

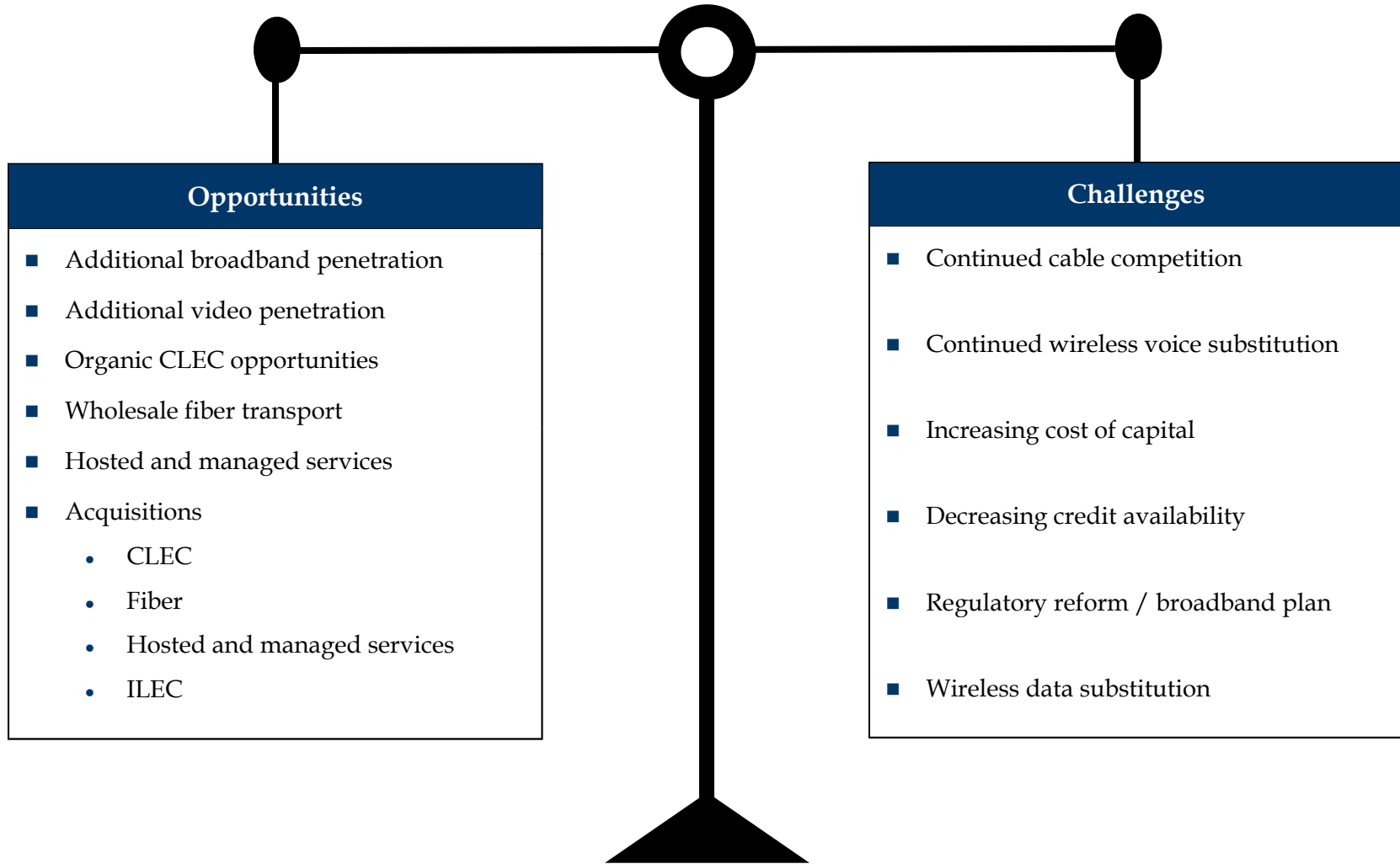


June 16, 2011

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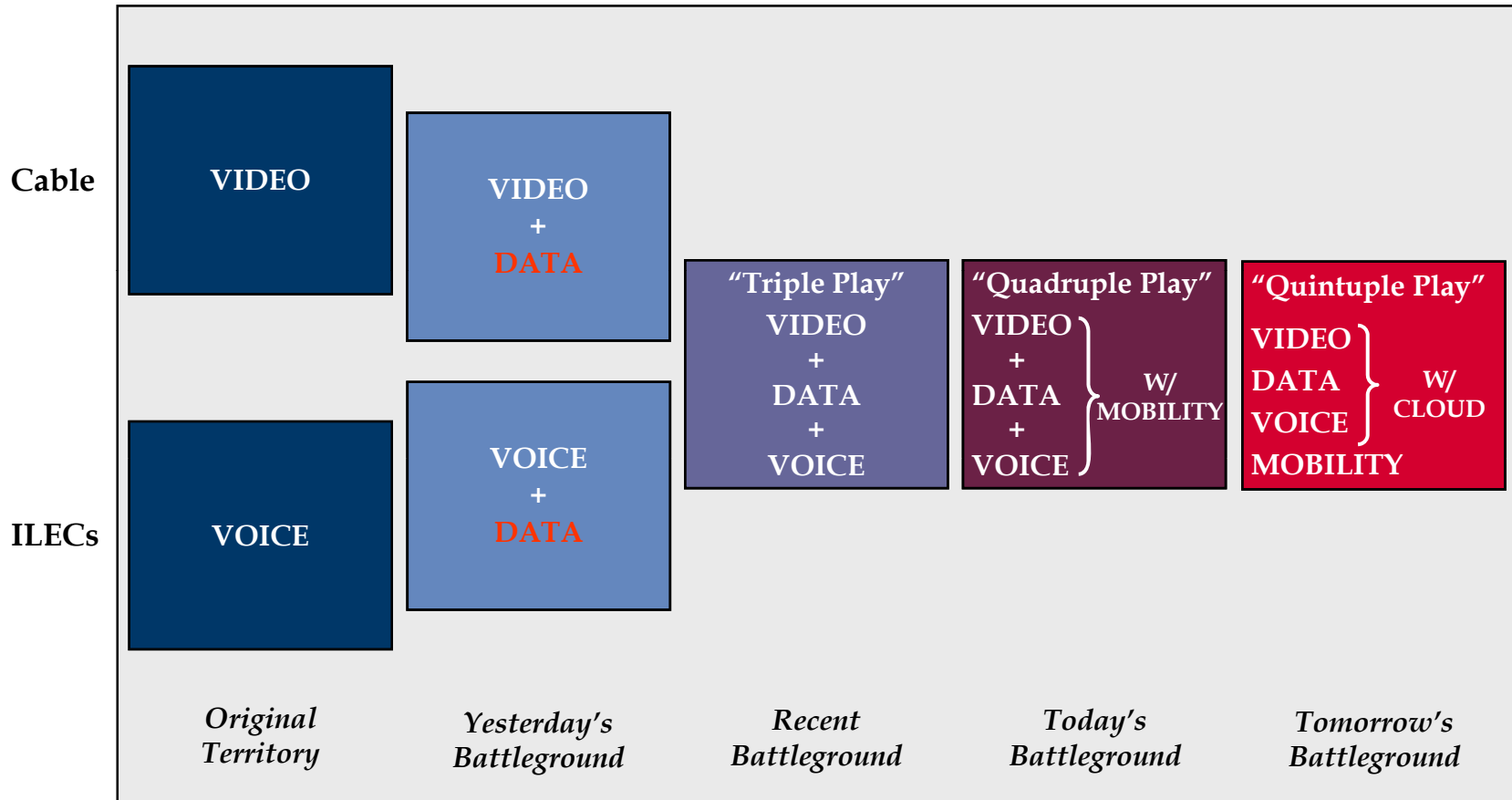
Telecommunications Industry Dynamics

Highlights of Wireline Opportunities and Challenges



Telecommunications Industry Dynamics






ILEC / Cable Battleground



Cable companies and ILECs are engaged in a fierce battle over data. Mobility is now being added to the bundle

