

Company Presentation

February 2013





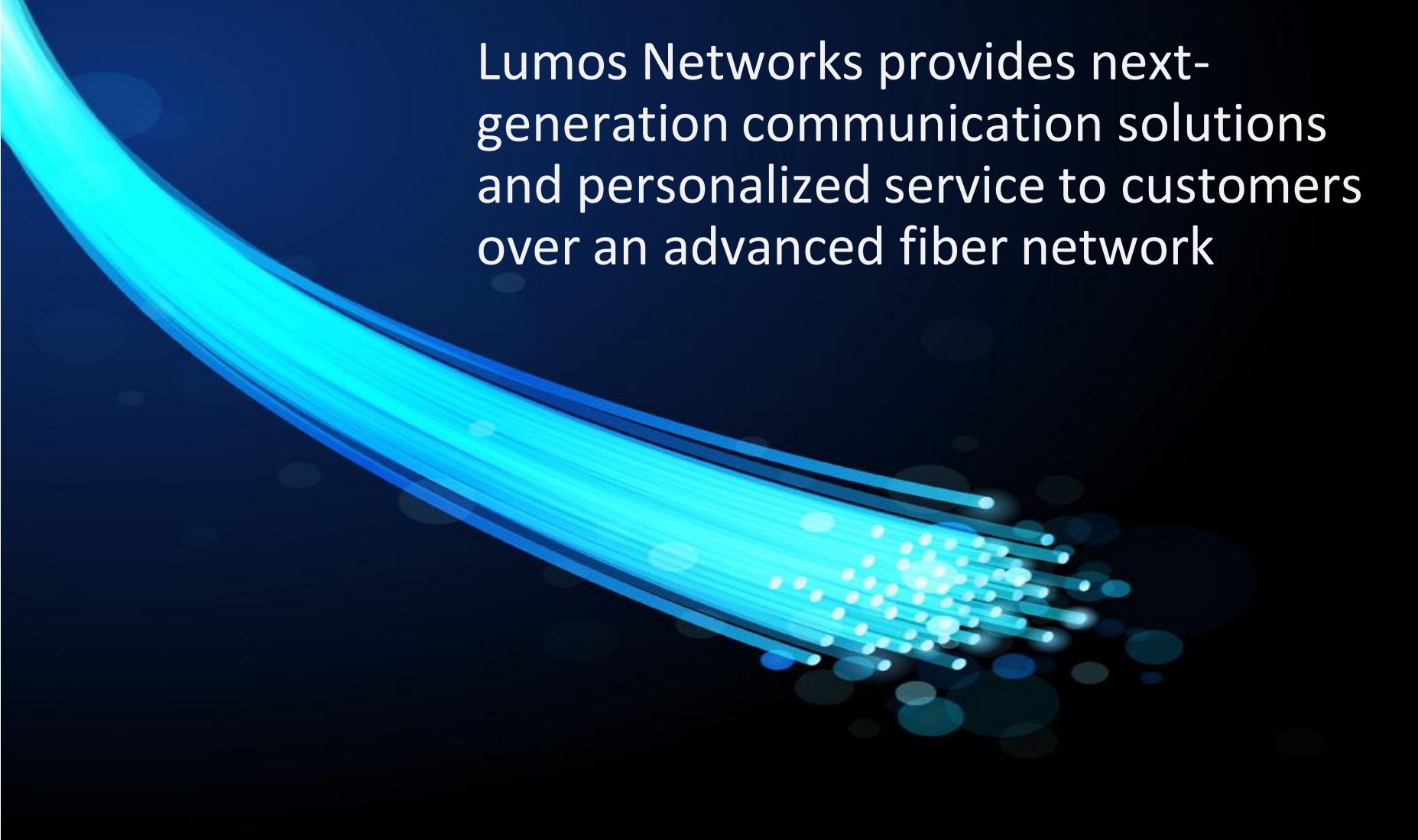
Use of Non-GAAP Financial Measures

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. Included in this presentation are unaudited product group revenue slides that reflect management's view of product revenues as they will be measured in 2013. The associated 2012 revenues are an unaudited reclassification of 2012 revenues that were prepared to allow the user to perform trending analyses on a go forward basis.

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

- 1,500 Major business customers
- Relationships with all major carriers

Products

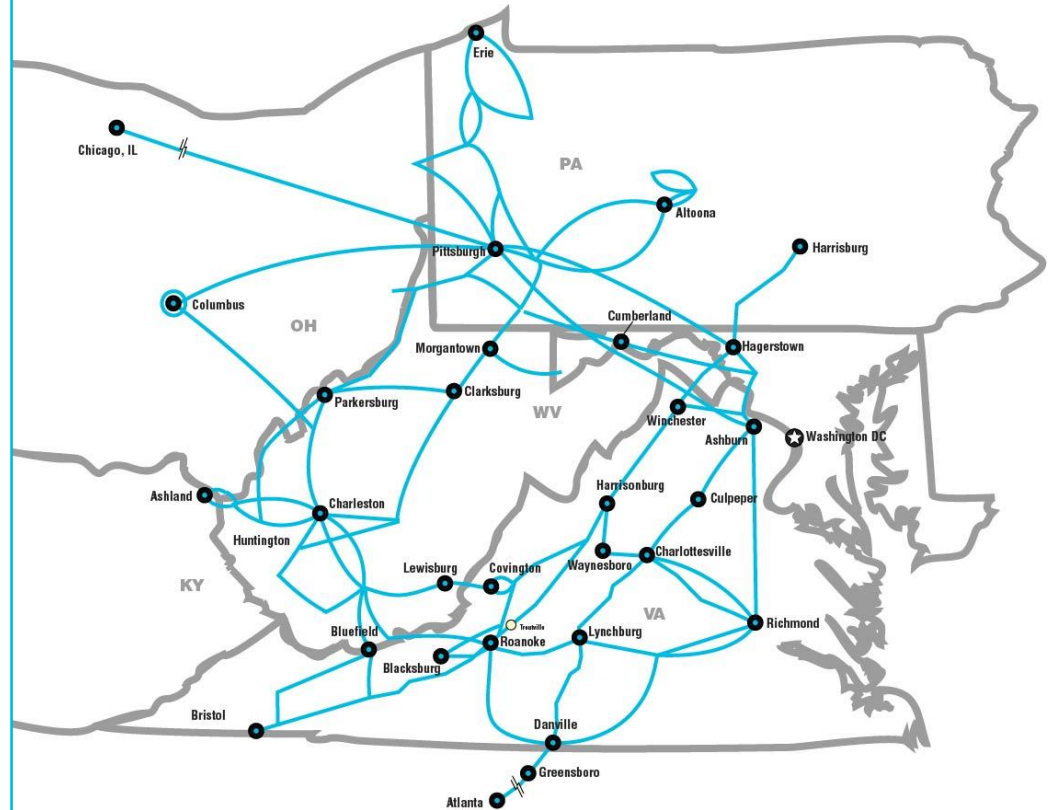
- Enterprise Data – Metro E, Internet
- Carrier Data - up to 10Gig+
- IP Services – Fiber BXL, Video, VoIP

