

Company Presentation

November 2012





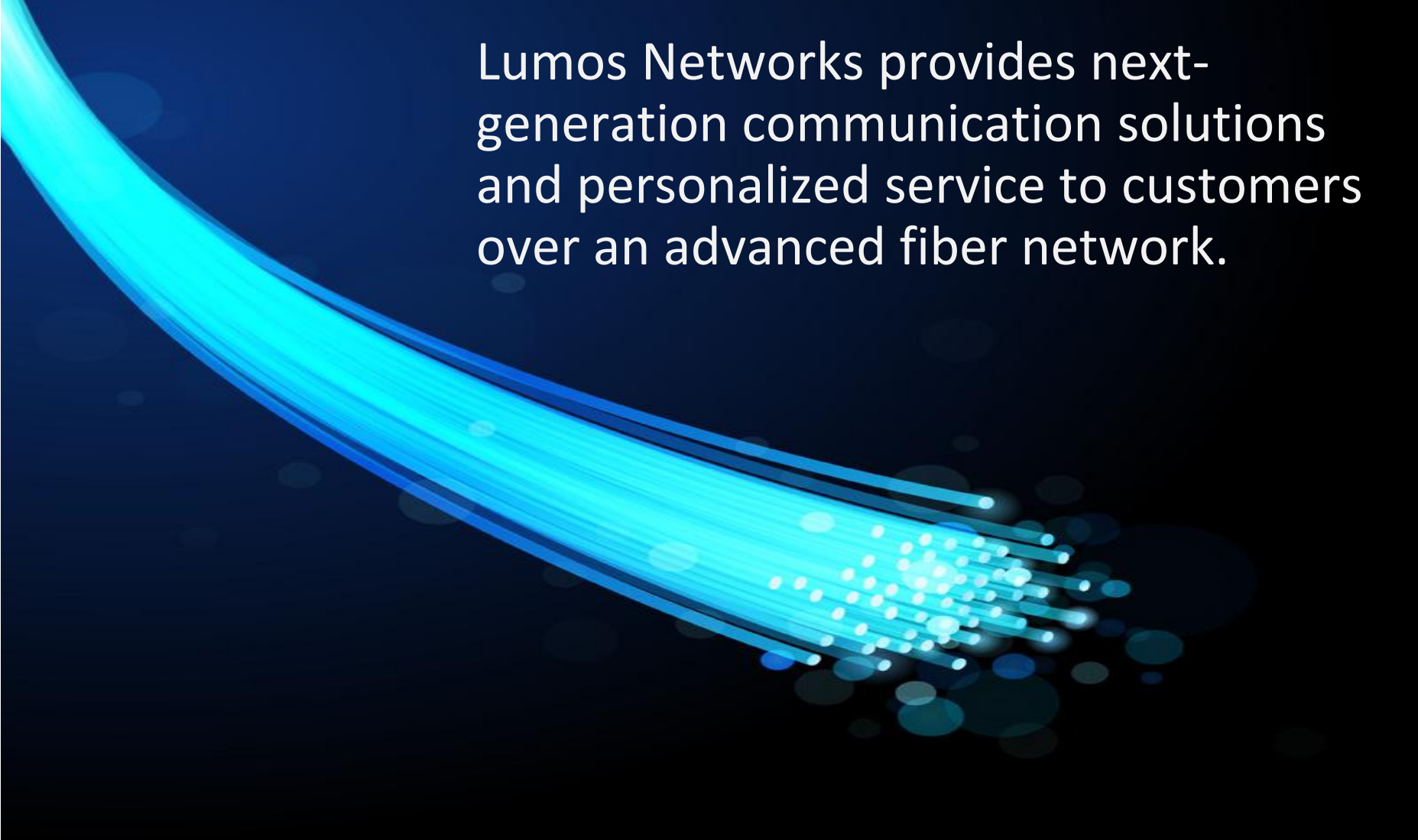
Use of Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures that are not determined in accordance with US generally accepted accounting principles. These financial performance measures are not indicative of cash provided or used by operating activities and exclude the effects of certain operating, capital and financing costs and may differ from comparable information provided by other companies, and they should not be considered in isolation, as an alternative to, or more meaningful than measures of financial performance determined in accordance with US generally accepted accounting principles. These financial performance measures are commonly used in the industry and are presented because Lumos Networks Corp. believes they provide relevant and useful information to investors. The Company utilizes these financial performance measures to assess its ability to meet future capital expenditure and working capital requirements, to incur indebtedness if necessary, and to fund continued growth. Lumos Networks Corp. uses these financial performance measures to evaluate the performance of its business, for budget planning purposes and as factors in its employee compensation programs.

Special Note Regarding Forward-Looking Statements

Any statements contained in this presentation that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements and should be evaluated as such. The words “anticipates,” “believes,” “expects,” “intends,” “plans,” “estimates,” “targets,” “projects,” “should,” “may,” “will” and similar words and expressions are intended to identify forward-looking statements. Such forward-looking statements reflect, among other things, our current expectations, plans and strategies, and anticipated financial results, all of which are subject to known and unknown risks, uncertainties and factors that may cause our actual results to differ materially from those expressed or implied by these forward-looking statements. Many of these risks are beyond our ability to control or predict. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made. We do not undertake any obligation to update or review any forward-looking information, whether as a result of new information, future events or otherwise. Important factors with respect to any such forward-looking statements, including certain risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statements, include, but are not limited to: rapid development and intense competition in the telecommunications industry; our ability to achieve benefits from our separation from NTELOS Holdings Corp; our ability to offset expected revenue declines in our Competitive business from legacy voice products and in our RLEC business related to the recent regulatory developments and carriers grooming their networks; adverse economic conditions; operating and financial restrictions imposed by our senior credit facility; our cash and capital requirements; declining prices for our services; the potential to experience a high rate of customer turnover; federal and state regulatory fees, requirements and developments; our reliance on certain suppliers and vendors; and other unforeseen difficulties that may occur. These risks and uncertainties are not intended to represent a complete list of all risks and uncertainties inherent in our business, and should be read in conjunction with the more detailed cautionary statements and risk factors included in our SEC filings, including our Annual Reports filed on Forms 10-K.

Value creation for our customers enhances value for our shareholders.



Lumos Networks provides next-generation communication solutions and personalized service to customers over an advanced fiber network.

