represented thereby are not, at such time, required by law to bear such legend.

SECTION 3. COVENANTS AS TO COMMON STOCK. The Company covenants and agrees that all shares of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that it will pay when due and payable any and all federal and state taxes which may be payable in respect of the issue of this Warrant or any Common Stock or certificates therefor issuable upon the exercise of this Warrant. The Company further

covenants and agrees that the Company will at all times have authorized and reserved, free from preemptive rights, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant. If and so long as the Common Stock issuable upon the exercise of this Warrant is listed on any national securities exchange, the Company will, if permitted by the rules of such exchange, list and keep listed on such exchange, upon official notice of issuance, all shares of such Common Stock issuable upon exercise of this Warrant.

SECTION 4. ADJUSTMENT OF NUMBER OF SHARES. Upon each adjustment of the Warrant Price as provided in Section 5, the Holder shall thereafter be entitled to purchase, at the Warrant Price resulting from such adjustment, the number of shares (calculated to the nearest tenth of a share) obtained by multiplying the Warrant Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment and dividing the product thereof by the Warrant Price resulting from such adjustment.

SECTION 5. ADJUSTMENT OF WARRANT PRICE. The Warrant Price shall be subject to adjustment from time to time as follows:

(i) If, at any time during the Term of this Warrant, the number of shares of Common Stock outstanding is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split-up of shares of Common Stock, then, following the record date fixed for the determination of holders of Common Stock entitled to receive such stock dividend, subdivision or split-up, the Warrant Price shall be appropriately decreased so that the number of shares of Common Stock issuable upon the exercise hereof shall be increased in proportion to such increase in outstanding shares.

(ii) If, at any time during the Term of this Warrant, the number of shares of Common Stock outstanding is decreased by a combination of the outstanding shares of Common Stock, then, following the record date for such combination, the Warrant Price shall appropriately increase so that the number

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of shares of Common Stock issuable upon the exercise hereof shall be decreased in proportion to such decrease in outstanding shares.

(iii) In case, at any time during the Term of this Warrant, the Company shall declare a cash dividend upon its Common Stock payable otherwise than out of earnings or earned surplus or shall distribute to holders of its Common Stock shares of its capital stock (other than Common Stock), stock or other securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends and distributions) or options or rights (excluding options to purchase and rights to subscribe for Common Stock or other securities of the Company convertible into or exchangeable for Common

Stock), then, in each such case, immediately following the record date fixed for the determination of the holders of Common Stock entitled to receive such dividend or distribution, the Warrant Price in effect thereafter shall be determined by multiplying the Warrant Price in effect immediately prior to such record date by a fraction of which the numerator shall be an amount equal to the difference of (x) the Current Market Price of one share of Common Stock minus (y) the fair market value (as determined by the Board of Directors of the Company, whose determination shall be conclusive) of the stock, securities, evidences of indebtedness, assets, options or rights so distributed in respect of one share of Common Stock, and of which the denominator shall be such Current Market Price.

(iv) All calculations under this Section 5 shall be made to the nearest cent or to the nearest one-tenth (1/10) of a share, as the case may be.

(v) For the purpose of any computation pursuant to this Section 5, the Current Market Price at any date of one share of Common Stock shall be deemed to be the average of the daily closing prices for the 15 consecutive business days ending on the last business day before the day in question (as adjusted for any stock dividend, split, combination or reclassification that took effect during such 15 business day period). The closing price for each day shall be the last reported sales price regular way or, in case no such reported sales took place on such day, the average of the last reported bid and asked prices regular way, in either case on the principal national securities exchange on which the Common Stock is listed or admitted to trading or as reported by Nasdaq (or if the Common Stock is not at the time listed or admitted for trading on any such exchange or if prices of the Common Stock are not reported by Nasdaq then such price shall be equal to the average of the last reported bid and asked prices on such day as reported by The National Quotation Bureau Incorporated or any similar reputable quotation and reporting service, if such quotation is not reported by The National Quotation Bureau Incorporated); provided, however, that if the Common Stock is not traded in such manner that the quotations referred to in this clause (v) are available for the period required hereunder, the Current Market Price shall be determined in good faith by the Board of Directors of the Company or, if such determination cannot be made, by a nationally recognized independent investment banking firm selected by the Board of Directors of the Company (or if such selection cannot be made, by a nationally recognized independent investment banking firm selected by the American Arbitration Association in accordance with its rules).

(vi) Whenever the Warrant Price shall be adjusted as provided in Section 5, the Company shall prepare a statement showing the facts requiring such adjustment and the Warrant Price that shall be in effect after such adjustment. The Company shall cause a copy of such statement to be sent by mail, first class postage prepaid, to each Holder of this Warrant at its, his or her address appearing on the Company's records. Where appropriate, such copy may be given in advance and may be included as part of the notice required to be mailed under the provisions of subsection (viii) of this Section 5.

(vii) Adjustments made pursuant to clauses (i), (ii) and (iii) above shall be made on the date such dividend, subdivision, split-up, combination or distribution, as the case may be, is made, and shall become effective at the opening of business on the business day next following the record date for the determination of stockholders entitled to such dividend, subdivision, split-up, combination or distribution.

(viii) In the event the Company shall propose to take any action of the types described in clauses (i), (ii), or (iii) of this Section 5, the Company shall forward, at the same time and in the same manner, to the Holder of this Warrant such notice, if any, which the Company shall give to the holders of capital stock of the Company.

(ix) In any case in which the provisions of this Section 5 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event issuing to the Holder of all or any part of this Warrant which is exercised after such record date and before the occurrence of such event the additional shares of capital stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of capital stock issuable upon such exercise before giving effect to such adjustment exercise; provided, however, that the Company shall deliver to such Holder a due bill or other appropriate instrument evidencing such Holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

SECTION 6. OWNERSHIP.

6.1. OWNERSHIP OF THIS WARRANT. The Company may deem and treat the person in whose name this Warrant is registered as the holder and owner hereof (notwithstanding any notations of ownership or writing hereon made by anyone other than the Company) for all purposes and shall not be affected by any notice to the contrary until presentation of this Warrant for registration of transfer as provided in this Section 6.

6.2. TRANSFER AND REPLACEMENT. This Warrant and all rights hereunder are transferable in whole or in part upon the books of the Company by the Holder hereof in person or by duly authorized attorney, and a new Warrant or Warrants, of the same tenor as this Warrant but registered in the name of the transferee or transferees (and in the name of the Holder, if a partial transfer is effected) shall be made and delivered by the Company upon surrender of this Warrant duly endorsed, at the office of the Company referred to in Section 12 hereof. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft or destruction, and, in such case, of indemnity or security reasonably satisfactory to it, and upon surrender of this Warrant if mutilated, the Company will make and deliver a new Warrant of like tenor, in lieu of this Warrant; provided that if the Holder hereof is an instrumentality of a state or local government or an institutional holder or a nominee for such an

instrumentality or institutional holder an irrevocable agreement of indemnity by such Holder shall be sufficient for all purposes of this Section 6, and no evidence of loss or theft or destruction shall be necessary. This Warrant shall be promptly cancelled by the Company upon the surrender hereof in connection with any transfer or replacement. Except as otherwise provided above, in the case of the loss, theft or destruction of a Warrant, the Company shall pay all expenses, taxes and other charges payable in connection with any transfer or replacement of this Warrant, other than stock transfer taxes (if any) payable in connection with a transfer of this Warrant, which shall be payable by the Holder. Holder will not transfer this Warrant and the rights hereunder except in compliance with federal and state securities laws.

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SECTION 7. MERGERS, CONSOLIDATION, SALES.

(i) In the case of any proposed reorganization or reclassification of the capital stock of the Company, then, as a condition of such reorganization or reclassification, lawful and adequate provision shall be made whereby the Holder of this Warrant shall thereafter have the right to receive upon the basis and upon the terms and conditions specified herein, in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable hereunder, such shares of stock, securities or assets as may (by virtue of such reorganization or reclassification) be issued or payable with respect to or in exchange for the number of shares of such Common Stock purchasable hereunder immediately before such reorganization or reclassification. In any such case appropriate provision shall be made with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof shall thereafter be applicable as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of this Warrant.

(ii) For the purpose of this Warrant, "Acquisition" means any sale, license, or other disposition of all or substantially all of the assets of the Company, or any reorganization, consolidation, or merger of the Company where the holders of the Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction.

(iii) If, on the closing date for any Acquisition, the Current Market Price of the Warrant Shares (or other securities issuable upon exercise of this Warrant) is greater than or equal to three (3) times the Warrant Price, then the successor entity may, at its option, either assume the obligations of the Company under this Warrant or not assume the obligations of the Company under this Warrant. If, on the closing date for any Acquisition, the Current Market Price of the Warrant Shares (or other securities issuable upon exercise of this Warrant) is less than three (3) times the Warrant Price, then the successor entity shall assume the obligations of the Company under this Warrant. If the successor entity assumes the obligations of the Company under this Warrant

(whether voluntarily or involuntarily), then this Warrant shall be exercisable for the same class and amount of securities, cash, and/or other property as would be payable for the Warrant Shares issuable upon exercise of this Warrant as if such Warrant Shares were outstanding on the closing date for the Acquisition. If the successor entity does not assume the obligations of the Company under this Warrant, then this Warrant shall be deemed to have been automatically exercised pursuant to the Net Exercise described in Section 2.1 immediately prior to the closing of the Acquisition and thereafter the Holder shall participate in the Acquisition as a holder of the Warrant Shares (or other securities issuable upon exercise of this Warrant) on the same terms as other holders of the same class of securities of the Company.

SECTION 8. NOTICE OF DISSOLUTION OR LIQUIDATION. In case of any distribution of the assets of the Company in dissolution or liquidation (except under circumstances when the foregoing Section 7 shall be applicable), the Company shall give notice thereof to the Holder hereof and shall make no distribution to shareholders until the expiration of thirty (30) days from the date of mailing of the aforesaid notice and, in any case, the Holder hereof may exercise this Warrant within thirty (30) days from the date of the giving of such notice, and all rights herein granted not so exercised within such thirty-day period shall thereafter become null and void.

SECTION 9. NOTICE OF EXTRAORDINARY DIVIDENDS. If the Board of Directors of the Company shall declare any dividend or other distribution on its Common Stock except out of earned surplus or by way of a stock dividend payable in shares of its Common Stock, the Company shall mail notice thereof to the

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Holder hereof not less than thirty (30) days prior to the record date fixed for determining shareholders entitled to participate in such dividend or other distribution, and the Holder hereof shall not participate in such dividend or other distribution unless this Warrant is exercised prior to such record date. The provisions of this Section 9 shall not apply to distributions made in connection with transactions covered by Section 7.

SECTION 10. FRACTIONAL SHARES. Fractional shares shall not be issued upon the exercise of this Warrant but in any case where the Holder would, except for the provisions of this Section 10, be entitled under the terms hereof to receive a fractional share upon the complete exercise of this Warrant, the Company shall, upon the exercise of this Warrant for the largest number of whole shares then called for, pay a sum in cash equal to the excess of the value of such fractional share (determined in such reasonable manner as may be prescribed in good faith by the Board of Directors of the Company) over the Warrant Price for such fractional share.

SECTION 11. SPECIAL ARRANGEMENTS OF THE COMPANY. The Company covenants and agrees that during the Term of this Warrant, unless otherwise approved by the

Holder of this Warrant:

11.1. WILL RESERVE SHARES. The Company will reserve and set apart and have available for issuance at all times, free from preemptive or other preferential rights, the number of shares of authorized but unissued Common Stock deliverable upon the exercise of this Warrant.

11.2. WILL NOT AMEND CERTIFICATE. The Company will not amend its Certificate of Incorporation to eliminate as an authorized class of capital stock that class denominated as "Common Stock" on the date hereof.

11.3. WILL BIND SUCCESSORS. This Warrant shall be binding upon any corporation or other person or entity succeeding to the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets.

SECTION 12. NOTICES. Any notice or other document required or permitted to be given or delivered to the Holder shall be delivered at, or sent by certified or registered mail to, the Holder at Transamerica Technology Finance Division, 76 Batterson Park Road, Farmington, Connecticut 06032, Attention: Assistant Vice President, Lease Administration, with a copy to the Lender at Riverway II, West Office Tower, 9399 West Higgins Road, Rosemont, Illinois 60018, Attention: Legal Department or to such other address as shall have been furnished to the Company in writing by the Holder. Any notice or other document required or permitted to be given or delivered to the Company shall be delivered at, or sent by certified or registered mail to, the Company at 50 W. San Fernando Street #1010, , San Jose, California, 95113, Attention: Controller or to such other address as shall have been furnished in writing to the Holder by the Company. Any notice so addressed and mailed by registered or certified mail shall be deemed to be given when so mailed. Any notice so addressed and otherwise delivered shall be deemed to be given when actually received by the addressee.

SECTION 13. NO RIGHTS AS STOCKHOLDER; LIMITATION OF LIABILITY. This Warrant shall not entitle the Holder to any of the rights of a shareholder of the Company except upon exercise in accordance with the terms hereof. No provision hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Warrant Price hereunder or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

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SECTION 14. LAW GOVERNING. THE VALIDITY, INTERPRETATION, AND ENFORCEMENT OF THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

SECTION 15. "MARKET STAND-OFF" AGREEMENT. The Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to an underwritten initial public offering of the Company's securities (an "Initial Offering") and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing provisions of this Section 15 shall apply only to the Company's Initial Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holder if all officers and directors and greater than one percent (1%) shareholders of the Company enter into similar agreements. The underwriters in connection with the Company's Initial Offering are intended third party beneficiaries of this Section 15 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

SECTION 16. MISCELLANEOUS. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by both parties (or any respective predecessor in interest thereof). The headings in this Warrant are for purposes of reference only and shall not affect the meaning or construction of any of the provisions hereof

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer this 30 day of September, 1998.

ABOVENET COMMUNICATIONS, INC.

[CORPORATE SEAL]

By: /s/ Stephen Belomy

Title: Executive Vice President

and Chief Financial Officer

FORM OF NOTICE OF EXERCISE

[TO BE SIGNED ONLY UPON EXERCISE OF THE WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO EXERCISE THE WITHIN WARRANT

The undersigned hereby exercises the right to purchase _____ shares of Common Stock which the undersigned is entitled to purchase by the terms of the within Warrant according to the conditions thereof, and herewith

[check one]

makes payment of \$_____ therefor;
or

directs the Company to issue _____ shares, and to withhold _____ shares in lieu of payment of the Warrant Price, as described in Section 2.1 of the Warrant.

All shares to be issued pursuant hereto shall be issued in the name of and the initial address of such person to be entered on the books of the Company shall be:

The shares are to be issued in certificates of the following denominations:

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

FORM OF ASSIGNMENT
(ENTIRE)

[TO BE SIGNED ONLY UPON TRANSFER OF ENTIRE WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ all rights of the undersigned under and pursuant to the within Warrant, and the undersigned does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Warrant on the books of the Company, with full power of substitution.

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

FORM OF ASSIGNMENT
(PARTIAL)

[TO BE SIGNED ONLY UPON PARTIAL TRANSFER OF WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ (i) the rights of the undersigned to purchase ___ shares of Common Stock under and pursuant to the within Warrant, and (ii) on a non-exclusive basis, all other rights of the undersigned under and pursuant to the within Warrant, it being understood that the undersigned shall retain, severally (and not jointly) with the transferee(s) named herein, all rights assigned on such non-exclusive basis. The undersigned does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Warrant on the books of the Company, with full power of substitution.

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

NO. 4
STOCK SUBSCRIPTION WARRANT

TO PURCHASE COMMON STOCK OF

ABOVENET COMMUNICATIONS, INC. (THE "COMPANY")

DATE OF INITIAL ISSUANCE: _____, 1998

THIS CERTIFIES THAT for value received, TBCC FUNDING TRUST II or its registered assigns (hereinafter called the "Holder") is entitled to purchase from the Company, at any time during the Term of this Warrant, Fifty Thousand (50,000) shares of common stock, \$0.01 par value, of the Company (the "Common Stock"), at the Warrant Price, payable as provided herein. The exercise of this Warrant shall be subject to the provisions, limitations and restrictions herein contained, and may be exercised in whole or in part.

SECTION 1. DEFINITIONS.

For all purposes of this Warrant, the following terms shall have the meanings indicated:

COMMON STOCK - shall mean and include the Company's authorized Common Stock, \$0.01 par value, as constituted at the date hereof.

EXCHANGE ACT - shall mean the Securities Exchange Act of 1934, as amended from time to time.

SECURITIES ACT - the Securities Act of 1933, as amended.

TERM OF THIS WARRANT - shall mean the period beginning on the earlier of (i) the date on which the Company closes its "Series F" round of equity financing or (ii) the date upon which the Company closes its initial public offering of securities and ending on the date which is the fifth (5th) anniversary of the date of issuance.

WARRANT PRICE - shall mean 80% of (i) the price per share paid by purchasers of shares of the Company's Series F Preferred Stock or (ii) the

"price to public" for one share of Common Stock in the Company's initial public offering, whichever occurs first, subject to adjustment in accordance with Section 5 hereof.

WARRANTS - this Warrant and any other Warrant or Warrants issued in connection with a Commitment Letter dated September 25, 1998 executed by the Company and Transamerica Business

Credit Corporation (the "Commitment Letter") to the original holder of this Warrant, or any transferees from such original holder or this Holder.

WARRANT SHARES - shares of Common Stock purchased or purchasable by the Holder of this Warrant upon the exercise hereof.

SECTION 2. EXERCISE OF WARRANT.

2.1. PROCEDURE FOR EXERCISE OF WARRANT. To exercise this Warrant in whole or in part (but not as to any fractional share of Common Stock), the Holder shall deliver to the Company at its office referred to in Section 12 hereof at any time and from time to time during the Term of this Warrant: (i) the Notice of Exercise in the form attached hereto, (ii) cash, certified or official bank check payable to the order of the Company, wire transfer of funds to the Company's account, or evidence of any indebtedness of the Company to the Holder (or any combination of any of the foregoing) in the amount of the Warrant Price for each share being purchased, and (iii) this Warrant. Notwithstanding any provisions herein to the contrary, if the Current Market Price (as defined in Section 5) is greater than the Warrant Price (at the date of calculation, as set forth below), in lieu of exercising this Warrant as hereinabove permitted, the Holder may elect to receive shares of Common Stock equal to the value (as determined below) of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the office of the Company referred to in Section 12 hereof, together with the Notice of Exercise, in which event the Company shall issue to the Holder that number of shares of Common Stock computed using the following formula (a "Net Exercise"):

$$CS = \frac{WCS \times (CMP - WP)}{CMP}$$

Where

CS equals the number of shares of Common Stock to be issued to the Holder

WCS equals the number of shares of Common Stock purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised (at the date of such calculation)

CMP equals the Current Market Price (at the date of such calculation)

WP equals the Warrant Price (as adjusted to the date of such calculation)

In the event of any exercise of the rights represented by this Warrant, a certificate or certificates for the shares of Common Stock so purchased, registered in the name of the Holder or such other name or names as may be designated by the Holder, shall be delivered to the Holder hereof within a reasonable time, not exceeding fifteen (15) days, after the rights represented by this Warrant shall have been so exercised; and, unless this Warrant has expired, a new Warrant representing the number of shares (except a remaining fractional share), if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder hereof within such time. The person in whose name any certificate for shares of Common Stock is issued upon exercise of this Warrant shall for all purposes be deemed to have become the holder of record of such shares on the date on which the Warrant was surrendered and payment of the Warrant Price and any applicable taxes was made, irrespective of the date of delivery of

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such certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open.

2.2. TRANSFER RESTRICTION LEGEND. Each certificate for Warrant Shares shall bear the following legend (and any additional legend required by (i) any applicable state securities laws and (ii) any securities exchange upon which such Warrant Shares may, at the time of such exercise, be listed) on the face thereof unless at the time of exercise such Warrant Shares shall be registered under the Securities Act:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be sold or transferred in the absence of such registration or an exemption therefrom under said Act."

Any certificate issued at any time in exchange or substitution for any certificate bearing such legend (except a new certificate issued upon completion of a public distribution under a registration statement of the securities represented thereby) shall also bear such legend unless, in the opinion of counsel for the Company the securities represented thereby are not, at such time, required by law to bear such legend.

SECTION 3. COVENANTS AS TO COMMON STOCK. The Company covenants and agrees that all shares of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that it will pay when due and payable any and all federal and state taxes which may be payable in respect of the issue of this Warrant or any Common Stock or certificates therefor issuable upon the exercise of this Warrant. The Company further covenants and agrees that the Company will at all times have authorized and reserved, free from preemptive rights, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant. If and so long as the Common Stock issuable upon the exercise of this Warrant is listed on any national securities exchange, the Company will, if permitted by the rules of such exchange, list and keep listed on such exchange, upon official notice of issuance, all shares of such Common Stock issuable upon exercise of this Warrant.

SECTION 4. ADJUSTMENT OF NUMBER OF SHARES. Upon each adjustment of the Warrant Price as provided in Section 5, the Holder shall thereafter be entitled to purchase, at the Warrant Price resulting from such adjustment, the number of shares (calculated to the nearest tenth of a share) obtained by multiplying the Warrant Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment and dividing the product thereof by the Warrant Price resulting from such adjustment.

SECTION 5. ADJUSTMENT OF WARRANT PRICE. The Warrant Price shall be subject to adjustment from time to time as follows:

(i) If, at any time during the Term of this Warrant, the number of shares of Common Stock outstanding is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split-up of shares of Common Stock, then, following the record date fixed for the determination of holders of Common Stock entitled to receive such stock dividend, subdivision or split-up, the Warrant Price shall be appropriately decreased so that the number of shares of Common Stock issuable upon the exercise hereof shall be increased in proportion to such increase in outstanding shares.

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(ii) If, at any time during the Term of this Warrant, the number of shares of Common Stock outstanding is decreased by a combination of the outstanding shares of Common Stock, then, following the record date for such combination, the Warrant Price shall appropriately increase so that the number of shares of Common Stock issuable upon the exercise hereof shall be decreased in proportion to such decrease in outstanding shares.

(iii) In case, at any time during the Term of this Warrant, the Company

shall declare a cash dividend upon its Common Stock payable otherwise than out of earnings or earned surplus or shall distribute to holders of its Common Stock shares of its capital stock (other than Common Stock), stock or other securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends and distributions) or options or rights (excluding options to purchase and rights to subscribe for Common Stock or other securities of the Company convertible into or exchangeable for Common Stock), then, in each such case, immediately following the record date fixed for the determination of the holders of Common Stock entitled to receive such dividend or distribution, the Warrant Price in effect thereafter shall be determined by multiplying the Warrant Price in effect immediately prior to such record date by a fraction of which the numerator shall be an amount equal to the difference of (x) the Current Market Price of one share of Common Stock minus (y) the fair market value (as determined by the Board of Directors of the Company, whose determination shall be conclusive) of the stock, securities, evidences of indebtedness, assets, options or rights so distributed in respect of one share of Common Stock, and of which the denominator shall be such Current Market Price.

(iv) All calculations under this Section 5 shall be made to the nearest cent or to the nearest one-tenth (1/10) of a share, as the case may be.

(v) For the purpose of any computation pursuant to this Section 5, the Current Market Price at any date of one share of Common Stock shall be deemed to be the average of the daily closing prices for the 15 consecutive business days ending on the last business day before the day in question (as adjusted for any stock dividend, split, combination or reclassification that took effect during such 15 business day period). The closing price for each day shall be the last reported sales price regular way or, in case no such reported sales took place on such day, the average of the last reported bid and asked prices regular way, in either case on the principal national securities exchange on which the Common Stock is listed or admitted to trading or as reported by Nasdaq (or if the Common Stock is not at the time listed or admitted for trading on any such exchange or if prices of the Common Stock are not reported by Nasdaq then such price shall be equal to the average of the last reported bid and asked prices on such day as reported by The National Quotation Bureau Incorporated or any similar reputable quotation and reporting service, if such quotation is not reported by The National Quotation Bureau Incorporated); provided, however, that if the Common Stock is not traded in such manner that the quotations referred to in this clause (v) are available for the period required hereunder, the Current Market Price shall be determined in good faith by the Board of Directors of the Company or, if such determination cannot be made, by a nationally recognized independent investment banking firm selected by the Board of Directors of the Company (or if such selection cannot be made, by a nationally recognized independent investment banking firm selected by the American Arbitration Association in accordance with its rules).

(vi) Whenever the Warrant Price shall be adjusted as provided in Section 5, the Company shall prepare a statement showing the facts requiring such adjustment and the Warrant Price that shall be in effect after such adjustment. The Company shall cause a copy of such statement to be sent by mail, first

class postage prepaid, to each Holder of this Warrant at its, his or her address appearing on the Company's records. Where appropriate, such copy may be given in advance and may be included as part of the notice required to be mailed under the provisions of subsection (viii) of this Section 5.

(vii) Adjustments made pursuant to clauses (i), (ii) and (iii) above shall be made on the date such dividend, subdivision, split-up, combination or distribution, as the case may be, is made, and shall become effective at the opening of business on the business day next following the record date for the determination of stockholders entitled to such dividend, subdivision, split-up, combination or distribution.

(viii) In the event the Company shall propose to take any action of the types described in clauses (i), (ii), or (iii) of this Section 5, the Company shall forward, at the same time and in the same manner, to the Holder of this Warrant such notice, if any, which the Company shall give to the holders of capital stock of the Company.

(ix) In any case in which the provisions of this Section 5 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event issuing to the Holder of all or any part of this Warrant which is exercised after such record date and before the occurrence of such event the additional shares of capital stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of capital stock issuable upon such exercise before giving effect to such adjustment exercise; provided, however, that the Company shall deliver to such Holder a due bill or other appropriate instrument evidencing such Holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

SECTION 6. OWNERSHIP.

6.1. OWNERSHIP OF THIS WARRANT. The Company may deem and treat the person in whose name this Warrant is registered as the holder and owner hereof (notwithstanding any notations of ownership or writing hereon made by anyone other than the Company) for all purposes and shall not be affected by any notice to the contrary until presentation of this Warrant for registration of transfer as provided in this Section 6.

6.2. TRANSFER AND REPLACEMENT. This Warrant and all rights hereunder are transferable in whole or in part upon the books of the Company by the Holder hereof in person or by duly authorized attorney, and a new Warrant or Warrants, of the same tenor as this Warrant but registered in the name of the transferee or transferees (and in the name of the Holder, if a partial transfer is effected) shall be made and delivered by the Company upon surrender of this

Warrant duly endorsed, at the office of the Company referred to in Section 12 hereof. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft or destruction, and, in such case, of indemnity or security reasonably satisfactory to it, and upon surrender of this Warrant if mutilated, the Company will make and deliver a new Warrant of like tenor, in lieu of this Warrant; provided that if the Holder hereof is an instrumentality of a state or local government or an institutional holder or a nominee for such an instrumentality or institutional holder an irrevocable agreement of indemnity by such Holder shall be sufficient for all purposes of this Section 6, and no evidence of loss or theft or destruction shall be necessary. This Warrant shall be promptly cancelled by the Company upon the surrender hereof in connection with any transfer or replacement. Except as otherwise provided above, in the case of the loss, theft or destruction of a Warrant, the Company shall pay all expenses, taxes and other charges payable in connection with

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any transfer or replacement of this Warrant, other than stock transfer taxes (if any) payable in connection with a transfer of this Warrant, which shall be payable by the Holder. Holder will not transfer this Warrant and the rights hereunder except in compliance with federal and state securities laws.

SECTION 7. MERGERS, CONSOLIDATION, SALES.

(i) In the case of any proposed reorganization or reclassification of the capital stock of the Company, then, as a condition of such reorganization or reclassification, lawful and adequate provision shall be made whereby the Holder of this Warrant shall thereafter have the right to receive upon the basis and upon the terms and conditions specified herein, in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable hereunder, such shares of stock, securities or assets as may (by virtue of such reorganization or reclassification) be issued or payable with respect to or in exchange for the number of shares of such Common Stock purchasable hereunder immediately before such reorganization or reclassification. In any such case appropriate provision shall be made with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof shall thereafter be applicable as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of this Warrant.