Telecommunications Industry Dynamics

Analysis of Key Cable Operational Metrics

Company ⁽¹⁾	RGUs per Basic Sub	Monthly ARPU	Deployment		Penetration	
			Cable Modem	Voice	Cable Modem	Voice
	3.5	\$150.68	100.0%	100.0%	52.3%	41.0%
	3.0	\$133.43	99.1%	95.8%	33.0%	17.3%
	2.9	\$128.17	99.7%	98.1%	35.8%	16.7%
	2.8	\$130.28	96.9%	89.8%	28.5%	16.3%
 ⁽²⁾	2.6	\$103.17	100.0%	94.5%	29.4%	12.2%

Source: Company filings and press releases

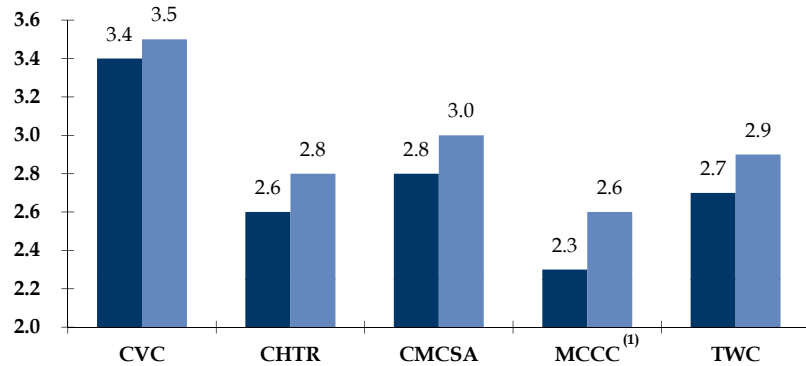
(1) Data is as of or for the three month period ended December 31, 2010.

(2) Mediacom Communications data is as of or for the three month period ended September 30, 2010.

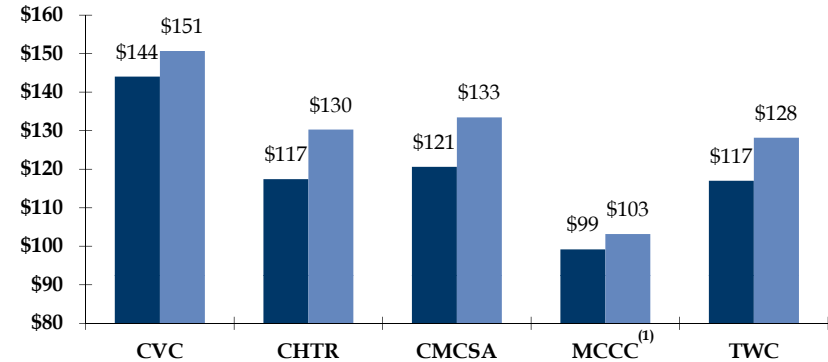
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Analysis of Key Cable Operational Metric Trends

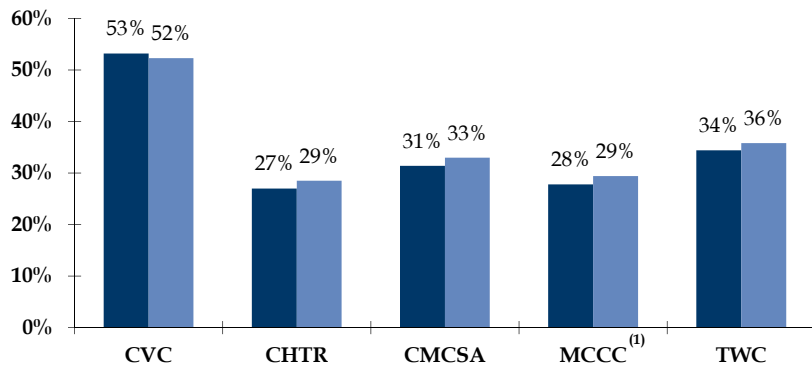
RGUs per Basic Subscriber



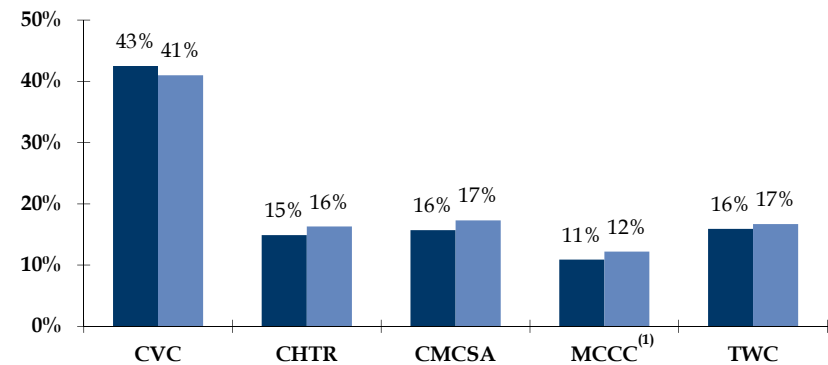
Average Revenue per Basic Subscriber



Cable Modem Penetration



Telephony Penetration



4Q 2009

4Q 2010

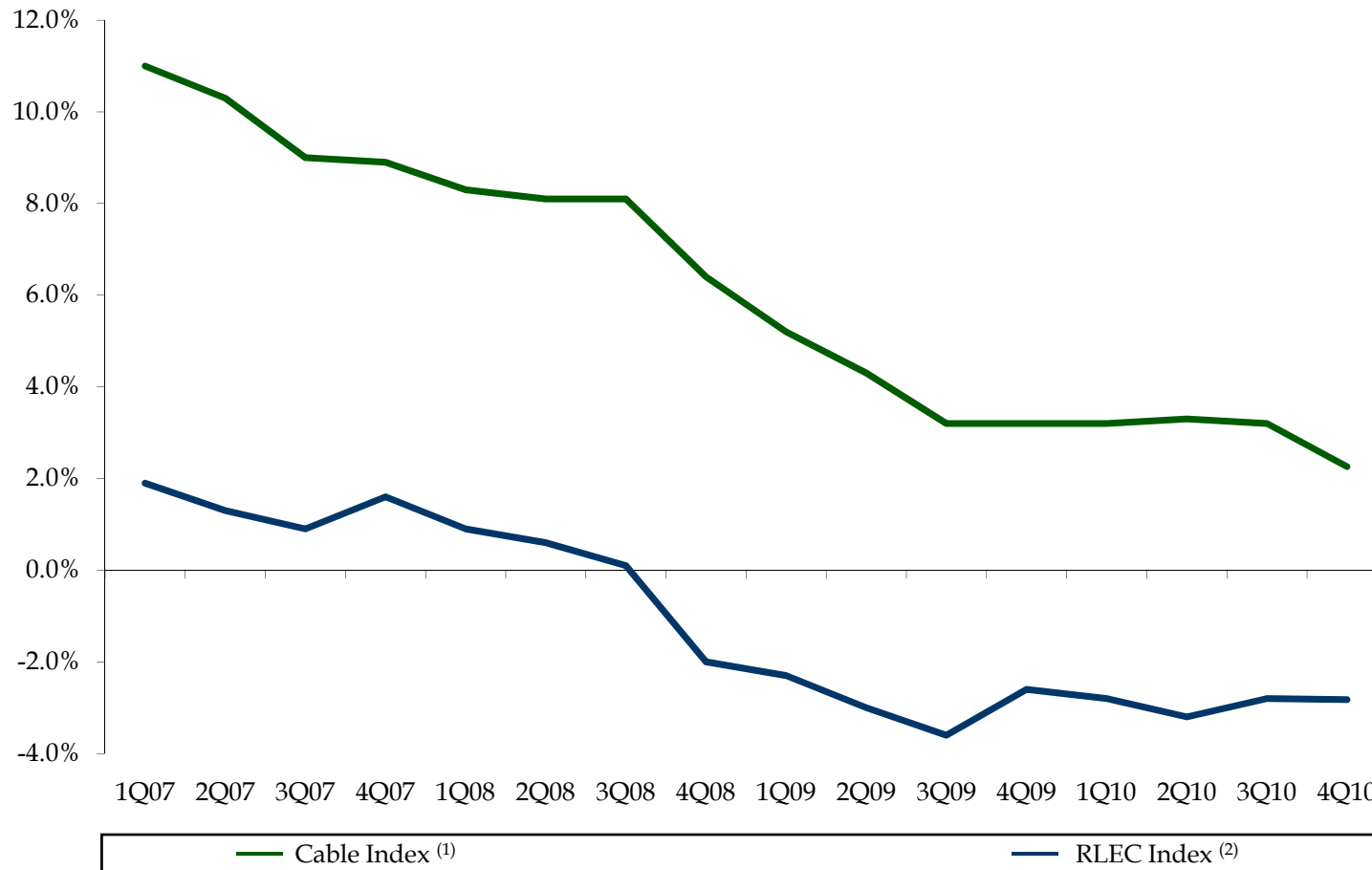
Source: Company press releases and filings

(1) Mediacom Communications data is as of or for the three month period ended September 30, 2010.