Diversified revenue stream served over a dense fiber network

Customers and Markets

- 21,000 business customers
- Relationships with all major carriers in the region

Products

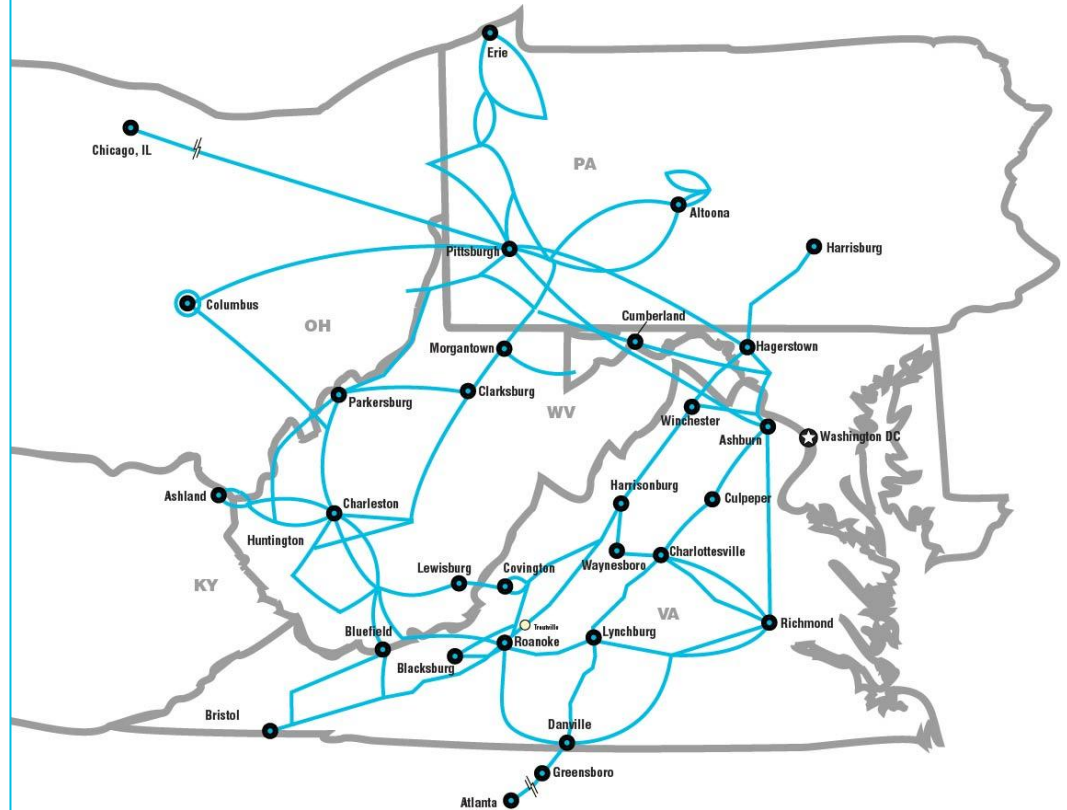
- Enterprise Data – Metro E, Internet
- Carrier Data - up to 10Gig+
- IP Services – Fiber BXL, Video, VoIP

Network

- 5,800 long haul Fiber Network miles
- ~ 300 cell site fiber connections by 12/31/12
- Interconnection to all major data centers in region

People

- Diversified and experienced leadership team
- 400 sales and support personnel deployed across the region
- Deep technical expertise



Key Events

- Oct. 31, 2011 – Spin from NTELOS
- 2012 New leadership
- Q3-12
 - Yr/Yr revenue growth
 - Strategic Data > 50% of revenue
 - Margin Expansion

Highlights

Attractive Revenue Growth Opportunity

- Significant growth available in existing markets
- Edge out potential with unique network footprint

Margin Expansion

- Increasing mix of high margin Strategic Data products
- Leverage existing infrastructure

Efficient Capital Management

- Investments focused on Strategic Data initiatives
- Disciplined success based capital approach

Strong Management Team

- Experienced leadership team
- Diverse operational background

Delight Customers

- Top Tier SLA standards
- In Market support teams

Executive Management with Deep Industry Experience

Tim Biltz

- **Chief Executive Officer**
- Joined in April 2012
- Over 20 years of operating experience as Chairman of iPCS, COO of Spectrasite and EVP, COO of Vanguard Cellular Systems

Harold Covert

- **Chief Financial Officer**
- Joined in October 2011
- Over 27 years of experience with technology and telecommunications companies as CFO of six publicly traded companies

Joseph McCourt Jr.

- **Chief Revenue Officer**
- Joined in May 2012
- Over 25 years of experience in wholesale and enterprise sales in Time Warner Telecom, Level 3 Communications, Dukenet Communications, Zayo Networks, and 1901 Group

Exponential Growth in Data and Devices...

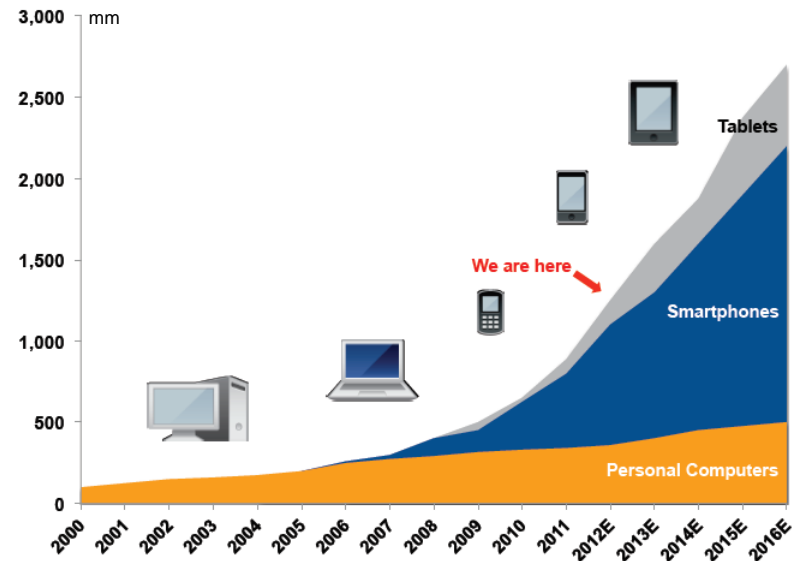
Big Data

- Applications and devices generating constant streams of data
- Enterprises capturing and processing data :
 - ▶ Customers
 - ▶ Products
 - ▶ Transactions
 - ▶ Operations
- Digitization of records
- Increasing use of:
 - ▶ Cloud and data center storage
 - ▶ Back-up file protection and security

“90% of the world’s data has been created in the last 2 years”

Source: Mark Hurd, Oracle Open World 2012.