Network

- 5,800 Long Haul Fiber Network miles
- 370 FTTC (“Fiber to the Cell”) installations
- 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
- Industry leading customer care



Key Events

- Oct. 31, 2011 – Spin from NTELOS
- 2012 New leadership team
- 4Q12 YoY Overall Revenue Growth
 - Strategic Data > 52% of revenue
 - 2nd Quarter of 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
- Balanced Revenue Mix Enterprise and Carrier
- Disciplined success based capital approach

Strong Management Team

- Experienced leadership team
- Diverse operational background: Telecom, Wireless and Technology

Delight Customers

- Top Tier SLA standards
- In Market support teams

Executive Management with Deep Industry Experience

Tim Biltz

- **Chief Executive Officer/Joined April 2012**
- 20+ years of operating experience as Chairman of iPCS, COO of Spectrasite, COO of Vanguard Cellular Systems

Harold Covert

- **Chief Financial Officer/October 2011**
- 30+ years of experience with technology and telecommunications companies as CFO of six publicly traded companies

Joe McCourt

- **Chief Revenue Officer/May 2012**
- 25+ years of experience in wholesale and enterprise sales in TW Telecom, Level 3, Dukenet, Zayo Networks, and 1901 Group

Craig Drinkhall

- **Vice President Product Mgmt and Engineering/February 2012**
- 20+ years experience as Senior VP of Product Delivery and Emerging Opportunities at Level 3 Communications, Adelphia and TelCove

Diego Anderson

- **Vice President of Operations/October 2011**
- 20+ years of operational and technical experience with Sprint, NTELOS and Lumos

Joti Balani

- **Vice President of Marketing/January 2013**
- 15+ years experience at AT&T Business Services, AboveNet, most recently as Director of Cloud Services at Zayo

Exponential Growth in Data and Devices...

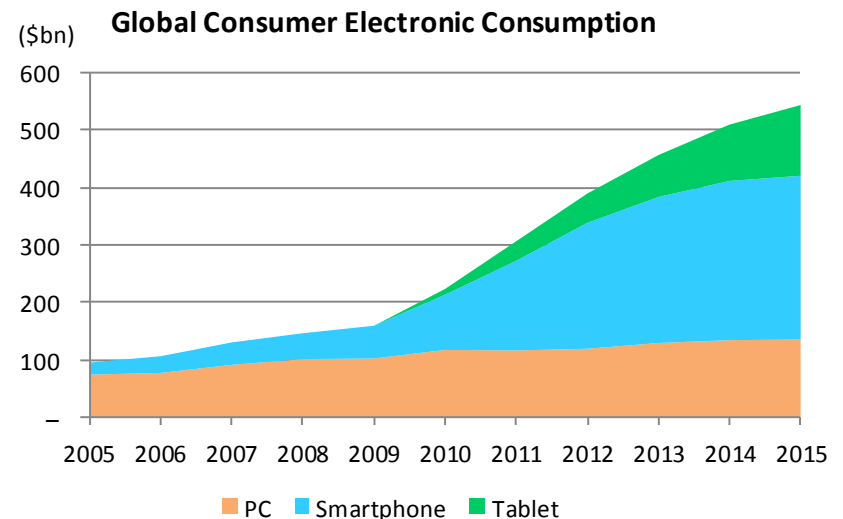
Big Data

- 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



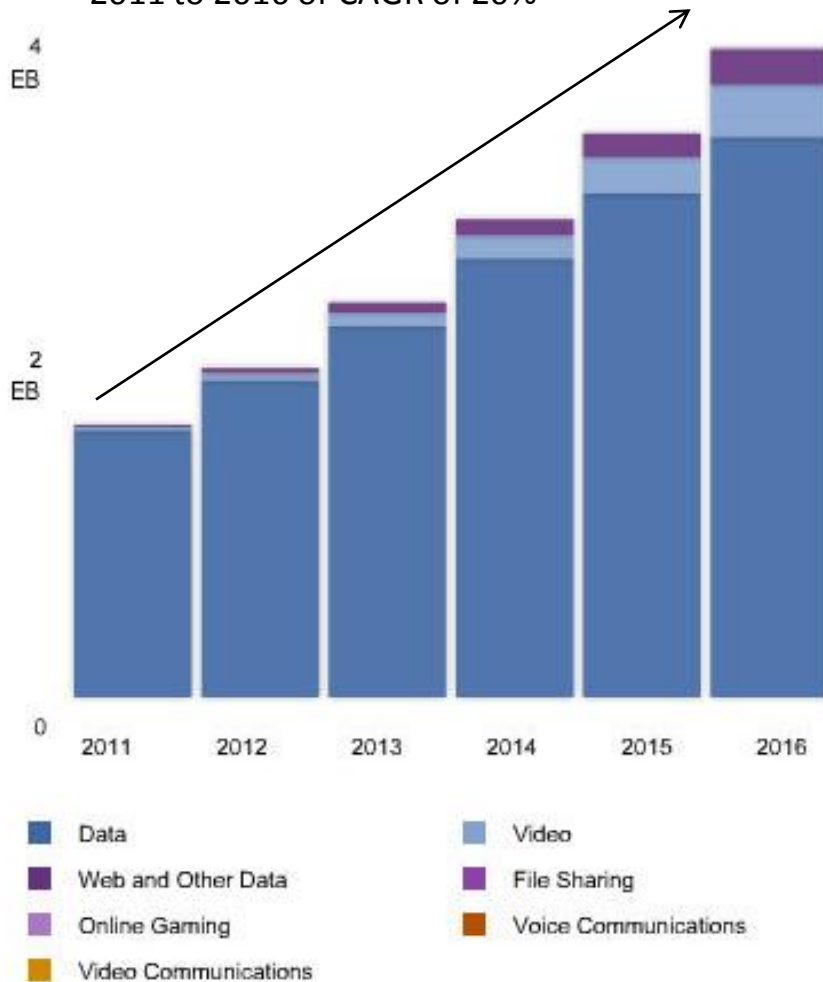
- 70% of internet access will come from mobile devices
- Increase in networked devices 2013-2016
- Enabling rapid growth in rich media
- Access to cloud services