(ii) For the purpose of this Warrant, "Acquisition" means any sale, license, or other disposition of all or substantially all of the assets of the Company, or any reorganization, consolidation, or merger of the Company where the holders of the Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction.

(iii) If, on the closing date for any Acquisition, the Current Market Price of the Warrant Shares (or other securities issuable upon exercise of this

Warrant) is greater than or equal to three (3) times the Warrant Price, then the successor entity may, at its option, either assume the obligations of the Company under this Warrant or not assume the obligations of the Company under this Warrant. If, on the closing date for any Acquisition, the Current Market Price of the Warrant Shares (or other securities issuable upon exercise of this Warrant) is less than three (3) times the Warrant Price, then the successor entity shall assume the obligations of the Company under this Warrant. If the successor entity assumes the obligations of the Company under this Warrant (whether voluntarily or involuntarily), then this Warrant shall be exercisable for the same class and amount of securities, cash, and/or other property as would be payable for the Warrant Shares issuable upon exercise of this Warrant as if such Warrant Shares were outstanding on the closing date for the Acquisition. If the successor entity does not assume the obligations of the Company under this Warrant, then this Warrant shall be deemed to have been automatically exercised pursuant to the Net Exercise described in Section 2.1 immediately prior to the closing of the Acquisition and thereafter the Holder shall participate in the Acquisition as a holder of the Warrant Shares (or other securities issuable upon exercise of this Warrant) on the same terms as other holders of the same class of securities of the Company.

SECTION 8. NOTICE OF DISSOLUTION OR LIQUIDATION. In case of any distribution of the assets of the Company in dissolution or liquidation (except under circumstances when the foregoing Section 7 shall be applicable), the Company shall give notice thereof to the Holder hereof and shall make no distribution to shareholders until the expiration of thirty (30) days from the date of mailing of the aforesaid notice and, in any case, the Holder hereof may exercise this Warrant within thirty (30) days from the date of the giving of such notice, and all rights herein granted not so exercised within such thirty-day period shall thereafter become null and void.

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SECTION 9. NOTICE OF EXTRAORDINARY DIVIDENDS. If the Board of Directors of the Company shall declare any dividend or other distribution on its Common Stock except out of earned surplus or by way of a stock dividend payable in shares of its Common Stock, the Company shall mail notice thereof to the Holder hereof not less than thirty (30) days prior to the record date fixed for determining shareholders entitled to participate in such dividend or other distribution, and the Holder hereof shall not participate in such dividend or other distribution unless this Warrant is exercised prior to such record date. The provisions of this Section 9 shall not apply to distributions made in connection with transactions covered by Section 7.

SECTION 10. FRACTIONAL SHARES. Fractional shares shall not be issued upon the exercise of this Warrant but in any case where the Holder would, except for the provisions of this Section 10, be entitled under the terms hereof to receive a fractional share upon the complete exercise of this Warrant, the Company shall, upon the exercise of this Warrant for the largest number of whole shares then

called for, pay a sum in cash equal to the excess of the value of such fractional share (determined in such reasonable manner as may be prescribed in good faith by the Board of Directors of the Company) over the Warrant Price for such fractional share.

SECTION 11. SPECIAL ARRANGEMENTS OF THE COMPANY. The Company covenants and agrees that during the Term of this Warrant, unless otherwise approved by the Holder of this Warrant:

11.1. WILL RESERVE SHARES. The Company will reserve and set apart and have available for issuance at all times, free from preemptive or other preferential rights, the number of shares of authorized but unissued Common Stock deliverable upon the exercise of this Warrant.

11.2. WILL NOT AMEND CERTIFICATE. The Company will not amend its Certificate of Incorporation to eliminate as an authorized class of capital stock that class denominated as "Common Stock" on the date hereof.

11.3. WILL BIND SUCCESSORS. This Warrant shall be binding upon any corporation or other person or entity succeeding to the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets.

SECTION 12. NOTICES. Any notice or other document required or permitted to be given or delivered to the Holder shall be delivered at, or sent by certified or registered mail to, the Holder at Transamerica Technology Finance Division, 76 Batterson Park Road, Farmington, Connecticut 06032, Attention: Assistant Vice President, Lease Administration, with a copy to the Lender at Riverway II, West Office Tower, 9399 West Higgins Road, Rosemont, Illinois 60018, Attention: Legal Department or to such other address as shall have been furnished to the Company in writing by the Holder. Any notice or other document required or permitted to be given or delivered to the Company shall be delivered at, or sent by certified or registered mail to, the Company at 50 W. San Fernando Street #1010, , San Jose, California, 95113, Attention: Controller or to such other address as shall have been furnished in writing to the Holder by the Company. Any notice so addressed and mailed by registered or certified mail shall be deemed to be given when so mailed. Any notice so addressed and otherwise delivered shall be deemed to be given when actually received by the addressee.

SECTION 13. NO RIGHTS AS STOCKHOLDER; LIMITATION OF LIABILITY. This Warrant shall not entitle the Holder to any of the rights of a shareholder of the Company except upon exercise in accordance with the

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terms hereof. No provision hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the

Holder for the Warrant Price hereunder or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 14. LAW GOVERNING. THE VALIDITY, INTERPRETATION, AND ENFORCEMENT OF THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

SECTION 15. "MARKET STAND-OFF" AGREEMENT. The Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to an underwritten initial public offering of the Company's securities (an "Initial Offering") and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing provisions of this Section 15 shall apply only to the Company's Initial Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holder if all officers and directors and greater than one percent (1%) shareholders of the Company enter into similar agreements. The underwriters in connection with the Company's Initial Offering are intended third party beneficiaries of this Section 15 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

SECTION 16. MISCELLANEOUS. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by both parties (or any respective predecessor in interest thereof). The headings in this Warrant are for purposes of reference only and shall not affect the meaning or construction of any of the provisions hereof

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer this _____ day of _____, 199__.

[CORPORATE SEAL]

ABOVENET COMMUNICATIONS, INC.

By: /s/ Stephen Belomy

Title: Executive Vice President and

Chief Financial Officer

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FORM OF NOTICE OF EXERCISE

[TO BE SIGNED ONLY UPON EXERCISE OF THE WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO EXERCISE THE WITHIN WARRANT

The undersigned hereby exercises the right to purchase _____ shares of Common Stock which the undersigned is entitled to purchase by the terms of the within Warrant according to the conditions thereof, and herewith

[check one]

[] makes payment of \$_____ therefor; or

[] directs the Company to issue _____ shares, and to withhold _____ shares in lieu of payment of the Warrant Price, as described in Section 2.1 of the Warrant.

All shares to be issued pursuant hereto shall be issued in the name of and the initial address of such person to be entered on the books of the Company shall be:

The shares are to be issued in certificates of the following denominations:

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

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FORM OF ASSIGNMENT
(ENTIRE)

[TO BE SIGNED ONLY UPON TRANSFER OF ENTIRE WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ all rights of the undersigned under and pursuant to the within Warrant, and the undersigned does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Warrant on the books of the Company, with full power of substitution.

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the within Warrant in every particular, without

alteration or enlargement or any change whatsoever.

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FORM OF ASSIGNMENT
(PARTIAL)

[TO BE SIGNED ONLY UPON PARTIAL TRANSFER OF WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ (i) the rights of the undersigned to purchase ___ shares of Common Stock under and pursuant to the within Warrant, and (ii) on a non-exclusive basis, all other rights of the undersigned under and pursuant to the within Warrant, it being understood that the undersigned shall retain, severally (and not jointly) with the transferee(s) named herein, all rights assigned on such non-exclusive basis. The undersigned does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Warrant on the books of the Company, with full power of substitution.

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

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THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS

NO. 5

STOCK SUBSCRIPTION WARRANT

TO PURCHASE COMMON STOCK OF

ABOVENET COMMUNICATIONS INC. (THE "COMPANY")

DATE OF INITIAL ISSUANCE: JUNE 30, 1999

THIS CERTIFIES THAT for value received, TBCC FUNDING TRUST II or its registered assigns (hereinafter called the "Holder") is entitled to purchase from the Company, at any time during the Term of this Warrant, Seventeen Thousand Thirty-Three (17,033) shares of common stock, \$0.001 par value, of the Company (the "Common Stock"), at the Warrant Price, payable as provided herein. This Warrant is issued in connection with the Letter, dated April 8, 1999, between the Company and Transamerica Business Credit Corp - Technology Finance Division. The exercise of this Warrant shall be subject to the provisions, limitations and restrictions herein contained. This Warrant may be exercised in whole or in part.

SECTION 1. DEFINITIONS.

For all purposes of this Warrant, the following terms shall have the meanings indicated:

COMMON STOCK - shall mean and include the Company's authorized Common Stock, \$0.001 par value, as constituted at the date hereof.

EXCHANGE ACT - shall mean the Securities Exchange Act of 1934, as amended from time to time.

SECURITIES ACT - the Securities Act of 1933, as amended.

TERM OF THIS WARRANT - shall mean the period beginning on the date of initial issuance hereof and ending on June 30, 2004.

WARRANT PRICE - \$58.71 per share, subject to adjustment in accordance with Section 5 hereof.

WARRANT SHARES - shares of Common Stock purchased or purchasable by the Holder of this Warrant upon the exercise hereof.

SECTION 2. EXERCISE OF WARRANT.

2.1. PROCEDURE FOR EXERCISE OF WARRANT. To exercise this Warrant in whole or in part (but not as to any fractional share of Common Stock), the Holder shall deliver to the Company at its office referred to in Section 12 hereof at any time and from time to time during the Term of this Warrant: (i) the Notice of Exercise in the form attached hereto, (ii) cash, certified or official bank check payable to the order of the Company, wire transfer of funds to the Company's account, or evidence of any indebtedness of the Company to the Holder (or any combination of any of the foregoing) in the amount of the Warrant Price for each share being purchased, and (iii) this Warrant. Notwithstanding any provisions herein to the contrary, if the Current Market Price (as defined in Section 5) is greater than the Warrant Price (at the date of calculation, as set forth below), in lieu of exercising this Warrant as hereinabove permitted, the Holder may elect to receive shares of Common Stock equal to the value (as determined below) of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the office of the Company referred to in Section 12 hereof, together with the Notice of Exercise, in which event the Company shall issue to the Holder that number of shares of Common Stock computed using the following formula (a "Net Exercise"):

$$\text{CS} = \frac{\text{WCS} \times (\text{CMP} - \text{WP})}{\text{CMP}}$$

Where:

- CS: equals the number of shares of Common Stock to be issued to the Holder
- WCS: equals the number of shares of Common Stock purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised (at the date of such calculation)
- CMP: equals the Current Market Price (at the date of such calculation)
- WP: equals the Warrant Price (as adjusted to the date of such calculation)

In the event of any exercise of the rights represented by this Warrant, a certificate or certificates for the shares of Common Stock so purchased, registered in the name of the Holder or such other name or names as may be

designated by the Holder, shall be delivered to the Holder hereof within a reasonable time, not exceeding fifteen (15) days, after the rights represented by this Warrant shall have been so exercised; and, unless this Warrant has expired, a new Warrant representing the number of shares (except a remaining fractional share), if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder hereof within such time. The person in whose name any certificate for shares of Common Stock is

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issued upon exercise of this Warrant shall for all purposes be deemed to have become the holder of record of such shares on the date on which the Warrant was surrendered and payment of the Warrant Price and any applicable taxes was made, irrespective of the date of delivery of such certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open.

2.2. TRANSFER RESTRICTION LEGEND. Each certificate for Warrant Shares shall bear the following legend (and any additional legend required by (i) any applicable state securities laws and (ii) any securities exchange upon which such Warrant Shares may, at the time of such exercise, be listed) on the face thereof unless at the time of exercise such Warrant Shares shall be registered under the Securities Act:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be sold or transferred in the absence of such registration or an exemption therefrom under said Act."

Any certificate issued at any time in exchange or substitution for any certificate bearing such legend (except a new certificate issued upon completion of a public distribution under a registration statement of the securities represented thereby) shall also bear such legend unless, in the opinion of counsel for the Company the securities represented thereby are not, at such time, required by law to bear such legend.

SECTION 3. COVENANTS AS TO COMMON STOCK. The Company covenants and agrees that all shares of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that it will pay when due and payable any and all federal and state taxes which may be payable in respect of the issue of this Warrant or any Common Stock or certificates therefor issuable upon the exercise of this Warrant. The Company further covenants and agrees that the Company will at all times have authorized and reserved, free from preemptive rights, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant. If

and so long as the Common Stock issuable upon the exercise of this Warrant is listed on any national securities exchange, the Company will, if permitted by the rules of such exchange, list and keep listed on such exchange, upon official notice of issuance, all shares of such Common Stock issuable upon exercise of this Warrant.

SECTION 4. ADJUSTMENT OF NUMBER OF SHARES. Upon each adjustment of the Warrant Price as provided in Section 5, the Holder shall thereafter be entitled to purchase, at the Warrant Price resulting from such adjustment, the number of shares (calculated to the nearest tenth of a share) obtained by multiplying the Warrant Price in effect immediately prior to such adjustment by the number of shares purchasable

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pursuant hereto immediately prior to such adjustment and dividing the product thereof by the Warrant Price resulting from such adjustment.

SECTION 5. ADJUSTMENT OF WARRANT PRICE. The Warrant Price shall be subject to adjustment from time to time as follows:

(i) If, at any time during the Term of this Warrant, the number of shares of Common Stock outstanding is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split-up of shares of Common Stock, then, following the record date fixed for the determination of holders of Common Stock entitled to receive such stock dividend, subdivision or split-up, the Warrant Price shall be appropriately decreased so that the number of shares of Common Stock issuable upon the exercise hereof shall be increased in proportion to such increase in outstanding shares.

(ii) If, at any time during the Term of this Warrant, the number of shares of Common Stock outstanding is decreased by a combination of the outstanding shares of Common Stock, then, following the record date for such combination, the Warrant Price shall appropriately increase so that the number of shares of Common Stock issuable upon the exercise hereof shall be decreased in proportion to such decrease in outstanding shares.

(iii) In case, at any time during the Term of this Warrant, the Company shall declare a cash dividend upon its Common Stock payable otherwise than out of earnings or earned surplus or shall distribute to holders of its Common Stock shares of its capital stock (other than Common Stock), stock or other securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends and distributions) or options or rights (excluding options to purchase and rights to subscribe for Common Stock or other securities of the Company convertible into or exchangeable for Common Stock), then, in each such case, immediately following the record date fixed for the determination of the holders of Common Stock entitled to receive such dividend or distribution, the Warrant Price in effect thereafter shall be determined by multiplying the Warrant Price in effect immediately prior to such

record date by a fraction of which the numerator shall be an amount equal to the difference of (x) the Current Market Price of one share of Common Stock minus (y) the fair market value (as determined by the Board of Directors of the Company, whose determination shall be conclusive) of the stock, securities, evidences of indebtedness, assets, options or rights so distributed in respect of one share of Common Stock, and of which the denominator shall be such Current Market Price.

(iv) All calculations under this Section 5 shall be made to the nearest cent or to the nearest one-tenth (1/10) of a share, as the case may be.

(v) For the purpose of any computation pursuant to this Section 5, the Current Market Price at any date of one share of Common Stock shall be deemed to be the average of the daily closing prices for the 15 consecutive business days ending on the last business day before the day in question (as adjusted for any stock dividend, split,

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combination or reclassification that took effect during such 15 business day period). The closing price for each day shall be the last reported sales price regular way or, in case no such reported sales took place on such day, the average of the last reported bid and asked prices regular way, in either case on the principal national securities exchange on which the Common Stock is listed or admitted to trading or as reported by Nasdaq (or if the Common Stock is not at the time listed or admitted for trading on any such exchange or if prices of the Common Stock are not reported by Nasdaq then such price shall be equal to the average of the last reported bid and asked prices on such day as reported by The National Quotation Bureau Incorporated or any similar reputable quotation and reporting service, if such quotation is not reported by The National Quotation Bureau Incorporated); provided, however, that if the Common Stock is not traded in such manner that the quotations referred to in this clause (v) are available for the period required hereunder, the Current Market Price shall be determined in good faith by the Board of Directors of the Company or, if such determination cannot be made, by a nationally recognized independent investment banking firm selected by the Board of Directors of the Company (or if such selection cannot be made, by a nationally recognized independent investment banking firm selected by the American Arbitration Association in accordance with its rules).

(vi) Whenever the Warrant Price shall be adjusted as provided in Section 5, the Company shall prepare a statement showing the facts requiring such adjustment and the Warrant Price that shall be in effect after such adjustment. The Company shall cause a copy of such statement to be sent by mail, first class postage prepaid, to each Holder of this Warrant at its, his or her address appearing on the Company's records. Where appropriate, such copy may be given in advance and may be included as part of the notice required to be mailed under the provisions of subsection (viii) of this Section 5.

(vii) Adjustments made pursuant to clauses (i), (ii) and (iii) above shall be made on the date such dividend, subdivision, split-up, combination or distribution, as the case may be, is made, and shall become effective at the opening of business on the business day next following the record date for the determination of stockholders entitled to such dividend, subdivision, split-up, combination or distribution.

(viii) In the event the Company shall propose to take any action of the types described in clauses (i), (ii), or (iii) of this Section 5, the Company shall forward, at the same time and in the same manner, to the Holder of this Warrant such notice, if any, which the Company shall give to the holders of capital stock of the Company.

(ix) In any case in which the provisions of this Section 5 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event issuing to the Holder of all or any part of this Warrant which is exercised after such record date and before the occurrence of such event the additional shares of capital stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of capital stock issuable upon such exercise before giving effect to such adjustment exercise; provided, however, that the Company shall deliver to such Holder a due bill

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or other appropriate instrument evidencing such Holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

SECTION 6. OWNERSHIP.

6.1. OWNERSHIP OF THIS WARRANT. The Company may deem and treat the person in whose name this Warrant is registered as the holder and owner hereof (notwithstanding any notations of ownership or writing hereon made by anyone other than the Company) for all purposes and shall not be affected by any notice to the contrary until presentation of this Warrant for registration of transfer as provided in this Section 6.

6.2. TRANSFER AND REPLACEMENT. This Warrant and all rights hereunder are transferable in whole or in part upon the books of the Company by the Holder hereof in person or by duly authorized attorney, and a new Warrant or Warrants, of the same tenor as this Warrant but registered in the name of the transferee or transferees (and in the name of the Holder, if a partial transfer is effected) shall be made and delivered by the Company upon surrender of this Warrant duly endorsed, at the office of the Company referred to in Section 12 hereof. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft or destruction, and, in such case, of indemnity or security reasonably satisfactory to it, and upon surrender of this Warrant if mutilated, the Company will make and deliver a new Warrant of like tenor, in lieu of this Warrant; provided that if the Holder hereof is an instrumentality of a state or

local government or an institutional holder or a nominee for such an instrumentality or institutional holder an irrevocable agreement of indemnity by such Holder shall be sufficient for all purposes of this Section 6, and no evidence of loss or theft or destruction shall be necessary. This Warrant shall be promptly canceled by the Company upon the surrender hereof in connection with any transfer or replacement. Except as otherwise provided above, in the case of the loss, theft or destruction of a Warrant, the Company shall pay all expenses, taxes and other charges payable in connection with any transfer or replacement of this Warrant, other than stock transfer taxes (if any) payable in connection with a transfer of this Warrant, which shall be payable by the Holder. Holder will not transfer this Warrant and the rights hereunder except in compliance with federal and state securities laws.

SECTION 7. MERGERS, CONSOLIDATION, SALES.

(i) In the case of any proposed reorganization or reclassification of the capital stock of the Company, then, as a condition of such reorganization or reclassification, lawful and adequate provision shall be made whereby the Holder of this Warrant shall thereafter have the right to receive upon the basis and upon the terms and conditions specified herein, in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable hereunder, such shares of stock, securities or assets as may (by virtue of such reorganization or reclassification) be issued or payable with respect to or in exchange for the number of shares of such Common Stock purchasable hereunder immediately before such reorganization or reclassification. In any such case appropriate provision shall be made with respect to the rights and interests of the Holder of this Warrant to the end that the provisions

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hereof shall thereafter be applicable as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of this Warrant.

(ii) For the purpose of this Warrant, "Acquisition" means any sale, license, or other disposition of all or substantially all of the assets of the Company, or any reorganization, consolidation, or merger of the Company (other than the merger contemplated by the Agreement and Plan of Merger, dated as of June 22, 1999 among the Company, Metromedia Fiber Network, Inc., and Magellan Acquisition, Inc.) where the holders of the Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction.

(iii) If, on the closing date for any Acquisition, the Current Market Price of the Warrant Shares (or other securities issuable upon exercise of this Warrant) is greater than or equal to three (3) times the Warrant Price, then the successor entity may, at its option, either assume the obligations of the Company under this Warrant or not assume the obligations of the Company under this Warrant. If, on the closing date for any Acquisition, the Current Market

Price of the Warrant Shares (or other securities issuable upon exercise of this Warrant) is less than three (3) times the Warrant Price, then the successor entity shall assume the obligations of the Company under this Warrant. If the successor entity assumes the obligations of the Company under this Warrant (whether voluntarily or involuntarily), then this Warrant shall be exercisable for the same class and amount of securities, cash, and/or other property as would be payable for the Warrant Shares issuable upon exercise of this Warrant as if such Warrant Shares were outstanding on the closing date for the Acquisition. If the successor entity does not assume the obligations of the Company under this Warrant, then this Warrant shall be deemed to have been automatically exercised pursuant to the Net Exercise described in Section 2.1 immediately prior to the closing of the Acquisition and thereafter the Holder shall participate in the Acquisition as a holder of the Warrant Shares (or other securities issuable upon exercise of this Warrant) on the same terms as other holders of the same class of securities of the Company.

SECTION 8. NOTICE OF DISSOLUTION OR LIQUIDATION. In case of any distribution of the assets of the Company in dissolution or liquidation (except under circumstances when the foregoing Section 7 shall be applicable), the Company shall give notice thereof to the Holder hereof and shall make no distribution to shareholders until the expiration of thirty (30) days from the date of mailing of the aforesaid notice and, in any case, the Holder hereof may exercise this Warrant within thirty (30) days from the date of the giving of such notice, and all rights herein granted not so exercised within such thirty-day period shall thereafter become null and void.

SECTION 9. NOTICE OF EXTRAORDINARY DIVIDENDS. If the Board of Directors of the Company shall declare any dividend or other distribution on its Common Stock except out of earned surplus or by way of a stock dividend payable in shares of its Common Stock, the Company shall mail notice thereof to the Holder hereof not less than thirty (30) days prior to the record date fixed for determining shareholders entitled to participate in such dividend or other distribution, and the Holder hereof shall not participate in such dividend or other distribution unless this

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Warrant is exercised prior to such record date. The provisions of this Section 9 shall not apply to distributions made in connection with transactions covered by Section 7.

SECTION 10. FRACTIONAL SHARES. Fractional shares shall not be issued upon the exercise of this Warrant but in any case where the Holder would, except for the provisions of this Section 10, be entitled under the terms hereof to receive a fractional share upon the complete exercise of this Warrant, the Company shall, upon the exercise of this Warrant for the largest number of whole shares then called for, pay a sum in cash equal to the excess of the value of such fractional share (determined in such reasonable manner as may be prescribed in good faith by the Board of Directors of the Company) over the Warrant Price for

such fractional share.

SECTION 11. SPECIAL ARRANGEMENTS OF THE COMPANY. The Company covenants and agrees that during the Term of this Warrant, unless otherwise approved by the Holder of this Warrant:

11.1. WILL RESERVE SHARES. The Company will reserve and set apart and have available for issuance at all times, free from preemptive or other preferential rights, the number of shares of authorized but unissued Common Stock deliverable upon the exercise of this Warrant.

11.2. WILL NOT AMEND CERTIFICATE. The Company will not amend its Certificate of Incorporation to eliminate as an authorized class of capital stock that class denominated as "Common Stock" on the date hereof.

11.3. WILL BIND SUCCESSORS. This Warrant shall be binding upon any corporation or other person or entity succeeding to the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets.

SECTION 12. NOTICES. Any notice or other document required or permitted to be given or delivered to the Holder shall be delivered at, or sent by certified or registered mail to, the Holder at Transamerica Technology Finance Division, 76 Batterson Park Road, Farmington, Connecticut 06032, Attention: Assistant Vice President, Lease Administration, with a copy to the Lender at Riverway II, West Office Tower, 9399 West Higgins Road, Rosemont, Illinois 60018, Attention: Legal Department or to such other address as shall have been furnished to the Company in writing by the Holder. Any notice or other document required or permitted to be given or delivered to the Company shall be delivered at, or sent by certified or registered mail to, the Company at 50 W. San Fernando Street #1010, San Jose, California, 95113, Attention: Controller or to such other address as shall have been furnished in writing to the Holder by the Company. Any notice so addressed and mailed by registered or certified mail shall be deemed to be given when so mailed. Any notice so addressed and otherwise delivered shall be deemed to be given when actually received by the addressee.

SECTION 13. NO RIGHTS AS STOCKHOLDER; LIMITATION OF LIABILITY. This Warrant shall not entitle the Holder to any of the rights of a shareholder of the Company except upon exercise in accordance with the terms hereof. No provision

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hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Warrant Price hereunder or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 14. LAW GOVERNING. THE VALIDITY, INTERPRETATION, AND ENFORCEMENT OF THIS

WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

SECTION 15. "MARKET STAND-OFF" AGREEMENT. The Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to an underwritten initial public offering of the Company's securities (an "Initial Offering") and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing provisions of this Section 15 shall apply only to the Company's Initial Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holder if all officers and directors and greater than one percent (1%) shareholders of the Company enter into similar agreements. The underwriters in connection with the Company's Initial Offering are intended third party beneficiaries of this Section 15 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the registrable securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

SECTION 16. MISCELLANEOUS. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by both parties (or any respective predecessor in interest thereof). The headings in this Warrant are for purposes of reference only and shall not affect the meaning or construction of any of the provisions hereof

-9-

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer this 3rd day of September, 1999.

ABOVENET COMMUNICATIONS INC.

By: _____

Name: Stephen P. Belomy

Title: Executive Vice President and
Secretary

-10-

FORM OF NOTICE OF EXERCISE

[TO BE SIGNED ONLY UPON EXERCISE OF THE WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO EXERCISE THE WITHIN WARRANT

The undersigned hereby exercises the right to purchase _____ shares of Common Stock which the undersigned is entitled to purchase by the terms of the within Warrant according to the conditions thereof, and herewith

[check one]

makes payment of \$ _____ therefor;

or

directs the Company to issue _____ shares, and to withhold _____ shares in lieu of payment of the Warrant Price, as described in Section 2.1 of the Warrant.

All shares to be issued pursuant hereto shall be issued in the name of and the initial address of such person to be entered on the books of the Company shall be:

The shares are to be issued in certificates of the following denominations:

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

-11-

FORM OF ASSIGNMENT
(ENTIRE)

[TO BE SIGNED ONLY UPON TRANSFER OF ENTIRE WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns
and transfers unto _____ all rights of the undersigned
under and pursuant to the within Warrant, and the undersigned does hereby
irrevocably constitute and appoint _____
Attorney to transfer the said Warrant on the books of the Company, with full
power of substitution.

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

-12-

FORM OF ASSIGNMENT
(PARTIAL)

[TO BE SIGNED ONLY UPON PARTIAL TRANSFER OF WARRANT]

TO BE EXECUTED BY THE REGISTERED HOLDER
TO TRANSFER THE WITHIN WARRANT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ (i) the rights of the undersigned to purchase ___ shares of Common Stock under and pursuant to the within Warrant, and (ii) on a non-exclusive basis, all other rights of the undersigned under and pursuant to the within Warrant, it being understood that the undersigned shall retain, severally (and not jointly) with the transferee(s) named herein, all rights assigned on such non-exclusive basis. The undersigned does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Warrant on the books of the Company, with full power of substitution.

[Type Name of Holder]

By: _____

Title: _____

Dated: _____

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the within Warrant in every particular, without

alteration or enlargement or any change whatsoever.