Proliferation of Networked Devices



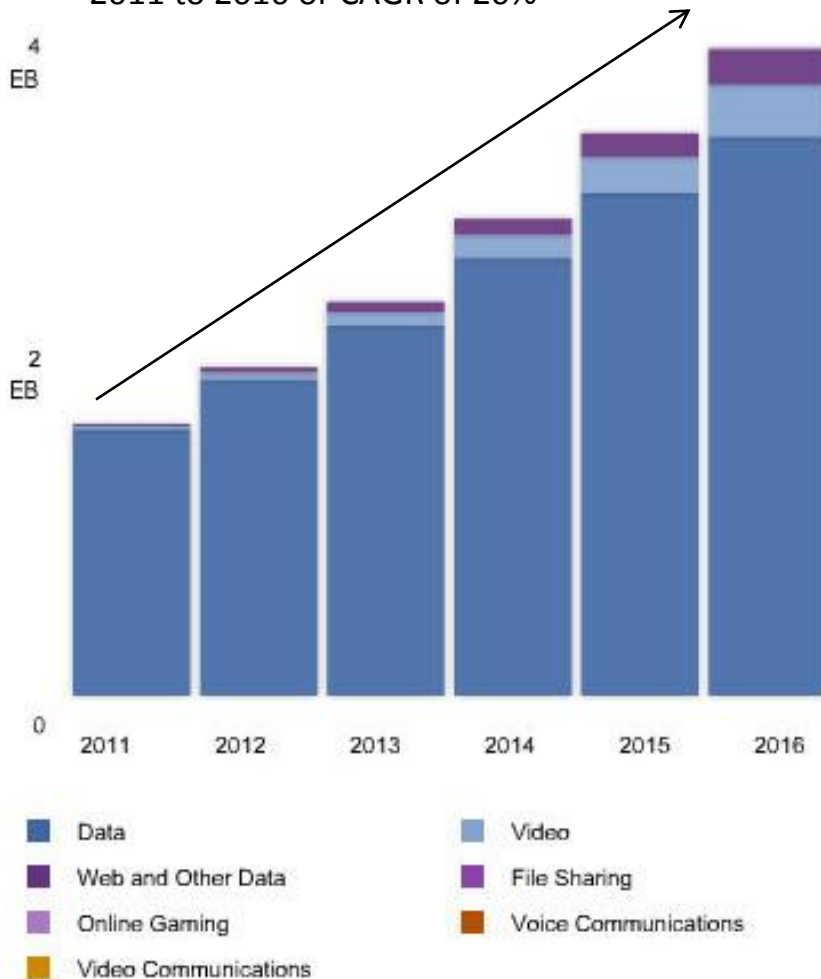
- 70% of internet access will come from mobile devices
- Increase in networked devices 2011-2016
- Enabling rapid growth in rich media
- Access to cloud services

Source: Cisco VNI June 2012

...Driving Demand for Connectivity and Speed

U.S. Business IP Traffic

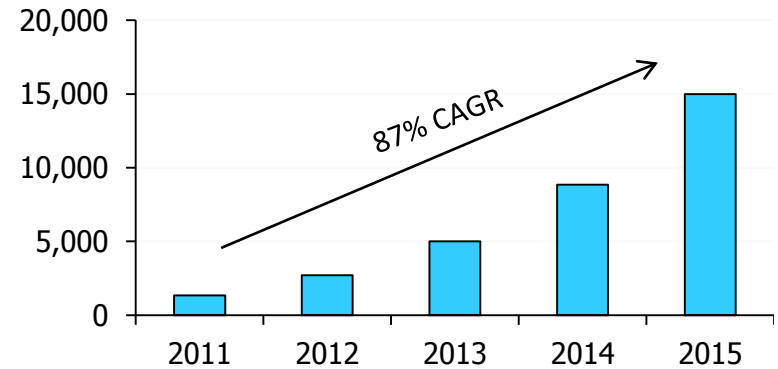
- Business IP traffic to grow 2.5-fold from 2011 to 2016 or CAGR of 20%



Source: Cisco VNI June 2012

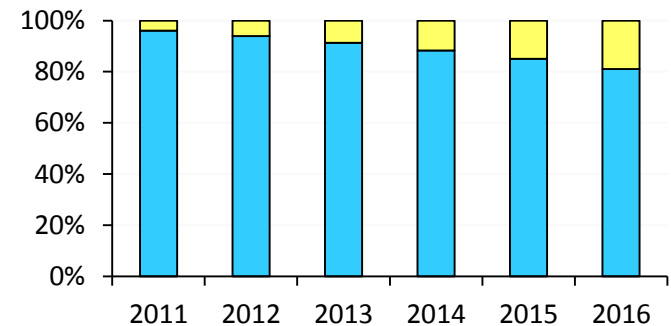
More Cloud, More Mobility

- Enterprise Cloud Spending grows 12.5X from 2011 to 2016 with 35-45% telecom



Source: Oppenheimer & Co Estimates

- Mix of Business Data from mobile devices increases from 4% to 19%



Mobile % Business Traffic

Business and IP Traffic

Source: Cisco VNI June 2012

Next-generation network solutions

Carrier Data

- IP-based Ethernet transport
- Fiber connectivity to cell sites to support 4G growth
- High-bandwidth transport (OC-X and wavelengths)

