

With Wireless Exploding as the Demand for Data Services Increases for Wireless Carriers, Enterprises, Governments, Hospitals and Universities, Lumos Networks is in the Right Market at the Right Time Providing Fiber-Based Service in the Mid-Atlantic Region

**Technology
Diversified Communication
Services
(LMOS-NASDAQ)**

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Company Profile:

Lumos Networks is a fiber-based service provider in the Mid-Atlantic region. We provide leading-edge data, broadband, voice and IP services over an expanding fiber optic network. We are first to our regional markets with the latest technology and services. Lumos Networks delivers communications services with excellence, innovation, and integrity.

ported by approximately 5,800 fiber-route miles in Virginia, West Virginia, and portions of Pennsylvania, Maryland, Ohio and Kentucky. We use an on-network service strategy that ensures quality service, redundancy and reliability. SONET, IP and Ethernet network architectures satisfy the most complex communication needs.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**



**Michael B. Money maker
President**

BIO:

Mr. Money maker, age 54, was appointed President of Lumos Networks in August 2011 and became President of the Company upon the separation of Lumos Networks from NTELOS, where he had served as Executive Vice President and Chief Financial Officer, Treasurer and Secretary and comparable positions since 1995.

The most accessible people
The Lumos Networks team understands that long-term customer relationships, reliability and accountability are foundations for our success. We are committed to local relationships and measure our performance by the prosperity of our communities and the business success of our customers. Lumos Networks engineers, service technicians and customer advocates work side by side with your business to provide customized network solutions and implementation support. We listen. We care. We are trusted advisors.

The most advanced technology
Lumos Networks has a hundred-year history of innovative product offerings and exceptional customer service. Our product offerings include high-speed transport, wavelengths and Metro Ethernet. Our diversified portfolio is attractive to carriers with needs for transport and fiber to the cell site and to regional enterprise customers seeking high-quality data and IP services and interconnection to data centers in our region.

Lumos Networks offers a complete suite of data and voice products sup-

CEOCFO: Mr. Money maker, last year was a milestone year for Lumos; what are the details, and the changes that have occurred under your leadership?
Mr. Money maker: Yes, 2011 was an interesting year in which we laid the foundation for the future of the company. In late 2010, we had closed on an acquisition. In 2011, we were integrating that company following the acquisition. Also in late 2010, we announced that we were going to separate from NTELOS wireless. There is a little irony in working to bring two companies together; we were integrating FiberNet and at the same time taking one company (NTELOS) and separating it to form Lumos Networks as a new stand-alone public company. We provide the fiber-based data and network services to the Mid-Atlantic region. In connection with the separation, we had to reorganize and establish a number of positions for Lumos Networks. We have had joint or shared services as one company at NTELOS, becoming two means we have been adding resources, establishing separate stand-alone corporate functions like accounting, finance, HR and IT.

CEOCFO: What are your flagship products and what area is growing the most?

Mr. Moneymaker: We have a great industry position because data is exploding. There is a demand for data services, including demand from wireless carriers using that data capacity to serve their own customers. Wireless communications are only wireless from the cell site to the hand-held device. Typically, it is wireline from the cell site to the switch and on to its destination. The wireless carriers are now providing higher speed bandwidth connectivity to their wireless customers. Therefore, those same carriers need much greater bandwidth to the cell sites and that means fiber-based solutions. In our region, we are uniquely situated to be a provider for those wireless carriers and that is a strong growth opportunity for us. It certainly was in 2011, but it is even more of an opportunity in 2012-2013 and beyond, as wireless carriers expand and enhance their networks with 4G and other broadband capabilities.

Data is also exploding in the enterprise space, including governments, healthcare, regional banking, and colleges and universities. These are among the key verticals for us. These enterprise customers are looking for additional bandwidth to allow them to run their business in an efficient manner and increase productivity. They need higher speed connectivity and telecom solutions that we can help them design. These enterprise customers will be another primary growth engine for us in 2012 and beyond.

CEOCFO: What is the geographic reach for Lumos Networks today?

Mr. Moneymaker: Today we have about 5,800 route miles of fiber, principally in the western half of Virginia, West Virginia, portions of Maryland, Pennsylvania, Kentucky, and Ohio. Within the footprint of where we have fiber today, we are continuously looking for opportunities to expand our business. Our long-haul fiber routes

connect city to city. We view those as fiber "interstates" and we look for the entrance and exit ramps where it makes sense to extend fiber from that city-to-city connection into the local market to provide connectivity to our key verticals. Therefore, we certainly will be continuing to enhance our fiber network as we build to businesses and the wireless carriers on a success basis.

CEOCFO: What is the competitive landscape like for Lumos?