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EXHIBIT 4.6

THIS WARRANT AND THE SHARES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR PURSUANT TO RULE 144 OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

WARRANT TO PURCHASE STOCK

Corporation: Abovenet Communications, Inc.
Number of Shares: 5,000 shares (subject to the conditions provided below)
Class of Stock: Series D Preferred; provided, however, that if the Series D round does not close on or before August 31, 1998, the Class of Stock shall be Series C Preferred.
Initial Exercise Price: Purchase Price of Series D (not to exceed \$1.00); provided, however that if the Series D round does not close on or before August 31, 1998, the Initial Exercise Price shall be \$1.00.
Issue Date: May 22, 1998.
Expiration Date: 5 years after this Warrant is Exercisable pursuant to Section 1.1, below.

Page 2 of 19

THIS WARRANT CERTIFIES THAT, for the agreed upon value of \$1.00 and for other good and valuable consideration, SILICON VALLEY BANK ("Holder") is entitled to purchase the number of fully paid and nonassessable shares of the class of securities (the "Shares") of the corporation (the "Company") at the initial exercise price per Share (the "Warrant Price") all as set forth above and as adjusted pursuant to Article 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

ARTICLE I. EXERCISE.

1.1 METHOD OF EXERCISE. Holder may exercise this Warrant by delivering a duly executed Notice of Exercise in substantially the form attached as Appendix 1 to the principal office of the Company. Unless Holder is exercising the conversion right set forth in Section 1.2, Holder shall also deliver to the Company a check for the aggregate Warrant Price for the Shares being purchased. Notwithstanding the foregoing, this Warrant shall not be exercisable unless and until the Company fails to comply with the Quick Ratio covenant set forth in the Loan Agreement. In the event the outstanding principal balance of the Loan is greater than \$100,000.00 at the time such failure shall occur, the Company agrees to issue additional Warrant Coverage to Holder (in accordance with the foregoing terms) equal to \$25,000.00 at an Initial Exercise Price equal to the Series D Round Price; provided, however, that if for any reason the Series D Round does not close on or before August 31, 1998, the Initial Exercise Price shall be that of the Series C Round Price. For purposes of the foregoing, the "Loan Agreement" is that certain Loan and Security Agreement dated May 22, 1998, as may be amended, between the Company and Holder; "Loan" is the Revolving Facility as described in the Loan Agreement; and "Warrant Coverage" is defined as a number of Shares equal to \$25,000.00 divided by the Initial Exercise Price.

1.2 CONVERSION RIGHT. In lieu of exercising this Warrant as specified in Section 1.1, Holder may from time to time convert this Warrant, in whole or in part, into a number of Shares determined by dividing (a) the aggregate fair market value of the Shares or other securities otherwise issuable upon exercise of this Warrant minus the aggregate Warrant Price of such Shares by (b) the fair market value of one Share. The fair market value of the Shares shall be determined pursuant to Section 1.4.

1.3 INTENTIONALLY OMITTED

1.4 FAIR MARKET VALUE. If the Shares are traded in a public market, the fair market value of the Shares shall be the average closing price of the Shares (or the closing price of the Company's stock into which the Shares are convertible) reported for the thirty (30) days immediately before Holder delivers its Notice of Exercise to the Company. If the Shares are not traded in a public market, the Board of Directors of the Company shall determine fair market value in its reasonable good faith judgment. The foregoing notwithstanding, if Holder advises the Board of Directors in writing

that Holder disagrees with such determination, then the Company and Holder shall promptly agree upon a reputable investment banking firm to undertake such valuation. If the valuation of such investment banking firm is greater than that determined by the Board of Directors, then all fees and expenses of such investment banking firm shall be paid by the Company. In all other circumstances, such fees and expenses shall be paid by Holder.

1.5 DELIVERY OF CERTIFICATE AND NEW WARRANT. Promptly after Holder exercises or converts this Warrant, the Company shall deliver to Holder certificates for the Shares acquired and, if this Warrant has not been fully exercised or converted and has not expired, a new Warrant representing the Shares not so acquired.

Page 3 of 19

1.6 REPLACEMENT OF WARRANTS. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company at its expense shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor.

1.7 REPURCHASE ON SALE, MERGER, OR CONSOLIDATION OF THE COMPANY.

1.7.1 "ACQUISITION". For the purpose of this Warrant, "Acquisition" means any sale, license, or other disposition of all or substantially all of the assets of the Company, or any reorganization, consolidation, or merger of the Company where the holders of the Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction.

1.7.2 ASSUMPTION OR NONASSUMPTION OF WARRANT. If, on the closing date for any Acquisition, the fair market value of the Shares (or other securities issuable upon exercise of this Warrant) is greater than or equal to three (3) times the Warrant Price, then the successor entity may, at its option, either assume the obligations of the Company under this Warrant or not assume the obligations of the Company under this Warrant. If, on the record date for any Acquisition, the fair market value of the Shares (or other securities issuable upon exercise of this Warrant) is less than three (3) times the Warrant Price, then the successor entity shall assume the obligations of the Company under this Warrant. If the successor entity assumes the obligations of the Company under this Warrant (whether voluntarily or involuntarily), then this Warrant shall be exercisable for the same class and amount of securities, cash and/or other property as would be payable for the Shares issuable upon exercise of this Warrant as if such Shares were outstanding on the record date for the Acquisition. If the successor entity does not assume the obligations of the Company under this Warrant, then this Warrant shall be deemed to have been automatically converted pursuant to Section 1.2 and thereafter Holder shall participate in the Acquisition as a holder of the Shares (or other securities issuable upon exercise of this Warrant) on the same terms as other holders of the same class of securities of the Company.

ARTICLE 2. ADJUSTMENTS TO THE SHARES.

2.1 STOCK DIVIDENDS, SPLITS, ETC. If the Company declares or pays a dividend on its common stock (or the Shares if the Shares are securities other than common stock) payable in common stock, or other securities, subdivides the outstanding common stock in a greater amount of common stock, or, if the Shares are securities other than common stock, subdivides the Shares in a transaction that increases the amount of common stock into which the Shares are convertible, then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without cost to Holder, the total number and kind of securities to which Holder would have been entitled had Holder owned the Shares of record as of the date the dividend or subdivision occurred.

2.2 RECLASSIFICATION, EXCHANGE OR SUBSTITUTION. Upon any reclassification, exchange, substitution, or other event that results in a change of the number and/or class of the securities issuable upon exercise or conversion of this Warrant, Holder shall be entitled to receive, upon exercise or conversion of this

Warrant, the number and kind of securities and property that Holder would have received for the Shares if this Warrant had been exercised immediately before such reclassification, exchange, substitution, or other event. Such an event shall include any automatic conversion of the outstanding or issuable securities of the Company of the same class or series as the Shares to common stock pursuant to the terms of the Company's Articles of Incorporation upon the

Page 4 of 19

closing of a registered public offering of the Company's common stock. The Company or its successor shall promptly issue to Holder a new Warrant for such new securities or other property. The new Warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 2 including, without limitation, adjustments to the Warrant Price and to the number of securities or property issuable upon exercise of the new Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, substitutions, or other events.

2.3 Adjustments for Combinations, Etc. If the outstanding Shares are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased.

2.4 Adjustments for Diluting Issuances. The Warrant Price and the number of Shares issuable upon exercise of this Warrant or, if the Shares are Preferred Stock, the number of shares of common stock issuable upon conversion of the Shares, shall be subject to adjustment, from time to time in the manner provided to holders of the Company's Series D Preferred Stock.

2.5 No Impairment. The Company shall not, by amendment of its Articles of Incorporation or through a reorganization, transfer of assets, consolidation, merger, dissolution, issue, or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Warrant by the Company, but shall at all times in good faith assist in carrying out of all the provisions of this Article 2 and in taking all such action as may be necessary or appropriate to protect Holder's rights under this Article against impairment. If the Company takes any action affecting the Shares or its common stock other than as described above that adversely affects Holder's rights under this Warrant, the Warrant Price shall be adjusted downward and the number of Shares issuable upon exercise of this Warrant shall be adjusted upward in such a manner that the aggregate Warrant Price of this Warrant is unchanged.

2.6 Fractional Shares. No fractional Shares shall be issuable upon exercise or conversion of the Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of the Warrant, the Company shall eliminate such fractional share interest by paying Holder amount computed by multiplying the fractional interest by the fair market value of a full Share as determined pursuant to Section 1.4, above.

2.7 Certificate as to Adjustments. Upon each adjustment of the Warrant Price, the Company at its expense shall promptly compute such adjustment, and furnish Holder with a certificate of its Chief Financial Officer setting forth such adjustment and the facts upon which such adjustment is based. The Company shall, upon written request, furnish Holder a certificate setting forth the Warrant Price in effect upon the date thereof and the series of adjustments leading to such Warrant Price.

ARTICLE 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company hereby represents and warrants to the Holder as follows:

(a) The Capitalization Overview of the Company provided to Holder dated March 13, 1998 is true and correct as of the such date.

(b) All Shares which may be issued upon the exercise of the purchase right represented by this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws.

Page 5 of 19

3.2 Notice of Certain Events. If the Company proposes at any time (a) to declare any dividend or distribution upon its common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (b) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (c) to effect any reclassification or recapitalization of common stock; (d) to merge or consolidate with or into any other corporation, or sell, lease, license, or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; or (e) offer holders of registration rights the opportunity to participate in an underwritten public offering of the company's securities for cash, then, in connection with each such event, the Company shall give Holder (1) at least 20 days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of common stock will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (c) and (d) above; (2) in the case of the matters referred to in (c) and (d) above at least 20 days prior written notice of the date when the same will take place (and specifying the date on which the

holders of common stock will be entitled to exchange their common stock for securities or other property deliverable upon the occurrence of such event); and (3) in the case of the matter referred to in (e) above, the same notice as is given to the holders of such registration rights.

3.3 Information Rights. So long as the Holder holds this Warrant and/or any of the Shares, the Company shall deliver to the Holder (a) promptly after mailing, copies of all notices or other written communications to the shareholders of the Company, (b) within ninety (90) days after the end of each fiscal year of the Company, the annual audited financial statements of the Company certified by independent public accountants of recognized standing and (c) such other financial statements required under and in accordance with any loan documents between Holder and the Company (or if there are no such requirements [or if the subject loan(s) no longer are outstanding]), then within forty-five (45) days after the end of each of the first three quarters of each fiscal year, the Company's quarterly, unaudited financial statements.

3.4 Registration Under Securities Act of 1933, as amended. The Company agrees that the Shares or, if the Shares are convertible into common stock of the Company, such common stock, shall be subject to the registration rights provided to holders of the Company's Series D Preferred Stock.

ARTICLE 4. MISCELLANEOUS.

4.1 Term. This Warrant is exercisable, in whole or in part, at any time and from time to time on or before the Expiration Date set forth above.

4.2 Legends. This Warrant and the Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR PURSUANT TO RULE 144 OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

4.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to

Page 6 of 19

provide an opinion of counsel if the transfer is to an affiliate of Holder or if there is no material question as to the availability of current information as referenced in Rule 144(c), Holder represents that it has complied with Rule 144(d) and (e) in reasonable detail, the selling broker represents that it has complied with Rule 144(f), and the Company is provided with a copy of Holder's notice of proposed sale.

4.4 Transfer Procedure. Subject to the provisions of Section 4.3 Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable, directly or

indirectly, upon conversion of the Shares, if any) at any time to Silicon Valley Bancshares, The Silicon Valley Bank Foundation, or any other affiliate of Holder, or, to any other transferee by giving the Company notice of the portion of the Warrant being transferred setting forth the name, address and taxpayer identification number of the transferee and surrendering this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable). Unless the Company is filing financial information with the SEC pursuant to the Securities Exchange Act of 1934, the Company shall have the right to refuse to transfer any portion of this Warrant to any person who, in the good faith opinion of the Company's Board of Directors, directly competes with the Company.

4.5 Notices. All notices and other communications from the Company to the Holder, or vice versa, shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, at such address as may have been furnished to the Company or the Holder, as the case may be, in writing by the Company or such holder from time to time. All notices to Holder should be sent to the following address:

Treasury Department
Silicon Valley Bank
3003 Tasman Drive NC821
Santa Clara, CA 95054

4.6 Waiver. This Warrant and any term hereof may be changed, waived,

discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

4.7 Attorneys Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

4.8 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

"COMPANY"

ABOVENET COMMUNICATIONS, INC.

By: /s/ WARREN J. KAPLAN

Name: Warren J. Kaplan

(Print)

Title: Chairman of the Board, President or Vice President

Page 7 of 19

By: /s/ STEPHEN BELOMY

Name: Stephen Belomy

(Print)

Title: Exec. V.P., Chief Financial Officer, Secretary

APPENDIX I

NOTICE OF EXERCISE

1. The undersigned hereby elects to purchase _____ shares of the Common/Series _____ Preferred [strike one] Stock of _____ pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full.

1. The undersigned hereby elects to convert the attached Warrant into Shares/cash [strike one] in the manner specified in the Warrant. This conversion is exercised with respect to _____ of the Shares covered by the Warrant. [Strike paragraph that does not apply.]

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name as is specified below:

(Name)

(Address)

3. The undersigned represents it is acquiring the shares solely for its own account and not as a nominee for any other party and not with a view toward the resale or distribution thereof except in compliance with applicable securities laws.

(Signature)

(Date)

THIS SPACE FOR USE OF FILING OFFICER

0092023002559001

FINANCING STATEMENT - FOLLOW INSTRUCTIONS CAREFULLY

This Financing Statement is presented for filing pursuant to the Uniform Commercial Code and will remain effective, with certain exceptions, for 5 years from date of filing.

A. NAME & TEL. # OF CONTACT AT FILER (optional)

B. FILING OFFICE ACCT. # (optional)

C. RETURN COPY TO: (Name and Mailing Address)

<TABLE>

<S>

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P.O. Box 275
Van Nuys, CA 91408-2750

D. OPTIONAL DESIGNATION (if applicable): / / LESSOR/LESSEE / / CONSIGNOR/CONSIGNEE / / NON-UCC FILING

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) FILED WITH: CALIFORNIA

1a. ENTITY'S NAME ABOVENET COMMUNICATIONS INC.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE COUNTRY POSTAL CODE
50 W. San Fernando St., Ste. 1010 San Jose CA 95113

1d. S.S. or TAX ID# OPTIONAL ADD'NL INFO RE ENTITY DEBTOR 1e. TYPE OF ENTITY 1f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION 1g. ENTITY'S ORGANIZATIONAL I.D., if any / / NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) 111/HAW

2a. ENTITY'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE COUNTRY POSTAL CODE

2d. S.S. or TAX ID# OPTIONAL ADD'NL INFO RE ENTITY DEBTOR 2e. TYPE OF ENTITY 2f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION 2g. ENTITY'S ORGANIZATIONAL I.D., if any / / NONE

3. SECURED PARTY'S (ORIGINAL S/P OR ITS TOTAL ASSIGNEE) EXACT FULL LEGAL NAME - insert only one secured party name (3a or 3b)

3a. ENTITY'S NAME SILICON VALLEY BANK

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE COUNTRY POSTAL CODE
3003 Tasman Drive Santa Clara CA 95054

4. This FINANCING STATEMENT covers the following types or items of property:
REFER TO EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR DESCRIPTION OF COLLATERAL.

5. CHECK / / This FINANCING STATEMENT is signed by the Secured Party instead of the Debtor to perfect a security interest (a) in collateral already subject to a security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed to this state, or (b) in accordance with other statutory provisions (additional data may be required) 7. If filed in Florida (check one) / / Documentary stamp tax paid / / Documentary stamp tax not applicable

6. REQUIRED SIGNATURE(S) ABOVENET COMMUNICATIONS INC. 8. / / This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS

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Attach Addendum (if applicable)

/s/ WARREN J. KAPLAN President & COO

9. Check to REQUEST SEARCH CERTIFICATE(S) on Debtor(s) (ADDITIONAL FEE) (optional) /x/ All Debtors / / Debtor / / Debtor 2

(1) FILING OFFICER COPY - NATIONAL FINANCING STATEMENT (FORM UCC 1) (TRANS) (REV. 12/18/95)

Prepared by Data File Services, Inc.,
P.O. Box 275
Van Nuys, CA 91408-0275
Tel. (818) 909-2200

</TABLE>

EXHIBIT A

The Collateral consists of all of Borrower's right, title and interest in and to the following:

All goods and equipment now owned or hereafter acquired, including, without limitation, all machinery, fixtures, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing, and all attachments, accessories, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located;

All inventory, now owned or hereafter acquired, including, without limitation, all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above;

All contract rights and general intangibles now owned or hereafter acquired, including, without limitation, goodwill, trademarks, servicemarks, trade styles, trade names, patents, patent applications, leases, license agreements, franchise agreements, blueprints, drawings, purchase orders, customer lists, route lists, infringements, claims, computer programs, computer discs, computer tapes, literature, reports, catalogs, design rights, income tax refunds, payments of insurance and rights to payment of any kind;

All now existing and hereafter arising accounts, contract rights, royalties, license rights and all other forms of obligations owing to Borrower arising out of the sale or lease of goods, the licensing of technology or the rendering of services by Borrower, whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Borrower;

All documents, cash, deposit accounts, securities, securities entitlements, securities accounts, investment property, financial assets, letters of credit, certificate of deposit, instruments and chattel paper now owned or hereafter acquired and Borrower's Books relating to the foregoing;

All copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished, now owned or hereafter acquired; all trade secret rights, including all rights to unpatented inventions, know-how, operating manuals, license rights and agreements and confidential information, now owned or hereafter acquired; all mask work and similar rights available for the protection of semiconductor chips, now owned or hereafter acquired; all claims for damages by way of any past, present and future infringement of any of the foregoing; and

All Borrower's Books relating to the foregoing and any and all claims, rights and interests in any of the above and all substitutions for, additions to and proceeds thereof.

PRINT OR TYPE ALL INFORMATION

THE SECURED PARTY DESIRES THIS FINANCING STATEMENT TO BE INDEXED AGAINST THE RECORD OWNER OF THE REAL ESTATE NO YES NAME OF RECORD OWNER _____

Filed With: _____ VIRGINIA

STATE CORPORATION COMMISSION
111/HA (UNIFORM COMMERCIAL CODE DIVISION, BOX 1197, RICHMOND, VIRGINIA 23209)
FORM FOR ORIGINAL FINANCING STATEMENT AND SUBSEQUENT STATEMENTS

The Commission stamps the File Number on the Original Financing Statement. The secured party must place this same number on all subsequent statements.

Index numbers of subsequent statements (for office use only)

Name & mailing address of all debtors,
trade styles, etc.
No other name will be indexed.

- Check the box indicating
the kind of statement
Check only one box
- ORIGINAL FINANCING STATEMENT
 - CONTINUATION-ORIGINAL STILL EFFECTIVE
 - AMENDMENT
 - ASSIGNMENT
 - PARTIAL RELEASE OF COLLATERAL
 - TERMINATION

ABOVENET COMMUNICATIONS
8100 Boone Blvd.
Vienna, VA 22182

Name & address of Secured Party
SILICON VALLEY BANK
3003 Tasman Drive
Santa Clara, CA 95054

Name & address of Assignee

Date of maturity if less than five years Check if proceeds of collateral
are covered [X]

REFER TO EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR DESCRIPTION OF
COLLATERAL.

Space to record an amendment, assignment, release of collateral or a statement
to cover collateral brought into Virginia from another jurisdiction.

Describe Real Estate if applicable:

ABOVENET COMMUNICATIONS	SILICON VALLEY
/s/ WARREN J. KAPLAN, President & COO	[SIG] VP 6/1/98

Signature of Debtor if applicable (Date) Signature of Secured Party if
applicable (Date)

(1) FILING OFFICER COPY

Prepared with UCC Direct for Windows Data File Services, Inc., P.O. Box 275, Van
Nuys, CA, 91408-0275 Tel (818) 909-2200

EXHIBIT A

The Collateral consists of all of Borrower's right, title and interest in
and to the following:

All good and equipment now owned or hereafter acquired, including, without
limitation, all machinery, fixtures, vehicles (including motor vehicles and
trailers), and any interest in any of the foregoing, and all attachments,
accessories, accessions, replacements, substitutions, additions, and
improvements to any of the foregoing, wherever located;

All inventory, now owned or hereafter acquired, including without
limitation, all merchandise, raw materials, parts, supplies, packing and
shipping materials, work in process and finished products including such
inventory as is temporarily out of Borrower's custody or possession or in
transit and including any returns upon any accounts or other proceeds, including
insurance proceeds, resulting from the sale or disposition of any of the
foregoing and any documents of title representing any of the above;

All contract rights and general intangibles now owned or hereafter
acquired, including, without limitation, goodwill, trademarks, servicemarks,
trade styles, trade names, patents, patent applications, leases, license
agreements, franchise agreements, blueprints, drawings, purchase orders,
customer lists, route lists, infringements, claims, computer programs, computer
discs, computer tapes, literature, reports, catalogs, design rights, income tax
refunds, payments of insurance and rights to payment of any kind;

All now existing and hereafter arising accounts, contract rights,
royalties, license rights and all other forms of obligations owing to Borrower
arising out of the sale or lease of goods, the licensing of technology or the
rendering of services by Borrower, whether or not earned by performance, and any
and all credit insurance, guaranties, and other security therefor, as well as
all merchandise returned to or reclaimed by Borrower;

All documents, cash, deposit accounts, securities, securities entitlements,
securities accounts, investment property, financial assets, letters of credit,
certificates of deposit, instruments and chattel paper now owned or hereafter
acquired and Borrower's Books relating to the foregoing;

All copyright rights, copyright applications, copyright registrations and
like protections in each work of authorship and derivative work thereof, whether
published or unpublished, now owned or hereafter acquired; all trade secret
rights, including all rights to unpatented inventions, know-how, operating
manuals, license rights and agreements and confidential information, now owned
or hereafter acquired; all mask work or similar rights available for the
protection of semiconductor chips, now owned or hereafter acquired; all

claims for damages by way of any past, present and future infringement of
any of the foregoing; and

All Borrower's Books relating to the foregoing and any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds thereof.

PRINT OR TYPE ALL INFORMATION

THE SECURED PARTY DESIRES THIS FINANCING STATEMENT TO BE INDEXED AGAINST THE RECORD OWNER OF THE REAL ESTATE NO [X] YES [] NAME OF RECORD OWNER

Filed With: FAIRFAX, VA

STATE CORPORATION COMMISSION 111/HAW (UNIFORM COMMERCIAL CODE DIVISION, BOX 1197, RICHMOND, VIRGINIA 23209) FORM FOR ORIGINAL FINANCING STATEMENT AND SUBSEQUENT STATEMENTS

The Commission stamps the File Number on the Original Financing Statement. The secured party must place this same number on all subsequent statements.

Index numbers of subsequent statements (for office use only)

Name & mailing address of all debtors, trade styles, etc. Check the box indicating the kind of statement. No other name will be indexed. Check only one box. ABOVE NET COMMUNICATIONS [X] ORIGINAL FINANCING STATEMENT [] CONTINUATION-ORIGINAL STILL EFFECTIVE [] AMENDMENT [] ASSIGNMENT [] PARTIAL RELEASE OF COLLATERAL [] TERMINATION

Name & address of Secured Party Name & address of Assignee SILICON VALLEY BANK 3003 Tasman Drive Santa Clara, CA 95054

Date of maturity if less than five years Check if proceeds of collateral are covered [X]

REFER TO EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR DESCRIPTION OF COLLATERAL.

Space to record an amendment, assignment, release of collateral or a statement to cover collateral brought into Virginia from another jurisdiction.

Describe Real Estate if applicable:

ABOVENET COMMUNICATIONS SILICON VALLEY /s/ WARREN J. KAPLAN President & COO [SIG] VP 6/1/98

Signature of Debtor if X covered [X] Signature of Secured Party if applicable (Date)

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EXHIBIT A

The Collateral consists of all of Borrower's right, title and interest in and to the following:

All goods and equipment now owned or hereafter acquired, including, without limitation, all machinery, fixtures, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located;

All inventory, now owned or hereafter acquired, including, without

limitation, all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above;

All contract rights and general intangibles now owned or hereafter acquired, including, without limitation, goodwill, trademarks, servicemarks, trade styles, trade names, patents, patent applications, leases, license agreements, franchise agreements, blueprints, drawings, purchase orders, customer lists, route lists, infringements, claims, computer programs, computer discs, computer tapes, literature, reports, catalogs, design rights, income tax refunds, payments of insurance and rights to payment of any kind;

All now existing and hereafter arising accounts, contract rights, royalties, license rights and all other forms of obligations owing to Borrower arising out of the sale or lease of goods, the licensing of technology or the rendering of services by Borrower, whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Borrower;

All documents, cash, deposit accounts, securities, securities entitlements, securities accounts, investment property, financial assets, letters of credit, certificates of deposit, instruments and chattel paper now owned or hereafter acquired and Borrower's Books relating to the foregoing;

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All copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished, now owned or hereafter acquired; all trade secret rights, including all rights to unpatented inventions, know-how, operating manuals, license rights and agreements and confidential information, now owned or hereafter acquired; all mask work or similar rights available for the protection of semiconductor chips, now owned or hereafter acquired; all claims for damages by way of any past, present and future infringement of any of the foregoing; and

All Borrower's Books relating to the foregoing and any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds thereof.

INTERCREDITOR AGREEMENT
(COLLATERAL SHARING)

This INTERCREDITOR AGREEMENT is made by and between Silicon Valley Bank ("SVB") and Transamerica Business Credit Corporation ("Creditor").

RECITALS

A. Abovenet Communications, Inc. ("Borrower") has borrowed funds from SVB under a line of credit (the "Revolving Facility") in the original principal amount of \$750,000, pursuant to a Loan and Security Agreement dated as of May 22, 1998, as may be amended (the "Loan Agreement"). The Revolving Facility is secured by Borrower's Collateral as referred to in the Loan Agreement. The Loan Agreement shall be referred to in this Agreement as the "Loan Documents."

B. Borrower has requested Creditor to lend Borrower \$6,000,000, which Borrower proposes to use to purchase equipment. Creditor is willing to make such loan (the "Creditor Loan"), provided SVB subordinates its security interest in certain of Borrower's personal property to the security interest of Creditor. SVB is willing to subordinate its interest in accordance with the terms of this Agreement.

NOW THEREFORE, the parties agree as follows:

1. Creditor Collateral. As used in this Agreement, "Creditor Collateral" means the following: all equipment of Borrower financed by Creditor and pledged as security under a certain Master Loan and Security Agreement dated May 28, 1998 between Creditor and Borrower and all proceeds of the foregoing.

2. SVB Collateral. As used in this Agreement, "SVB Collateral" means all of the property of Borrower, now owned and hereafter acquired, other than the Creditor Collateral. ("Collateral" as used in this Agreement shall mean SVB Collateral or Creditor Collateral, as the case may be.)

3. Subordination.

(a) All security interests now or hereafter acquired by Creditor in Creditor Collateral shall at all times be prior and superior to any security interest or other interest or claim now held or hereafter acquired by SVB in

Creditor Collateral. (SVB and Creditor are sometimes referred to herein as the "Lenders.")

(b) All security interests now or hereafter acquired by SVB in the SVB Collateral shall at all times be prior and superior to any security interest, ownership interest, or other interest or claim now held or hereafter acquired by Creditor in SVB Collateral.

(c) The priorities specified in this Agreement shall be applicable irrespective of the time or order of attachment or perfection of any security

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interest or the time or order of filing of any financing statements or other documents, or the giving of any notices of purchase money security interests or other notices, or possession of any Collateral, or any statutes, rules or law, or court decisions to the contrary.

(d) The subordinations and priorities specified in this Agreement are expressly conditioned upon the nonavoidability and perfection of the security interest to which another security interest is subordinated, and if the security interest to which another security interest is subordinated is not perfected or is avoidable, for any reason, then the subordinations and relative priority provided for in this Agreement shall not be effective as to the particular Collateral which is the subject of the unperfected or avoidable security interest.