Enterprise Data

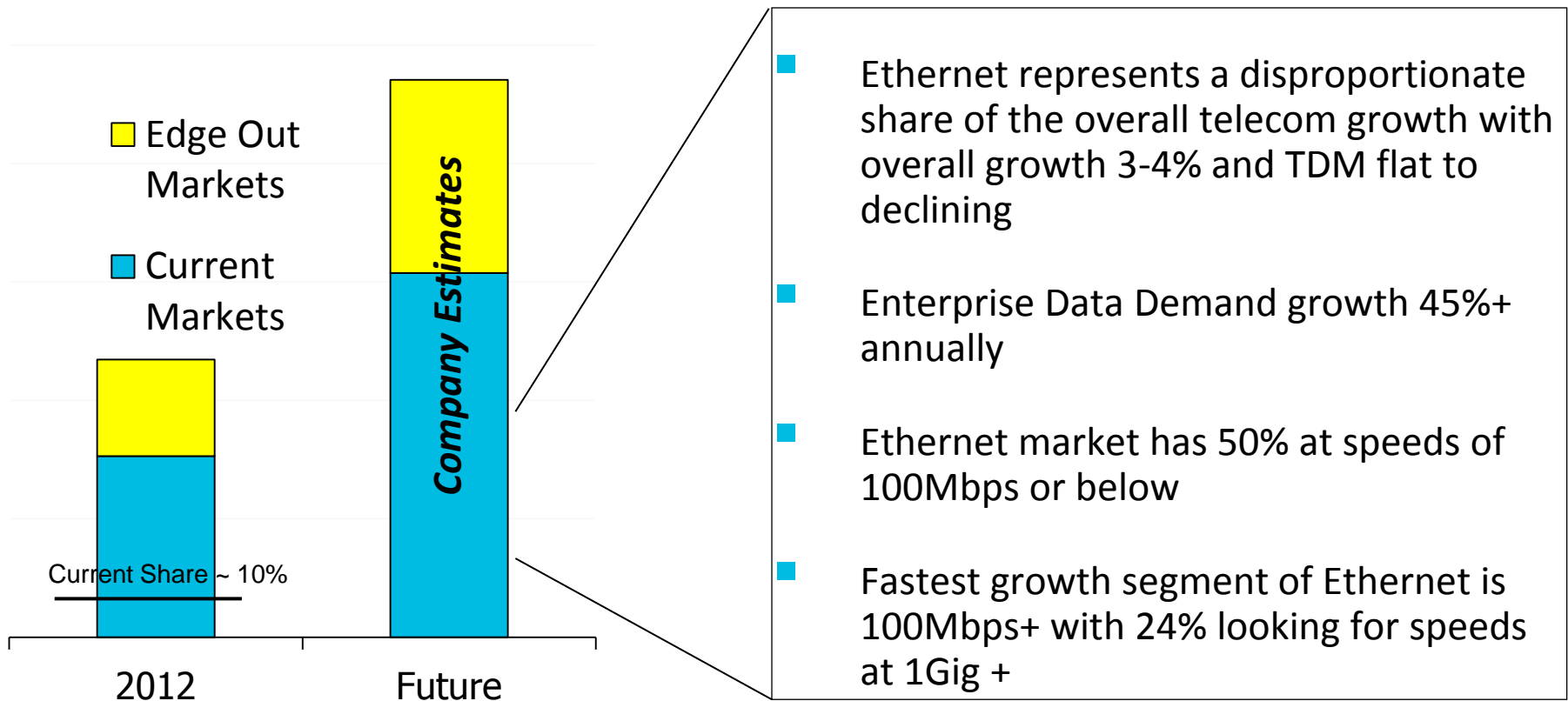
- Ethernet connectivity among multiple locations
- Dedicated Internet connections
- Speeds of 1.5M to 10 Gbps

IP Services

- IP-enabled product offerings that combines voice and data services
- Enables advanced features and dynamic bandwidth
- Broadband XL high speed Internet over fiber over for 100M+

Enterprise Data enables networking and addresses future growth needs

Attractive Available Markets



Source: Heavy Reading Study 2012, Oracle Openworld

Customer Demand Drives Growth

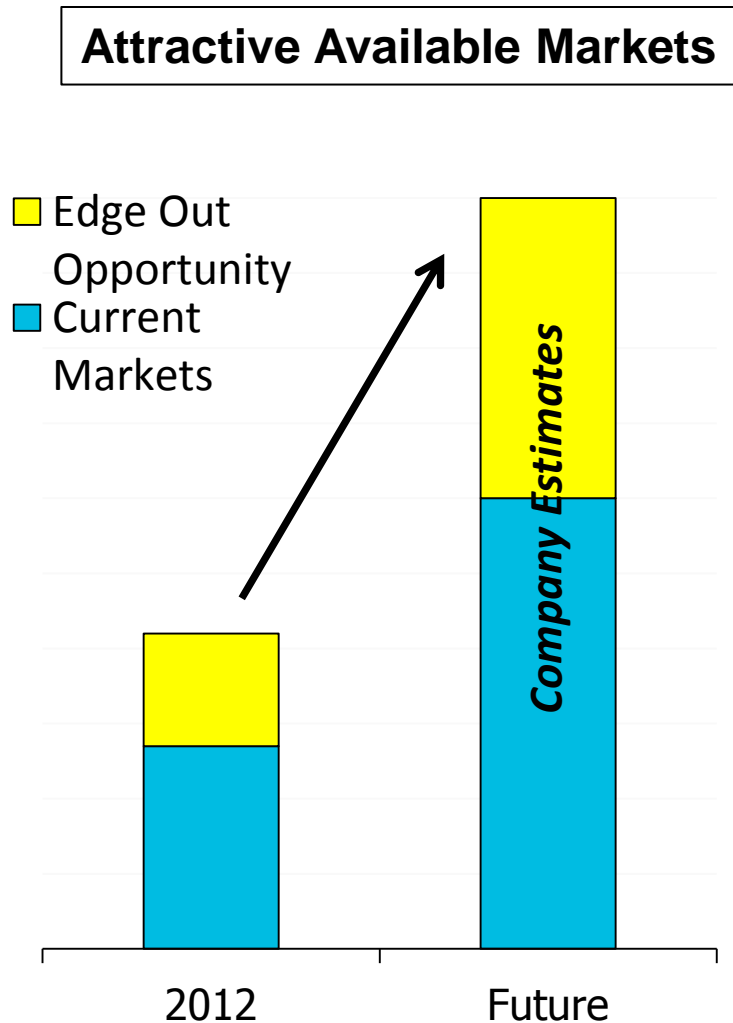
■ **Education Customer**

- Started with several data circuits - \$11K monthly recurring charge (“MRC”)
- Expanded into IP based services – Bandwidth to data centers + IP voice
- MRC now \$29K for \$100K capital investment

■ **Regional Healthcare Provider**

- Several small locations with leased voice access - \$2K MRC
- Today 37 locations, most are on-net
- Buying voice and Metro E
- MRC of \$29K with a \$1.0M capital investment

Transport opportunity greatly enhanced with edge out opportunities like Atlanta interconnection