Telecommunications Industry Dynamics

Revenue Generating Unit Trends

Year-over-Year Change in RGUs



Source: Company filings and press releases

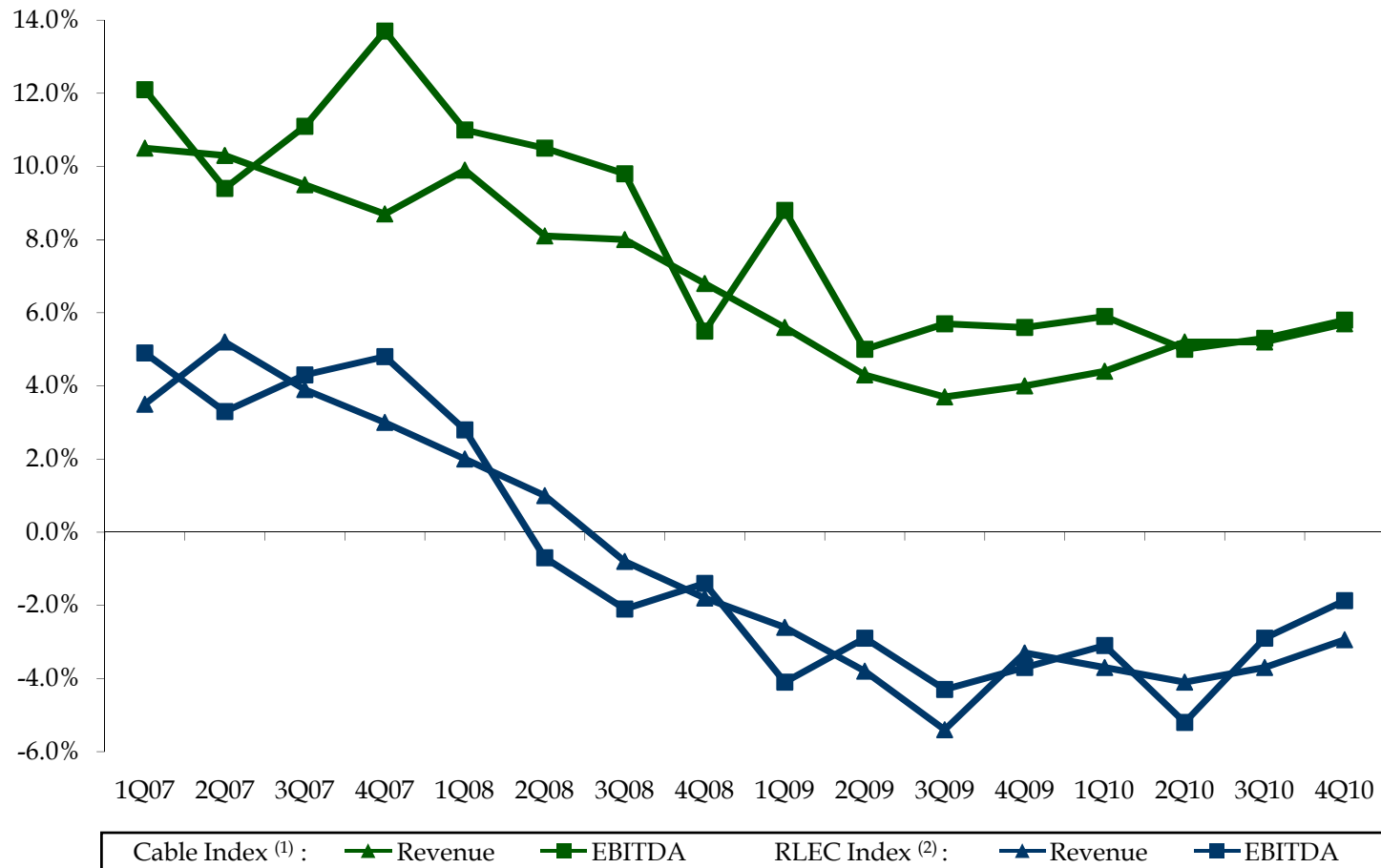
(1) Cable index is comprised of CVC, CHTR, CMCSA, MCCC (prior to 4Q10), and TWC.

(2) RLEC index is comprised of ALSK, CTL, CNSL, FTR, TDS, and WIN.

Telecommunications Industry Dynamics

Revenue and EBITDA Trends

Year-over-Year Change in Revenue and EBITDA



Source: Company filings and press releases

(1) Cable index is comprised of CVC, CHTR, CMCSA, MCCC (prior to 4Q10), and TWC.

(2) RLEC index is comprised of ALSK, CTL, CNSL, FTR, TDS, and WIN.

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ILEC Enterprise Valuation Trends

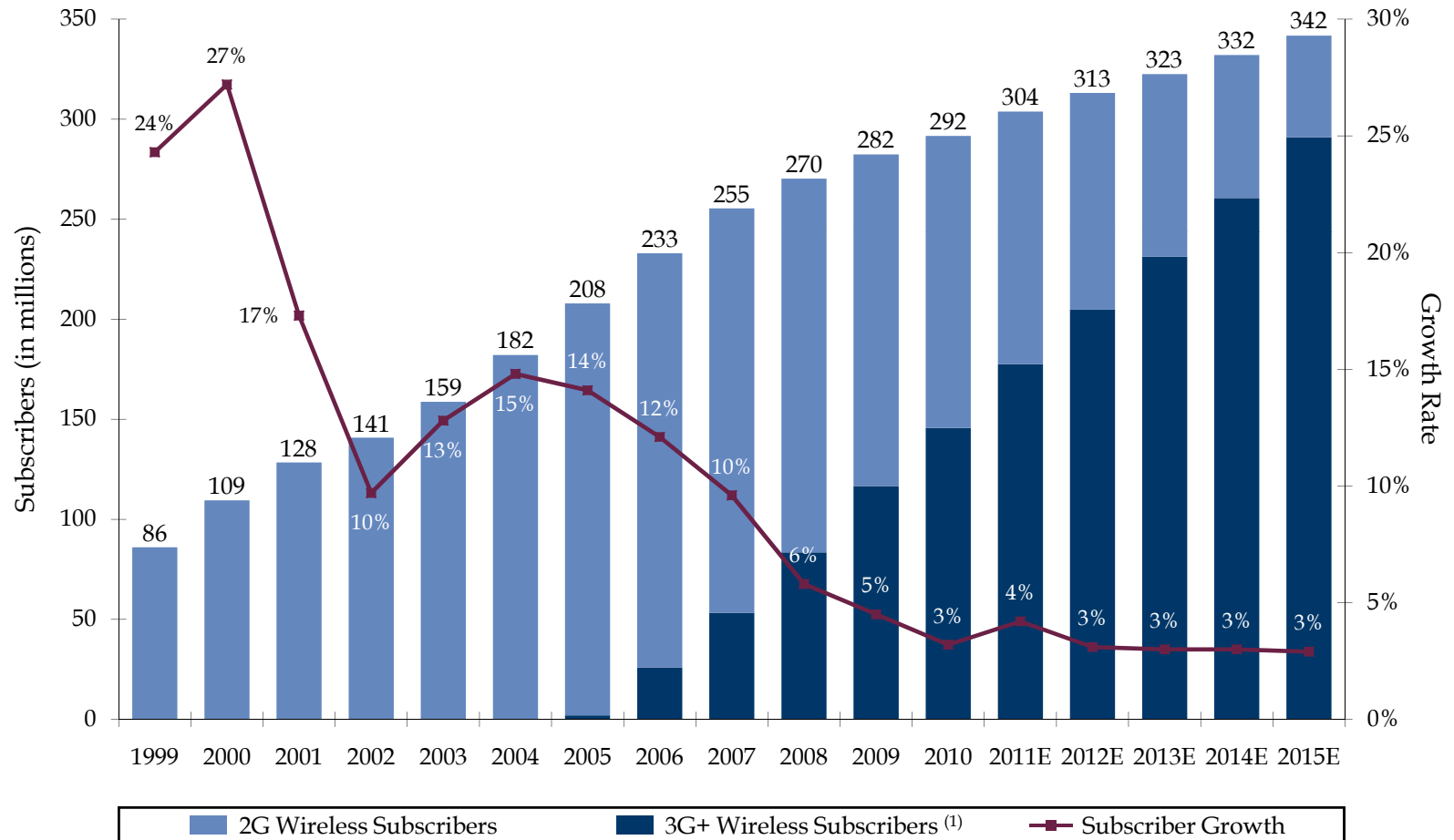
Enterprise Value as a Multiple of LTM EBITDA