4. Termination Statements.

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(a) SVB agrees to execute and deliver to Creditor, promptly upon Creditor's request, appropriate UCC termination statements or partial releases with respect to any Creditor Collateral being sold or otherwise disposed of in connection with the liquidation of Borrower's assets upon or after the declaration of a default or an event of default by Creditor under any present or future instrument or agreement between the Borrower and Creditor. The proceeds of any Creditor Collateral so sold or disposed of shall be applied, after the deduction of any and all costs relating to such sale or disposition (including attorneys' fees, advertising costs and auctioneer's fees) to any and all outstanding present or future indebtedness, liabilities, guaranties or other obligations of the Borrower to Creditor (the "Creditor Obligations") in such order as Creditor may, in its discretion, determine and, only if all Creditor Obligations have been indefeasibly paid in full, then to all or any part of the present or future indebtedness, liabilities, guaranties or other obligations of the Borrower to SVB (the "SVB Obligations") in such order as SVB may, in its discretion, determine.

(b) Creditor agrees to execute and deliver to SVB, promptly upon SVB's request, appropriate UCC termination statements or partial releases with respect to any SVB Collateral being sold or otherwise disposed of in connection with the liquidation of Borrower's assets upon or after the declaration of default or any event of default by SVB under any present or future instrument or agreement between the Borrower and SVB. The proceeds of any SVB Collateral so sold or disposed of shall be applied, after the deduction of any and all costs relating to such sale or disposition (including attorney's fees, advertising costs and auctioneer's fees) to any and all outstanding SVB Obligations in such order as SVB, in its discretion, may determine, and only if all SVB Obligations have been indefeasibly paid in full, then to all or any part of the Creditor Obligations in such order as Creditor, in its discretion, may determine.

5. Lender's Rights. SVB and Creditor each agree that the other may at any time, and from time to time, without the consent of the other party and without notice to the other party, renew, extend or increase any of the indebtedness, liabilities or obligations owing to it from the Borrower (the "Secured Obligations") or that of any other person at any time directly or indirectly liable for the payment of any Secured Obligations, accept partial payments of the Secured Obligations, settle, release (by operation of law or otherwise), compound, compromise, collect or liquidate any of the Secured Obligations, make loans or advances to the Borrower secured in whole or in part by its Collateral or refrain from making any loans or advances to the Borrower, change, alter or vary the interest charge on, or any other terms or provisions of the Secured Obligations or any present or future instrument, document or agreement with the Borrower, and take any

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other action or omit to take any other action with respect to its Secured Obligations or its Collateral as it deems necessary or advisable in its sole discretion. SVB and Creditor each waive any right to require the other to

marshal any Collateral or other assets in favor of it or against or in payment of any or all of its Secured Obligations.

6. Remedies. SVB shall not collect, take possession of, foreclose upon, or exercise any other rights or remedies with respect to Creditor Collateral, judicially or nonjudicially, or attempt to do any of the foregoing, without the prior written consent of Creditor, which shall be a matter of Creditor's sole discretion. Creditor shall not collect, take possession of, foreclose upon, or exercise any other rights or remedies with respect to SVB Collateral, judicially or nonjudicially, or attempt to do any of the foregoing, without the prior written consent of SVB, which shall be a matter of SVB's sole discretion.

7. No Commitment by Lenders. It is understood and agreed that this Agreement shall in no way be construed as a commitment or agreement by SVB or Creditor to continue financing arrangements with the Borrower, and that SVB and Creditor may terminate such arrangement at any time.

8. Insurance. The Lender having a senior security interest or lien in the Collateral shall, subject to such Lender's rights under its agreements with Borrower, have the sole and exclusive right, as against the other Lender, to adjust settlement of such insurance policy in the event of any loss. All proceeds of such policy shall be paid to the Lender having the senior claim as set forth in this Agreement. After payment of such senior Lender's claim and all expenses of collection, including reasonable attorneys' fees and other costs, fees and expenses, any remaining proceeds shall be promptly remitted to the other Lender for application to the Secured Obligations owing to it.

9. BANKRUPTCY FINANCING. In the event of any financing of the Borrower by SVB or Creditor during any bankruptcy, arrangement, or reorganization of the Borrower, each Lender agrees that the other's "Secured Obligations" shall include without limitation all indebtedness, liabilities and obligations incurred by the Borrower in any such proceeding, and the other's "Collateral" shall include without limitation all Collateral arising during any such proceeding, and this Agreement shall continue to apply during any such proceeding.

10. NOTICES OF DEFAULT; CONSULTATION. Creditor and SVB agree to use their best efforts to give to the other copies of any written notice of the occurrence or existence of an event of default sent to Borrower, simultaneously with the sending of such notice to Borrower, and to consult with each other for a reasonable period, not to exceed sixty (60) days, as to enforcement of their respective remedies against Borrower and its property, but the failure to do so shall not affect the validity of such notice or create a cause of action against or liability on the part of the party failing to give such notice, nor shall it create any claim or right on behalf of the other party, the Borrower or any third party. The sending of such notice shall not give the recipient the obligation to cure such default or event of default.

11. NO CONTEST. Neither Creditor nor SVB shall contest the validity, perfection, priority or enforceability of any lien or security interest granted to the other, and each agrees to cooperate in the defense of any action contesting the validity, perfection, priority or enforceability of such liens or security interest at the cost of the party defending such action.

12. FINANCIAL CONDITION OF BORROWER. Creditor and SVB are each presently informed of the financial condition of the Borrower and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of non-payment of the Secured Obligations owing to them. Creditor and SVB each waives any right to require the other to disclose to it any information

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which the other may now or hereafter acquire concerning the Borrower.

13. Revivor. If, after payment of the Creditor Obligations, the Borrower thereafter becomes liable to Creditor on account of the Creditor Obligations, or any payment made on the Creditor Obligations shall for any reason be required to be returned or refunded by Creditor, this Agreement shall thereupon in all respects become effective with respect to such subsequent or reinstated Creditor Obligations, without the necessity of any further act or agreement between Creditor and SVB. If, after payment of the SVB Obligations, the Borrower thereafter becomes liable to SVB on account of the SVB Obligations, or any payment made on the SVB Obligations shall for any reason be required to be returned or refunded by SVB, this Agreement shall thereupon in all respects become effective with respect to such subsequent or reinstated SVB Obligations, without the necessity of any further act or agreement between SVB and Creditor.

14. WAIVER OF JURY TRIAL. SVB and Creditor each hereby waive the right to trial by jury in any action or proceeding based upon, arising out of, or in any way relating to: (i) this Agreement; or (ii) any other present or future instrument or agreement between SVB and Creditor relating to the Borrower; or (iii) any conduct, acts or omissions of SVB or Creditor or any of their

directors, officers, employees, agents, attorneys or any other persons affiliated with SVB or Creditor, relating to Borrower, in each of the foregoing cases, whether sounding in contract or tort or otherwise.

15. GENERAL. Creditor and SVB are not in any manner to be construed to be partners or joint venturers or to have any other legal relationship other than as expressly set forth in written agreements between them. Creditor and SVB each agrees to execute all such documents and instruments and take all such actions as the other shall reasonably request in order to carry out the purposes of this Agreement, including without limitation appropriate amendments to Financing Statements executed by the Borrower in favor of Creditor or SVB in order to refer to this Agreement (but this Agreement shall remain fully effective notwithstanding any failure to execute any additional documents, instruments, or amendments). Creditor and SVB each represents and warrants to the other that it has not heretofore transferred to assigned any Financing Statement naming the Borrower as debtor and it as secured party, and that it will not do so without first notifying the other in writing, and delivering a copy of this Agreement to the proposed transferee or assignee, and obtaining the acknowledgment of the proposed transferee or assignee that the transfer or assignment is subject to all of the terms of this Agreement. This Agreement is solely for the benefit of SVB and Creditor and their successors and assigns, and neither the Borrower nor any other person shall have any right, benefit, priority or interest under, or because of the existence of, this Agreement. This Agreement sets forth in full the terms of agreement between Creditor and SVB with respect to the subject matter hereof, and may not be modified or amended, nor may any rights hereunder be waived, except in a writing signed by Creditor and SVB. In the event of any litigation between the parties based upon or arising out of this Agreement, the prevailing party shall be entitled to recover all of its costs and expenses (including without limitation attorneys' fees) from the non-prevailing party. This Agreement shall be binding upon the parties hereto and their respective successors and assigns, and shall be construed in accordance with, and governed by, the laws of the State of California. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Intercreditor Agreement as of May 22, 1998.

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"Creditor"

Transamerica Business Credit Corporation
By: /s/ GARY P. MORO

Gary P. Moro
Title: Vice President

"SVB"

SILICON VALLEY BANK
By: [SIG]

Title: VP

BORROWER'S CONSENT AND AGREEMENT

Borrower consents to the terms of this Intercreditor Agreement and agrees not to take any actions inconsistent therewith. Borrower shall obtain satisfactory Lender's Loss Payable Endorsements naming both Creditor and SVB, as their interests may appear, with respect to policies which insure Collateral hereunder, or with such other designation as Creditor and SVB may agree. Borrower agrees to execute all such documents and instruments and take all such actions as Creditor or SVB shall reasonably request in order to carry out the purposes of this Agreement, including without limitation appropriate amendments to financing statements.

"Borrower"

Abovet Communications, Inc.

By: /s/ STEPHEN BELOMY

Title: E.V.P & CFO

/s/ KEVIN M. HOURIGAN

Controller

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

WARRANT TO PURCHASE COMMON STOCK
OF
ABOVENET COMMUNICATIONS INC.

VOID AFTER JULY 31, 2003

This Warrant is issued to Primus Technology Fund, or its registered assigns ("Holder") by AboveNet Communications Inc., a California corporation (the "Company"), on July 31, 1998 (the "Warrant Issue Date") for services provided by Holder to the Company in establishing operations of the Company in Asia.

1. WARRANT SHARES. Subject to the terms and conditions hereinafter set forth, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the holder hereof in writing), to purchase from the Company up to thirty-five thousand (35,000) fully paid and nonassessable shares of Common Stock of the Company, as constituted on the Warrant Issue Date. The number of shares of Common Stock issuable pursuant to this Section 1 (the "Shares") shall be subject to adjustment pursuant to Section 9 hereof.

2. EXERCISE PRICE. The exercise price for the Shares shall be \$1.30 per share, as adjusted from time to time pursuant to Section 9 hereof (the "Exercise Price").

3. EXERCISE PERIOD. This Warrant shall be exercisable, in whole or in part, during the term commencing on the Warrant Issue Date and ending at 5:00 p.m. on July 31, 2003; provided, however, that in the event of (a) the closing of the Company's sale or transfer of all or substantially all of its assets, or (b) the closing of the acquisition of the Company by another entity by means of merger, consolidation or other transaction or series of related transactions, resulting in the exchange of the outstanding shares of the Company's capital stock such that the stockholders of the Company prior to such transaction own, directly or indirectly, less than 50% of the voting power of the surviving entity, this Warrant shall, on the date of such event, no longer

be exercisable and become null and void. In the event of a proposed transaction

of the kind described above, the Company shall notify the holder of the Warrant at least fifteen (15) days prior to the consummation of such event or transaction.

4. AUTOMATIC EXERCISE. Notwithstanding the provisions of Section 3, this Warrant shall automatically be deemed to be exercised in full in the manner set forth in Section 6, without any further action on behalf of the Holder immediately prior to: (a) the closing of the Company's sale or transfer of all or substantially all of its assets, or (b) the closing of the acquisition of the Company by another entity by means of merger, consolidation or other transaction or resulting in the exchange of the outstanding shares of the Company's capital stock such that the stockholders of the Company prior to such transaction own, directly or indirectly, less than 50% of the voting power of the surviving entity.

5. METHOD OF EXERCISE. While this Warrant remains outstanding and exercisable in accordance with Section 3 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of Notice of Election attached hereto, to the Secretary of the Company at its principal offices; and

(b) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased.

6. NET EXERCISE. In lieu of exercising this Warrant pursuant to Section 5, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the holder hereof a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where: X = The number of shares of Common Stock to be issued to the Holder pursuant to this net exercise;

Y = The number of Shares in respect of which the net issue election is made;

- A = The fair market value of one share of the Common Stock at the time the net issue election is made;
- B = The Exercise Price (as adjusted to the date of the net issuance).

For purposes of this Section 6, the fair market value of one share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a securities exchange or through

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the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the net exercise election; (ii) if traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the net exercise; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors of the Company; provided, that, if the Warrant is being exercised upon the closing of the IPO, the value will be the initial "Price to Public" of one share of such Common Stock specified in the final prospectus with respect to such offering.

7. CERTIFICATES FOR SHARES. Upon the exercise of the purchase rights evidenced by this Warrant, one or more certificates for the number of Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable), and in any event within thirty (30) days of the delivery of the subscription notice.

8. ISSUANCE OF SHARES. The Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

9. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(A) SUBDIVISIONS, COMBINATIONS AND OTHER ISSUANCES. If the Company shall at any time prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock or Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price

payable per share, but the aggregate purchase price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 9(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(B) RECLASSIFICATION, REORGANIZATION AND CONSOLIDATION. In case of any reclassification, capital reorganization, or change in the Common Stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 9(a) above), then, as a condition of such reclassification, reorganization, or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the

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same number of shares of Common Stock as were purchasable by the Holder immediately prior to such reclassification, reorganization, or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the purchase price per share payable hereunder, provided the aggregate purchase price shall remain the same.

(C) NOTICE OF ADJUSTMENT. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Warrant Price, the Company shall promptly notify the holder of such event and of the number of shares of Common Stock or other securities or property thereafter purchasable upon exercise of this Warrant.

10. NO FRACTIONAL SHARES OR SCRIP. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

11. NO SHAREHOLDER RIGHTS. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a shareholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of shareholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. However, nothing in this Section 11 shall limit the right of the Holder to be provided the notices required under this Warrant.

12. TRANSFERS OF WARRANT. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder are transferable in whole or in part by the Holder to any person or entity upon written notice to the Company. The transfer shall be recorded on the books of the Company upon the surrender of this Warrant, properly endorsed, to the Company at its principal offices, and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new warrants.

13. SUCCESSORS AND ASSIGNS. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holders hereof and their respective successors and assigns.

14. AMENDMENTS AND WAIVERS. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

15. NOTICES. All notices required under this Warrant and shall be deemed to have been given or made for all purposes (i) upon personal delivery, (ii) upon confirmation receipt that the communication was successfully sent to the applicable number if sent by

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facsimile; (iii) one day after being sent, when sent by professional overnight courier service, or (iv) five days after posting when sent by registered or certified mail. Notices to the Company shall be sent to the principal office of the Company (or at such other place as the Company shall notify the Holder hereof in writing). Notices to the Holder shall be sent to the address of the Holder on the books of the Company (or at such other place as the Holder shall notify the Company hereof in writing).

16. ATTORNEYS' FEES. If any action of law or equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled.

17. CAPTIONS. The section and subsection headings of this Warrant are inserted for convenience only and shall not constitute a part of this Warrant in construing or interpreting any provision hereof.

18. GOVERNING LAW. This Warrant shall be governed by the laws of the State of California as applied to agreements among California residents made and to be performed entirely within the State of California.

19. "MARKET STAND-OFF" AGREEMENT. Holder hereby agrees that,

during the period of duration (not to exceed 180 days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of the initial underwritten public offering of the Company's Common Stock, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly, sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period except Common Stock included in such registration.

IN WITNESS WHEREOF, AboveNet Communications Inc. caused this Warrant to be executed by an officer thereunto duly authorized.

ABOVENET COMMUNICATIONS INC.

By: /s/ Sherman Tuan

Title: Chief Executive Officer

NOTICE OF EXERCISE

To: ABOVENET COMMUNICATIONS INC.

The undersigned hereby elects to [CHECK APPLICABLE SUBSECTION]:

(a) Purchase _____ shares of Common Stock of _____, pursuant to the terms of the attached Warrant and payment of the Exercise Price per share required under such Warrant accompanies this notice;

OR

(b) Exercise the attached Warrant for [all of the shares] [_____ of the shares] [CROSS OUT INAPPLICABLE PHRASE] purchasable under the Warrant pursuant to the net exercise provisions of Section 6 of such Warrant.

The undersigned hereby represents and warrants that the undersigned is acquiring such shares for its own account for investment purposes

only, and not for resale or with a view to distribution of such shares or any part thereof.

WARRANTHOLDER:

By:

[NAME]

Address:

Date:

Name in which shares should be registered:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

WARRANT TO PURCHASE COMMON STOCK
OF
ABOVENET COMMUNICATIONS INC.

VOID AFTER JULY 23, 2003

This Warrant is issued to DEF Public Relations, or its registered assigns ("Holder") by AboveNet Communications Inc., a California corporation (the "Company"), on July 23, 1998 (the "Warrant Issue Date").

1. PURCHASE SHARES. Subject to the terms and conditions hereinafter set forth, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the holder hereof in writing), to purchase from the Company up to Five Thousand (5,000) fully paid and nonassessable shares of Common Stock of the Company, as constituted on the Warrant Issue Date. The number of shares of Common Stock issuable pursuant to this Section 1 (the "Shares") shall be subject to adjustment pursuant to Section 9 hereof.

2. EXERCISE PRICE. The purchase price for the Shares shall be \$1.00, as adjusted from time to time pursuant to Section 9 hereof (the "Exercise Price").

3. EXERCISE PERIOD. This Warrant shall be exercisable, in whole or in part, during the term commencing on the Warrant Issue Date and ending at 5:00 p.m. on July 23, 2003; provided, however, that in the event of (a) the closing of the Company's sale or transfer of all or substantially all of its assets, or (b) the closing of the acquisition of the Company by another entity by means of merger, consolidation or other transaction or series of related transactions, resulting in the exchange of the outstanding shares of the Company's capital stock such that the stockholders of the Company prior to such transaction own, directly or indirectly, less than 50% of the voting power of the surviving entity, this Warrant shall, on the date of such event, no longer be exercisable and become null and void. In the event of a proposed transaction

of the kind described above, the Company shall notify the holder of the Warrant at least fifteen (15) days prior to the consummation of such event or transaction.

4. AUTOMATIC EXERCISE. Notwithstanding the provisions of Section 3, this Warrant shall automatically be deemed to be exercised in full in the manner set forth in Section 6, without any further action on behalf of the Holder immediately prior to: (a) the closing of the Company's sale or transfer of all or substantially all of its assets, or (b) the closing of the acquisition of the Company by another entity by means of merger, consolidation or other transaction or resulting in the exchange of the outstanding shares of the Company's capital stock such that the stockholders of the Company prior to such transaction own, directly or indirectly, less than 50% of the voting power of the surviving entity.

5. METHOD OF EXERCISE. While this Warrant remains outstanding and exercisable in accordance with Section 3 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of Notice of Election attached hereto, to the Secretary of the Company at its principal offices; and

(b) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased.

6. NET EXERCISE. In lieu of exercising this Warrant pursuant to Section 5, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the holder hereof a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where:

X = The number of shares of Common Stock to be issued to the Holder pursuant to this net exercise;

Y = The number of Shares in respect of which the net issue election is made;

A = The fair market value of one share of the

Common Stock at the time the net issue election is made;

B = The Exercise Price (as adjusted to the date of the net issuance).

For purposes of this Section 6, the fair market value of one share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the net exercise election; (ii) if traded over-the-counter, the value shall be deemed to be the average

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of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the net exercise; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors of the Company; provided, that, if the Warrant is being exercised upon the closing of the IPO, the value will be the initial "Price to Public" of one share of such Common Stock specified in the final prospectus with respect to such offering.

7. CERTIFICATES FOR SHARES. Upon the exercise of the purchase rights evidenced by this Warrant, one or more certificates for the number of Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable), and in any event within thirty (30) days of the delivery of the subscription notice.

8. ISSUANCE OF SHARES. The Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

9. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) SUBDIVISIONS, COMBINATIONS AND OTHER ISSUANCES. If the Company shall at any time prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock or Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same.

Any adjustment under this Section 9(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) RECLASSIFICATION, REORGANIZATION AND CONSOLIDATION. In case of any reclassification, capital reorganization, or change in the Common Stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 9(a) above), then, as a condition of such reclassification, reorganization, or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the same number of shares of Common Stock as were purchasable by the Holder immediately prior to such reclassification, reorganization, or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall

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thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the purchase price per share payable hereunder, provided the aggregate purchase price shall remain the same.

(c) NOTICE OF ADJUSTMENT. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Warrant Price, the Company shall promptly notify the holder of such event and of the number of shares of Common Stock or other securities or property thereafter purchasable upon exercise of this Warrant.

10. NO FRACTIONAL SHARES OR SCRIP. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

11. NO SHAREHOLDER RIGHTS. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a shareholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of shareholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. However, nothing in this Section 11 shall limit the right of the Holder to be provided the notices required under this Warrant.

12. TRANSFERS OF WARRANT. Subject to compliance with

applicable federal and state securities laws, this Warrant and all rights hereunder are transferable in whole or in part by the Holder to any person or entity upon written notice to the Company. The transfer shall be recorded on the books of the Company upon the surrender of this Warrant, properly endorsed, to the Company at its principal offices, and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new warrants.

13. SUCCESSORS AND ASSIGNS. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holders hereof and their respective successors and assigns.

14. AMENDMENTS AND WAIVERS. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

15. NOTICES. All notices required under this Warrant and shall be deemed to have been given or made for all purposes (i) upon personal delivery, (ii) upon confirmation receipt that the communication was successfully sent to the applicable number if sent by facsimile; (iii) one day after being sent, when sent by professional overnight courier service, or (iv) five days after posting when sent by registered or certified mail. Notices to the Company shall be sent to the principal office of the Company (or at such other place as the Company shall

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notify the Holder hereof in writing). Notices to the Holder shall be sent to the address of the Holder on the books of the Company (or at such other place as the Holder shall notify the Company hereof in writing).

16. ATTORNEYS' FEES. If any action of law or equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled.

17. CAPTIONS. The section and subsection headings of this Warrant are inserted for convenience only and shall not constitute a part of this Warrant in construing or interpreting any provision hereof.

18. GOVERNING LAW. This Warrant shall be governed by the laws of the State of California as applied to agreements among California residents made and to be performed entirely within the State of California.

IN WITNESS WHEREOF, AboveNet Communications Inc. caused this Warrant to be executed by an officer thereunto duly authorized.

By: /s/ Warren J. Kaplan

Title: President and Chief Operating Officer

NOTICE OF EXERCISE

To: ABOVENET COMMUNICATIONS INC.

The undersigned hereby elects to [CHECK APPLICABLE SUBSECTION]:

(a) Purchase _____ shares of Common Stock of _____, pursuant to the terms of the attached Warrant and payment of the Exercise Price per share required under such Warrant accompanies this notice;

OR

(b) Exercise the attached Warrant for [all of the shares] [_____ of the shares] [CROSS OUT INAPPLICABLE PHRASE] purchasable under the Warrant pursuant to the net exercise provisions of Section 6 of such Warrant.

The undersigned hereby represents and warrants that the undersigned is acquiring such shares for its own account for investment purposes only, and not for resale or with a view to distribution of such shares or any part thereof.

WARRANTHOLDER:

By:

[NAME]

Address:

Date:

Name in which shares should be registered:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

WARRANT TO PURCHASE COMMON STOCK
OF
ABOVENET COMMUNICATIONS INC.

VOID AFTER JULY 31, 2003

This Warrant is issued to G&H Partners, or its registered assigns ("Holder") by AboveNet Communications Inc., a California corporation (the "Company"), on July 31, 1998 (the "Warrant Issue Date") for a purchase price of Five Hundred Dollars (\$500.00).

1. WARRANT SHARES. Subject to the terms and conditions hereinafter set forth, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the holder hereof in writing), to purchase from the Company up to ten thousand (10,000) fully paid and nonassessable shares of Common Stock of the Company, as constituted on the Warrant Issue Date. The number of shares of Common Stock issuable pursuant to this Section 1 (the "Shares") shall be subject to adjustment pursuant to Section 9 hereof.

2. EXERCISE PRICE. The exercise price for the Shares shall be \$1.30 per share, as adjusted from time to time pursuant to Section 9 hereof (the "Exercise Price").

3. EXERCISE PERIOD. This Warrant shall be exercisable, in whole or in part, during the term commencing on the Warrant Issue Date and ending at 5:00 p.m. on July 31, 2003; provided, however, that in the event of (a) the closing of the Company's sale or transfer of all or substantially all of its assets, or (b) the closing of the acquisition of the Company by another entity by means of merger, consolidation or other transaction or series of related transactions, resulting in the exchange of the outstanding shares of the Company's capital stock such that the stockholders of the Company prior to such transaction own, directly or indirectly, less than 50% of the voting power of the surviving entity, this Warrant shall, on the date of such event, no longer

be exercisable and become null and void. In the event of a proposed transaction of the kind described above, the Company shall notify the holder of the Warrant at least fifteen (15) days prior to the consummation of such event or transaction.

4. AUTOMATIC EXERCISE. Notwithstanding the provisions of Section 3, this Warrant shall automatically be deemed to be exercised in full in the manner set forth in Section 6, without any further action on behalf of the Holder immediately prior to: (a) the closing of the Company's sale or transfer of all or substantially all of its assets, or (b) the closing of the acquisition of the Company by another entity by means of merger, consolidation or other transaction or resulting in the exchange of the outstanding shares of the Company's capital stock such that the stockholders of the Company prior to such transaction own, directly or indirectly, less than 50% of the voting power of the surviving entity.

5. METHOD OF EXERCISE. While this Warrant remains outstanding and exercisable in accordance with Section 3 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of Notice of Election attached hereto, to the Secretary of the Company at its principal offices; and

(b) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased.

6. NET EXERCISE. In lieu of exercising this Warrant pursuant to Section 5, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the holder hereof a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where: X = The number of shares of Common Stock to be issued to the Holder pursuant to this net exercise;

Y = The number of Shares in respect of which the net issue election is made;

- A = The fair market value of one share of the Common Stock at the time the net issue election is made;
- B = The Exercise Price (as adjusted to the date of the net issuance).

For purposes of this Section 6, the fair market value of one share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the net exercise election; (ii) if traded over-the-counter, the value shall be deemed to be the average

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of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the net exercise; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors of the Company; provided, that, if the Warrant is being exercised upon the closing of the IPO, the value will be the initial "Price to Public" of one share of such Common Stock specified in the final prospectus with respect to such offering.

7. CERTIFICATES FOR SHARES. Upon the exercise of the purchase rights evidenced by this Warrant, one or more certificates for the number of Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable), and in any event within thirty (30) days of the delivery of the subscription notice.

8. ISSUANCE OF SHARES. The Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

9. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) SUBDIVISIONS, COMBINATIONS AND OTHER ISSUANCES. If the Company shall at any time prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock or Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number

of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 9(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) RECLASSIFICATION, REORGANIZATION AND CONSOLIDATION. In case of any reclassification, capital reorganization, or change in the Common Stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 9(a) above), then, as a condition of such reclassification, reorganization, or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the same number of shares of Common Stock as were purchasable by the Holder immediately prior to such reclassification, reorganization, or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall

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thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the purchase price per share payable hereunder, provided the aggregate purchase price shall remain the same.

(c) NOTICE OF ADJUSTMENT. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Warrant Price, the Company shall promptly notify the holder of such event and of the number of shares of Common Stock or other securities or property thereafter purchasable upon exercise of this Warrant.

10. NO FRACTIONAL SHARES OR SCRIP. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

11. NO SHAREHOLDER RIGHTS. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a shareholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of shareholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. However, nothing in this Section 11 shall limit the right of the Holder to be provided the notices required under this Warrant.

12. TRANSFERS OF WARRANT. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder are transferable in whole or in part by the Holder to any person or entity upon written notice to the Company. The transfer shall be recorded on the books of the Company upon the surrender of this Warrant, properly endorsed, to the Company at its principal offices, and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new warrants.

13. SUCCESSORS AND ASSIGNS. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holders hereof and their respective successors and assigns.

14. AMENDMENTS AND WAIVERS. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

15. NOTICES. All notices required under this Warrant and shall be deemed to have been given or made for all purposes (i) upon personal delivery, (ii) upon confirmation receipt that the communication was successfully sent to the applicable number if sent by facsimile; (iii) one day after being sent, when sent by professional overnight courier service, or (iv) five days after posting when sent by registered or certified mail. Notices to the Company shall be sent to the principal office of the Company (or at such other place as the Company shall

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notify the Holder hereof in writing). Notices to the Holder shall be sent to the address of the Holder on the books of the Company (or at such other place as the Holder shall notify the Company hereof in writing).