Source: Industry reports, Wall Street Research

...Driving Demand for Connectivity and Speed

U.S. Business IP Traffic

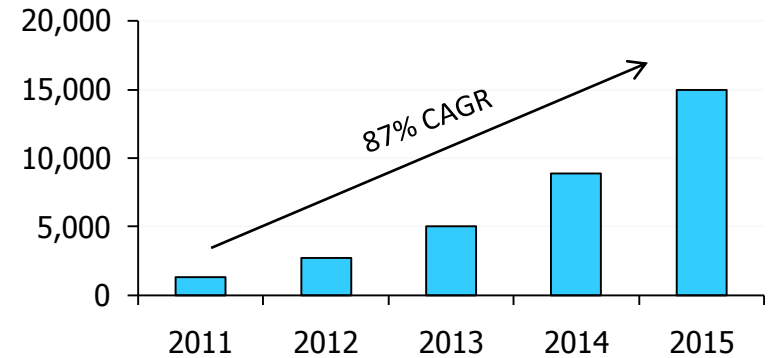
- Business IP traffic to grow 2.5-fold from 2011 to 2016 or CAGR of 20%



Source: Cisco VNI June 2012

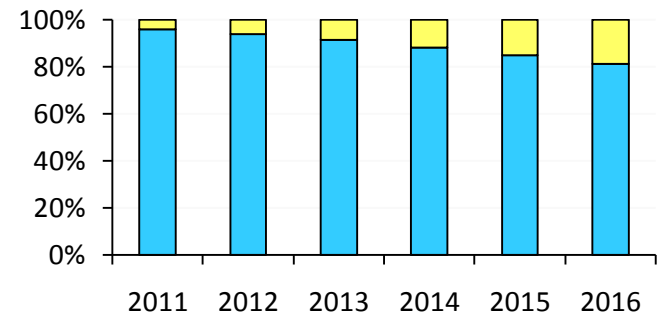
More Cloud, More Mobility

- 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%



Business and IP Traffic

Mobile % Business 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

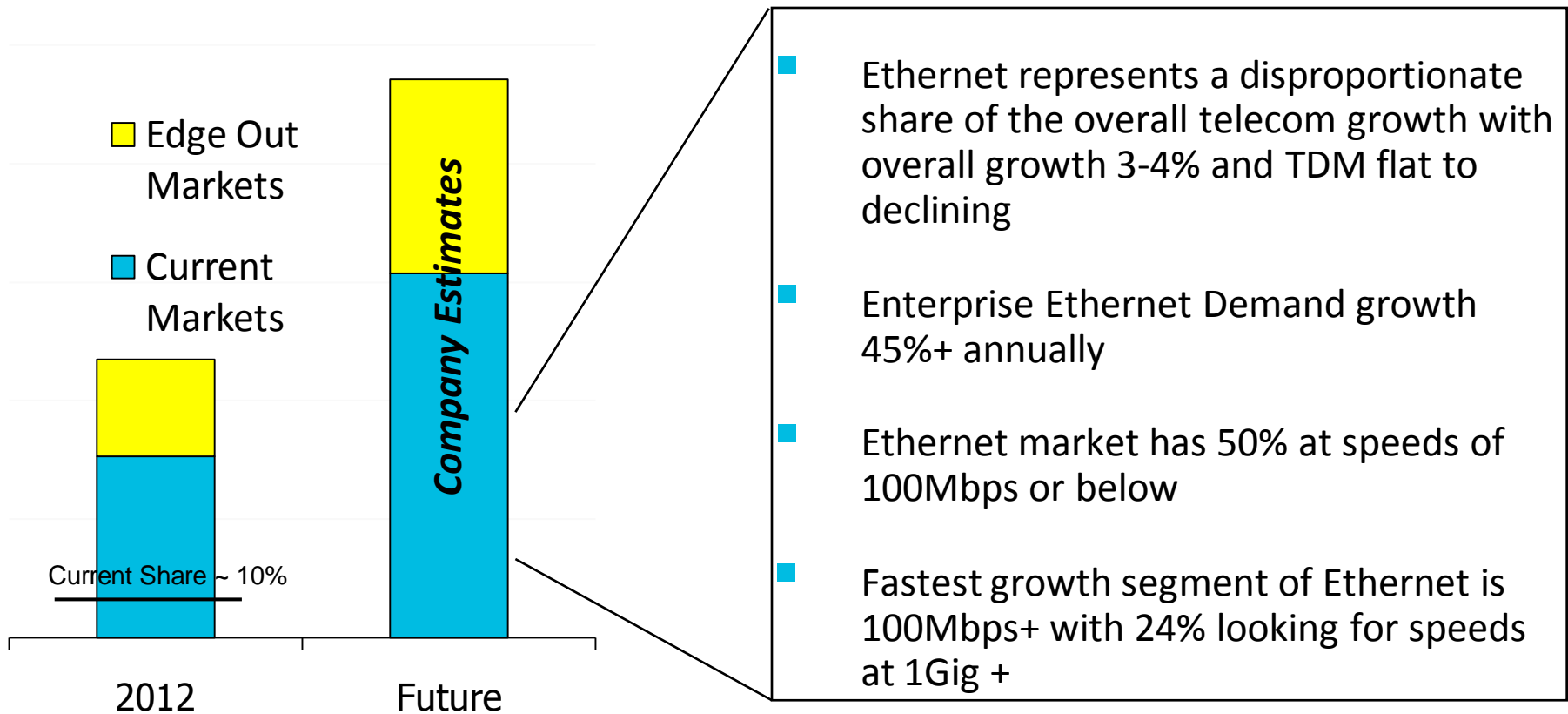
- Ethernet connectivity among multiple locations
- Dedicated Internet connections
- Speeds of 1.5M to 10 Gbps