Source: Company filings and press releases

Telecommunications Industry Dynamics

Wireless Subscriber Growth



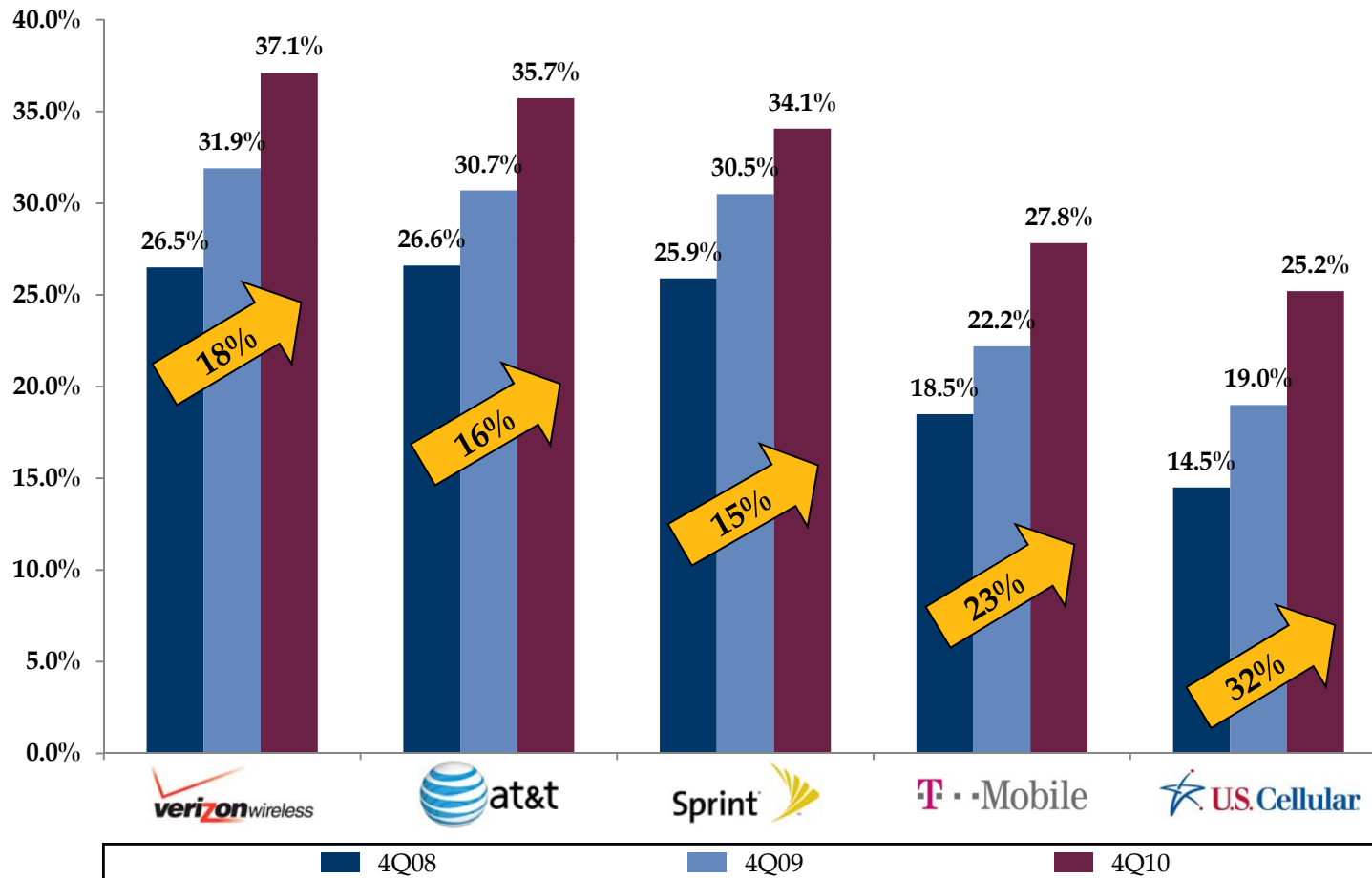
Source: CTIA, US Census Bureau, and Wall Street research estimates

(1) 3G+ technologies include WCDMA, HSPA, TD-SCDMA, 1xEV-DO, LTE, and WiMAX.

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Wireless Data ARPU Year-Over-Year Growth