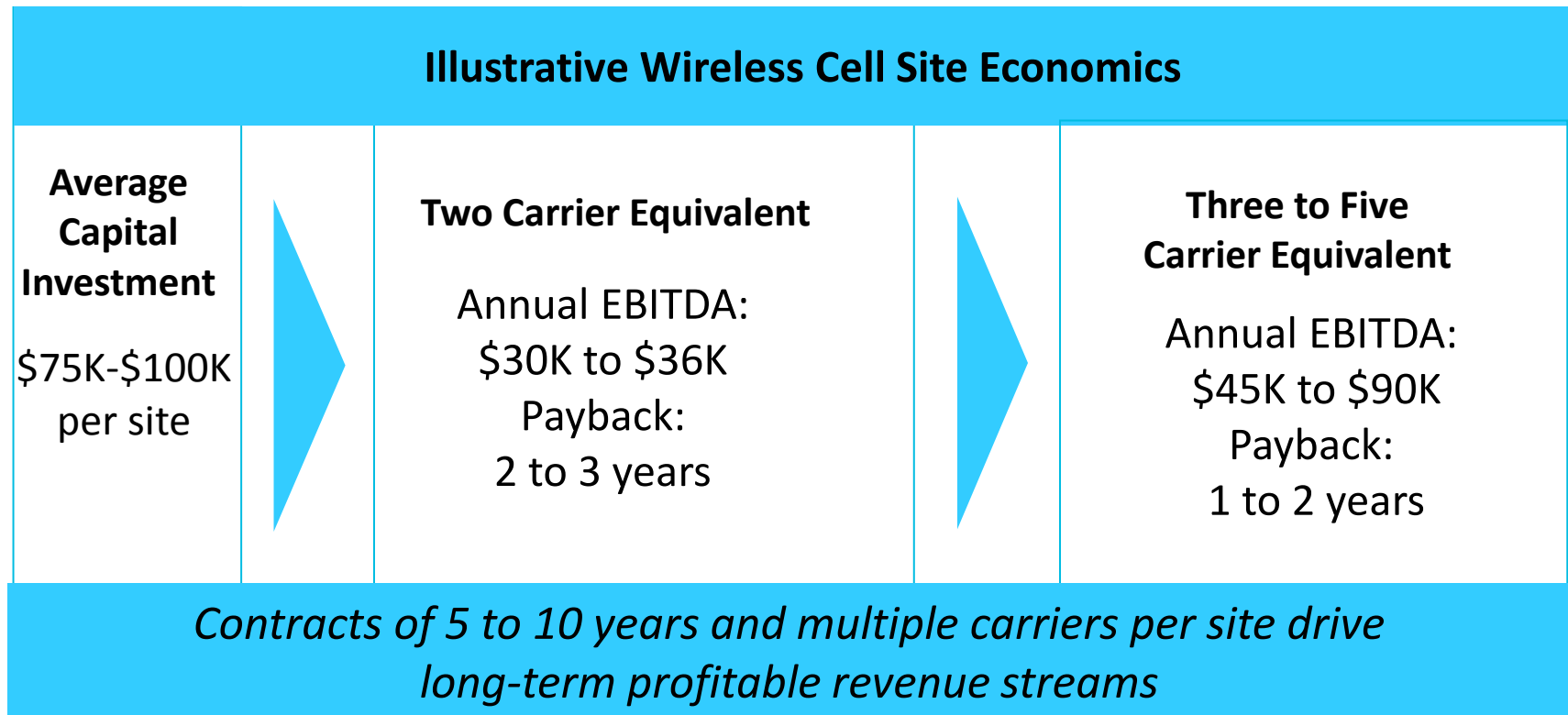


- **Carrier Today**
 - Provide transport across region
 - Responded to RFP for cell sites across region
 - Sites coming on line now
 - New RFP for next wave of sites.....
1/3 as second tenant

- **New Opportunity with Atlanta interconnection**
 - Diversity to I-95 national carrier routes
 - High speed connections – 10Gig +
 - Expands overall market for carriers

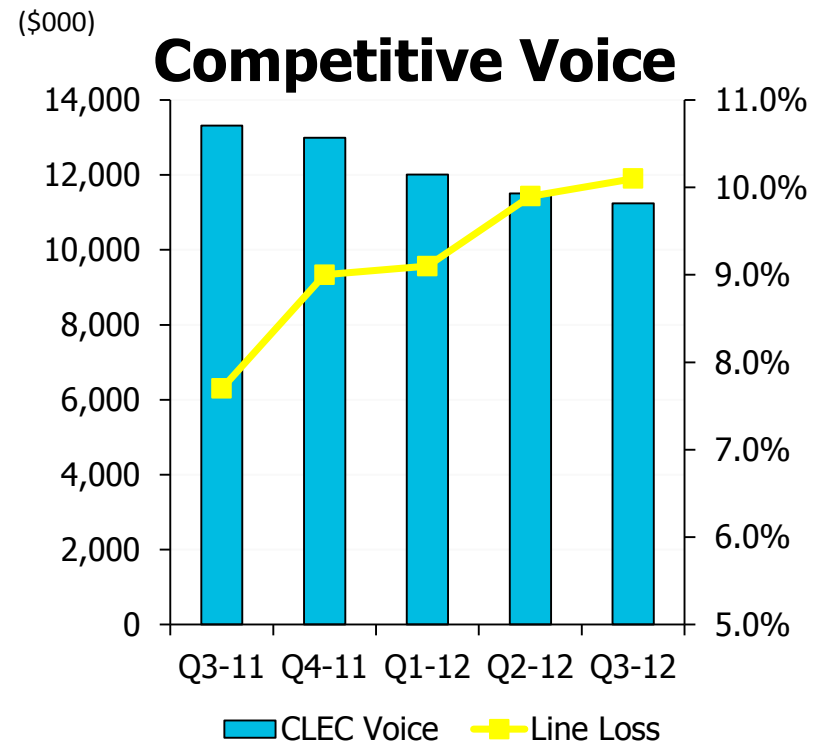
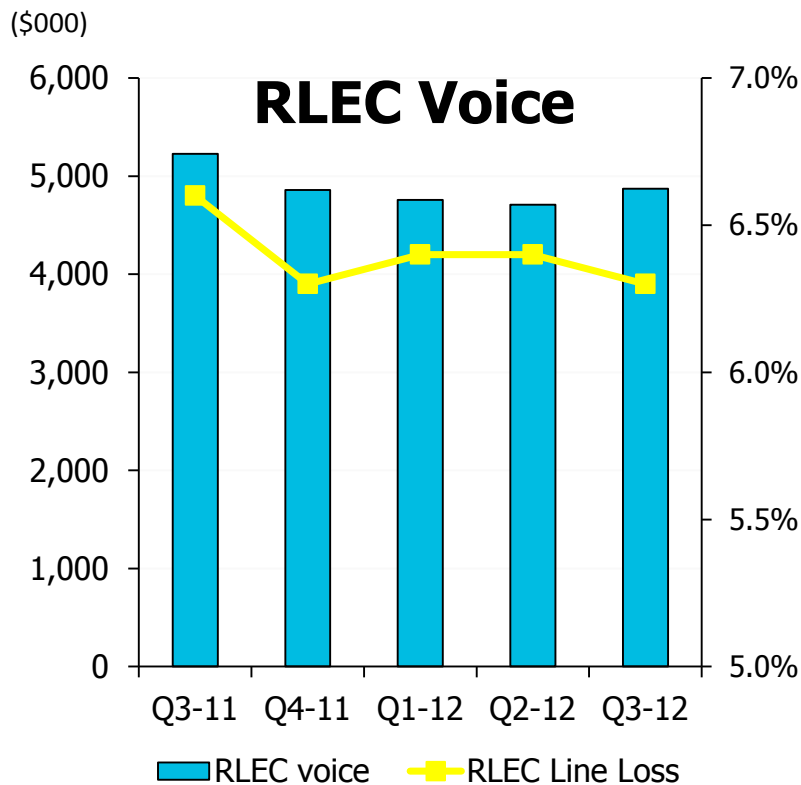
Fiber to the cell site: End-to-End Transport opportunity