IP Services

- IP-enabled products 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

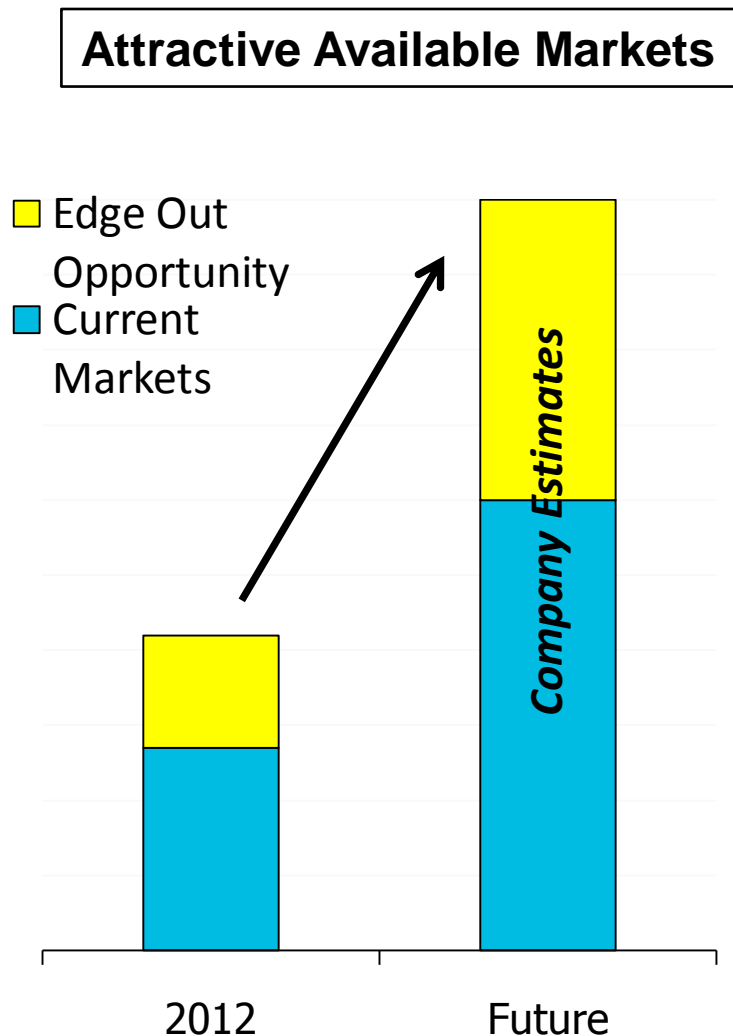
■ **Education Customer**

- 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 \$57K with a \$1.0M capital investment

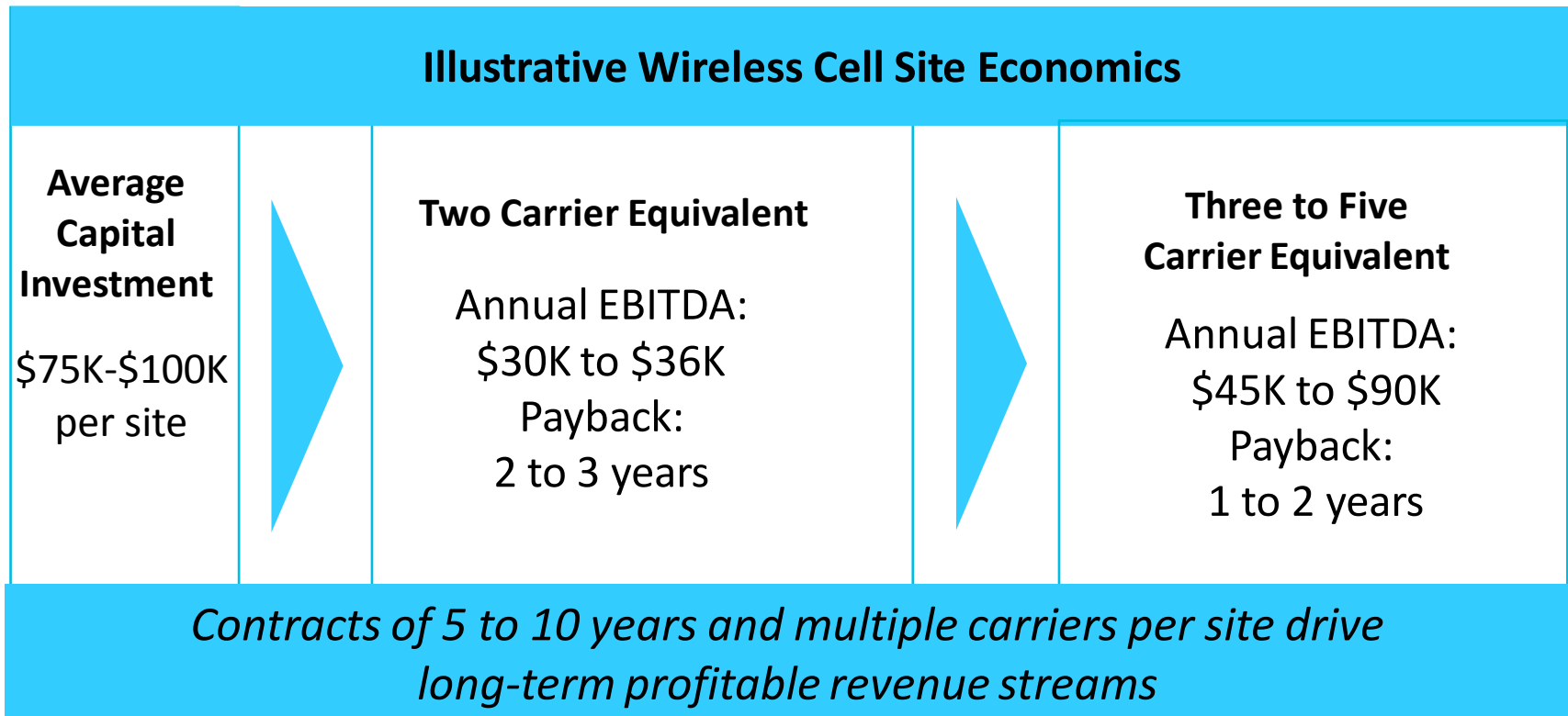
Transport opportunity greatly enhanced with edge out opportunities like Atlanta interconnection