16. ATTORNEYS' FEES. If any action of law or equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled.

17. CAPTIONS. The section and subsection headings of this Warrant are inserted for convenience only and shall not constitute a part of this Warrant in construing or interpreting any provision hereof.

18. GOVERNING LAW. This Warrant shall be governed by the laws of the State of California as applied to agreements among California residents made and to be performed entirely within the State of California.

19. "MARKET STAND-OFF" AGREEMENT. Holder hereby agrees that, during the period of duration (not to exceed 180 days) specified by the Company

and an underwriter of Common Stock or other securities of the Company, following the effective date of the initial underwritten public offering of the Company's Common Stock, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly, sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period except Common Stock included in such registration.

IN WITNESS WHEREOF, AboveNet Communications Inc. caused this Warrant to be executed by an officer thereunto duly authorized.

ABOVENET COMMUNICATIONS INC.

By: /s/ Warren J. Kaplan

Title: President and Chief Operating Officer

NOTICE OF EXERCISE

To: ABOVENET COMMUNICATIONS INC.

The undersigned hereby elects to [CHECK APPLICABLE SUBSECTION]:

----- (a) Purchase _____ shares of Common Stock of _____, pursuant to the terms of the attached Warrant and payment of the Exercise Price per share required under such Warrant accompanies this notice;

OR

----- (b) Exercise the attached Warrant for [all of the shares] [_____ of the shares] [CROSS OUT INAPPLICABLE PHRASE] purchasable under the Warrant pursuant to the net exercise provisions of Section 6 of such Warrant.

The undersigned hereby represents and warrants that the undersigned is acquiring such shares for its own account for investment purposes only, and not for resale or with a view to distribution of such shares or any

part thereof.

WARRANTHOLDER:

By:

[NAME]

Address:

Date:

Name in which shares should be registered:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

WARRANT TO PURCHASE COMMON STOCK
OF
ABOVENET COMMUNICATIONS INC.

VOID AFTER OCTOBER 14, 2003

This Warrant is issued to Therma Corporation, or its registered assigns ("Holder") by AboveNet Communications Inc., a Delaware corporation (the "Company"), on October 14, 1998 (the "Warrant Issue Date").

1. PURCHASE SHARES. Subject to the terms and conditions hereinafter set forth, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the holder hereof in writing), to purchase from the Company up to One Thousand Seven Hundred Fifty (1,750) fully paid and nonassessable shares of Common Stock of the Company, as constituted on the Warrant Issue Date. The number of shares of Common Stock issuable pursuant to this Section 1 (the "Shares") shall be subject to adjustment pursuant to Section 8 hereof.

2. EXERCISE PRICE. The purchase price for the Shares shall be \$4.00, as adjusted from time to time pursuant to Section 8 hereof (the "Exercise Price").

3. EXERCISE PERIOD. This Warrant shall be exercisable, in whole or in part, during the term commencing on the Warrant Issue Date and ending at 5:00 p.m. on October 14, 2003.

4. METHOD OF EXERCISE. While this Warrant remains outstanding and exercisable in accordance with Section 3 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly

executed copy of the form of Notice of Election attached hereto, to the Secretary of the Company at its principal offices; and

(b) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased.

5. NET EXERCISE. In lieu of exercising this Warrant pursuant to Section 4, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the holder hereof a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where:

X = The number of shares of Common Stock to be issued to the Holder pursuant to this net exercise;

Y = The number of Shares in respect of which the net issue election is made;

A = The fair market value of one share of the Common Stock at the time the net issue election is made;

B = The Exercise Price (as adjusted to the date of the net issuance).

For purposes of this Section 5, the fair market value of one share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the net exercise election; (ii) if traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the net exercise; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors of the Company; provided, that, if the Warrant is being exercised upon the closing of the IPO, the value will be the initial "Price to Public" of one share of such Common Stock specified in the final prospectus with respect to such offering.

6. CERTIFICATES FOR SHARES. Upon the exercise of the purchase

rights evidenced by this Warrant, one or more certificates for the number of Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable), and in any event within thirty (30) days of the delivery of the subscription notice.

7. ISSUANCE OF SHARES. The Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

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8. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) SUBDIVISIONS, COMBINATIONS AND OTHER ISSUANCES. If the Company shall at any time prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock or Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) RECLASSIFICATION, REORGANIZATION AND CONSOLIDATION. In case of any reclassification, capital reorganization, or change in the Common Stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 8(a) above), then, as a condition of such reclassification, reorganization, or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the same number of shares of Common Stock as were purchasable by the Holder immediately prior to such reclassification, reorganization, or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the purchase price per share payable hereunder, provided the aggregate purchase price shall remain the

same.

(c) NOTICE OF ADJUSTMENT. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Warrant Price, the Company shall promptly notify the holder of such event and of the number of shares of Common Stock or other securities or property thereafter purchasable upon exercise of this Warrant.

9. NO FRACTIONAL SHARES OR SCRIP. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

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10. NO STOCKHOLDER RIGHTS. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. However, nothing in this Section 10 shall limit the right of the Holder to be provided the notices required under this Warrant.

11. TRANSFERS OF WARRANT. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder are transferable in whole or in part by the Holder to any person or entity upon written notice to the Company. The transfer shall be recorded on the books of the Company upon the surrender of this Warrant, properly endorsed, to the Company at its principal offices, and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new warrants.

12. SUCCESSORS AND ASSIGNS. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holders hereof and their respective successors and assigns.

13. AMENDMENTS AND WAIVERS. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

14. NOTICES. All notices required under this Warrant and shall be deemed to have been given or made for all purposes (i) upon personal delivery, (ii) upon confirmation receipt that the communication was successfully sent to the applicable number if sent by facsimile; (iii) one day after being sent, when sent by professional overnight courier service, or (iv) five days after posting when sent by registered or certified mail. Notices to the Company

shall be sent to the principal office of the Company (or at such other place as the Company shall notify the Holder hereof in writing). Notices to the Holder shall be sent to the address of the Holder on the books of the Company (or at such other place as the Holder shall notify the Company hereof in writing).

15. ATTORNEYS' FEES. If any action of law or equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled.

16. CAPTIONS. The section and subsection headings of this Warrant are inserted for convenience only and shall not constitute a part of this Warrant in construing or interpreting any provision hereof.

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17. GOVERNING LAW. This Warrant shall be governed by the laws of the State of California as applied to agreements among California residents made and to be performed entirely within the State of California.

18. "MARKET STAND-OFF" AGREEMENT. Holder hereby agrees that, during the period of duration (not to exceed 180 days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of the initial underwritten public offering of the Company's Common Stock, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly, sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period except Common Stock included in such registration.

IN WITNESS WHEREOF, AboveNet Communications Inc. caused this Warrant to be executed by an officer thereunto duly authorized.

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Title: Executive Vice President

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NOTICE OF EXERCISE

To: ABOVENET COMMUNICATIONS INC.

The undersigned hereby elects to [CHECK APPLICABLE
SUBSECTION]:

(a) Purchase _____ shares of Common Stock
of AboveNet Communications Inc., pursuant to the
terms of the attached Warrant and payment of the
Exercise Price per share required under such Warrant
accompanies this notice;

OR

(b) Exercise the attached Warrant for [all of the
shares] [_____ of the shares] [CROSS OUT
INAPPLICABLE PHRASE] purchasable under the Warrant
pursuant to the net exercise provisions of Section 6
of such Warrant.

The undersigned hereby represents and warrants that the
undersigned is acquiring such shares for its own account for investment purposes
only, and not for resale or with a view to distribution of such shares or any
part thereof.

WARRANTHOLDER:

Therma Corporation

By: _____

[NAME]

Address: _____

Date: _____

Name in which shares should be registered:

THIS WARRANT AND THE COMMON STOCK PURCHASABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO AN EXEMPTION TO SUCH ACT.

COMMON STOCK PURCHASE WARRANT

Warrant No. 105

Number of Shares: 1,626

ABOVENET COMMUNICATIONS INC.

Void after June 30, 2004

1. ISSUANCE. AboveNet Communications Inc., a Delaware corporation (hereinafter with its successors, the "Company") hereby issues this Warrant to Therma Corporation for good and valuable consideration, the receipt of which is hereby acknowledged.

2. PURCHASE PRICE; NUMBER OF SHARES. Subject to the terms and conditions hereinafter set forth, the registered holder of this Warrant (the "Holder"), commencing on the date hereof, is entitled upon surrender of this Warrant with the subscription form annexed hereto duly executed, at the principal office of the Company, or such other office as the Company shall notify the Holder of in writing, to purchase from the Company at a price per share of \$40.375 (the "Purchase Price"), 1,626 fully paid and nonassessable shares of Common Stock of the Company (the "Stock"). Until such time as this Warrant is exercised in full or expires, the Purchase Price and the securities issuable upon exercise of this Warrant are subject to adjustment as hereinafter provided.

3. PAYMENT OF PURCHASE PRICE. The Purchase Price may be paid (i) in cash or by check, (ii) by the surrender by the Holder to the Company of any promissory notes or other obligations issued by the Company, with all such notes and obligations so surrendered being credited against the Purchase Price in an amount equal to the principal amount thereof plus accrued interest to the date of surrender, (iii) through delivery by the Holder to the Company of other securities issued by the Company, with such securities being credited against the Purchase Price in an amount equal to the fair market value thereof, as determined in good faith by the Board of Directors of the Company (the "Board"), or (iv) by any combination of the foregoing. The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of any securities the Holder may wish to deliver to the Company pursuant to clause (iii) above.

4. NET ISSUE ELECTION. At any time from time to time, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares equal to

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the value of this Warrant or any portion hereof by the surrender of this Warrant or such portion to the Company, with the net issue election notice annexed hereto duly executed, at the principal office of the Company. Thereupon, the Company shall issue to the Holder such number of fully paid and nonassessable shares of Stock as is computed using the following formula:

$$X = \frac{Y (A-B)}{A}$$

Where:

- X = the number of shares to be issued to the Holder pursuant to this Section 4.
- Y = the number of shares covered by this Warrant in respect of which the net issue election is made pursuant to this Section 4.
- A = the fair market value of one share of Stock, as determined in good faith by the Board, as at the time the net issue election is made pursuant to this Section 4.
- B = the Purchase Price in effect under this Warrant at the time the net issue election is made pursuant to this Section 4.

The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of one share of Stock.

5. PARTIAL EXERCISE. This Warrant may be exercised in part, and the Holder shall be entitled to receive a new warrant, which shall be dated as of the date of this Warrant, covering the number of shares in respect of which this Warrant shall not have been exercised.

6. ISSUANCE DATE. The person or persons in whose name or names any certificate representing shares of Stock is issued hereunder shall be deemed to have become the holder of record of the shares represented thereby as at the close of business on the date this Warrant is exercised with respect to such shares, whether or not the transfer books of the Company shall be closed.

7. EXPIRATION DATE. This Warrant shall expire at the close of business on June 30, 2004, and shall be void thereafter.

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8. RESERVED SHARES; VALID ISSUANCE. The Company covenants that it will at all times from and after the date hereof reserve and keep available such number of its authorized shares of Common Stock, free from all preemptive or similar rights therein, as will be sufficient to permit the exercise of this Warrant in full. The Company further covenants that such shares as may be issued pursuant to the exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

9. DIVIDENDS. If after June 30, 1999 (the "Original Issue Date"), the Company shall subdivide the Stock, by split-up or otherwise, or combine the Stock, or issue additional shares of Stock in payment of a stock dividend on the Stock, the number of shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination, and the Purchase Price shall forthwith be proportionately decreased in the case of a subdivision or stock dividend, or proportionately increased in the case of a combination.

10. MERGERS AND RECLASSIFICATIONS. If after the Original Issue Date there shall be any reclassification, capital reorganization or change of the Stock (other than as a result of a subdivision, combination or stock dividend provided for in Section 9 hereof), or any consolidation of the Company with, or merger of the Company into, another corporation or other business organization (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification or change of the outstanding Stock), or any sale or conveyance to another corporation or other business organization of all or substantially all of the assets of the Company, then, as a condition of such reclassification, reorganization, change, consolidation, merger, sale or conveyance, lawful provisions shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall thereafter have the right to purchase, at a total price not to exceed that payable upon the exercise of this Warrant in full, the kind and amount of shares of stock and other securities and property receivable upon such reclassification, reorganization, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Stock which might have been purchased by the Holder immediately prior to such reclassification, reorganization, change, consolidation, merger, sale or conveyance, and in any such case appropriate provisions shall be made with respect to the rights and interest of the Holder to the end that the provisions hereof (including without limitation, provisions for the adjustment of the Purchase Price and the number of shares issuable hereunder) shall thereafter be applicable in relation to any shares of stock or other securities and property

thereafter deliverable upon exercise hereof.

11. CERTIFICATE OF ADJUSTMENT. Whenever the number of shares issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall promptly deliver to the Holder a certificate setting forth the Purchase Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

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12. NOTICES OF RECORD DATE, ETC. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right,

(b) any reclassification of the capital stock of the Company, capital reorganization of the Company, consolidation or merger involving the Company (other than the merger contemplated by the Agreement and Plan of Merger, dated as of June 22, 1999 among the Company, Metromedia Fiber Network, Inc., and Magellan Acquisition, Inc.), or sale or conveyance of all or substantially all of its assets, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then and in each such event the Company will mail or cause to be mailed to the Holder a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which any such reclassification, reorganization, consolidation, merger, sale or conveyance, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record in respect of such event are to be determined. Such notice shall be mailed at least 20 days prior to the date specified in such notice on which any such action is to be taken.

13. AMENDMENT. The terms of this Warrant may be amended, modified or waived only with the written consent of the Company and the Holder.

14. WARRANT REGISTER; TRANSFERS, ETC.

(a) The Company will maintain a register containing the names and addresses of the registered holders of the Warrants. The Holder may change its address as shown on the warrant register by written notice

to the Company requesting such change. Any notice or written communication required or permitted to be given to the Holder may be given by certified mail or delivered to the Holder at its address as shown on the warrant register.

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(b) Subject to compliance with applicable federal and state securities laws, this Warrant may be transferred by the Holder with respect to any or all of the shares purchasable hereunder. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, for transfer of this Warrant as an entirety by the Holder, the Company shall issue a new warrant of the same denomination to the assignee. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, by the Holder for transfer with respect to a portion of the shares of Stock purchasable hereunder, the Company shall issue a new warrant to the assignee, in such denomination as shall be requested by the Holder hereof, and shall issue to such Holder a new warrant covering the number of shares in respect of which this Warrant shall not have been transferred.

(c) In case this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall issue a new warrant of like tenor and denomination and deliver the same (i) in exchange and substitution for and upon surrender and cancellation of any mutilated Warrant, or (ii) in lieu of any Warrant lost, stolen or destroyed, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft or destruction of such Warrant (including a reasonably detailed affidavit with respect to the circumstances of any loss, theft or destruction) and of indemnity reasonably satisfactory to the Company, provided, however, that so long as Therma Corporation is the registered holder of this Warrant, no indemnity shall be required other than its written agreement to indemnify the Company against any loss arising from the issuance of such new warrant.

15. NO IMPAIRMENT. The Company will not, by amendment of its Certificate of Incorporation or through any reclassification, capital reorganization, consolidation, merger, sale or conveyance of assets, dissolution, liquidation, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder.

16. GOVERNING LAW. The provisions and terms of this Warrant shall be governed by and construed in accordance with the laws of the State of Delaware as applied to contracts among Delaware residents entered into and to be

performed entirely within Delaware.

17. SUCCESSORS AND ASSIGNS. This Warrant shall be binding upon the Company's successors and assigns and shall inure to the benefit of and bind the Holder's successors, legal representatives and permitted assigns.

18. BUSINESS DAYS. If the last or appointed day for the taking of any action required or the expiration of any right granted herein shall be a Saturday or Sunday or a legal holiday in the State of Delaware, then such action may be taken or right may be exercised on the next succeeding day which is not a Saturday or Sunday or such a legal holiday.

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19. MARKET STAND-OFF. Holder hereby agrees that, during the period of duration (not to exceed one hundred eighty (180) days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period, except Common Stock included in such registration. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the securities of Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

Dated: September 3, 1999

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Stephen P. Belomy
Executive Vice President and Secretary

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Subscription

To: _____

Date: _____

The undersigned hereby subscribes for _____ shares of Stock

covered by this Warrant. The certificate(s) for such shares shall be issued in the name of the undersigned or as otherwise indicated below:

Signature

Name for Registration

Mailing Address

Net Issue Election Notice

To: _____ Date: _____

The undersigned hereby elects under Section 4 to surrender the right to purchase _____ shares of Stock pursuant to this Warrant. The certificate(s) for the shares issuable upon such net issue election shall be issued in the name of the undersigned or as otherwise indicated below.

Signature

Name for Registration

Mailing Address

Assignment

For value received _____ hereby sells,
assigns and transfers unto _____

Please print or typewrite name and address of Assignee

the within Warrant, and does hereby irrevocably constitute and appoint
_____ its attorney to transfer the within Warrant on the books
of the within named Company with full power of substitution on the premises.

Dated:

In the Presence of:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

WARRANT TO PURCHASE COMMON STOCK
OF
ABOVENET COMMUNICATIONS INC.

VOID AFTER OCTOBER 14, 2003

This Warrant is issued to Biggs Cardosa, or its registered assigns ("Holder") by AboveNet Communications Inc., a Delaware corporation (the "Company"), on October 14, 1998 (the "Warrant Issue Date").

1. PURCHASE SHARES. Subject to the terms and conditions hereinafter set forth, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the holder hereof in writing), to purchase from the Company up to One Thousand Seven Hundred Fifty (1,750) fully paid and nonassessable shares of Common Stock of the Company, as constituted on the Warrant Issue Date. The number of shares of Common Stock issuable pursuant to this Section 1 (the "Shares") shall be subject to adjustment pursuant to Section 8 hereof.

2. EXERCISE PRICE. The purchase price for the Shares shall be \$4.00, as adjusted from time to time pursuant to Section 8 hereof (the "Exercise Price").

3. EXERCISE PERIOD. This Warrant shall be exercisable, in whole or in part, during the term commencing on the Warrant Issue Date and ending at 5:00 p.m. on October 14, 2003.

4. METHOD OF EXERCISE. While this Warrant remains outstanding and exercisable in accordance with Section 3 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of Notice of Election attached hereto, to the Secretary of the Company at its principal offices; and

(b) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased.

5. NET EXERCISE. In lieu of exercising this Warrant pursuant to Section 4, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the holder hereof a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where:

- X = The number of shares of Common Stock to be issued to the Holder pursuant to this net exercise;
- Y = The number of Shares in respect of which the net issue election is made;
- A = The fair market value of one share of the Common Stock at the time the net issue election is made;
- B = The Exercise Price (as adjusted to the date of the net issuance).

For purposes of this Section 5, the fair market value of one share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the net exercise election; (ii) if traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the net exercise; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors of the Company; provided, that, if the Warrant is being exercised upon the closing of the IPO, the value will be the initial "Price to Public" of one share of such Common Stock specified in the final prospectus with respect to such offering.

6. CERTIFICATES FOR SHARES. Upon the exercise of the purchase rights evidenced by this Warrant, one or more certificates for the number of Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable), and in any event within thirty (30) days of the delivery of the subscription notice.

7. ISSUANCE OF SHARES. The Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

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8. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) SUBDIVISIONS, COMBINATIONS AND OTHER ISSUANCES. If the Company shall at any time prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock or Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) RECLASSIFICATION, REORGANIZATION AND CONSOLIDATION. In case of any reclassification, capital reorganization, or change in the Common Stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 8(a) above), then, as a condition of such reclassification, reorganization, or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the same number of shares of Common Stock as were purchasable by the Holder immediately prior to such reclassification, reorganization, or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the purchase price per share payable hereunder, provided the aggregate purchase price shall remain the same.

(c) NOTICE OF ADJUSTMENT. When any adjustment is required to be made

in the number or kind of shares purchasable upon exercise of the Warrant, or in the Warrant Price, the Company shall promptly notify the holder of such event and of the number of shares of Common Stock or other securities or property thereafter purchasable upon exercise of this Warrant.

9. NO FRACTIONAL SHARES OR SCRIP. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

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10. NO SHAREHOLDER RIGHTS. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. However, nothing in this Section 10 shall limit the right of the Holder to be provided the notices required under this Warrant.

11. TRANSFERS OF WARRANT. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder are transferable in whole or in part by the Holder to any person or entity upon written notice to the Company. The transfer shall be recorded on the books of the Company upon the surrender of this Warrant, properly endorsed, to the Company at its principal offices, and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new warrants.

12. SUCCESSORS AND ASSIGNS. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holders hereof and their respective successors and assigns.

13. AMENDMENTS AND WAIVERS. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

14. NOTICES. All notices required under this Warrant and shall be deemed to have been given or made for all purposes (i) upon personal delivery, (ii) upon confirmation receipt that the communication was successfully sent to the applicable number if sent by facsimile; (iii) one day after being sent, when sent by professional overnight courier service, or (iv) five days after posting when sent by registered or certified mail. Notices to the Company shall be sent to the principal office of the Company (or at such other place as the Company shall notify the Holder hereof in writing). Notices to the Holder shall be sent

to the address of the Holder on the books of the Company (or at such other place as the Holder shall notify the Company hereof in writing).

15. ATTORNEYS' FEES. If any action of law or equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled.

16. CAPTIONS. The section and subsection headings of this Warrant are inserted for convenience only and shall not constitute a part of this Warrant in construing or interpreting any provision hereof.

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17. GOVERNING LAW. This Warrant shall be governed by the laws of the State of California as applied to agreements among California residents made and to be performed entirely within the State of California.

18. "MARKET STAND-OFF" AGREEMENT. Holder hereby agrees that, during the period of duration (not to exceed 180 days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of the initial underwritten public offering of the Company's Common Stock, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly, sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period except Common Stock included in such registration.

IN WITNESS WHEREOF, AboveNet Communications Inc. caused this Warrant to be executed by an officer thereunto duly authorized.

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Title: Executive Vice President

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NOTICE OF EXERCISE

To: ABOVENET COMMUNICATIONS INC.

The undersigned hereby elects to [CHECK APPLICABLE SUBSECTION]:

_____ (a) Purchase _____ shares of Common Stock of AboveNet Communications Inc., pursuant to the terms of the attached Warrant and payment of the Exercise Price per share required under such Warrant accompanies this notice;

OR

_____ (b) Exercise the attached Warrant for [all of the shares] [_____ of the shares] [CROSS OUT INAPPLICABLE PHRASE] purchasable under the Warrant pursuant to the net exercise provisions of Section 6 of such Warrant.

The undersigned hereby represents and warrants that the undersigned is acquiring such shares for its own account for investment purposes only, and not for resale or with a view to distribution of such shares or any part thereof.

WARRANTHOLDER:

Biggs Cardoso

By: _____
[NAME]

Address: _____

Date: _____

Name in which shares should be registered:

THIS WARRANT AND THE COMMON STOCK PURCHASABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO AN EXEMPTION TO SUCH ACT.

COMMON STOCK PURCHASE WARRANT

Warrant No. 104

Number of Shares: 1,626

ABOVENET COMMUNICATIONS INC.

Void after June 30, 2004

1. ISSUANCE. AboveNet Communications Inc., a Delaware corporation (hereinafter with its successors, the "Company") hereby issues this Warrant to Biggs Cardosa for good and valuable consideration, the receipt of which is hereby acknowledged.

2. PURCHASE PRICE; NUMBER OF SHARES. Subject to the terms and conditions hereinafter set forth, the registered holder of this Warrant (the "Holder"), commencing on the date hereof, is entitled upon surrender of this Warrant with the subscription form annexed hereto duly executed, at the principal office of the Company, or such other office as the Company shall notify the Holder of in writing, to purchase from the Company at a price per share of \$40.375 (the "Purchase Price"), 1,626 fully paid and nonassessable shares of Common Stock of the Company (the "Stock"). Until such time as this Warrant is exercised in full or expires, the Purchase Price and the securities issuable upon exercise of this Warrant are subject to adjustment as hereinafter provided.

3. PAYMENT OF PURCHASE PRICE. The Purchase Price may be paid (i) in cash or by check, (ii) by the surrender by the Holder to the Company of any promissory notes or other obligations issued by the Company, with all such notes and obligations so surrendered being credited against the Purchase Price in an amount equal to the principal amount thereof plus accrued interest to the date of surrender, (iii) through delivery by the Holder to the Company of other securities issued by the Company, with such securities being credited against the Purchase Price in an amount equal to the fair market value thereof, as determined in good faith by the Board of Directors of the Company (the "Board"), or (iv) by any combination of the foregoing. The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of any securities the Holder may wish to deliver to the Company pursuant to clause

(iii) above.

4. NET ISSUE ELECTION. At any time from time to time, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares equal to the value of this Warrant or any portion hereof by the surrender of this Warrant or such

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portion to the Company, with the net issue election notice annexed hereto duly executed, at the principal office of the Company. Thereupon, the Company shall issue to the Holder such number of fully paid and nonassessable shares of Stock as is computed using the following formula:

$$X = \frac{Y (A-B)}{A}$$

Where:

- X = the number of shares to be issued to the Holder pursuant to this Section 4.
- Y = the number of shares covered by this Warrant in respect of which the net issue election is made pursuant to this Section 4.
- A = the fair market value of one share of Stock, as determined in good faith by the Board, as at the time the net issue election is made pursuant to this Section 4.
- B = the Purchase Price in effect under this Warrant at the time the net issue election is made pursuant to this Section 4.

The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of one share of Stock.

5. PARTIAL EXERCISE. This Warrant may be exercised in part, and the Holder shall be entitled to receive a new warrant, which shall be dated as of the date of this Warrant, covering the number of shares in respect of which this Warrant shall not have been exercised.

6. ISSUANCE DATE. The person or persons in whose name or names any certificate representing shares of Stock is issued hereunder shall be deemed to have become the holder of record of the shares represented thereby as at the close of business on the date this Warrant is exercised with respect to such shares, whether or not the transfer books of the Company shall be closed.

7. EXPIRATION DATE. This Warrant shall expire at the close of business on June 30, 2004, and shall be void thereafter.

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8. RESERVED SHARES; VALID ISSUANCE. The Company covenants that it will at all times from and after the date hereof reserve and keep available such number of its authorized shares of Common Stock, free from all preemptive or similar rights therein, as will be sufficient to permit the exercise of this Warrant in full. The Company further covenants that such shares as may be issued pursuant to the exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

9. DIVIDENDS. If after June 30, 1999 (the "Original Issue Date"), the Company shall subdivide the Stock, by split-up or otherwise, or combine the Stock, or issue additional shares of Stock in payment of a stock dividend on the Stock, the number of shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination, and the Purchase Price shall forthwith be proportionately decreased in the case of a subdivision or stock dividend, or proportionately increased in the case of a combination.

10. MERGERS AND RECLASSIFICATIONS. If after the Original Issue Date there shall be any reclassification, capital reorganization or change of the Stock (other than as a result of a subdivision, combination or stock dividend provided for in Section 9 hereof), or any consolidation of the Company with, or merger of the Company into, another corporation or other business organization (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification or change of the outstanding Stock), or any sale or conveyance to another corporation or other business organization of all or substantially all of the assets of the Company, then, as a condition of such reclassification, reorganization, change, consolidation, merger, sale or conveyance, lawful provisions shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall thereafter have the right to purchase, at a total price not to exceed that payable upon the exercise of this Warrant in full, the kind and amount of shares of stock and other securities and property receivable upon such reclassification, reorganization, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Stock which might have been purchased by the Holder immediately prior to such reclassification, reorganization, change, consolidation, merger, sale or conveyance, and in any such case appropriate provisions shall be made with respect to the rights and interest of the Holder to the end that the provisions hereof (including without limitation, provisions for the adjustment of the Purchase Price and the number of shares issuable hereunder) shall thereafter be applicable in relation to any shares of stock or other securities and property thereafter deliverable upon exercise hereof.