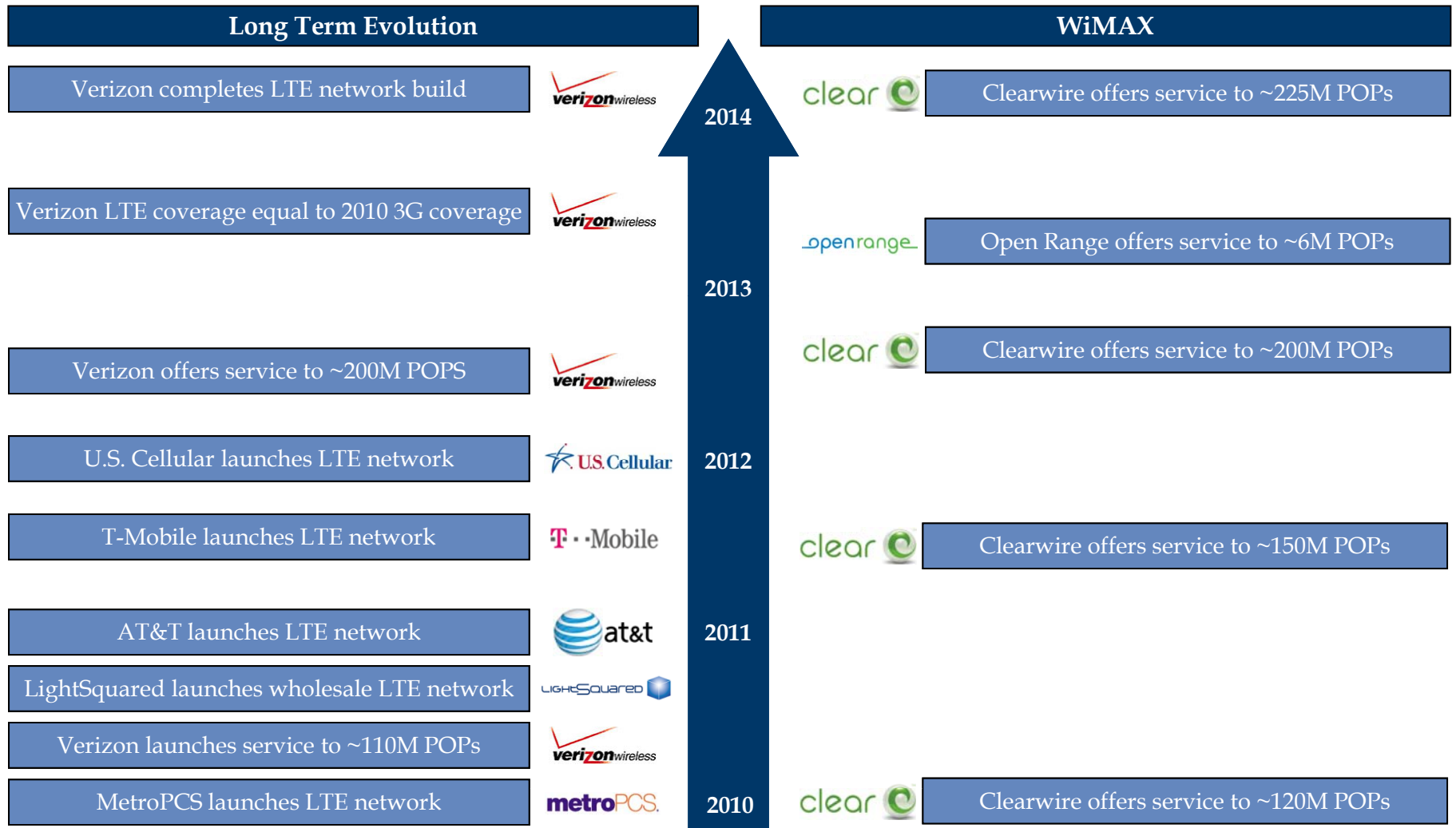
Data ARPU as a % of Total ARPU



Source: Company press releases and Wall Street equity research

Telecommunications Industry Dynamics

The Race to Fourth Generation Services

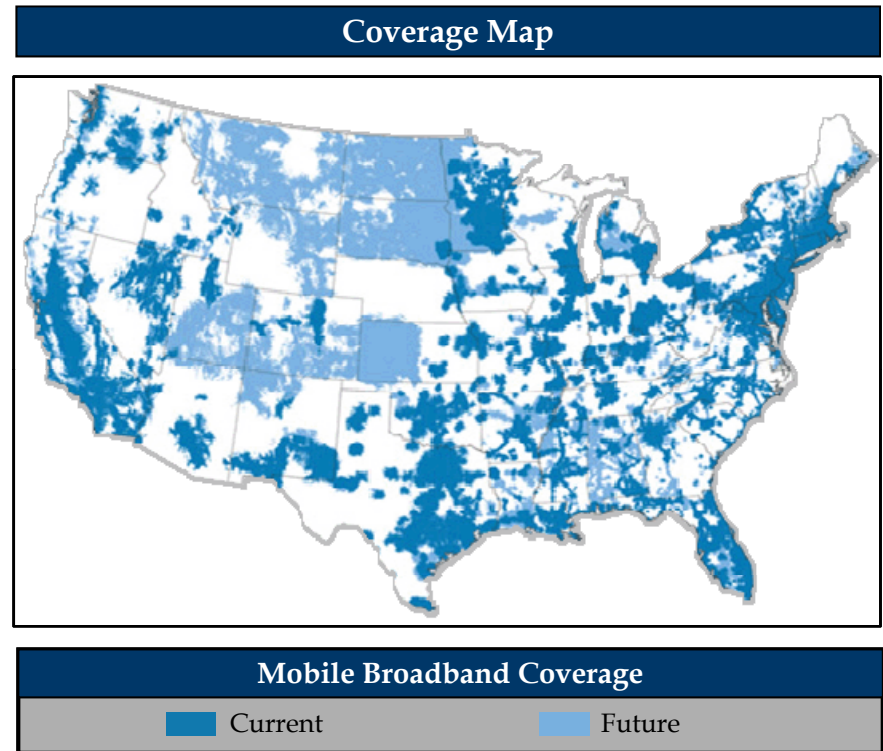


Source: Company websites and press releases

Telecommunications Industry Dynamics

AT&T Next-Generation Wireless Strategy

- AT&T's mobile broadband traffic has grown over 5,000 percent since 2006
 - > Network currently serves twice the number of smartphone customers as Verizon Wireless
 - > Over 25 million iPhones activated since June 2007
 - Average iPhone owner consumes ten times the bandwidth of the average smartphone user
- AT&T is aggressively deploying fiber to the tower and adding 3G sites to relieve network constriction and meet future demand for data services
- Invested over \$25 billion since 2008 to expand and upgrade wireless network
 - > Purchased 700 MHz spectrum in FCC Auction 73
 - > Deployed 2,100 additional cell sites to increase network availability and coverage
 - > Laid fiber to cell sites to improve speed and capacity
 - > Completed software upgrade at 3G cell sites nationwide to HSPA 7.2 technology in January 2010 to boost 3G speeds
- Currently building its 4G LTE network and will launch commercial services during the summer of 2011
 - > Network is expected to reach over 100 million POPs by year-end 2011 and be largely completed by year-end 2013
 - > LTE cell sites will be back-hauled with Ethernet or fiber that was deployed during the recent 3G network upgrade
 - > Selected Alcatel-Lucent and Ericsson as equipment vendors for LTE deployment

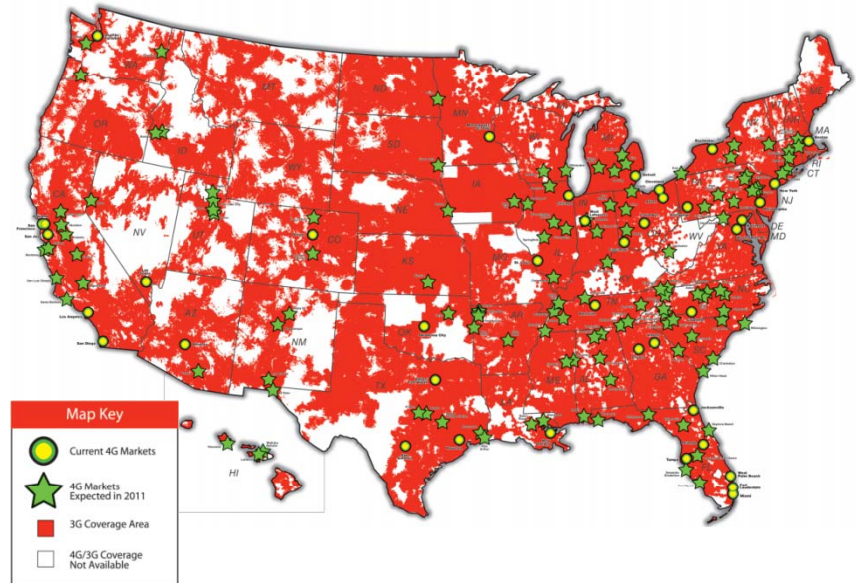


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Verizon Wireless LTE Deployment

- Verizon Wireless has deployed its LTE network to approximately 7,000 cell sites covering approximately 40 major markets and over 110 million POPs
 - > Network will cover over 145 metro areas by year-end 2011
 - > Network will cover over 200 million POPs in 2012
- Nationwide LTE coverage available by 2013
 - > LTE map will look like current 3G map
 - > Expects to migrate its entire network to LTE between 2016 and 2018
- Network testers in realized “real-world” network speeds of 5-12 Mbps down and 2-5 Mbps up
 - > LTE will offer customers mobile browsing speeds comparable to wired Internet connections
- LTE will lower data delivery costs by 75%-80% on a per MB basis versus current 3G EV-DO network
- Carrier is developing ecosystem and expects to have a strong product line-up including an LTE smartphone by 1H 2011
- Verizon Wireless estimates that LTE network requires 10x to 20x the backhaul capacity of 3G platforms
 - > EV-DO network traffic is backhauled using 45% fiber, 45% copper, and 10% microwave
 - > LTE network will utilize 80% fiber and 20% microwave backhaul
 - > Speed and reliability make Ethernet over SONET the preferred backhaul technology for LTE deployments
 - > Named backhaul network partners include CenturyLink, Conterra Broadband, DukeNet, FiberTower, Qwest, PalmettoNet, Telecom Transport Management, USCarrier, and Verizon Wholesale
 - > Alcatel-Lucent is Verizon Wireless’ core LTE backhaul network equipment supplier