- Approximately 5,000 sites within 10 miles of existing network
- Goal to double sites annually with the expansion of 4G roll out
- Long-term growth in bandwidth creates opportunity for significant ROI



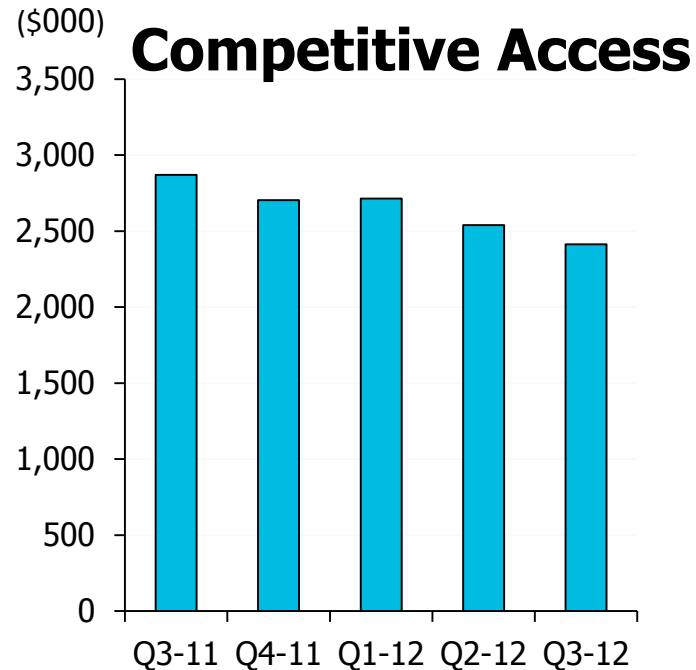
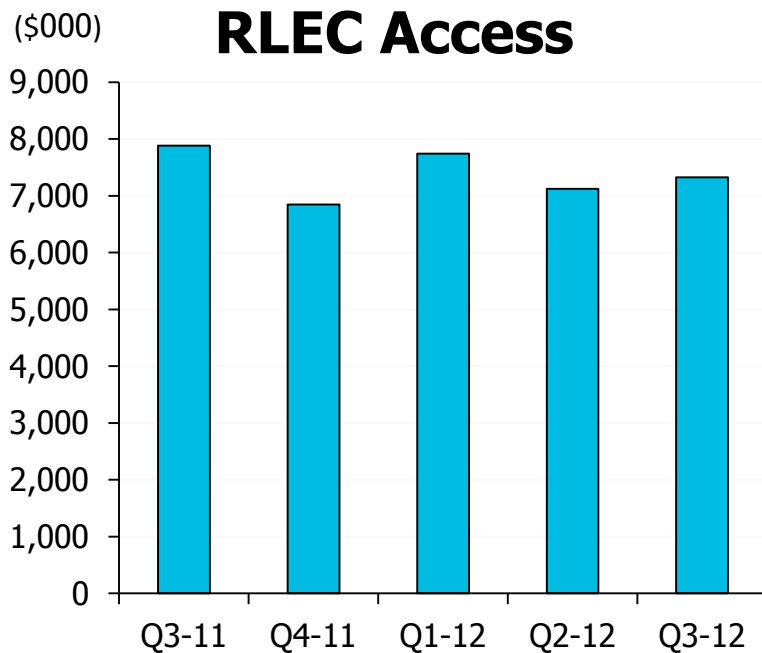
Legacy TDM Voice Revenue

- RLEC voice continuing moderate decline with strong cash generation
- Legacy Competitive voice focus on mix shift to larger and higher margin customers, churn low margin base



Access Revenue

- RLEC access reform underway: Lower rates, long term transition funding continues strong cash generation
- Competitive Access: Continuing moderate declines with good cash generation



Well positioned for the competitive environment

Customer Relationship

- Strategic partnership
- Care and sales support in region
- Technical support expertise and responsiveness

Products

- First to bring products to addressed markets
- Top Tier SLAs
- Competitive pricing

Network Capability

- Dense fiber with available or expandable capacity
- Most complete fiber network in our markets
- High quality ring based network

Key Success Factors

Revenue Growth

- Strong portfolio of Strategic Data products
- Significant opportunity to grow in current markets
- Meaningful edge-out opportunities

Leverage Infrastructure

- Maximizing network efficiency
- On-net or near-net customers
- Focused capital deployment

Solid Execution

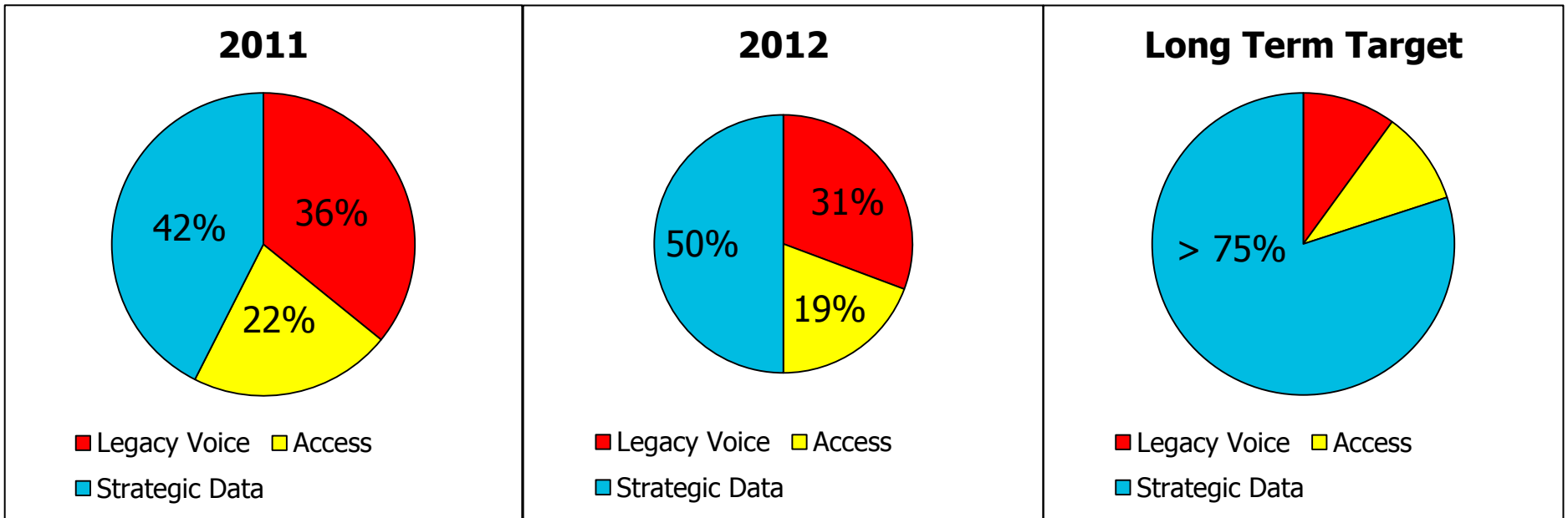
- Sales force expansion and productivity
- Installation streamlining and productivity
- Automated customer interfaces