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

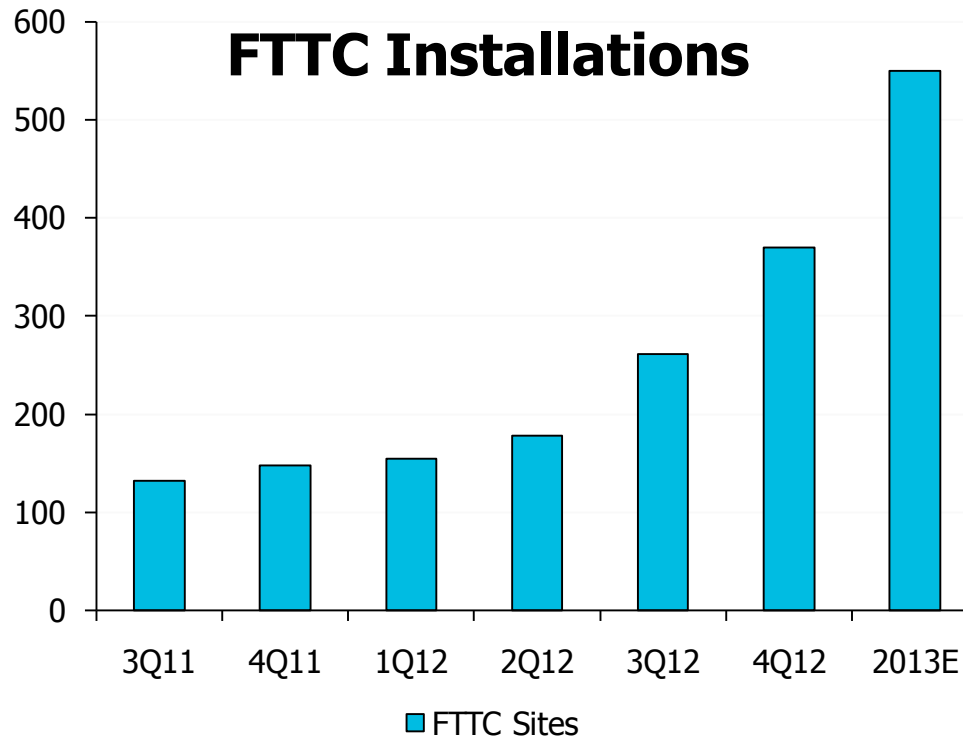
Fiber to the cell site: End-to-End Transport opportunity

- Approximately 5,000 sites within 10 miles of existing network
- Goal is reach 1,000 FTTC sites within a few years from 370 at YE12 and 148 at YE11 -- key driver is expansion of 4G/LTE roll out
- Long-term growth in bandwidth creates opportunity for significant ROI



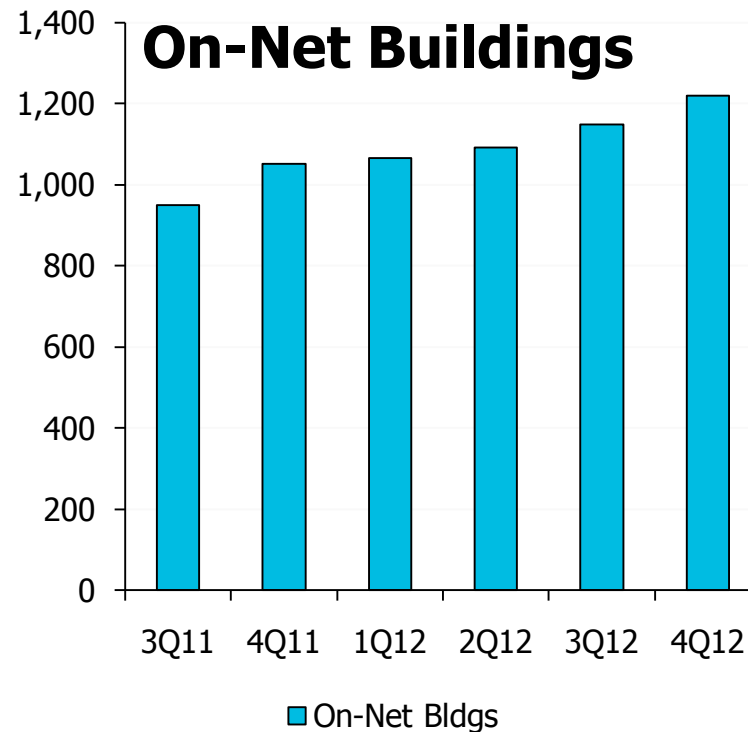
Fiber to the Cell (“FTTC”) Growth Well Ahead of Plan

- Maintain target of 1,000 FTTC sites within a few years
- Committed to maintaining 80/20 On-Net ratio within this segment
- Strategy to maximize FTTC footprint in market during 2012-2015 to capture exponential growth in broadband traffic



Positive On-Net Building Trends

- On-Net Lit Building Expansion Critical To Strategic Data Sales and reaching goal of 80% On-Net
- Edge-Out Strategy to Drive Continued Growth