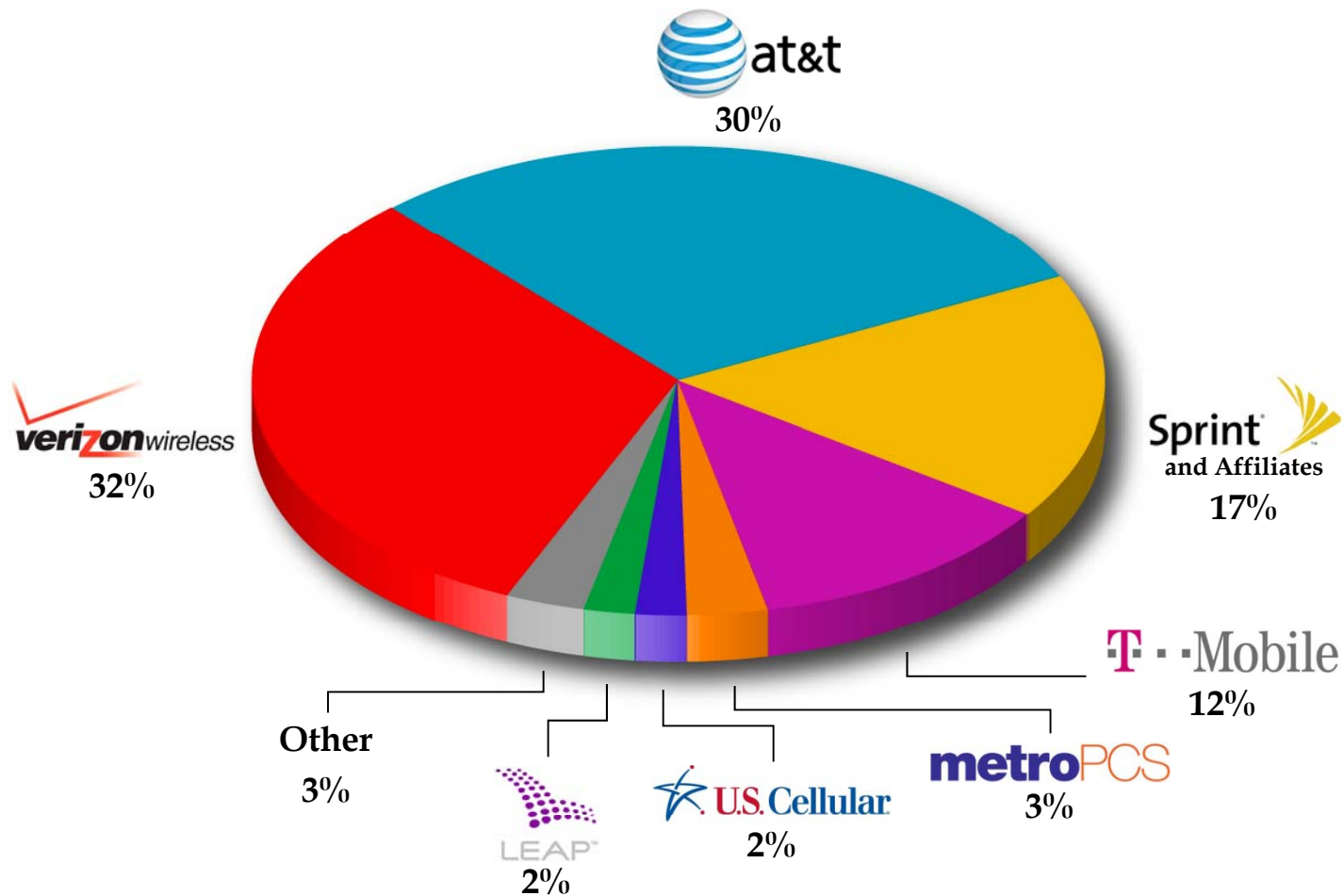
Current and Planned Network Coverage Map



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Wireless Subscriber Composition ⁽¹⁾

U.S. Domestic Subscribers: 292 million



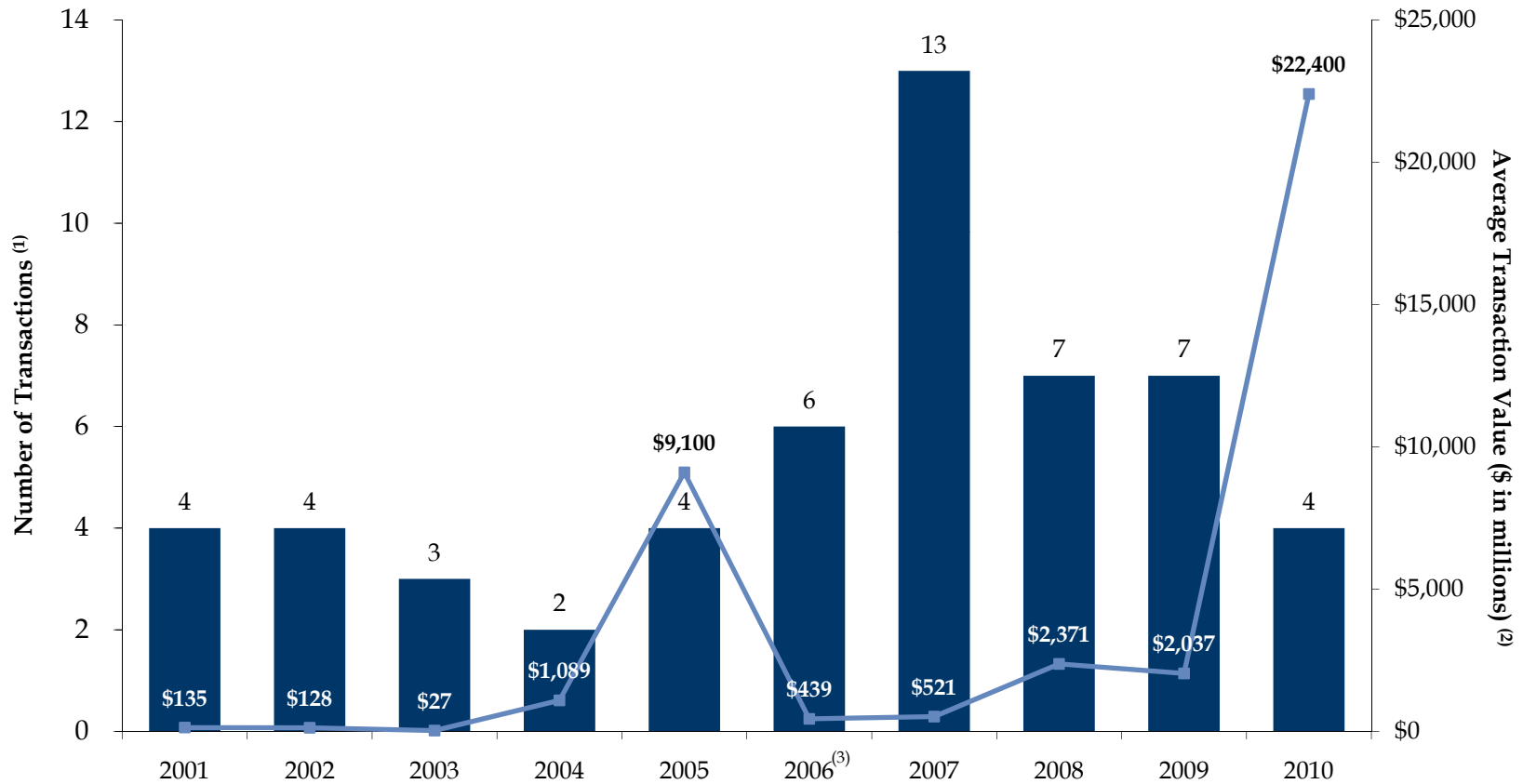
Source: CTIA and company press releases

(1) Data is as of December 31, 2010.