Financial Performance

- High margin product mix
- Capital expenditure efficiency
- Cash flow from operations
- Current return to shareholders

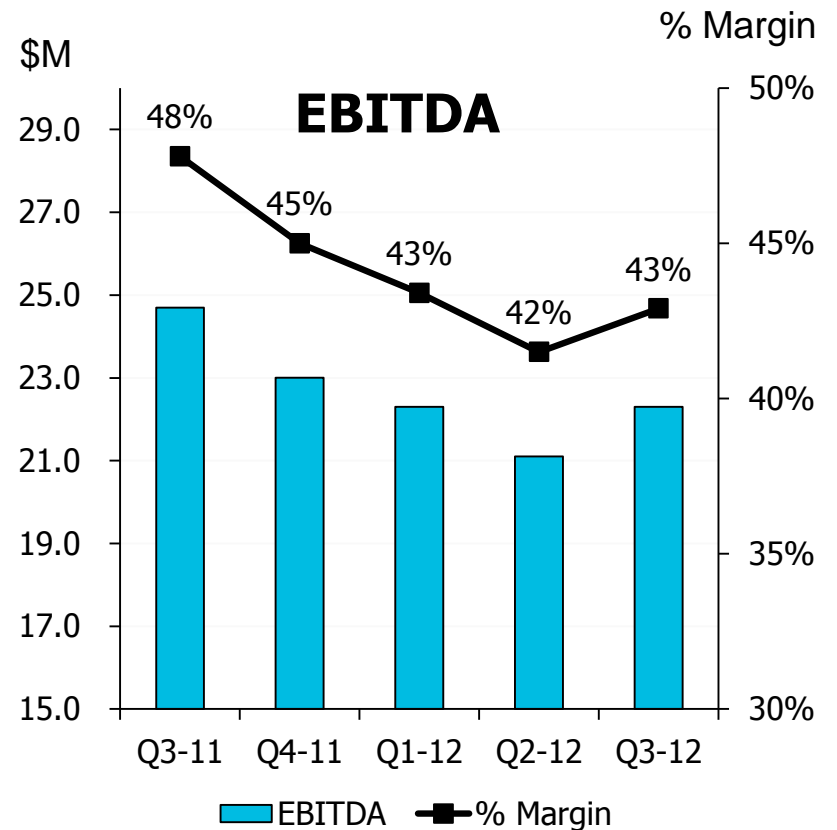
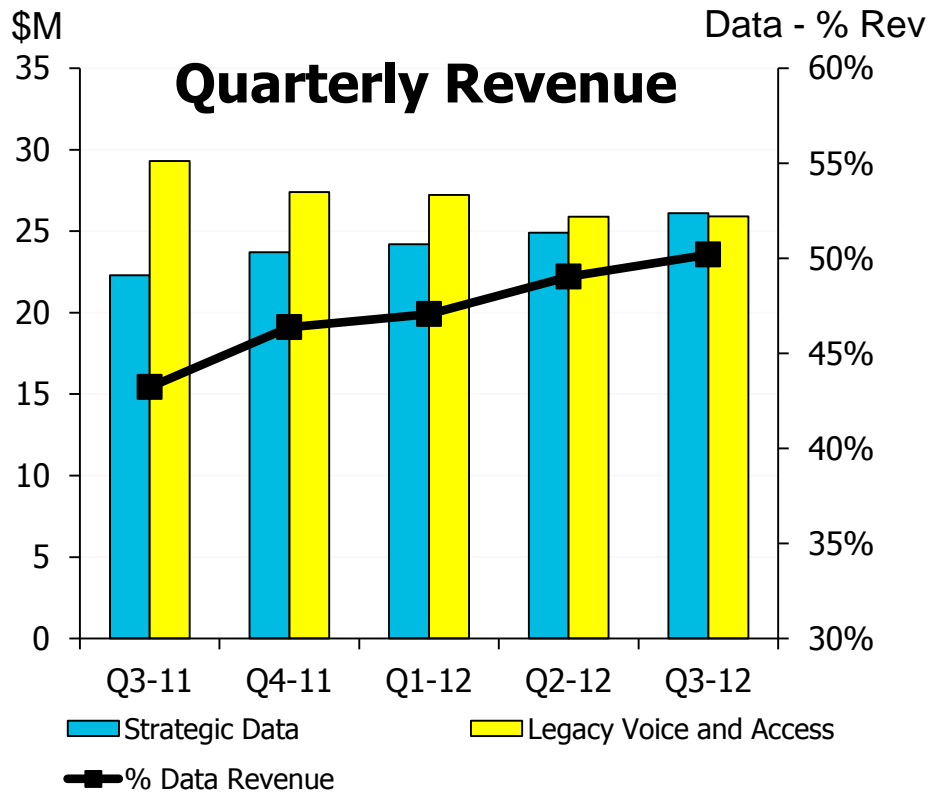
Business Transformation

- Shift to Strategic Data products
- Enhanced sales organization
- Improve mix to more on-net or near-net customers
- Effective expense management



Income Statement Overview

- Q3-12 results highlight the transformation
- Strategic Data now > 50% of total revenue



Disciplined approach to capital investment

- Guiding principles include:
 - ▶ Achievement of capital efficiency goals
 - ▶ Focus on success based projects
 - ▶ Compliance with liquidity goals
 - ▶ Maintain current shareholder dividend

Metric	Target
Near – Term Revenue Opportunity Capital	~75%
Capex to Revenue Ratio	~2.0x - 3.0x
EBITDA Payback	~36 – 48 Months
Return on Investment (EBITDA After Tax)	~15% - 20%
Capex as a % of Revenue	~30-35%

Liquidity Overview

9/30/12

(\$mm)