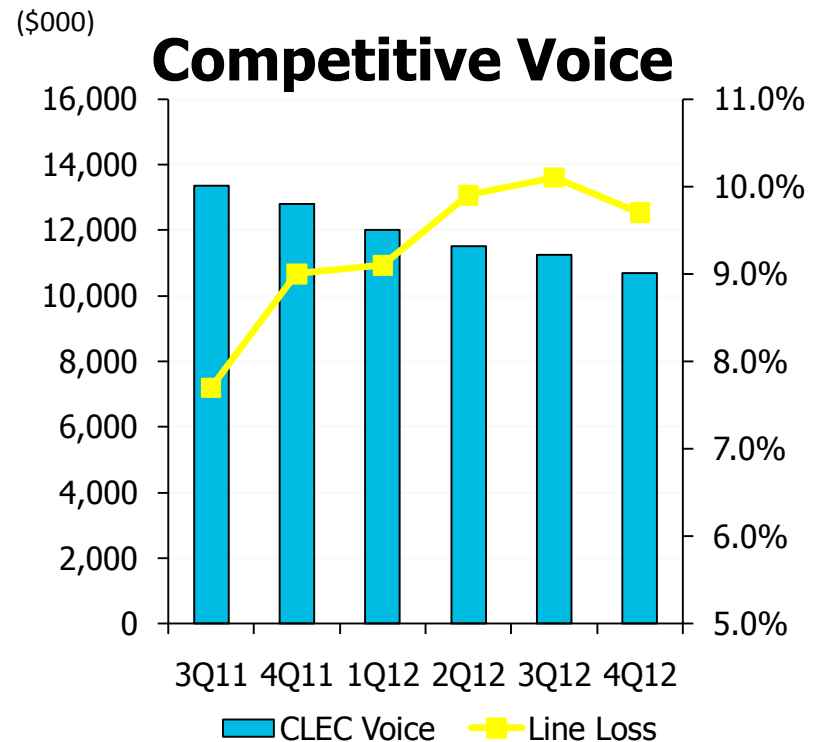
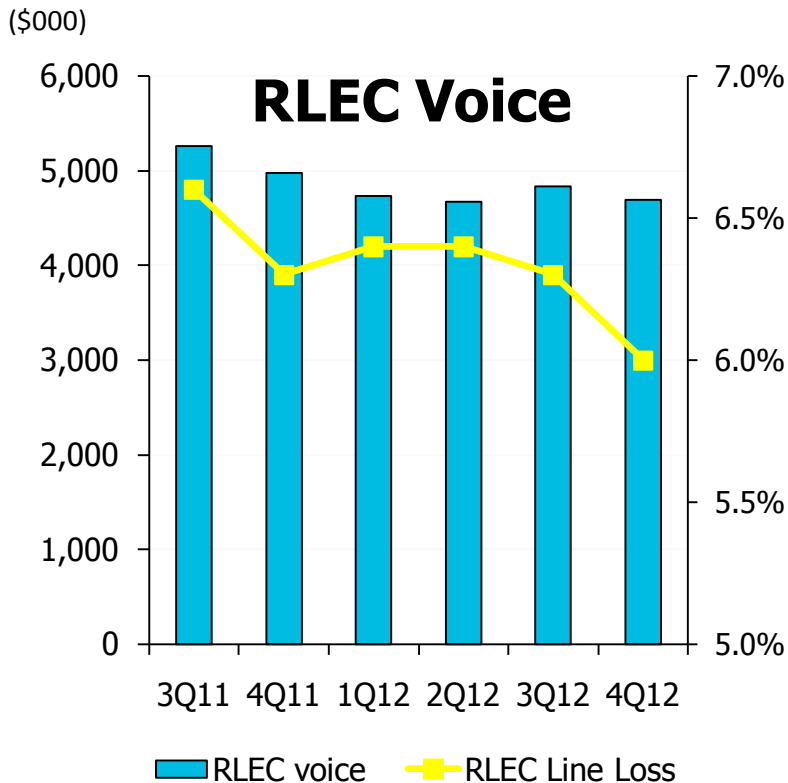


Legacy Voice Revenue in Decline

Requires Very Limited Continued Investment

Cash Flows Assist Funding of growth initiatives within Strategic Data

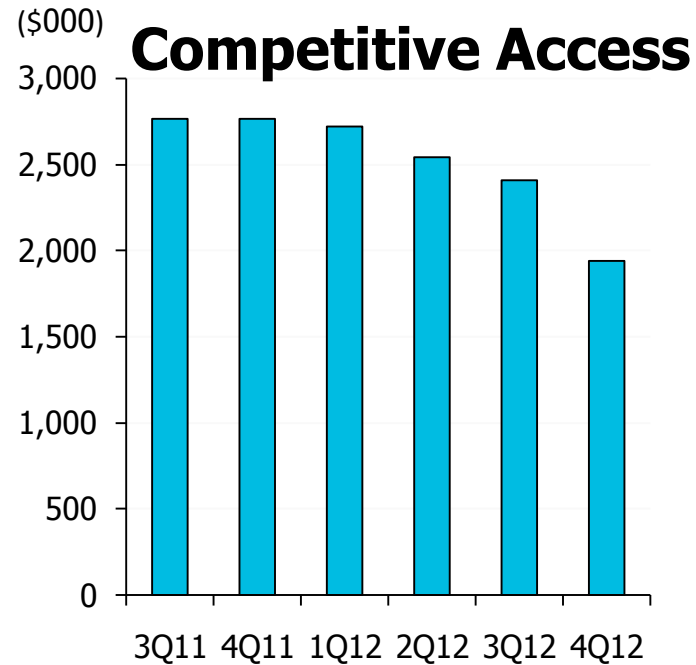
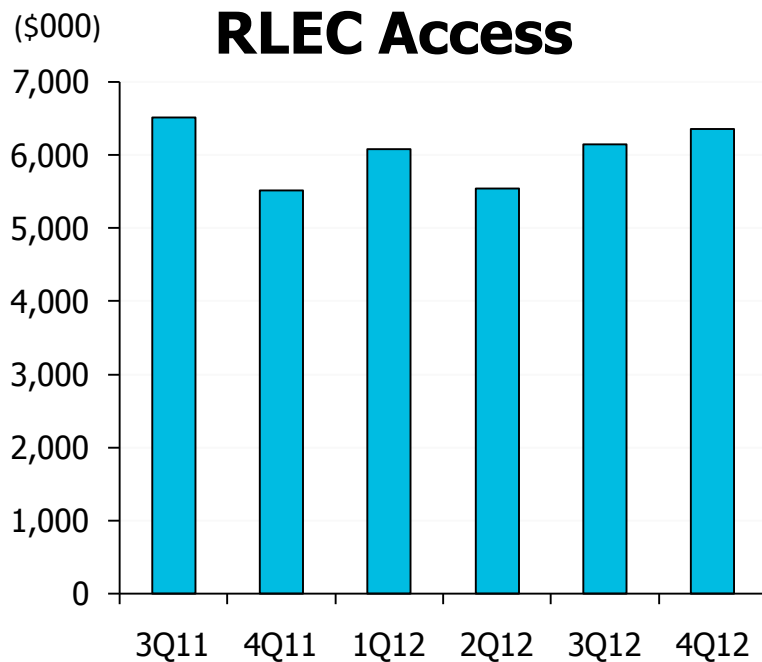
- RLEC voice continuing moderate decline with strong cash generation
- Legacy Competitive Voice focus is shift to larger and higher margin customers, “gracefully” allow weaker accounts to churn off



Note: Revenue presented as reclassified, unaudited

Access Revenue: Managed Decline

- RLEC Access Reform Continues:
 - ▶ Lower rates, long term transition funding continues to provide strong cash generation
- Competitive Access:
 - ▶ Continuing moderate declines with good cash generation