Telecommunications Industry Dynamics

ILEC M&A Transaction Volume and Value

Number of Transactions and Average Transaction Value



Total Value (2)	2001	2002	2003	2004	2005	2006 ⁽³⁾	2007	2008	2009	2010
	\$539	\$385	\$80	\$2,177	\$9,100	\$2,196	\$4,164	\$11,853	\$10,187	\$22,400

# Values Announced (2)	2001	2002	2003	2004	2005	2006 ⁽³⁾	2007	2008	2009	2010
	4	3	3	2	1	5	8	5	5	1

Source: Company press releases and filings

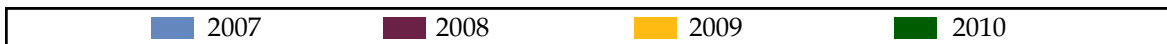
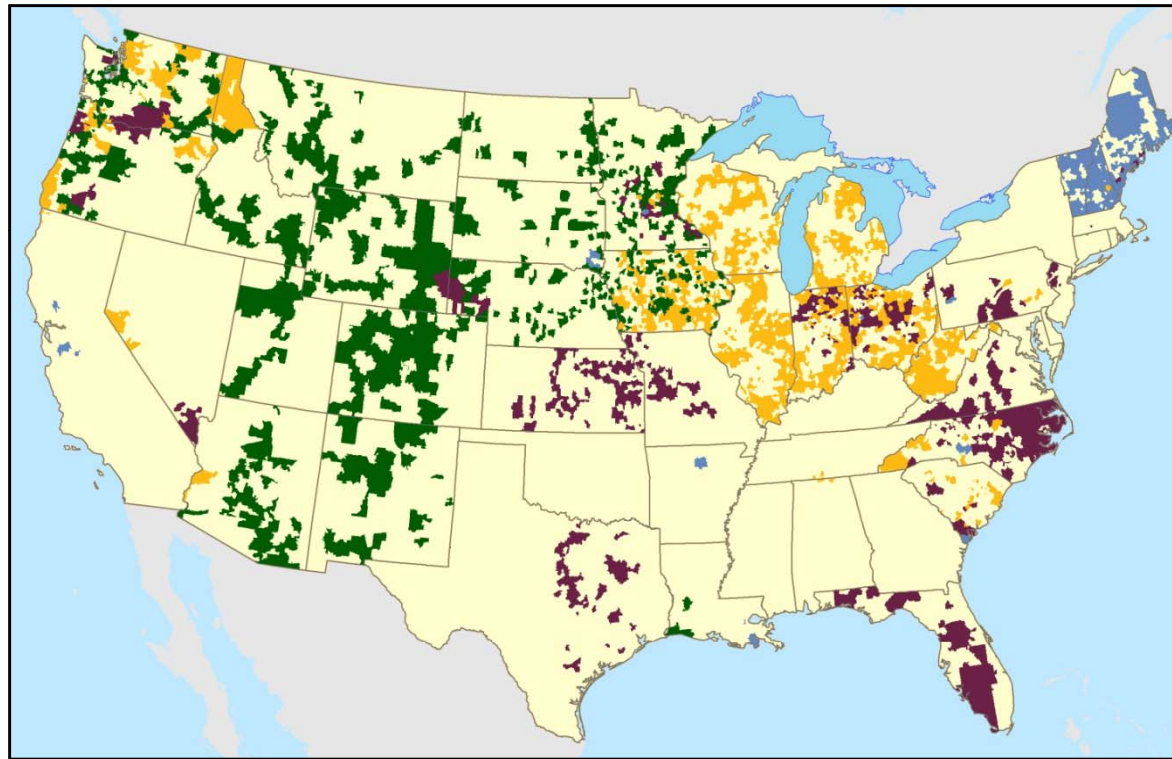
(1) Includes public and private company transactions involving more than 5,000 access lines.

(2) Includes transactions with announced values involving more than 5,000 access lines.

(3) 2006 values exclude AT&T's \$88.5 billion acquisition of Bell South.

Telecommunications Industry Dynamics

Selected ILEC Target Territories by Year



Target/ Acquiror	Access Lines
2007 Transactions	
Mountain View Telephone Co. / Yelcot Telephone	7,200
PrairieWave / Knology	70,000
Verizon (New England) / FairPoint	1,536,282
Telephone Service Co. / Hanson Communications	12,917
Hargray Communications / Quadrangle Capital	72,056
CT Communications / Windstream	157,886
North Pittsburgh Systems / Consolidated	104,401
Global Valley Networks / Citizens	15,300
TelAlaska, Inc. / American Broadband	12,500
Hutchinson Telephone Co. / New Ulm Telecom	14,809
LaFourche Telephone Co. / Boston Ventures	12,400
Reserve Telephone / Sean & Kevin Reilly	5,000
United Companies / GCI	5,952
13 Transactions	2,026,703
2008 Transactions	
Citizens Telephone of Brevard / Comporium	20,800
Bishop Communications / Iowa Telecom	17,100
Lincolnton Telephone Co. / Shepard Hill	13,967
Country Road Communications / Otelco	29,000
State Long Distance Telcom / TDS	9,300
Embarq Corporation / CenturyTel	5,853,000
Sherburne Tele-Systems / Iowa Telecom	15,700
7 Transactions	5,958,867
2009 Transactions	
D&E Communications / Windstream	165,000
Verizon (14 States) / Frontier Communications	4,800,000
Allendale Communications / Ace Communications	6,540
Ardmore Telephone Co. / Synergy Technology Partners	8,420
Union Telephone Co. / TDS	6,700
Lexcom / Windstream	23,000
Iowa Telecom / Windstream	214,000
7 Transactions	5,223,660
2010 Transactions	
Qwest / CenturyLink	10,266,000
Cameron Communications / American Broadband	11,000
Redwood County Telephone / Arvig Communications	5,388
Melrose Telephone / Arvig Communications	9,765
4 Transactions	10,292,153

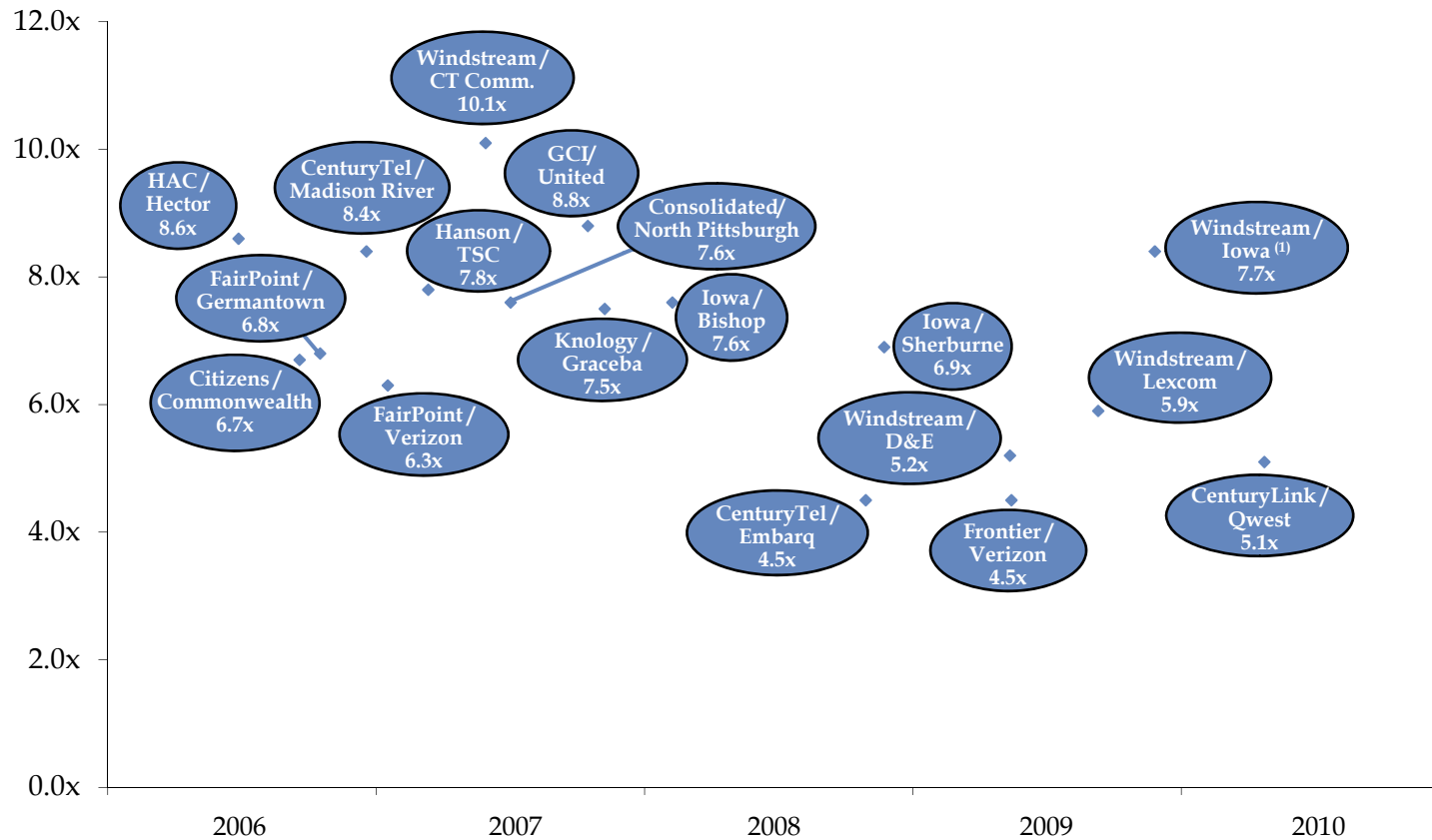
Source: Company filings, company press releases, Phone Lines, and ESRI software.