11. CERTIFICATE OF ADJUSTMENT. Whenever the number of shares issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall promptly deliver to the Holder a certificate setting forth the Purchase Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

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12. NOTICES OF RECORD DATE, ETC. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right,

(b) any reclassification of the capital stock of the Company, capital reorganization of the Company, consolidation or merger involving the Company (other than the merger contemplated by the Agreement and Plan of Merger, dated as of June 22, 1999 among the Company, Metromedia Fiber Network, Inc., and Magellan Acquisition, Inc.), or sale or conveyance of all or substantially all of its assets, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then and in each such event the Company will mail or cause to be mailed to the Holder a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which any such reclassification, reorganization, consolidation, merger, sale or conveyance, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record in respect of such event are to be determined. Such notice shall be mailed at least 20 days prior to the date specified in such notice on which any such action is to be taken.

13. AMENDMENT. The terms of this Warrant may be amended, modified or waived only with the written consent of the Company and the Holder.

14. WARRANT REGISTER; TRANSFERS, ETC.

(a) The Company will maintain a register containing the names and addresses of the registered holders of the Warrants. The Holder may change its address as shown on the warrant register by written notice to the Company requesting such change. Any notice or written

communication required or permitted to be given to the Holder may be given by certified mail or delivered to the Holder at its address as shown on the warrant register.

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(b) Subject to compliance with applicable federal and state securities laws, this Warrant may be transferred by the Holder with respect to any or all of the shares purchasable hereunder. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, for transfer of this Warrant as an entirety by the Holder, the Company shall issue a new warrant of the same denomination to the assignee. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, by the Holder for transfer with respect to a portion of the shares of Stock purchasable hereunder, the Company shall issue a new warrant to the assignee, in such denomination as shall be requested by the Holder hereof, and shall issue to such Holder a new warrant covering the number of shares in respect of which this Warrant shall not have been transferred.

(c) In case this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall issue a new warrant of like tenor and denomination and deliver the same (i) in exchange and substitution for and upon surrender and cancellation of any mutilated Warrant, or (ii) in lieu of any Warrant lost, stolen or destroyed, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft or destruction of such Warrant (including a reasonably detailed affidavit with respect to the circumstances of any loss, theft or destruction) and of indemnity reasonably satisfactory to the Company, provided, however, that so long as Biggs Cardosa is the registered holder of this Warrant, no indemnity shall be required other than its written agreement to indemnify the Company against any loss arising from the issuance of such new warrant.

15. NO IMPAIRMENT. The Company will not, by amendment of its Certificate of Incorporation or through any reclassification, capital reorganization, consolidation, merger, sale or conveyance of assets, dissolution, liquidation, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder.

16. GOVERNING LAW. The provisions and terms of this Warrant shall be governed by and construed in accordance with the laws of the State of Delaware as applied to contracts among Delaware residents entered into and to be performed entirely within Delaware.

17. SUCCESSORS AND ASSIGNS. This Warrant shall be binding upon the Company's successors and assigns and shall inure to the benefit of and bind the Holder's successors, legal representatives and permitted assigns.

18. BUSINESS DAYS. If the last or appointed day for the taking of any action required or the expiration of any right granted herein shall be a Saturday or Sunday or a legal holiday in the State of Delaware, then such action may be taken or right may be exercised on the next succeeding day which is not a Saturday or Sunday or such a legal holiday.

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19. MARKET STAND-OFF. Holder hereby agrees that, during the period of duration (not to exceed one hundred eighty (180) days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period, except Common Stock included in such registration. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the securities of Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

Dated: September 3, 1999

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Stephen P. Belomy
Executive Vice President and Secretary

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Subscription

To: -----

Date: -----

The undersigned hereby subscribes for _____ shares of Stock covered by this Warrant. The certificate(s) for such shares shall be issued in the name of the undersigned or as otherwise indicated below:

Signature

Name for Registration

Mailing Address

Net Issue Election Notice

To: _____

Date: _____

The undersigned hereby elects under Section 4 to surrender the right to purchase _____ shares of Stock pursuant to this Warrant. The certificate(s) for the shares issuable upon such net issue election shall be issued in the name of the undersigned or as otherwise indicated below.

Signature

Name for Registration

Mailing Address

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Assignment

For value received _____ hereby sells,
assigns and transfers unto _____

Please print or typewrite name and address of Assignee

the within Warrant, and does hereby irrevocably constitute and appoint
_____ its attorney to transfer the within Warrant on the books
of the within named Company with full power of substitution on the premises.

Dated:

In the Presence of:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

WARRANT TO PURCHASE COMMON STOCK
OF
ABOVENET COMMUNICATIONS INC.

VOID AFTER MAY 20, 2003

This Warrant is issued to CCG Facilities Integration, or its registered assigns ("Holder") by AboveNet Communications Inc., a Delaware corporation (the "Company"), on May 20, 1998 (the "Warrant Issue Date").

1. PURCHASE SHARES. Subject to the terms and conditions hereinafter set forth, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the holder hereof in writing), to purchase from the Company up to Eight Thousand Seven Hundred Fifty (8,750) fully paid and nonassessable shares of Common Stock of the Company, as constituted on the Warrant Issue Date. The number of shares of Common Stock issuable pursuant to this Section 1 (the "Shares") shall be subject to adjustment pursuant to Section 8 hereof.

2. EXERCISE PRICE. The purchase price for the Shares shall be \$4.00, as adjusted from time to time pursuant to Section 8 hereof (the "Exercise Price").

3. EXERCISE PERIOD. This Warrant shall be exercisable, in whole or in part, during the term commencing on the Warrant Issue Date and ending at 5:00 p.m. on May 20, 2003.

4. METHOD OF EXERCISE. While this Warrant remains outstanding and exercisable in accordance with Section 3 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of Notice of Election attached hereto, to the

Secretary of the Company at its principal offices; and

(b) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased.

5. NET EXERCISE. In lieu of exercising this Warrant pursuant to Section 4, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the holder hereof a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

- Where:
- X = The number of shares of Common Stock to be issued to the Holder pursuant to this net exercise;
 - Y = The number of Shares in respect of which the net issue election is made;
 - A = The fair market value of one share of the Common Stock at the time the net issue election is made;
 - B = The Exercise Price (as adjusted to the date of the net issuance).

For purposes of this Section 5, the fair market value of one share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the net exercise election; (ii) if traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the net exercise; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors of the Company; provided, that, if the Warrant is being exercised upon the closing of the IPO, the value will be the initial "Price to Public" of one share of such Common Stock specified in the final prospectus with respect to such offering.

6. CERTIFICATES FOR SHARES. Upon the exercise of the purchase rights evidenced by this Warrant, one or more certificates for the

number of Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable), and in any event within thirty (30) days of the delivery of the subscription notice.

7. ISSUANCE OF SHARES. The Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

8. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) SUBDIVISIONS, COMBINATIONS AND OTHER ISSUANCES. If the Company shall at any time prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock or Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) RECLASSIFICATION, REORGANIZATION AND CONSOLIDATION. In case of any reclassification, capital reorganization, or change in the Common Stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 8(a) above), then, as a condition of such reclassification, reorganization, or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the same number of shares of Common Stock as were purchasable by the Holder immediately prior to such reclassification, reorganization, or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the purchase price per share payable hereunder, provided the aggregate purchase

price shall remain the same.

(c) NOTICE OF ADJUSTMENT. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Warrant Price, the Company shall promptly notify the holder of such event and of the number of shares of Common Stock or other securities or property thereafter purchasable upon exercise of this Warrant.

9. NO FRACTIONAL SHARES OR SCRIP. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

10. NO STOCKHOLDER RIGHTS. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. However, nothing in this Section 10 shall limit the right of the Holder to be provided the notices required under this Warrant.

11. TRANSFERS OF WARRANT. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder are transferable in whole or in part by the Holder to any person or entity upon written notice to the Company. The transfer shall be recorded on the books of the Company upon the surrender of this Warrant, properly endorsed, to the Company at its principal offices, and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new warrants.

12. SUCCESSORS AND ASSIGNS. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holders hereof and their respective successors and assigns.

13. AMENDMENTS AND WAIVERS. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

14. NOTICES. All notices required under this Warrant and shall be deemed to have been given or made for all purposes (i) upon personal delivery, (ii) upon confirmation receipt that the communication was successfully sent to the applicable number if sent by facsimile; (iii) one day after being sent, when sent by professional overnight courier service, or (iv) five days after posting when sent by registered or certified mail. Notices to the Company shall be sent to the principal office of the Company

(or at such other place as the Company shall notify the Holder hereof in writing). Notices to the Holder shall be sent to the address of the Holder on the books of the Company (or at such other place as the Holder shall notify the Company hereof in writing).

15. ATTORNEYS' FEES. If any action of law or equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled.

16. CAPTIONS. The section and subsection headings of this Warrant are inserted for convenience only and shall not constitute a part of this Warrant in construing or interpreting any provision hereof.

17. GOVERNING LAW. This Warrant shall be governed by the laws of the State of California as applied to agreements among California residents made and to be performed entirely within the State of California.

18. "MARKET STAND-OFF" AGREEMENT. Holder hereby agrees that, during the period of duration (not to exceed 180 days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of the initial underwritten public offering of the Company's Common Stock, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly, sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period except Common Stock included in such registration.

IN WITNESS WHEREOF, AboveNet Communications Inc. caused this Warrant to be executed by an officer thereunto duly authorized.

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Title: Executive Vice President

NOTICE OF EXERCISE

To: ABOVENET COMMUNICATIONS INC.

The undersigned hereby elects to [CHECK APPLICABLE

SUBSECTION]:

----- (a) Purchase _____ shares of Common Stock of AboveNet Communications Inc., pursuant to the terms of the attached Warrant and payment of the Exercise Price per share required under such Warrant accompanies this notice;

OR

----- (b) Exercise the attached Warrant for [all of the shares] [_____ of the shares] [CROSS OUT INAPPLICABLE PHRASE] purchasable under the Warrant pursuant to the net exercise provisions of Section 6 of such Warrant.

The undersigned hereby represents and warrants that the undersigned is acquiring such shares for its own account for investment purposes only, and not for resale or with a view to distribution of such shares or any part thereof.

WARRANTHOLDER:

CCG Facilities Integration

By: _____
[NAME]

Address: _____

Date: _____

Name in which shares should be registered:

THIS WARRANT AND THE COMMON STOCK PURCHASABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO AN EXEMPTION TO SUCH ACT.

COMMON STOCK PURCHASE WARRANT

Warrant No. 100

Number of Shares: 8,166

ABOVENET COMMUNICATIONS INC.

Void after June 30, 2004

1. ISSUANCE. AboveNet Communications Inc., a Delaware corporation (hereinafter with its successors, the "Company") hereby issues this Warrant to CCG Facilities Integration for good and valuable consideration, the receipt of which is hereby acknowledged.

2. PURCHASE PRICE; NUMBER OF SHARES. Subject to the terms and conditions hereinafter set forth, the registered holder of this Warrant (the "Holder"), commencing on the date hereof, is entitled upon surrender of this Warrant with the subscription form annexed hereto duly executed, at the principal office of the Company, or such other office as the Company shall notify the Holder of in writing, to purchase from the Company at a price per share of \$40.375 (the "Purchase Price"), 8,166 fully paid and nonassessable shares of Common Stock of the Company (the "Stock"). Until such time as this Warrant is exercised in full or expires, the Purchase Price and the securities issuable upon exercise of this Warrant are subject to adjustment as hereinafter provided.

3. PAYMENT OF PURCHASE PRICE. The Purchase Price may be paid (i) in cash or by check, (ii) by the surrender by the Holder to the Company of any promissory notes or other obligations issued by the Company, with all such notes and obligations so surrendered being credited against the Purchase Price in an amount equal to the principal amount thereof plus accrued interest to the date of surrender, (iii) through delivery by the Holder to the Company of other securities issued by the Company, with such securities being credited against the Purchase Price in an amount equal to the fair market value thereof, as determined in good faith by the Board of Directors of the Company (the "Board"), or (iv) by any combination of the foregoing. The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of any securities the Holder may wish to deliver to the Company pursuant to clause

(iii) above.

4. NET ISSUE ELECTION. At any time from time to time, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares equal to

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the value of this Warrant or any portion hereof by the surrender of this Warrant or such portion to the Company, with the net issue election notice annexed hereto duly executed, at the principal office of the Company. Thereupon, the Company shall issue to the Holder such number of fully paid and nonassessable shares of Stock as is computed using the following formula:

$$X = \frac{Y (A-B)}{A}$$

Where:

- X = the number of shares to be issued to the Holder pursuant to this Section 4.
- Y = the number of shares covered by this Warrant in respect of which the net issue election is made pursuant to this Section 4.
- A = the fair market value of one share of Stock, as determined in good faith by the Board, as at the time the net issue election is made pursuant to this Section 4.
- B = the Purchase Price in effect under this Warrant at the time the net issue election is made pursuant to this Section 4.

The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of one share of Stock.

5. PARTIAL EXERCISE. This Warrant may be exercised in part, and the Holder shall be entitled to receive a new warrant, which shall be dated as of the date of this Warrant, covering the number of shares in respect of which this Warrant shall not have been exercised.

6. ISSUANCE DATE. The person or persons in whose name or names any certificate representing shares of Stock is issued hereunder shall be deemed to have become the holder of record of the shares represented thereby as at the close of business on the date this Warrant is exercised with respect to such shares, whether or not the transfer books of the Company shall be closed.

7. EXPIRATION DATE. This Warrant shall expire at the close of business on June 30, 2004, and shall be void thereafter.

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8. RESERVED SHARES; VALID ISSUANCE. The Company covenants that it will at all times from and after the date hereof reserve and keep available such number of its authorized shares of Common Stock, free from all preemptive or similar rights therein, as will be sufficient to permit the exercise of this Warrant in full. The Company further covenants that such shares as may be issued pursuant to the exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

9. DIVIDENDS. If after June 30, 1999 (the "Original Issue Date"), the Company shall subdivide the Stock, by split-up or otherwise, or combine the Stock, or issue additional shares of Stock in payment of a stock dividend on the Stock, the number of shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination, and the Purchase Price shall forthwith be proportionately decreased in the case of a subdivision or stock dividend, or proportionately increased in the case of a combination.

10. MERGERS AND RECLASSIFICATIONS. If after the Original Issue Date there shall be any reclassification, capital reorganization or change of the Stock (other than as a result of a subdivision, combination or stock dividend provided for in Section 9 hereof), or any consolidation of the Company with, or merger of the Company into, another corporation or other business organization (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification or change of the outstanding Stock), or any sale or conveyance to another corporation or other business organization of all or substantially all of the assets of the Company, then, as a condition of such reclassification, reorganization, change, consolidation, merger, sale or conveyance, lawful provisions shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall thereafter have the right to purchase, at a total price not to exceed that payable upon the exercise of this Warrant in full, the kind and amount of shares of stock and other securities and property receivable upon such reclassification, reorganization, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Stock which might have been purchased by the Holder immediately prior to such reclassification, reorganization, change, consolidation, merger, sale or conveyance, and in any such case appropriate provisions shall be made with respect to the rights and interest of the Holder to the end that the provisions hereof (including without limitation, provisions for the adjustment of the Purchase Price and the number of shares issuable hereunder) shall thereafter be applicable in relation to any shares of stock or other securities and property

thereafter deliverable upon exercise hereof.

11. CERTIFICATE OF ADJUSTMENT. Whenever the number of shares issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall promptly deliver to the Holder a certificate setting forth the Purchase Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

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12. NOTICES OF RECORD DATE, ETC. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right,

(b) any reclassification of the capital stock of the Company, capital reorganization of the Company, consolidation or merger involving the Company (other than the merger contemplated by the Agreement and Plan of Merger, dated as of June 22, 1999 among the Company, Metromedia Fiber Network, Inc., and Magellan Acquisition, Inc.), or sale or conveyance of all or substantially all of its assets, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then and in each such event the Company will mail or cause to be mailed to the Holder a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which any such reclassification, reorganization, consolidation, merger, sale or conveyance, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record in respect of such event are to be determined. Such notice shall be mailed at least 20 days prior to the date specified in such notice on which any such action is to be taken.

13. AMENDMENT. The terms of this Warrant may be amended, modified or waived only with the written consent of the Company and the Holder.

14. WARRANT REGISTER; TRANSFERS, ETC.

(a) The Company will maintain a register containing the names and addresses of the registered holders of the Warrants. The Holder may change its address as shown on the warrant register by written notice

to the Company requesting such change. Any notice or written communication required or permitted to be given to the Holder may be given by certified mail or delivered to the Holder at its address as shown on the warrant register.

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(b) Subject to compliance with applicable federal and state securities laws, this Warrant may be transferred by the Holder with respect to any or all of the shares purchasable hereunder. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, for transfer of this Warrant as an entirety by the Holder, the Company shall issue a new warrant of the same denomination to the assignee. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, by the Holder for transfer with respect to a portion of the shares of Stock purchasable hereunder, the Company shall issue a new warrant to the assignee, in such denomination as shall be requested by the Holder hereof, and shall issue to such Holder a new warrant covering the number of shares in respect of which this Warrant shall not have been transferred.

(c) In case this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall issue a new warrant of like tenor and denomination and deliver the same (i) in exchange and substitution for and upon surrender and cancellation of any mutilated Warrant, or (ii) in lieu of any Warrant lost, stolen or destroyed, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft or destruction of such Warrant (including a reasonably detailed affidavit with respect to the circumstances of any loss, theft or destruction) and of indemnity reasonably satisfactory to the Company, provided, however, that so long as CCG Facilities Integration is the registered holder of this Warrant, no indemnity shall be required other than its written agreement to indemnify the Company against any loss arising from the issuance of such new warrant.

15. NO IMPAIRMENT. The Company will not, by amendment of its Certificate of Incorporation or through any reclassification, capital reorganization, consolidation, merger, sale or conveyance of assets, dissolution, liquidation, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder.

16. GOVERNING LAW. The provisions and terms of this Warrant shall be governed by and construed in accordance with the laws of the State of Delaware as applied to contracts among Delaware residents entered into and to be

performed entirely within Delaware.

17. SUCCESSORS AND ASSIGNS. This Warrant shall be binding upon the Company's successors and assigns and shall inure to the benefit of and bind the Holder's successors, legal representatives and permitted assigns.

18. BUSINESS DAYS. If the last or appointed day for the taking of any action required or the expiration of any right granted herein shall be a Saturday or Sunday or a legal holiday in the State of Delaware, then such action may be taken or right may be exercised on the next succeeding day which is not a Saturday or Sunday or such a legal holiday.

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19. MARKET STAND-OFF. Holder hereby agrees that, during the period of duration (not to exceed one hundred eighty (180) days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period, except Common Stock included in such registration. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the securities of Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

Dated: September 3, 1999

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Stephen P. Belomy
Executive Vice President and Secretary

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Subscription

To: -----

Date: -----

The undersigned hereby subscribes for _____ shares of Stock covered by this Warrant. The certificate(s) for such shares shall be issued in the name of the undersigned or as otherwise indicated below:

Signature

Name for Registration

Mailing Address

Net Issue Election Notice

To: _____

Date: _____

The undersigned hereby elects under Section 4 to surrender the right to purchase _____ shares of Stock pursuant to this Warrant. The certificate(s) for the shares issuable upon such net issue election shall be issued in the name of the undersigned or as otherwise indicated below.

Signature

Name for Registration

Mailing Address

Assignment

For value received _____ hereby sells,

assigns and transfers unto _____

Please print or typewrite name and address of Assignee

the within Warrant, and does hereby irrevocably constitute and appoint
_____ its attorney to transfer the within Warrant on the books
of the within named Company with full power of substitution on the premises.

Dated:

In the Presence of:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

WARRANT TO PURCHASE COMMON STOCK
OF
ABOVENET COMMUNICATIONS INC.

VOID AFTER OCTOBER 14, 2003

This Warrant is issued to Kenneth Rodriguez & Partners, or its registered assigns ("Holder") by AboveNet Communications Inc., a Delaware corporation (the "Company"), on October 14, 1998 (the "Warrant Issue Date").

1. PURCHASE SHARES. Subject to the terms and conditions hereinafter set forth, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the holder hereof in writing), to purchase from the Company up to Three Thousand Five Hundred (3,500) fully paid and nonassessable shares of Common Stock of the Company, as constituted on the Warrant Issue Date. The number of shares of Common Stock issuable pursuant to this Section 1 (the "Shares") shall be subject to adjustment pursuant to Section 8 hereof.

2. EXERCISE PRICE. The purchase price for the Shares shall be \$4.00, as adjusted from time to time pursuant to Section 8 hereof (the "Exercise Price").

3. EXERCISE PERIOD. This Warrant shall be exercisable, in whole or in part, during the term commencing on the Warrant Issue Date and ending at 5:00 p.m. on October 14, 2003.

4. METHOD OF EXERCISE. While this Warrant remains outstanding and exercisable in accordance with Section 3 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly

executed copy of the form of Notice of Election attached hereto, to the Secretary of the Company at its principal offices; and

(b) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased.

5. NET EXERCISE. In lieu of exercising this Warrant pursuant to Section 4, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the holder hereof a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where:

X = The number of shares of Common Stock to be issued to the Holder pursuant to this net exercise;

Y = The number of Shares in respect of which the net issue election is made;

A = The fair market value of one share of the Common Stock at the time the net issue election is made;

B = The Exercise Price (as adjusted to the date of the net issuance).

For purposes of this Section 5, the fair market value of one share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the net exercise election; (ii) if traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the net exercise; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors of the Company; provided, that, if the Warrant is being exercised upon the closing of the IPO, the value will be the initial "Price to Public" of one share of such Common Stock specified in the final prospectus with respect to such offering.

6. CERTIFICATES FOR SHARES. Upon the exercise of the purchase rights evidenced by this Warrant, one or more certificates for the number of Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable), and in any event within thirty (30) days of the delivery of the subscription notice.

7. ISSUANCE OF SHARES. The Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

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8. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) SUBDIVISIONS, COMBINATIONS AND OTHER ISSUANCES. If the Company shall at any time prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock or Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) RECLASSIFICATION, REORGANIZATION AND CONSOLIDATION. In case of any reclassification, capital reorganization, or change in the Common Stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 8(a) above), then, as a condition of such reclassification, reorganization, or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the same number of shares of Common Stock as were purchasable by the Holder immediately prior to such reclassification, reorganization, or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the purchase price per

share payable hereunder, provided the aggregate purchase price shall remain the same.

(c) NOTICE OF ADJUSTMENT. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Warrant Price, the Company shall promptly notify the holder of such event and of the number of shares of Common Stock or other securities or property thereafter purchasable upon exercise of this Warrant.

9. NO FRACTIONAL SHARES OR SCRIP. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

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10. NO STOCKHOLDER RIGHTS. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. However, nothing in this Section 10 shall limit the right of the Holder to be provided the notices required under this Warrant.

11. TRANSFERS OF WARRANT. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder are transferable in whole or in part by the Holder to any person or entity upon written notice to the Company. The transfer shall be recorded on the books of the Company upon the surrender of this Warrant, properly endorsed, to the Company at its principal offices, and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new warrants.

12. SUCCESSORS AND ASSIGNS. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holders hereof and their respective successors and assigns.

13. AMENDMENTS AND WAIVERS. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

14. NOTICES. All notices required under this Warrant and shall be deemed to have been given or made for all purposes (i) upon personal delivery, (ii) upon confirmation receipt that the communication was successfully sent to the applicable number if sent by facsimile; (iii) one day after being sent, when sent by professional overnight courier service, or (iv) five days

after posting when sent by registered or certified mail. Notices to the Company shall be sent to the principal office of the Company (or at such other place as the Company shall notify the Holder hereof in writing). Notices to the Holder shall be sent to the address of the Holder on the books of the Company (or at such other place as the Holder shall notify the Company hereof in writing).

15. ATTORNEYS' FEES. If any action of law or equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled.

16. CAPTIONS. The section and subsection headings of this Warrant are inserted for convenience only and shall not constitute a part of this Warrant in construing or interpreting any provision hereof.

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17. GOVERNING LAW. This Warrant shall be governed by the laws of the State of California as applied to agreements among California residents made and to be performed entirely within the State of California.

18. "MARKET STAND-OFF" AGREEMENT. Holder hereby agrees that, during the period of duration (not to exceed 180 days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of the initial underwritten public offering of the Company's Common Stock, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly, sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period except Common Stock included in such registration.

IN WITNESS WHEREOF, AboveNet Communications Inc. caused this Warrant to be executed by an officer thereunto duly authorized.

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Title: Executive Vice President

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NOTICE OF EXERCISE

To: ABOVENET COMMUNICATIONS INC.

The undersigned hereby elects to [CHECK APPLICABLE
SUBSECTION]:

----- (a) Purchase _____ shares of Common Stock
of AboveNet Communications Inc., pursuant to the
terms of the attached Warrant and payment of the
Exercise Price per share required under such Warrant
accompanies this notice;

OR

----- (b) Exercise the attached Warrant for [all of the
shares] [_____ of the shares] [CROSS OUT
INAPPLICABLE PHRASE] purchasable under the Warrant
pursuant to the net exercise provisions of Section 6
of such Warrant.

The undersigned hereby represents and warrants that the
undersigned is acquiring such shares for its own account for investment purposes
only, and not for resale or with a view to distribution of such shares or any
part thereof.

WARRANTHOLDER:

Kenneth Rodriguez & Partners

By:

[NAME]

Address:

Date:

Name in which shares should be registered:

THIS WARRANT AND THE COMMON STOCK PURCHASABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO AN EXEMPTION TO SUCH ACT.

COMMON STOCK PURCHASE WARRANT

Warrant No. 103

Number of Shares: 3,250

ABOVENET COMMUNICATIONS INC.

Void after June 30, 2004

1. ISSUANCE. AboveNet Communications Inc., a Delaware corporation (hereinafter with its successors, the "Company") hereby issues this Warrant to Kenneth Rodriguez & Partners for good and valuable consideration, the receipt of which is hereby acknowledged.

2. PURCHASE PRICE; NUMBER OF SHARES. Subject to the terms and conditions hereinafter set forth, the registered holder of this Warrant (the "Holder"), commencing on the date hereof, is entitled upon surrender of this Warrant with the subscription form annexed hereto duly executed, at the principal office of the Company, or such other office as the Company shall notify the Holder of in writing, to purchase from the Company at a price per share of \$40.375 (the "Purchase Price"), 3,250 fully paid and nonassessable shares of Common Stock of the Company (the "Stock"). Until such time as this Warrant is exercised in full or expires, the Purchase Price and the securities issuable upon exercise of this Warrant are subject to adjustment as hereinafter provided.

3. PAYMENT OF PURCHASE PRICE. The Purchase Price may be paid (i) in cash or by check, (ii) by the surrender by the Holder to the Company of any promissory notes or other obligations issued by the Company, with all such notes and obligations so surrendered being credited against the Purchase Price in an amount equal to the principal amount thereof plus accrued interest to the date of surrender, (iii) through delivery by the Holder to the Company of other securities issued by the Company, with such securities being credited against the Purchase Price in an amount equal to the fair market value thereof, as determined in good faith by the Board of Directors of the Company (the "Board"), or (iv) by any combination of the foregoing. The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of any securities the Holder may wish to deliver to the Company pursuant to clause

(iii) above.

4. NET ISSUE ELECTION. At any time from time to time, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares equal to

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the value of this Warrant or any portion hereof by the surrender of this Warrant or such portion to the Company, with the net issue election notice annexed hereto duly executed, at the principal office of the Company. Thereupon, the Company shall issue to the Holder such number of fully paid and nonassessable shares of Stock as is computed using the following formula:

$$X = \frac{Y (A-B)}{A}$$

Where:

- X = the number of shares to be issued to the Holder pursuant to this Section 4.
- Y = the number of shares covered by this Warrant in respect of which the net issue election is made pursuant to this Section 4.
- A = the fair market value of one share of Stock, as determined in good faith by the Board, as at the time the net issue election is made pursuant to this Section 4.
- B = the Purchase Price in effect under this Warrant at the time the net issue election is made pursuant to this Section 4.