Note: Revenue presented as reclassified, unaudited

Well positioned for the competitive environment

Customer Relationship

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

Products

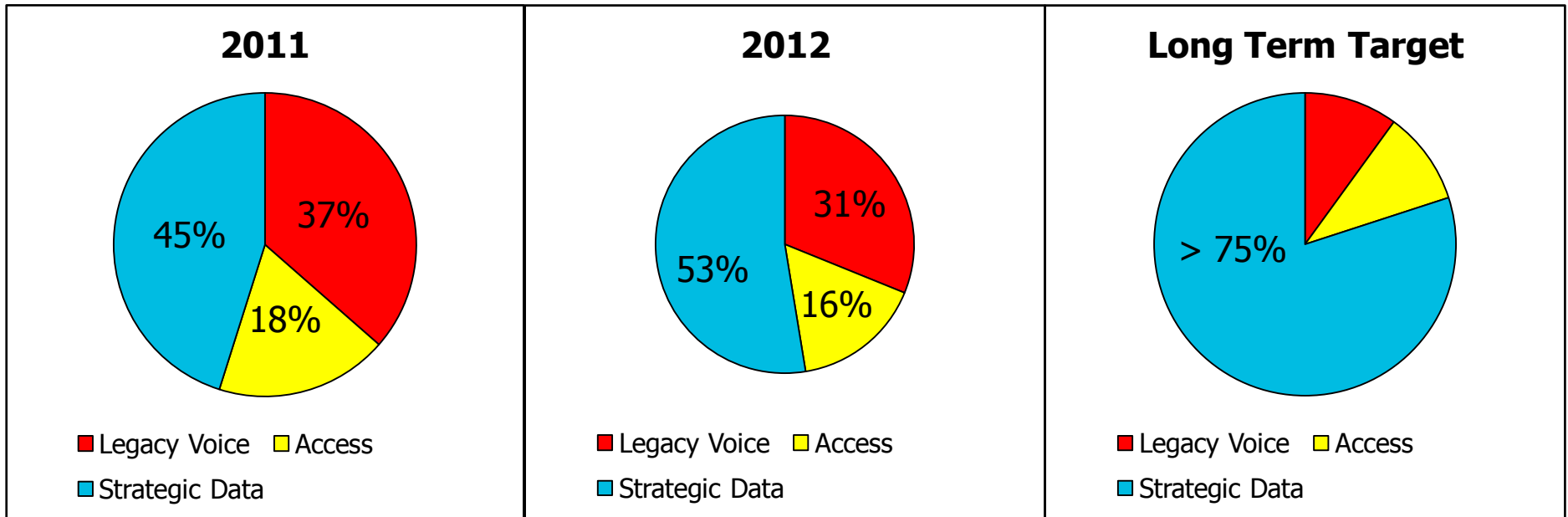
- First to bring products to addressed markets
- Top Tier SLAs
- Competitive pricing

Network Capability

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

Business Transformation

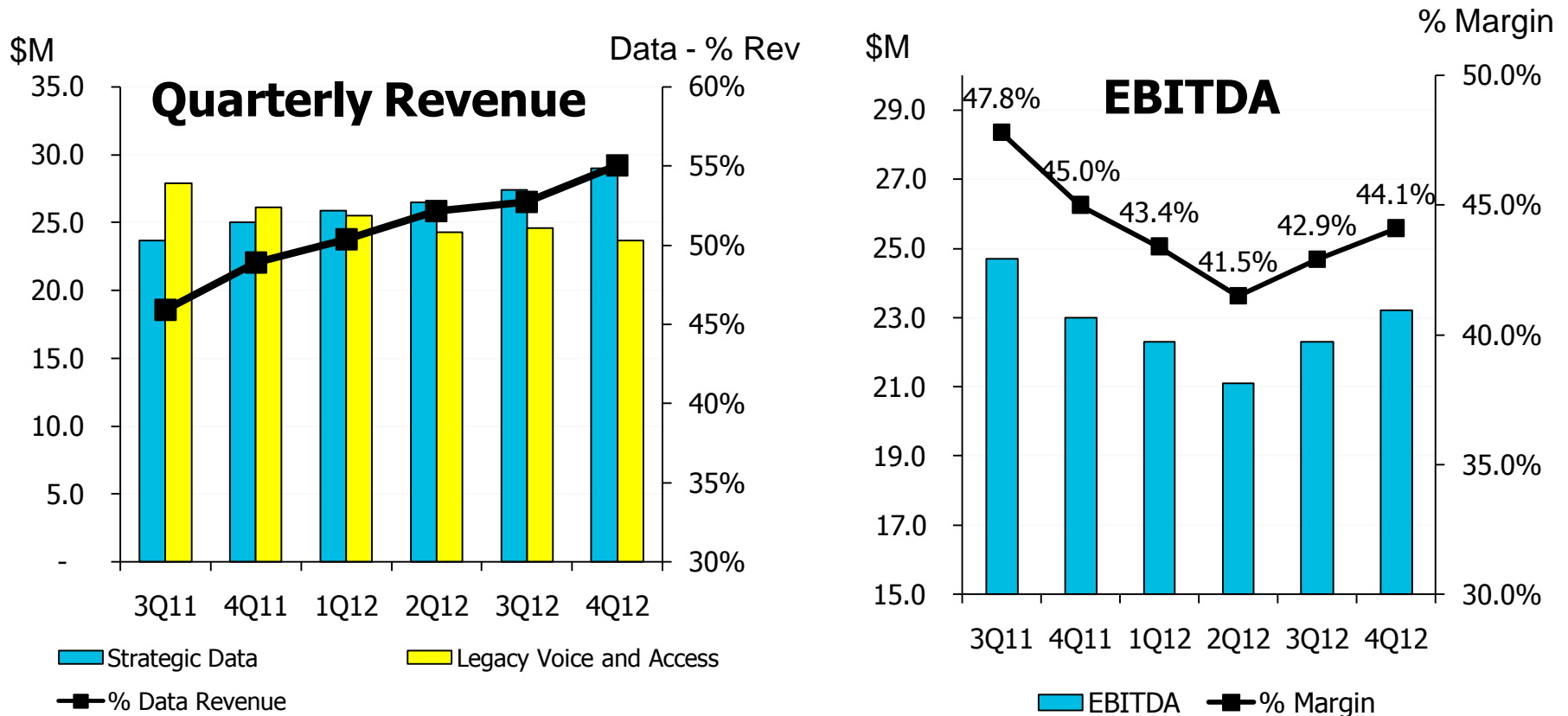
- Accelerated Shift of Resources towards Strategic Data
 - ▶ Strategic Data Revenue Mix Improves EBITDA Margins
- Enhanced sales organization
- Improve Mix of On-Net Revenue from 70% to 80%
- Keeping Costs Relatively Flat in 2013 vs 2012