(1) Includes public and private company transactions involving more than 5,000 access lines.

Telecommunications Industry Dynamics

ILEC M&A Valuations

Purchase Price as a Multiple of LTM EBITDA





















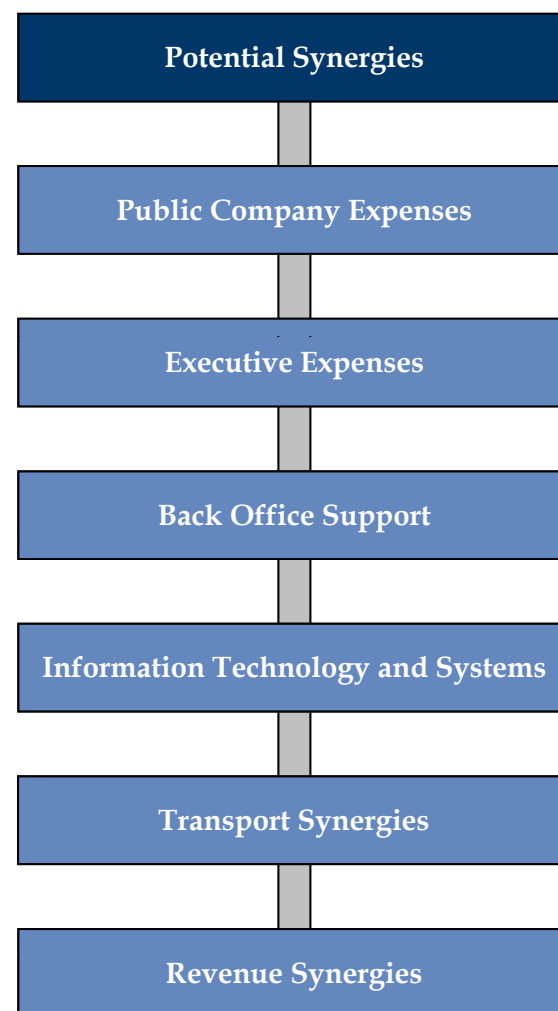
Source: Company press releases and filings

(1) Windstream / Iowa transaction value excludes the value of Iowa's net operating loss carryforwards.

Telecommunications Industry Dynamics

The Power of Synergies

Acquiror	Target	Synergies as a % of		EV / EBITDA	
		Revenue	EBITDA	Pre-Synergy	Post-Synergy
 CenturyLink	 Qwest	5.1%	14.2%	5.1x	4.5x
 windstream. communications	 IOWA TELECOM	12.7%	26.9%	8.7x	6.8x
 windstream. communications	 Lexcom COMMUNICATIONS	11.3%	20.9%	5.9x	4.9x
 windstream. communications	 D&F Communications <i>Delivering Business</i>	16.9%	39.1%	5.2x	3.7x
 CENTURYTEL ⁽¹⁾	 EMBARQ	6.4% 7.6%	15.4% 18.3%	4.5x	3.9x 3.8x
 Consolidated communications	 North Pittsburgh	6.9%	15.4%	7.6x	6.6x
 CENTURYTEL	 MadisonRiver COMMUNICATIONS	8.7%	17.2%	8.4x	7.2x
 CITIZENS communications	 CTE COMMONWEALTH TELEPHONE ENTERPRISES ⁽²⁾	9.1% 13.6%	18.1% 27.1%	7.0x	5.9x 5.5x
 windstream. communications	 CT Communications™	16.7%	51.7%	10.1x	6.7x
Mean		11.1%	25.6%	6.9x	5.8x



Source: Company presentations, press releases, and filings

(1) On August 6, 2009, CenturyLink increased its post-merger synergy target to \$475 million from \$400 million.

(2) On May 13, 2009, Frontier disclosed that it achieved 150% of its \$30 million synergy target following the Commonwealth acquisition.

Telecommunications Industry Dynamics

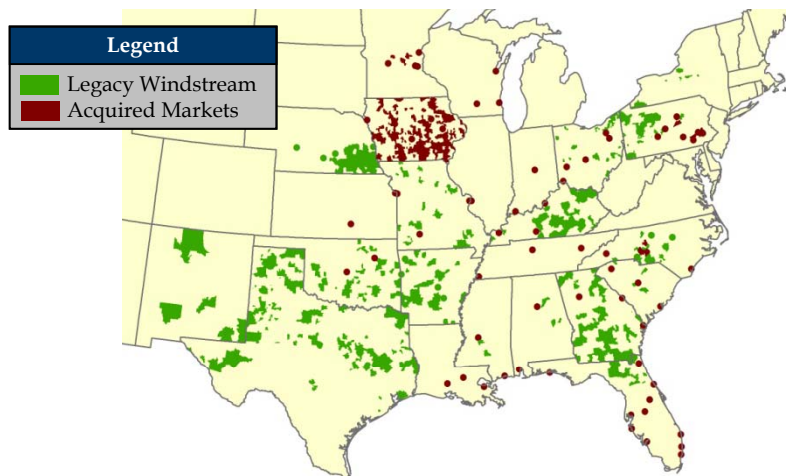
Windstream Case Study

Summary

- Windstream has announced seven strategic acquisitions since May 2007 including CT Communications, D&E Communications, Lexcom, NuVox, and Iowa Telecom, Q-Comm Corporation, and Hosted Solutions
- Total value of approximately \$3.9 billion
- 601,886 access lines at a value of \$2,823 per access line
- 95,500 CLEC business customers in over 50 markets
- Over 30,000 route miles of fiber in 22 states
- Total revenue contribution of over \$1.4 billion ⁽¹⁾
- Total EBITDA contribution of over \$500 million ⁽¹⁾

Source: Windstream press releases

ILEC and CLEC Service Territory Map



Source: ESRI Software

(1) Revenue and EBITDA contribution is as of transaction announcement.

Acquisition History (\$ in millions)

Announced	Target	Price	Valuation
11/4/2010	Hosted Solutions Acquisition, LLC	\$ 310	• 12.1x LTM EBITDA (pre-synergy) • 11.4x LTM EBITDA (post-synergy)
8/17/2010	Q-Comm Corp. (Kentucky Data Link and Norlight)	782	• 8.4x LTM EBITDA (pre-synergy) • 6.6x LTM EBITDA (post-synergy)
11/24/2009	Iowa Telecommunications Services, Inc.	1,128	• 8.7x LTM EBITDA (pre-synergy) • 6.8x LTM EBITDA (post-synergy)
11/3/2009	NuVox, Inc.	643	• 5.6x LTM EBITDA (pre-synergy) • 4.4x LTM EBITDA (post-synergy)
9/8/2009	Lexcom, Inc.	141	• 5.9x 2008 EBITDA (pre-synergy) • 4.9x 2008 EBITDA (post-synergy)
5/11/2009	D&E Communications	330	• 5.2x LTM EBITDA (pre-synergy) • 3.7x LTM EBITDA (post-synergy)
5/29/2007	CT Communications Inc.	585	• 10.1x LTM EBITDA (pre-synergy) • 6.7x LTM EBITDA (post-synergy)

Estimated Pro Forma Revenue Contribution ⁽¹⁾