The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of one share of Stock.

5. PARTIAL EXERCISE. This Warrant may be exercised in part, and the Holder shall be entitled to receive a new warrant, which shall be dated as of the date of this Warrant, covering the number of shares in respect of which this Warrant shall not have been exercised.

6. ISSUANCE DATE. The person or persons in whose name or names any certificate representing shares of Stock is issued hereunder shall be deemed to have become the holder of record of the shares represented thereby as at the close of business on the date this Warrant is exercised with respect to such

shares, whether or not the transfer books of the Company shall be closed.

7. EXPIRATION DATE. This Warrant shall expire at the close of business on June 30, 2004, and shall be void thereafter.

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8. RESERVED SHARES; VALID ISSUANCE. The Company covenants that it will at all times from and after the date hereof reserve and keep available such number of its authorized shares of Common Stock, free from all preemptive or similar rights therein, as will be sufficient to permit the exercise of this Warrant in full. The Company further covenants that such shares as may be issued pursuant to the exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

9. DIVIDENDS. If after June 30, 1999 (the "Original Issue Date"), the Company shall subdivide the Stock, by split-up or otherwise, or combine the Stock, or issue additional shares of Stock in payment of a stock dividend on the Stock, the number of shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination, and the Purchase Price shall forthwith be proportionately decreased in the case of a subdivision or stock dividend, or proportionately increased in the case of a combination.

10. MERGERS AND RECLASSIFICATIONS. If after the Original Issue Date there shall be any reclassification, capital reorganization or change of the Stock (other than as a result of a subdivision, combination or stock dividend provided for in Section 9 hereof), or any consolidation of the Company with, or merger of the Company into, another corporation or other business organization (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification or change of the outstanding Stock), or any sale or conveyance to another corporation or other business organization of all or substantially all of the assets of the Company, then, as a condition of such reclassification, reorganization, change, consolidation, merger, sale or conveyance, lawful provisions shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall thereafter have the right to purchase, at a total price not to exceed that payable upon the exercise of this Warrant in full, the kind and amount of shares of stock and other securities and property receivable upon such reclassification, reorganization, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Stock which might have been purchased by the Holder immediately prior to such reclassification, reorganization, change, consolidation, merger, sale or conveyance, and in any such case appropriate provisions shall be made with respect to the rights and interest of the Holder to the end that the provisions hereof (including without limitation, provisions for the adjustment of the

Purchase Price and the number of shares issuable hereunder) shall thereafter be applicable in relation to any shares of stock or other securities and property thereafter deliverable upon exercise hereof.

11. CERTIFICATE OF ADJUSTMENT. Whenever the number of shares issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall promptly deliver to the Holder a certificate setting forth the Purchase Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

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12. NOTICES OF RECORD DATE, ETC. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right,

(b) any reclassification of the capital stock of the Company, capital reorganization of the Company, consolidation or merger involving the Company (other than the merger contemplated by the Agreement and Plan of Merger, dated as of June 22, 1999 among the Company, Metromedia Fiber Network, Inc., and Magellan Acquisition, Inc.), or sale or conveyance of all or substantially all of its assets, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then and in each such event the Company will mail or cause to be mailed to the Holder a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which any such reclassification, reorganization, consolidation, merger, sale or conveyance, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record in respect of such event are to be determined. Such notice shall be mailed at least 20 days prior to the date specified in such notice on which any such action is to be taken.

13. AMENDMENT. The terms of this Warrant may be amended, modified or waived only with the written consent of the Company and the Holder.

14. WARRANT REGISTER; TRANSFERS, ETC.

(a) The Company will maintain a register containing the names

and addresses of the registered holders of the Warrants. The Holder may change its address as shown on the warrant register by written notice to the Company requesting such change. Any notice or written communication required or permitted to be given to the Holder may be given by certified mail or delivered to the Holder at its address as shown on the warrant register.

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(b) Subject to compliance with applicable federal and state securities laws, this Warrant may be transferred by the Holder with respect to any or all of the shares purchasable hereunder. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, for transfer of this Warrant as an entirety by the Holder, the Company shall issue a new warrant of the same denomination to the assignee. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, by the Holder for transfer with respect to a portion of the shares of Stock purchasable hereunder, the Company shall issue a new warrant to the assignee, in such denomination as shall be requested by the Holder hereof, and shall issue to such Holder a new warrant covering the number of shares in respect of which this Warrant shall not have been transferred.

(c) In case this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall issue a new warrant of like tenor and denomination and deliver the same (i) in exchange and substitution for and upon surrender and cancellation of any mutilated Warrant, or (ii) in lieu of any Warrant lost, stolen or destroyed, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft or destruction of such Warrant (including a reasonably detailed affidavit with respect to the circumstances of any loss, theft or destruction) and of indemnity reasonably satisfactory to the Company, provided, however, that so long as Kenneth Rodriguez & Partners is the registered holder of this Warrant, no indemnity shall be required other than its written agreement to indemnify the Company against any loss arising from the issuance of such new warrant.

15. NO IMPAIRMENT. The Company will not, by amendment of its Certificate of Incorporation or through any reclassification, capital reorganization, consolidation, merger, sale or conveyance of assets, dissolution, liquidation, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder.

16. GOVERNING LAW. The provisions and terms of this Warrant shall be governed by and construed in accordance with the laws of the State of Delaware

as applied to contracts among Delaware residents entered into and to be performed entirely within Delaware.

17. SUCCESSORS AND ASSIGNS. This Warrant shall be binding upon the Company's successors and assigns and shall inure to the benefit of and bind the Holder's successors, legal representatives and permitted assigns.

18. BUSINESS DAYS. If the last or appointed day for the taking of any action required or the expiration of any right granted herein shall be a Saturday or Sunday or a legal holiday in the State of Delaware, then such action may be taken or right may be exercised on the next succeeding day which is not a Saturday or Sunday or such a legal holiday.

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19. MARKET STAND-OFF. Holder hereby agrees that, during the period of duration (not to exceed one hundred eighty (180) days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period, except Common Stock included in such registration. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the securities of Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

Dated: September 3, 1999

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Stephen P. Belomy
Executive Vice President and Secretary

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Subscription

To: -----

Date: -----

The undersigned hereby subscribes for _____ shares of Stock covered by this Warrant. The certificate(s) for such shares shall be issued in the name of the undersigned or as otherwise indicated below:

Signature

Name for Registration

Mailing Address

Net Issue Election Notice

To: _____ Date: _____

The undersigned hereby elects under Section 4 to surrender the right to purchase _____ shares of Stock pursuant to this Warrant. The certificate(s) for the shares issuable upon such net issue election shall be issued in the name of the undersigned or as otherwise indicated below.

Signature

Name for Registration

Mailing Address

Assignment

For value received _____ hereby sells,

assigns and transfers unto _____

Please print or typewrite name and address of Assignee

the within Warrant, and does hereby irrevocably constitute and appoint
_____ its attorney to transfer the within Warrant on the books
of the within named Company with full power of substitution on the premises.

Dated:

In the Presence of:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

WARRANT TO PURCHASE COMMON STOCK
OF
ABOVENET COMMUNICATIONS INC.

VOID AFTER DECEMBER 4, 2003

This Warrant is issued to Forest City Enterprises, Inc., or its registered assigns ("Holder") by AboveNet Communications Inc., a Delaware corporation (the "Company"), on December 4, 1998 (the "Warrant Issue Date") in connection with a certain real estate lease transaction.

1. WARRANT SHARES. Subject to the terms and conditions hereinafter set forth, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the holder hereof in writing), to purchase from the Company up to one hundred thousand (100,000) fully paid and nonassessable shares of Common Stock of the Company, as constituted on the Warrant Issue Date. The number of shares of Common Stock issuable pursuant to this Section 1 (the "Shares") shall be subject to adjustment pursuant to Section 9 hereof.

2. EXERCISE PRICE. The exercise price for the Shares shall be \$10.00 per share, as adjusted from time to time pursuant to Section 9 hereof (the "Exercise Price").

3. EXERCISE PERIOD. This Warrant shall be exercisable, in whole or in part, during the term commencing on the Warrant Issue Date and ending at 5:00 p.m. on December 4, 2003; provided, however, that in the event of (a) the closing of the Company's sale or transfer of all or substantially all of its assets, or (b) the closing of the acquisition of the Company by another entity by means of merger, consolidation or other transaction or series of related transactions, resulting in the exchange of the outstanding shares of the Company's capital stock such that the stockholders of the Company prior to such transaction own, directly or indirectly, less than 50% of the voting power of

the surviving entity, this Warrant shall, on the date of such event, no longer be exercisable and become null and void. In the event of a proposed transaction of the kind described above, the Company shall notify the holder of the Warrant at least fifteen (15) days prior to the consummation of such event or transaction.

4. AUTOMATIC EXERCISE. Notwithstanding the provisions of Section 3, this Warrant shall automatically be deemed to be exercised in full in the manner set forth in Section 6, without any further action on behalf of the Holder immediately prior to: (a) the closing of the Company's sale or transfer of all or substantially all of its assets, or (b) the closing of the acquisition of the Company by another entity by means of merger, consolidation or other transaction or resulting in the exchange of the outstanding shares of the Company's capital stock such that the stockholders of the Company prior to such transaction own, directly or indirectly, less than 50% of the voting power of the surviving entity.

5. METHOD OF EXERCISE. While this Warrant remains outstanding and exercisable in accordance with Section 3 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of Notice of Election attached hereto, to the Secretary of the Company at its principal offices; and

(b) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased.

6. NET EXERCISE. In lieu of exercising this Warrant pursuant to Section 5, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the holder hereof a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where: X = The number of shares of Common Stock to be issued to the Holder pursuant to this net exercise;

Y = The number of Shares in respect of which the net issue election is made;

- A = The fair market value of one share of the Common Stock at the time the net issue election is made;
- B = The Exercise Price (as adjusted to the date of the net issuance).

For purposes of this Section 6, the fair market value of one share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the net exercise election; (ii) if traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the net exercise; and (iii) if there is no active public market, the value shall

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be the fair market value thereof, as determined in good faith by the Board of Directors of the Company; provided, that, if the Warrant is being exercised upon the closing of the IPO, the value will be the initial "Price to Public" of one share of such Common Stock specified in the final prospectus with respect to such offering.

7. CERTIFICATES FOR SHARES. Upon the exercise of the purchase rights evidenced by this Warrant, one or more certificates for the number of Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable), and in any event within thirty (30) days of the delivery of the subscription notice.

8. ISSUANCE OF SHARES. The Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

9. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) SUBDIVISIONS, COMBINATIONS AND OTHER ISSUANCES. If the Company shall at any time prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock or Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a

combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 9(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) RECLASSIFICATION, REORGANIZATION AND CONSOLIDATION. In case of any reclassification, capital reorganization, or change in the Common Stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 9(a) above), then, as a condition of such reclassification, reorganization, or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the same number of shares of Common Stock as were purchasable by the Holder immediately prior to such reclassification, reorganization, or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the purchase price per share payable hereunder, provided the aggregate purchase price shall remain the same.

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(c) NOTICE OF ADJUSTMENT. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Warrant Price, the Company shall promptly notify the holder of such event and of the number of shares of Common Stock or other securities or property thereafter purchasable upon exercise of this Warrant.

10. NO FRACTIONAL SHARES OR SCRIP. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

11. NO STOCKHOLDER RIGHTS. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. However, nothing in this Section 11 shall limit the right of the Holder to be provided the notices required under this Warrant.

12. TRANSFERS OF WARRANT. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder are transferable in whole or in part by the Holder to any person or entity upon written notice to the Company. The transfer shall be recorded on the books of the Company upon the surrender of this Warrant, properly endorsed, to the Company at its principal offices, and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new warrants.

13. SUCCESSORS AND ASSIGNS. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holders hereof and their respective successors and assigns.

14. AMENDMENTS AND WAIVERS. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

15. NOTICES. All notices required under this Warrant and shall be deemed to have been given or made for all purposes (i) upon personal delivery, (ii) upon confirmation receipt that the communication was successfully sent to the applicable number if sent by facsimile; (iii) one day after being sent, when sent by professional overnight courier service, or (iv) five days after posting when sent by registered or certified mail. Notices to the Company shall be sent to the principal office of the Company (or at such other place as the Company shall notify the Holder hereof in writing). Notices to the Holder shall be sent to the address of the Holder on the books of the Company (or at such other place as the Holder shall notify the Company hereof in writing).

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16. ATTORNEYS' FEES. If any action of law or equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled.

17. CAPTIONS. The section and subsection headings of this Warrant are inserted for convenience only and shall not constitute a part of this Warrant in construing or interpreting any provision hereof.

18. GOVERNING LAW. This Warrant shall be governed by the laws of the State of California as applied to agreements among California residents made and to be performed entirely within the State of California.

19. "MARKET STAND-OFF" AGREEMENT. Holder hereby agrees that, during the period of duration (not to exceed 180 days) specified by the Company and an underwriter of Common Stock or other securities of the

Company, following the effective date of the initial underwritten public offering of the Company's Common Stock, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly, sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period except Common Stock included in such registration.

IN WITNESS WHEREOF, AboveNet Communications Inc. caused this Warrant to be executed by an officer thereunto duly authorized.

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Title: Executive Vice President

NOTICE OF EXERCISE

To: ABOVENET COMMUNICATIONS INC.

The undersigned hereby elects to [CHECK APPLICABLE SUBSECTION]:

(a) Purchase _____ shares of Common Stock of _____, pursuant to the terms of the attached Warrant and payment of the Exercise Price per share required under such Warrant accompanies this notice;

OR

(b) Exercise the attached Warrant for [all of the _____ shares] [_____ of the shares] [CROSS OUT INAPPLICABLE PHRASE] purchasable under the Warrant pursuant to the net exercise provisions of Section 6 of such Warrant.

The undersigned hereby represents and warrants that the undersigned is acquiring such shares for its own account for investment purposes only, and not for resale or with a view to distribution of such shares or any part thereof.

WARRANTHOLDER:

By:

[NAME]

Address:

Date:

Name in which shares should be registered:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

WARRANT TO PURCHASE COMMON STOCK
OF
ABOVENET COMMUNICATIONS INC.

VOID AFTER OCTOBER 14, 2003

This Warrant is issued to Rudolph & Sletten, or its registered assigns ("Holder") by AboveNet Communications Inc., a Delaware corporation (the "Company"), on October 14, 1998 (the "Warrant Issue Date").

1. PURCHASE SHARES. Subject to the terms and conditions hereinafter set forth, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the holder hereof in writing), to purchase from the Company up to Five Thousand Two Hundred Fifty (5,250) fully paid and nonassessable shares of Common Stock of the Company, as constituted on the Warrant Issue Date. The number of shares of Common Stock issuable pursuant to this Section 1 (the "Shares") shall be subject to adjustment pursuant to Section 8 hereof.

2. EXERCISE PRICE. The purchase price for the Shares shall be \$4.00, as adjusted from time to time pursuant to Section 8 hereof (the "Exercise Price").

3. EXERCISE PERIOD. This Warrant shall be exercisable, in whole or in part, during the term commencing on the Warrant Issue Date and ending at 5:00 p.m. on October 14, 2003.

4. METHOD OF EXERCISE. While this Warrant remains outstanding and exercisable in accordance with Section 3 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of Notice of Election attached hereto, to the

Secretary of the Company at its principal offices; and

(b) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased.

5. NET EXERCISE. In lieu of exercising this Warrant pursuant to Section 4, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the holder hereof a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where:

X = The number of shares of Common Stock to be issued to the Holder pursuant to this net exercise;

Y = The number of Shares in respect of which the net issue election is made;

A = The fair market value of one share of the Common Stock at the time the net issue election is made;

B = The Exercise Price (as adjusted to the date of the net issuance).

For purposes of this Section 5, the fair market value of one share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the net exercise election; (ii) if traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the net exercise; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors of the Company; provided, that, if the Warrant is being exercised upon the closing of the IPO, the value will be the initial "Price to Public" of one share of such Common Stock specified in the final prospectus with respect to such offering.

6. CERTIFICATES FOR SHARES. Upon the exercise of the purchase rights evidenced by this Warrant, one or more certificates for the number of

Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable), and in any event within thirty (30) days of the delivery of the subscription notice.

7. ISSUANCE OF SHARES. The Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

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8. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) SUBDIVISIONS, COMBINATIONS AND OTHER ISSUANCES. If the Company shall at any time prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock or Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) RECLASSIFICATION, REORGANIZATION AND CONSOLIDATION. In case of any reclassification, capital reorganization, or change in the Common Stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 8(a) above), then, as a condition of such reclassification, reorganization, or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the same number of shares of Common Stock as were purchasable by the Holder immediately prior to such reclassification, reorganization, or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the purchase price per share payable hereunder, provided the aggregate purchase price shall remain the same.

(c) NOTICE OF ADJUSTMENT. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Warrant Price, the Company shall promptly notify the holder of such event and of the number of shares of Common Stock or other securities or property thereafter purchasable upon exercise of this Warrant.

9. NO FRACTIONAL SHARES OR SCRIP. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

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10. NO STOCKHOLDER RIGHTS. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. However, nothing in this Section 10 shall limit the right of the Holder to be provided the notices required under this Warrant.

11. TRANSFERS OF WARRANT. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder are transferable in whole or in part by the Holder to any person or entity upon written notice to the Company. The transfer shall be recorded on the books of the Company upon the surrender of this Warrant, properly endorsed, to the Company at its principal offices, and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new warrants.

12. SUCCESSORS AND ASSIGNS. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holders hereof and their respective successors and assigns.

13. AMENDMENTS AND WAIVERS. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

14. NOTICES. All notices required under this Warrant and shall be deemed to have been given or made for all purposes (i) upon personal delivery, (ii) upon confirmation receipt that the communication was successfully sent to the applicable number if sent by facsimile; (iii) one day after being sent, when sent by professional overnight courier service, or (iv) five days after posting when sent by registered or certified mail. Notices to the Company shall be sent to the principal office of the Company (or at such other place as

the Company shall notify the Holder hereof in writing). Notices to the Holder shall be sent to the address of the Holder on the books of the Company (or at such other place as the Holder shall notify the Company hereof in writing).

15. ATTORNEYS' FEES. If any action of law or equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled.

16. CAPTIONS. The section and subsection headings of this Warrant are inserted for convenience only and shall not constitute a part of this Warrant in construing or interpreting any provision hereof.

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17. GOVERNING LAW. This Warrant shall be governed by the laws of the State of California as applied to agreements among California residents made and to be performed entirely within the State of California.

18. "MARKET STAND-OFF" AGREEMENT. Holder hereby agrees that, during the period of duration (not to exceed 180 days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of the initial underwritten public offering of the Company's Common Stock, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly, sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period except Common Stock included in such registration.

IN WITNESS WHEREOF, AboveNet Communications Inc. caused this Warrant to be executed by an officer thereunto duly authorized.

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Title: Executive Vice President

NOTICE OF EXERCISE

To: ABOVENET COMMUNICATIONS INC.

The undersigned hereby elects to [CHECK APPLICABLE

SUBSECTION]:

(a) Purchase _____ shares of Common Stock of AboveNet Communications Inc., pursuant to the terms of the attached Warrant and payment of the Exercise Price per share required under such Warrant accompanies this notice;

OR

(b) Exercise the attached Warrant for [all of the shares] [_____ of the shares] [CROSS OUT INAPPLICABLE PHRASE] purchasable under the Warrant pursuant to the net exercise provisions of Section 6 of such Warrant.

The undersigned hereby represents and warrants that the undersigned is acquiring such shares for its own account for investment purposes only, and not for resale or with a view to distribution of such shares or any part thereof.

WARRANTHOLDER:

Rudolph & Sletten

By:

[NAME

Address:

Date:

Name in which shares should be registered:

THIS WARRANT AND THE COMMON STOCK PURCHASABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO AN EXEMPTION TO SUCH ACT.

COMMON STOCK PURCHASE WARRANT

Warrant No. 101

Number of Shares: 4,876

ABOVENET COMMUNICATIONS INC.

Void after June 30, 2004

1. ISSUANCE. AboveNet Communications Inc., a Delaware corporation (hereinafter with its successors, the "Company") hereby issues this Warrant to Rudolph & Sletten for good and valuable consideration, the receipt of which is hereby acknowledged.

2. PURCHASE PRICE; NUMBER OF SHARES. Subject to the terms and conditions hereinafter set forth, the registered holder of this Warrant (the "Holder"), commencing on the date hereof, is entitled upon surrender of this Warrant with the subscription form annexed hereto duly executed, at the principal office of the Company, or such other office as the Company shall notify the Holder of in writing, to purchase from the Company at a price per share of \$40.375 (the "Purchase Price"), 4,876 fully paid and nonassessable shares of Common Stock of the Company (the "Stock"). Until such time as this Warrant is exercised in full or expires, the Purchase Price and the securities issuable upon exercise of this Warrant are subject to adjustment as hereinafter provided.

3. PAYMENT OF PURCHASE PRICE. The Purchase Price may be paid (i) in cash or by check, (ii) by the surrender by the Holder to the Company of any promissory notes or other obligations issued by the Company, with all such notes and obligations so surrendered being credited against the Purchase Price in an amount equal to the principal amount thereof plus accrued interest to the date of surrender, (iii) through delivery by the Holder to the Company of other securities issued by the Company, with such securities being credited against the Purchase Price in an amount equal to the fair market value thereof, as determined in good faith by the Board of Directors of the Company (the "Board"), or (iv) by any combination of the foregoing. The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of any

securities the Holder may wish to deliver to the Company pursuant to clause (iii) above.

4. NET ISSUE ELECTION. At any time from time to time, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares equal to the value of this Warrant or any portion hereof by the surrender of this Warrant or such

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portion to the Company, with the net issue election notice annexed hereto duly executed, at the principal office of the Company. Thereupon, the Company shall issue to the Holder such number of fully paid and nonassessable shares of Stock as is computed using the following formula:

$$X = \frac{Y (A-B)}{A}$$

Where:

- X = the number of shares to be issued to the Holder pursuant to this Section 4.
- Y = the number of shares covered by this Warrant in respect of which the net issue election is made pursuant to this Section 4.
- A = the fair market value of one share of Stock, as determined in good faith by the Board, as at the time the net issue election is made pursuant to this Section 4.
- B = the Purchase Price in effect under this Warrant at the time the net issue election is made pursuant to this Section 4.

The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of one share of Stock.

5. PARTIAL EXERCISE. This Warrant may be exercised in part, and the Holder shall be entitled to receive a new warrant, which shall be dated as of the date of this Warrant, covering the number of shares in respect of which this Warrant shall not have been exercised.

6. ISSUANCE DATE. The person or persons in whose name or names any certificate representing shares of Stock is issued hereunder shall be deemed to have become the holder of record of the shares represented thereby as at the close of business on the date this Warrant is exercised with respect to such

shares, whether or not the transfer books of the Company shall be closed.

7. EXPIRATION DATE. This Warrant shall expire at the close of business on June 30, 2004, and shall be void thereafter.

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8. RESERVED SHARES; VALID ISSUANCE. The Company covenants that it will at all times from and after the date hereof reserve and keep available such number of its authorized shares of Common Stock, free from all preemptive or similar rights therein, as will be sufficient to permit the exercise of this Warrant in full. The Company further covenants that such shares as may be issued pursuant to the exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

9. DIVIDENDS. If after June 30, 1999 (the "Original Issue Date"), the Company shall subdivide the Stock, by split-up or otherwise, or combine the Stock, or issue additional shares of Stock in payment of a stock dividend on the Stock, the number of shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination, and the Purchase Price shall forthwith be proportionately decreased in the case of a subdivision or stock dividend, or proportionately increased in the case of a combination.

10. MERGERS AND RECLASSIFICATIONS. If after the Original Issue Date there shall be any reclassification, capital reorganization or change of the Stock (other than as a result of a subdivision, combination or stock dividend provided for in Section 9 hereof), or any consolidation of the Company with, or merger of the Company into, another corporation or other business organization (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification or change of the outstanding Stock), or any sale or conveyance to another corporation or other business organization of all or substantially all of the assets of the Company, then, as a condition of such reclassification, reorganization, change, consolidation, merger, sale or conveyance, lawful provisions shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall thereafter have the right to purchase, at a total price not to exceed that payable upon the exercise of this Warrant in full, the kind and amount of shares of stock and other securities and property receivable upon such reclassification, reorganization, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Stock which might have been purchased by the Holder immediately prior to such reclassification, reorganization, change, consolidation, merger, sale or conveyance, and in any such case appropriate provisions shall be made with respect to the rights and interest of the Holder to the end that the provisions hereof (including without limitation, provisions for the adjustment of the Purchase Price and the number of shares issuable hereunder) shall thereafter be

applicable in relation to any shares of stock or other securities and property thereafter deliverable upon exercise hereof.

11. CERTIFICATE OF ADJUSTMENT. Whenever the number of shares issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall promptly deliver to the Holder a certificate setting forth the Purchase Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

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12. NOTICES OF RECORD DATE, ETC. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right,

(b) any reclassification of the capital stock of the Company, capital reorganization of the Company, consolidation or merger involving the Company (other than the merger contemplated by the Agreement and Plan of Merger, dated as of June 22, 1999 among the Company, Metromedia Fiber Network, Inc., and Magellan Acquisition, Inc.), or sale or conveyance of all or substantially all of its assets, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then and in each such event the Company will mail or cause to be mailed to the Holder a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which any such reclassification, reorganization, consolidation, merger, sale or conveyance, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record in respect of such event are to be determined. Such notice shall be mailed at least 20 days prior to the date specified in such notice on which any such action is to be taken.

13. AMENDMENT. The terms of this Warrant may be amended, modified or waived only with the written consent of the Company and the Holder.

14. WARRANT REGISTER; TRANSFERS, ETC.

(a) The Company will maintain a register containing the names and addresses of the registered holders of the Warrants. The Holder may

change its address as shown on the warrant register by written notice to the Company requesting such change. Any notice or written communication required or permitted to be given to the Holder may be given by certified mail or delivered to the Holder at its address as shown on the warrant register.

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(b) Subject to compliance with applicable federal and state securities laws, this Warrant may be transferred by the Holder with respect to any or all of the shares purchasable hereunder. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, for transfer of this Warrant as an entirety by the Holder, the Company shall issue a new warrant of the same denomination to the assignee. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, by the Holder for transfer with respect to a portion of the shares of Stock purchasable hereunder, the Company shall issue a new warrant to the assignee, in such denomination as shall be requested by the Holder hereof, and shall issue to such Holder a new warrant covering the number of shares in respect of which this Warrant shall not have been transferred.

(c) In case this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall issue a new warrant of like tenor and denomination and deliver the same (i) in exchange and substitution for and upon surrender and cancellation of any mutilated Warrant, or (ii) in lieu of any Warrant lost, stolen or destroyed, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft or destruction of such Warrant (including a reasonably detailed affidavit with respect to the circumstances of any loss, theft or destruction) and of indemnity reasonably satisfactory to the Company, provided, however, that so long as Rudolph & Sletten is the registered holder of this Warrant, no indemnity shall be required other than its written agreement to indemnify the Company against any loss arising from the issuance of such new warrant.

15. NO IMPAIRMENT. The Company will not, by amendment of its Certificate of Incorporation or through any reclassification, capital reorganization, consolidation, merger, sale or conveyance of assets, dissolution, liquidation, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder.

16. GOVERNING LAW. The provisions and terms of this Warrant shall be governed by and construed in accordance with the laws of the State of Delaware as applied to contracts among Delaware residents entered into and to be

performed entirely within Delaware.

17. SUCCESSORS AND ASSIGNS. This Warrant shall be binding upon the Company's successors and assigns and shall inure to the benefit of and bind the Holder's successors, legal representatives and permitted assigns.

18. BUSINESS DAYS. If the last or appointed day for the taking of any action required or the expiration of any right granted herein shall be a Saturday or Sunday or a legal holiday in the State of Delaware, then such action may be taken or right may be exercised on the next succeeding day which is not a Saturday or Sunday or such a legal holiday.