Note: Revenue presented as reclassified, unaudited

Income Statement: Moving in the Right Direction

- 4Q12: Continued Strong Momentum
- Strategic Data 55% of Total Revenue
- EBITDA Margin up Sequentially for Second Straight Quarter



Note: Revenue presented as reclassified, unaudited

Disciplined approach to capital investment

- Guiding principles include:
 - ▶ 75% of capital spend success-based
 - ▶ 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%
Capital to Revenue Ratio	~3.0x
EBITDA Payback	~36 – 48 Months
Return on Investment (EBITDA After Tax)	~15% - 20%
Capital as a % of Revenue	~30-35%

Liquidity Overview

12/31/12

(\$mm)

Cash	\$ -
Restricted cash	5.3
Total Assets	513.2





Revolver (\$60M)	3.5
Long-term debt (\$310M)	308.7



2013 Strategic Goals

- Leverage Dense Fiber Network to Drive Carrier/Enterprise Data Sales
- Overall Revenue Growth in 2013
- Margin Expansion throughout 2013
- Strategic Data Growth of 15-20%
- Successful Edge-Out Market Execution
- Maintain 75% ratio for success-based capital projects

Financial Model

(Dollars in millions)	2012 Actual	4Q12 Actual	1Q13 Guidance	FY 2013 Guidance	Annual Long Term Outlook
Revenue					
Strategic Data Revenue	108.8	29.0	30.0	123-125	+ 15-20% 
% of revenue	52.6%	55.0%	58%	59%	
Legacy Voice Revenue	64.4	15.4	14.0	55-56	-10-15% 
% of revenue	31.1%	29.2%	27%	26%	
Access Revenue	33.7	8.3	8.0	30-31	-10-15% 
% of revenue	16.3%	15.8%	15%	15%	
Total	206.9	52.7	52.0	208 - 212	+ 5% 
EBITDA					
\$	88.9	23.2	23.0	94 - 97	NA
%	43.0%	44.1%	~ 44%	~45-46%	47%+
Capital Expenditures					
% Success Based	75%	77%	75%	75%	75%
Total	59.9	16.0	16.0	65-70	~30-35% of revenue

Note: Revenue presented as reclassified, unaudited



2013 Financial Guidance

Business Outlook¹ (as of February 28, 2013)

(In millions)

	2013 Guidance ¹	
	<u>First Quarter 2013</u>	<u>2013 Annual</u>
Operating Revenues	approximately \$52	\$ 208 to \$ 212
Adjusted EBITDA	approximately \$23	\$ 94 to \$ 97
Capital Expenditures	approximately \$16	\$ 65 to \$ 70
Reconciliation of Operating Income to Adjusted EBITDA		
Operating Income	approximately \$11	\$ 44 to \$ 46
Depreciation and amortization	approximately \$10	40 to 41
Equity based compensation charges	approximately \$2	8
Amortization of actuarial losses		2
Adjusted EBITDA	approximately \$23	\$ 94 to \$ 97

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. fourth quarter 2012 earnings release dated February 28, 2013.

Reconciliation of Net Income Attributable to Lumos Networks Corp. to Operating Income

	Year Ended				
	2008	2009	2010	2011	2012
Net income (loss) attributable to Lumos Networks Corp.	\$23	\$23	\$21	(\$44)	\$16
Net income attributable to noncontrolling interests	-	-	-	-	-
Net income (loss)	23	23	21	(44)	16
Interest expense	1	1	6	12	12
Loss on interest rate derivatives	-	-	-	-	2
Income tax expense (benefit)	15	16	14	(4)	11
Other income, net	-	1	-	-	-
Operating Income (Loss)	\$39	\$41	\$41	(\$36)	41

	Three Months Ended							
	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012
Net income (loss) attributable to Lumos Networks Corp.	\$5	\$7	\$6	(\$62)	\$5	\$3	\$6	\$2
Net income attributable to noncontrolling interests	-	-	-	-	-	-	-	-
Net income (loss)	5	7	6	(62)	5	3	6	2
Interest expense	3	3	3	3	3	3	3	3
Loss on interest rate derivatives	-	-	-	-	-	-	-	1
Income tax expense (benefit)	4	4	4	(17)	3	3	4	1
Other income, net	-	-	-	-	-	-	-	-
Operating Income (Loss)	\$12	\$13	\$13	(\$75)	\$12	\$9	\$13	\$7

Adjusted EBITDA Reconciliation

	Year Ended				
	2008	2009	2010	2011	2012
Operating Income (Loss)	\$39	\$41	\$41	(\$36)	\$41
Depreciation and Amortization	27	29	31	43	39
Equity Based Compensation	1	-	2	2	4
Asset Impairment Charge	-	-	-	86	-
Amortization of Actuarial Losses	-	-	-	-	2
Business Separation Charges	-	-	-	2	-
Acquisition Related Charges	-	-	3	-	-
Employee Separation Charges	-	-	-	-	2
Restructuring Charges	-	-	-	-	3
Gain on Settlements, net	-	-	-	-	(2)
Adjusted EBITDA	\$68	\$71	\$77	\$97	\$89

	Three Months Ended							
	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012
Operating Income (Loss)	\$12	\$13	\$13	(\$75)	\$12	\$9	\$13	\$7
Depreciation and Amortization	11	11	11	10	9	9	10	11
Equity Based Compensation	1	1	1	-	1	1	1	1
Asset Impairment Charge	-	-	-	86	-	-	-	-
Amortization of Actuarial Losses	-	-	-	-	-	-	-	1
Business Separation Charges	-	-	-	2	-	-	-	-
Employee Separation Charges	-	-	-	-	-	2	-	-
Restructuring Charges	-	-	-	-	-	-	-	3
Gain on Settlements, net	-	-	-	-	-	-	(2)	-
Adjusted EBITDA	\$24	\$25	\$25	\$23	\$22	\$21	\$22	\$23

Thank You

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