Cash	\$ -
Restricted cash	6.8
Total Assets	504.4

Revolver (\$60M)
Long-term debt

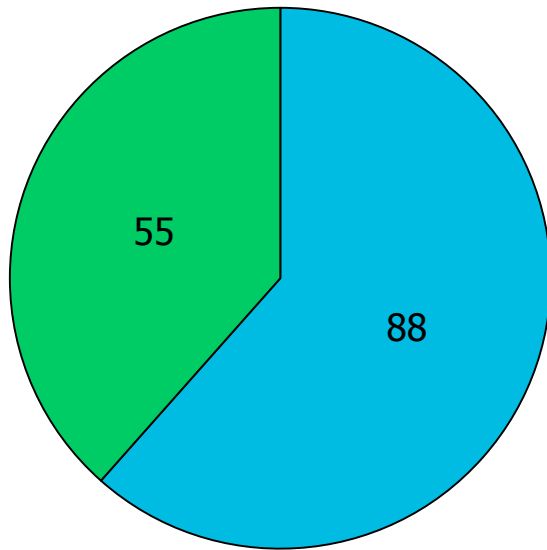
4.7
314.4



Cash Flow Overview

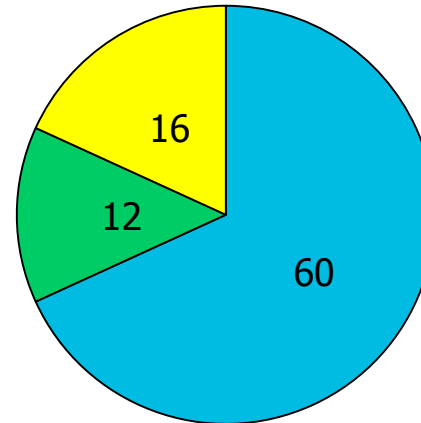
FY 2012 Guidance
\$M

**Cash Resources
\$143M**







■ EBITDA ■ Line of Credit

**Cash Uses
\$88M**



■ Capital Investment
■ Dividend
■ Interest, Debt Payment, Cash Tax

Financial Model

(Dollars in millions)	2011 Actual	Q3-12 Actual	Q4-12 Guidance	FY 2012 Guidance	Annual Long Term Goals
Revenue					
Strategic Data Revenue	88.2	26.1	27.0 - 27.5	102.5-103.0	+ 15-20% 
% of revenue	42.5%	50.2%	53.0%	50%	
Legacy Voice Revenue	74.3	16.1	15.0 - 15.5	63.5 - 64.0	-10-15% 
% of revenue	35.8%	31.0%	31.0%	31%	
Access Revenue	44.9	9.7	9.0 - 9.0	39.0 - 39.0	-10-15% 
% of revenue	21.6%	18.7%	16.0%	19%	
Total	207.4	52.0	52.0	206.0	+ 5% 
EBITDA					
\$	96.9	22.3	22.0	88.0	NA
%	46.7%	42.9%	42.3%	42.7%	47%+
Capital Expenditures					
% Success Based	45%	75%	75%	75%	75%
Total	61.5	14.9	16.0	60.0	< 30% of revenue

2012 Financial Guidance

Business Outlook ¹ (as of November 1, 2012)

(In millions)

	2012 Guidance ¹	
	Fourth Quarter 2012	2012 Annual
Operating Revenues	Approximately \$ 52	Approximately \$ 206
Adjusted EBITDA	Approximately \$ 22	Approximately \$ 88
Capital Expenditures		Approximately \$ 60
Reconciliation of Operating Income to Adjusted EBITDA		
Operating Income	Approximately \$ 10	Approximately \$ 44
Depreciation and amortization	9	38
Equity based compensation charges	3	4
Amortization of actuarial losses	-	2
Adjusted EBITDA	Approximately \$ 22	Approximately \$ 88

¹ These estimates are based on management's current expectations. These estimates are forward-looking and actual results may differ materially. Please see "Special Note from the Company Regarding Forward-Looking Statements" in the Lumos Networks Corp. third quarter 2012 earnings release dated November 1, 2012.

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- Significant opportunity to grow in current markets
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Reconciliation of Net Income Attributable to Lumos Networks Corp. to Operating Income

	Year Ended				
	2007	2008	2009	2010	2011
Net income attributable to Lumos Networks Corp.	\$21	\$23	\$23	\$21	(\$44)
Net income attributable to noncontrolling interests	-	-	-	-	-
Net income	21	23	23	21	(44)
Interest expense	2	1	1	6	12
Loss on interest rate derivatives	-	-	-	-	-
Income tax expense (benefit)	14	15	16	14	(4)
Other income, net	(1)	-	1	-	-
Operating Income (Loss)	\$36	\$39	\$41	\$41	(\$36)

	Three Months Ended							
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012
Net income attributable to Lumos Networks Corp.	\$4	\$5	\$7	\$6	(\$62)	\$5	\$3	\$6
Net income attributable to noncontrolling interests	-	-	-	-	-	-	-	-
Net income	4	5	7	6	(62)	5	3	6
Interest expense	2	3	3	3	3	3	3	3
Loss on interest rate derivatives	-	-	-	-	-	-	-	-
Income tax expense (benefit)	3	4	4	4	(17)	3	3	4
Other income, net	-	-	-	-	-	-	-	-
Operating Income (Loss)	\$9	\$12	\$13	\$13	(\$75)	\$12	\$9	\$13

Adjusted EBITDA Reconciliation

	Year Ended				
	2007	2008	2009	2010	2011
Operating Income (Loss)	\$36	\$39	\$41	\$41	(\$36)
Depreciation and Amortization	27	27	29	31	43
Equity Based Compensation	1	1	-	2	2
Asset Impairment Charge	-	-	-	-	86
Business Separation Charges	-	-	-	-	2
Acquisition Related Charges	-	-	-	3	-
Voluntary Retirement and Workforce Reduction Plans	-	1	-	-	-
Adjusted EBITDA	\$64	\$68	\$71	\$77	\$97

	Three Months Ended							
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012
Operating Income (Loss)	\$9	\$12	\$13	\$13	(\$75)	\$12	\$9	\$13
Depreciation and Amortization	9	11	11	11	10	9	9	10
Equity Based Compensation	1	1	1	1	-	1	1	1
Asset Impairment Charge	-	-	-	-	86	-	-	-
Business Separation Charges	-	-	-	-	2	-	-	-
Acquisition Related Charges	2	-	-	-	-	-	-	-
Employee Separation Charges	-	-	-	-	-	-	2	-
Gain on Settlements, net	-	-	-	-	-	-	-	(2)
Adjusted EBITDA	\$21	\$24	\$25	\$25	\$23	\$22	\$21	\$22

Thank You