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19. MARKET STAND-OFF. Holder hereby agrees that, during the period of duration (not to exceed one hundred eighty (180) days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period, except Common Stock included in such registration. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the securities of Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

Dated: September 3, 1999

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Stephen P. Belomy
Executive Vice President and Secretary

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Subscription

To:

Date:

The undersigned hereby subscribes for _____ shares of Stock covered by this Warrant. The certificate(s) for such shares shall be issued in the name of the undersigned or as otherwise indicated below:

Signature

Name for Registration

Mailing Address

Net Issue Election Notice

To:

Date:

The undersigned hereby elects under Section 4 to surrender the right to purchase _____ shares of Stock pursuant to this Warrant. The certificate(s) for the shares issuable upon such net issue election shall be issued in the name of the undersigned or as otherwise indicated below.

Signature

Name for Registration

Mailing Address

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Assignment

For value received _____ hereby sells,

assigns and transfers unto _____

Please print or typewrite name and address of Assignee

the within Warrant, and does hereby irrevocably constitute and appoint
_____ its attorney to transfer the within Warrant on the books
of the within named Company with full power of substitution on the premises.

Dated:

In the Presence of:

THIS WARRANT AND THE COMMON STOCK PURCHASABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO AN EXEMPTION TO SUCH ACT.

COMMON STOCK PURCHASE WARRANT

Warrant No. 106

Number of Shares: 5,000

ABOVENET COMMUNICATIONS INC.

Void after June 30, 2004

1. ISSUANCE. AboveNet Communications Inc., a Delaware corporation (hereinafter with its successors, the "Company") hereby issues this Warrant to Thomas M. Hirst, Trustee and John D. Hagner, independent Trustee under the Trust Agreement of the Hirst Family Trust Dated September 26, 1995 for good and valuable consideration, the receipt of which is hereby acknowledged.

2. PURCHASE PRICE; NUMBER OF SHARES. Subject to the terms and conditions hereinafter set forth, the registered holder of this Warrant (the "Holder"), commencing on the date hereof, is entitled upon surrender of this Warrant with the subscription form annexed hereto duly executed, at the principal office of the Company, or such other office as the Company shall notify the Holder of in writing, to purchase from the Company at a price per share of \$30.00 (the "Purchase Price"), 5,000 fully paid and nonassessable shares of Common Stock of the Company (the "Stock"). Until such time as this Warrant is exercised in full or expires, the Purchase Price and the securities issuable upon exercise of this Warrant are subject to adjustment as hereinafter provided.

3. PAYMENT OF PURCHASE PRICE. The Purchase Price may be paid (i) in cash or by check, (ii) by the surrender by the Holder to the Company of any promissory notes or other obligations issued by the Company, with all such notes and obligations so surrendered being credited against the Purchase Price in an amount equal to the principal amount thereof plus accrued interest to the date of surrender, (iii) through delivery by the Holder to the Company of other securities issued by the Company, with such securities being credited against the Purchase Price in an amount equal to the fair market value thereof, as determined in good faith by the Board of Directors of the Company (the "Board"), or (iv) by any combination of the foregoing. The Board shall promptly respond in

writing to an inquiry by the Holder as to the fair market value of any securities the Holder may wish to deliver to the Company pursuant to clause (iii) above.

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4. NET ISSUE ELECTION. At any time from time to time, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares equal to the value of this Warrant or any portion hereof by the surrender of this Warrant or such portion to the Company, with the net issue election notice annexed hereto duly executed, at the principal office of the Company. Thereupon, the Company shall issue to the Holder such number of fully paid and nonassessable shares of Stock as is computed using the following formula:

$$X = \frac{Y (A-B)}{A}$$

Where:

- X = the number of shares to be issued to the Holder pursuant to this Section 4.
- Y = the number of shares covered by this Warrant in respect of which the net issue election is made pursuant to this Section 4.
- A = the fair market value of one share of Stock, as determined in good faith by the Board, as at the time the net issue election is made pursuant to this Section 4.
- B = the Purchase Price in effect under this Warrant at the time the net issue election is made pursuant to this Section 4.

The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of one share of Stock.

5. PARTIAL EXERCISE. This Warrant may be exercised in part, and the Holder shall be entitled to receive a new warrant, which shall be dated as of the date of this Warrant, covering the number of shares in respect of which this Warrant shall not have been exercised.

6. ISSUANCE DATE. The person or persons in whose name or names any certificate representing shares of Stock is issued hereunder shall be deemed to have become the holder of record of the shares represented thereby as at the close of business on the date this Warrant is exercised with respect to such

shares, whether or not the transfer books of the Company shall be closed.

7. EXPIRATION DATE. This Warrant shall expire at the close of business on June 30, 2004, and shall be void thereafter.

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8. RESERVED SHARES; VALID ISSUANCE. The Company covenants that it will at all times from and after the date hereof reserve and keep available such number of its authorized shares of Common Stock, free from all preemptive or similar rights therein, as will be sufficient to permit the exercise of this Warrant in full. The Company further covenants that such shares as may be issued pursuant to the exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

9. DIVIDENDS. If after June 30, 1999 (the "Original Issue Date"), the Company shall subdivide the Stock, by split-up or otherwise, or combine the Stock, or issue additional shares of Stock in payment of a stock dividend on the Stock, the number of shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination, and the Purchase Price shall forthwith be proportionately decreased in the case of a subdivision or stock dividend, or proportionately increased in the case of a combination.

10. MERGERS AND RECLASSIFICATIONS. If after the Original Issue Date there shall be any reclassification, capital reorganization or change of the Stock (other than as a result of a subdivision, combination or stock dividend provided for in Section 9 hereof), or any consolidation of the Company with, or merger of the Company into, another corporation or other business organization (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification or change of the outstanding Stock), or any sale or conveyance to another corporation or other business organization of all or substantially all of the assets of the Company, then, as a condition of such reclassification, reorganization, change, consolidation, merger, sale or conveyance, lawful provisions shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall thereafter have the right to purchase, at a total price not to exceed that payable upon the exercise of this Warrant in full, the kind and amount of shares of stock and other securities and property receivable upon such reclassification, reorganization, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Stock which might have been purchased by the Holder immediately prior to such reclassification, reorganization, change, consolidation, merger, sale or conveyance, and in any such case appropriate provisions shall be made with respect to the rights and interest of the Holder to the end that the provisions hereof (including without limitation, provisions for the adjustment of the Purchase Price and the number of shares issuable hereunder) shall thereafter be

applicable in relation to any shares of stock or other securities and property thereafter deliverable upon exercise hereof.

11. CERTIFICATE OF ADJUSTMENT. Whenever the number of shares issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall promptly deliver to the Holder a certificate setting forth the Purchase Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

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12. NOTICES OF RECORD DATE, ETC. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right,

(b) any reclassification of the capital stock of the Company, capital reorganization of the Company, consolidation or merger involving the Company (other than the merger contemplated by the Agreement and Plan of Merger, dated as of June 22, 1999 among the Company, Metromedia Fiber Network, Inc., and Magellan Acquisition, Inc.), or sale or conveyance of all or substantially all of its assets, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then and in each such event the Company will mail or cause to be mailed to the Holder a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which any such reclassification, reorganization, consolidation, merger, sale or conveyance, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record in respect of such event are to be determined. Such notice shall be mailed at least 20 days prior to the date specified in such notice on which any such action is to be taken.

13. AMENDMENT. The terms of this Warrant may be amended, modified or waived only with the written consent of the Company and the Holder.

14. WARRANT REGISTER; TRANSFERS, ETC.

(a) The Company will maintain a register containing the names and addresses of the registered holders of the Warrants. The Holder may

change its address as shown on the warrant register by written notice to the Company requesting such change. Any notice or written communication required or permitted to be given to the Holder may be given by certified mail or delivered to the Holder at its address as shown on the warrant register.

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(b) Subject to compliance with applicable federal and state securities laws, this Warrant may be transferred by the Holder with respect to any or all of the shares purchasable hereunder. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, for transfer of this Warrant as an entirety by the Holder, the Company shall issue a new warrant of the same denomination to the assignee. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, by the Holder for transfer with respect to a portion of the shares of Stock purchasable hereunder, the Company shall issue a new warrant to the assignee, in such denomination as shall be requested by the Holder hereof, and shall issue to such Holder a new warrant covering the number of shares in respect of which this Warrant shall not have been transferred.

(c) In case this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall issue a new warrant of like tenor and denomination and deliver the same (i) in exchange and substitution for and upon surrender and cancellation of any mutilated Warrant, or (ii) in lieu of any Warrant lost, stolen or destroyed, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft or destruction of such Warrant (including a reasonably detailed affidavit with respect to the circumstances of any loss, theft or destruction) and of indemnity reasonably satisfactory to the Company, provided, however, that so long as Thomas M. Hirst, Trustee and John D. Hagner, independent Trustee under the Trust Agreement of the Hirst Family Trust Dated September 26, 1995 is the registered holder of this Warrant, no indemnity shall be required other than its written agreement to indemnify the Company against any loss arising from the issuance of such new warrant.

15. NO IMPAIRMENT. The Company will not, by amendment of its Certificate of Incorporation or through any reclassification, capital reorganization, consolidation, merger, sale or conveyance of assets, dissolution, liquidation, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder.

16. GOVERNING LAW. The provisions and terms of this Warrant shall be

governed by and construed in accordance with the laws of the State of Delaware as applied to contracts among Delaware residents entered into and to be performed entirely within Delaware.

17. SUCCESSORS AND ASSIGNS. This Warrant shall be binding upon the Company's successors and assigns and shall inure to the benefit of and bind the Holder's successors, legal representatives and permitted assigns.

18. BUSINESS DAYS. If the last or appointed day for the taking of any action required or the expiration of any right granted herein shall be a Saturday or Sunday or a legal holiday in the State of Delaware, then such action may be taken or right may be exercised on the next succeeding day which is not a Saturday or Sunday or such a legal holiday.

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19. MARKET STAND-OFF. Holder hereby agrees that, during the period of duration (not to exceed one hundred eighty (180) days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period, except Common Stock included in such registration. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the securities of Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

Dated: September 3, 1999

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Stephen P. Belomy
Executive Vice President and Secretary

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Subscription

To: _____

Date: _____

The undersigned hereby subscribes for _____ shares of Stock covered by this Warrant. The certificate(s) for such shares shall be issued in the name of the undersigned or as otherwise indicated below:

Signature

Name for Registration

Mailing Address

Net Issue Election Notice

To: _____

Date: _____

The undersigned hereby elects under Section 4 to surrender the right to purchase _____ shares of Stock pursuant to this Warrant. The certificate(s) for the shares issuable upon such net issue election shall be issued in the name of the undersigned or as otherwise indicated below.

Signature

Name for Registration

Mailing Address

Assignment

For value received _____ hereby sells,

assigns and transfers unto _____

Please print or typewrite name and address of Assignee

the within Warrant, and does hereby irrevocably constitute and appoint
_____ its attorney to transfer the within Warrant on the books
of the within named Company with full power of substitution on the premises.

Dated: _____

In the Presence of:

THIS WARRANT AND THE COMMON STOCK PURCHASABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO AN EXEMPTION TO SUCH ACT.

COMMON STOCK PURCHASE WARRANT

Warrant No. 102

Number of Shares: 4,876

ABOVENET COMMUNICATIONS INC.

Void after June 30, 2004

1. ISSUANCE. AboveNet Communications Inc., a Delaware corporation (hereinafter with its successors, the "Company") hereby issues this Warrant to Synergism Partners for good and valuable consideration, the receipt of which is hereby acknowledged.

2. PURCHASE PRICE; NUMBER OF SHARES. Subject to the terms and conditions hereinafter set forth, the registered holder of this Warrant (the "Holder"), commencing on the date hereof, is entitled upon surrender of this Warrant with the subscription form annexed hereto duly executed, at the principal office of the Company, or such other office as the Company shall notify the Holder of in writing, to purchase from the Company at a price per share of \$40.375 (the "Purchase Price"), 4,876 fully paid and nonassessable shares of Common Stock of the Company (the "Stock"). Until such time as this Warrant is exercised in full or expires, the Purchase Price and the securities issuable upon exercise of this Warrant are subject to adjustment as hereinafter provided.

3. PAYMENT OF PURCHASE PRICE. The Purchase Price may be paid (i) in cash or by check, (ii) by the surrender by the Holder to the Company of any promissory notes or other obligations issued by the Company, with all such notes and obligations so surrendered being credited against the Purchase Price in an amount equal to the principal amount thereof plus accrued interest to the date of surrender, (iii) through delivery by the Holder to the Company of other securities issued by the Company, with such securities being credited against the Purchase Price in an amount equal to the fair market value thereof, as determined in good faith by the Board of Directors of the Company (the "Board"), or (iv) by any combination of the foregoing. The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of any

securities the Holder may wish to deliver to the Company pursuant to clause (iii) above.

4. NET ISSUE ELECTION. At any time from time to time, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares equal to the value of this Warrant or any portion hereof by the surrender of this Warrant or such

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portion to the Company, with the net issue election notice annexed hereto duly executed, at the principal office of the Company. Thereupon, the Company shall issue to the Holder such number of fully paid and nonassessable shares of Stock as is computed using the following formula:

$$X = \frac{Y (A-B)}{A}$$

Where:

- X = the number of shares to be issued to the Holder pursuant to this Section 4.
- Y = the number of shares covered by this Warrant in respect of which the net issue election is made pursuant to this Section 4.
- A = the fair market value of one share of Stock, as determined in good faith by the Board, as at the time the net issue election is made pursuant to this Section 4.
- B = the Purchase Price in effect under this Warrant at the time the net issue election is made pursuant to this Section 4.

The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of one share of Stock.

5. PARTIAL EXERCISE. This Warrant may be exercised in part, and the Holder shall be entitled to receive a new warrant, which shall be dated as of the date of this Warrant, covering the number of shares in respect of which this Warrant shall not have been exercised.

6. ISSUANCE DATE. The person or persons in whose name or names any certificate representing shares of Stock is issued hereunder shall be deemed to have become the holder of record of the shares represented thereby as at the close of business on the date this Warrant is exercised with respect to such

shares, whether or not the transfer books of the Company shall be closed.

7. EXPIRATION DATE. This Warrant shall expire at the close of business on June 30, 2004, and shall be void thereafter.

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8. RESERVED SHARES; VALID ISSUANCE. The Company covenants that it will at all times from and after the date hereof reserve and keep available such number of its authorized shares of Common Stock, free from all preemptive or similar rights therein, as will be sufficient to permit the exercise of this Warrant in full. The Company further covenants that such shares as may be issued pursuant to the exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

9. DIVIDENDS. If after June 30, 1999 (the "Original Issue Date"), the Company shall subdivide the Stock, by split-up or otherwise, or combine the Stock, or issue additional shares of Stock in payment of a stock dividend on the Stock, the number of shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination, and the Purchase Price shall forthwith be proportionately decreased in the case of a subdivision or stock dividend, or proportionately increased in the case of a combination.

10. MERGERS AND RECLASSIFICATIONS. If after the Original Issue Date there shall be any reclassification, capital reorganization or change of the Stock (other than as a result of a subdivision, combination or stock dividend provided for in Section 9 hereof), or any consolidation of the Company with, or merger of the Company into, another corporation or other business organization (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification or change of the outstanding Stock), or any sale or conveyance to another corporation or other business organization of all or substantially all of the assets of the Company, then, as a condition of such reclassification, reorganization, change, consolidation, merger, sale or conveyance, lawful provisions shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall thereafter have the right to purchase, at a total price not to exceed that payable upon the exercise of this Warrant in full, the kind and amount of shares of stock and other securities and property receivable upon such reclassification, reorganization, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Stock which might have been purchased by the Holder immediately prior to such reclassification, reorganization, change, consolidation, merger, sale or conveyance, and in any such case appropriate provisions shall be made with respect to the rights and interest of the Holder to the end that the provisions hereof (including without limitation, provisions for the adjustment of the Purchase Price and the number of shares issuable hereunder) shall thereafter be

applicable in relation to any shares of stock or other securities and property thereafter deliverable upon exercise hereof.

11. CERTIFICATE OF ADJUSTMENT. Whenever the number of shares issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall promptly deliver to the Holder a certificate setting forth the Purchase Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

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12. NOTICES OF RECORD DATE, ETC. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right,

(b) any reclassification of the capital stock of the Company, capital reorganization of the Company, consolidation or merger involving the Company (other than the merger contemplated by the Agreement and Plan of Merger, dated as of June 22, 1999 among the Company, Metromedia Fiber Network, Inc., and Magellan Acquisition, Inc.), or sale or conveyance of all or substantially all of its assets, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then and in each such event the Company will mail or cause to be mailed to the Holder a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which any such reclassification, reorganization, consolidation, merger, sale or conveyance, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record in respect of such event are to be determined. Such notice shall be mailed at least 20 days prior to the date specified in such notice on which any such action is to be taken.

13. AMENDMENT. The terms of this Warrant may be amended, modified or waived only with the written consent of the Company and the Holder.

14. WARRANT REGISTER; TRANSFERS, ETC.

(a) The Company will maintain a register containing the names

and addresses of the registered holders of the Warrants. The Holder may change its address as shown on the warrant register by written notice to the Company requesting such change. Any notice or written communication required or permitted to be given to the Holder may be given by certified mail or delivered to the Holder at its address as shown on the warrant register.

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(b) Subject to compliance with applicable federal and state securities laws, this Warrant may be transferred by the Holder with respect to any or all of the shares purchasable hereunder. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, for transfer of this Warrant as an entirety by the Holder, the Company shall issue a new warrant of the same denomination to the assignee. Upon surrender of this Warrant to the Company, together with the assignment hereof properly endorsed, by the Holder for transfer with respect to a portion of the shares of Stock purchasable hereunder, the Company shall issue a new warrant to the assignee, in such denomination as shall be requested by the Holder hereof, and shall issue to such Holder a new warrant covering the number of shares in respect of which this Warrant shall not have been transferred.

(c) In case this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall issue a new warrant of like tenor and denomination and deliver the same (i) in exchange and substitution for and upon surrender and cancellation of any mutilated Warrant, or (ii) in lieu of any Warrant lost, stolen or destroyed, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft or destruction of such Warrant (including a reasonably detailed affidavit with respect to the circumstances of any loss, theft or destruction) and of indemnity reasonably satisfactory to the Company, provided, however, that so long as Synergism Partners is the registered holder of this Warrant, no indemnity shall be required other than its written agreement to indemnify the Company against any loss arising from the issuance of such new warrant.

15. NO IMPAIRMENT. The Company will not, by amendment of its Certificate of Incorporation or through any reclassification, capital reorganization, consolidation, merger, sale or conveyance of assets, dissolution, liquidation, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder.

16. GOVERNING LAW. The provisions and terms of this Warrant shall be governed by and construed in accordance with the laws of the State of Delaware

as applied to contracts among Delaware residents entered into and to be performed entirely within Delaware.

17. SUCCESSORS AND ASSIGNS. This Warrant shall be binding upon the Company's successors and assigns and shall inure to the benefit of and bind the Holder's successors, legal representatives and permitted assigns.

18. BUSINESS DAYS. If the last or appointed day for the taking of any action required or the expiration of any right granted herein shall be a Saturday or Sunday or a legal holiday in the State of Delaware, then such action may be taken or right may be exercised on the next succeeding day which is not a Saturday or Sunday or such a legal holiday.

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19. MARKET STAND-OFF. Holder hereby agrees that, during the period of duration (not to exceed one hundred eighty (180) days) specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period, except Common Stock included in such registration. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the securities of Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

Dated: September 3, 1999

ABOVENET COMMUNICATIONS INC.

By: /s/ Stephen P. Belomy

Stephen P. Belomy
Executive Vice President and Secretary

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Subscription

To:

Date:

The undersigned hereby subscribes for _____ shares of Stock covered by this Warrant. The certificate(s) for such shares shall be issued in the name of the undersigned or as otherwise indicated below:

Signature

Name for Registration

Mailing Address

Net Issue Election Notice

To:

Date:

The undersigned hereby elects under Section 4 to surrender the right to purchase _____ shares of Stock pursuant to this Warrant. The certificate(s) for the shares issuable upon such net issue election shall be issued in the name of the undersigned or as otherwise indicated below.

Signature

Name for Registration

Mailing Address

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Assignment

For value received _____ hereby sells,

assigns and transfers unto _____

Please print or typewrite name and address of Assignee

the within Warrant, and does hereby irrevocably constitute and appoint
_____ its attorney to transfer the within Warrant on the books
of the within named Company with full power of substitution on the premises.

Dated:

In the Presence of:

[PAUL, WEISS, RIFKIND, WHARTON & GARRISON LETTERHEAD]

September 10, 1999

Metromedia Fiber Network, Inc.
One Meadowlands Plaza
East Rutherford, NJ 09073

Metromedia Fiber Network, Inc.,
Registration Statement on Form S-3

Ladies and Gentlemen:

In connection with the Registration Statement on Form S-3 (the "Registration Statement") filed by Metromedia Fiber Network, Inc., a Delaware corporation (the "Company"), with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Act"), and the rules and regulations promulgated thereunder (the "Rules"), we have been requested by the Company to render our opinion as to the legality of the securities being registered under the

Metromedia Fiber Network, Inc.

Registration Statement. The Registration Statement relates to 813,789 shares (the "Shares") of common stock, par value \$.01 per share (the "Common Stock"), of the Company, which have been reserved for issuance upon exercise of certain options and warrants outstanding under the agreements listed in Annex A hereto (collectively, the "Agreements") which are being assumed by the Company pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated as of June 22, 1999, as amended, among the Company, AboveNet Communications, Inc. ("AboveNet") and Magellan Acquisition, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Magellan"), providing for the merger of AboveNet with and into Magellan, with AboveNet as the surviving corporation in the merger.

In connection with the furnishing of this opinion, we have examined originals, conformed copies or photocopies, certified or otherwise identified to

our satisfaction, of the following documents (collectively, the "Documents"):

1. the Registration Statement;
2. the Merger Agreement;
3. the Agreements;
4. the form of Amended and Restated Certificate of Incorporation of the Company, included as Exhibit 3.1 to the Registration Statement;
5. the form of Amended and Restated Bylaws of the Company, included as Exhibit 3.2 to the Registration Statement; and

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Metromedia Fiber Network, Inc.

6. the specimen class A common stock certificate of the Company, included as Exhibit 4.1 to the Registration Statement.

In addition, we have examined those corporate records of the Company as we have considered appropriate and those other certificates, agreements and documents as we deemed relevant and necessary as a basis for the opinion expressed below.

In our examination of the documents referred to above, we have assumed, without independent investigation, (i) the due authorization, execution and delivery of each of the Documents by each party to them other than the Company, (ii) the enforceability of the documents reviewed by us against each party to them other than the Company, (iii) that the Shares will be substantially issued as described in the Registration Statement, (iv) the genuineness of all signatures, (v) the authenticity of all documents submitted to us as originals, (vi) the conformity to the original documents of all documents submitted to us as certified, photostatic, reproduced or conformed copies of validly existing agreements or other documents, (vii) the authenticity of the latter documents; (viii) that the statements regarding matters of fact in the certificates, records, agreements, instruments and documents that we examined are accurate and complete, and (ix) the legal capacity of all individuals who have executed any of the documents which we examined.

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Metromedia Fiber Network, Inc.

In expressing the opinion set forth below, we have relied upon the factual matters contained in the representations and warranties of the Company made in the Documents and in certificates of officers of the Company and upon certificates of public officials.

Based on the foregoing, and subject to the stated assumptions, exceptions and qualifications, we are of the opinion that the Shares have been duly authorized for issuance and that such Shares, when issued and delivered by the Company and paid for in accordance with the terms and provisions of the Agreements, will be validly issued, fully paid and nonassessable.

Our opinion expressed above is limited to the laws of the State of New York, the General Corporation Law of the State of Delaware and the Federal laws of the United States of America. Our opinion is also rendered only with respect to the laws and the rules, regulations and orders under those laws that are currently in effect. Please be advised that no member of this firm is admitted to practice in the State of Delaware.

We hereby consent to the use of our name in the Registration Statement and in the prospectus in the Registration Statement as it appears in the caption "Legal Matters" and to the use of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we come within the category of persons whose consent is required by the Act or the Rules.

Very truly yours,

/s/ Paul, Weiss, Rifkind, Wharton & Garrison

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

Metromedia Fiber Network, Inc.

ANNEX A

1. Cooperation Agreement between AboveNet Deutschland GmbH and AboveNet,

dated March 25, 1999;

2. Shareholders Agreement relating to AboveNet UK Limited, by and among AboveNet, Mr. W Dobbie, Mr. A. MacSween and AboveNet UK Limited, dated March 1999;
3. Shareholders Agreement by and between Raiffeisen Rechenzentrum Ges. m.b.H. and AboveNet, dated March 8, 1999;
4. Warrants to purchase shares of Series D Preferred Stock of AboveNet issued to Silicon Valley Bank;
5. Stock Subscription Warrants to purchase shares of common stock of AboveNet issued to Transamerica Business Credit Corporation, included as Exhibits 4.5(a), 4.5(b), 4.5(c), 4.5(d) and 4.5(e), respectively, to the Registration Statement;
6. Warrant to purchase shares of common stock of AboveNet issued to Primus Technology Fund, dated July 31, 1998;
7. Warrant to purchase shares of common stock of AboveNet issued to DEF Public Relations, dated July 23, 1998;
8. Warrant to purchase shares of common stock of AboveNet issued to G&H Partners, dated July 31, 1998;
9. Warrants to purchase shares of common stock of AboveNet issued to Therma Corporation, included as Exhibits 4.10(a) and 4.10(b), respectively, to the Registration Statement;
10. Warrants to purchase shares of common stock of AboveNet issued to Biggs Cardosa, included as Exhibits 4.11(a) and 4.11(b), respectively, to the Registration Statement;
11. Warrants to purchase shares of common stock of AboveNet issued to CCG Facilities, included as Exhibits 4.12(a) and 4.12(b), respectively, to the Registration Statement;

Metromedia Fiber Network, Inc.

12. Warrants to purchase shares of common stock of AboveNet issued to Kenneth Rodriguez & Partners, included as Exhibits 4.13(a) and 4.13(b), respectively, to the Registration Statement;

13. Warrant to purchase shares of common stock of AboveNet issued to Forest City Enterprises, Inc., dated December 4, 1998;
14. Warrants to purchase shares of common stock of AboveNet issued to Rudolph & Sletten, included as Exhibits 4.12(a) and 4.12(b), respectively, to the Registration Statement;
15. Warrant to purchase shares of common stock of AboveNet issued to Thomas M. Hirst, Trustee, and John D. Hagner, independent Trustee under the Trust Agreement of the Hirst Family Dated September 26, 1995, included as Exhibit 4.16 to the Registration Statement; and
16. Warrant to purchase shares of common stock of AboveNet issued to Synergism Partners, included as Exhibit 4.17 to the Registration Statement.

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related Prospectus of Metromedia Fiber Network, Inc. for the registration of 813,789 shares of its class A common stock and to the incorporation by reference therein of our report dated March 4, 1999, with respect to the consolidated financial statements of Metromedia Fiber Network, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 1998 filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

New York, New York
September 7, 1999

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Metromedia Fiber Network, Inc. on Form S-3 of our report with respect to AboveNet Communications, Inc. dated April 22, 1999 (May 5, 1999 as to Note 16), appearing in the Joint Proxy Statement/Prospectus, which is part of Registration Statement No. 333-84541 of Metromedia Fiber Network, Inc. on Form S-4.

We also consent to the reference to us under the heading "Experts" in this Registration Statement.

/s/ DELOITTE & TOUCHE LLP
San Jose, California
September 7, 1999

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the prospectus constituting part of this Registration Statement on Form S-3 of Metromedia Fiber Network, Inc., of our reports dated June 15, 1999 relating to the financial statements of the Palo Alto Internet Exchange (a business of Compaq Computer Corporation), which appear in the Registration Statement on Form S-4 (Registration No. 333-84541) of Metromedia Fiber Network, Inc. filed with the Securities and Exchange Commission on August 4, 1999. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PRICEWATERHOUSECOOPERS LLP

Boston, Massachusetts
September 7, 1999