Mr. Moneymaker: We certainly go head to head with various players including the incumbent local telephone companies, the cable operators, and other competitive service providers.

The consistent theme is explosive data growth. I am excited that we are serving markets where businesses, the wireless carriers, and others are demanding additional bandwidth and services. We are uniquely situated to capitalize on that opportunity. Over the last two and a half years, we have spent nearly \$300 million through acquisitions and internal expansion to expand our geographic reach and better serve our customers. In 2011, we completed the integration of one acquisition and we completed the separation from NTELOS. In 2012, we are focusing all the resources and the energy of the company to drive data revenues. We are very excited about that opportunity.

- Michael B. Moneymaker

But we are uniquely situated in our region to be the one carrier to offer a comprehensive service solution for a customer who needs data solutions and connectivity for multiple locations within our footprint. Certain competitors can provide connectivity in portions of our network, but are unable to provide solutions throughout the territory that we cover. So, yes, we have competition, but we have the differentiating factor of being able to provide a diversified portfolio of "on net" services throughout our region.

CEOCFO: Are your retail customers primarily businesses, or consumers; how does it break down and which area provides the best growth opportunity?

Mr. Moneymaker: We provide data and voice services to businesses, en-

terprises and carriers. We generate wholesale revenues from providing services to wireless carriers. We also generate wholesale revenues from interchange carriers that are looking for transport connectivity from city to city in terms of hauling their traffic, whether it is voice or data. Our growth opportunity is in providing data connectivity and bandwidth to the businesses. Once we provide that initial connectivity, we have growth opportunities by keeping up with our customers' growing bandwidth demands. Who would have envisioned years ago in the DS-1 and DS-3 world that today we would be talking about going from a 1 gig to a 10 gig to a 100 gig network in terms of throughput and speed? As a company, we are committed to serving this region and we are committed to making the investment and the upgrades to our network to keep pace with the demand for more bandwidth and not only keeping pace but getting ahead of that demand from our existing customers as well as future customers.

CEOCFO: Are the bulk of the possible customers in your area aware of Lumos?

Mr. Moneymaker: We announced our new name in September of 2011 and we work constantly to get that name out there and to help

our customers understand that we have all of the depth and reach of NTELOS wireline and FiberNet – and more. We have a much larger presence in the region because of our acquisitions including our acquisition of new fiber routes from ACC in 2009. Our challenge will be to continue to let it be known the full extent of the territory that we cover and the solutions that we can provide.

CEOCFO: Would you tell us about the Lumos Networks customer service philosophy?

Mr. Moneymaker: We take a lot of pride in the quality of the service and we have a reputation for quality that we've earned over time. When we call on new potential customers, it often starts with providing a list of a

number of our existing customers. Their testimonies of existing customers speak to the fact that we are committed to these rural markets. We are also committed to providing the latest and greatest technologies. In these markets, we can provide the same quality services that are provided by the national service providers in the Tier-1 markets. We are providing the same high-quality state of the art technology to rural markets, which is a differentiating value proposition.

CEOCFO: Would you give us some examples of your exceptional customer service?

Mr. Moneymaker: Our technology comes with people. Our markets are underserved by the national providers but we are headquartered right in the heart of this region that we serve. It makes a difference. In all our markets, we have Lumos Networks people calling on customers and interacting with our customers as part of the community, be it at local Chamber of Commerce events, Rotary events, United Way or other community activity. With a local presence in the markets, we can differentiate and provide a higher quality service. We understand the needs and we understand the communities that we are serving. We take a lot of pride in the fact that our *technology comes with people*. We have a sales force that at the very front end interacts with the customers, visits with the customers and follows up with the customers to make sure that the quality of service is being provided. Our people listen and then proactively work with the customer to

meet their needs. Likewise, once we have a service in operations, we have our customer care centers that are located here within our footprint. Our customer care and technical teams also live and work within this region. Our local presence makes a difference in terms of the quality of the service that we provide.

CEOCFO: What is the strategy for the next year or so for Lumos?

Mr. Moneymaker: Data will continue to explode and we will continue to pursue this data opportunity through expansion within our current geographic territory. By the end of the 2nd Quarter of 2012, we will have completed Metro fiber builds in five new markets and we are excited about the on-network services we will be able to offer customers in those five new markets in the second half of this year. In 2013, we will look for continued expansion of our services within existing and potential new markets.

CEOCFO: What is the financial picture like today for Lumos Networks?

Mr. Moneymaker: At year-end, we reported very strong growth in our data product revenues, which in the 4th Quarter grew 17% year over year. The legacy voice products and related revenue is declining, as it is for all providers. The opportunity we have is to grow the data revenues in excess of any decline in the voice and this will position us for long-term growth in the future.

CEOCFO: Is investor outreach a focus for you as president?

Mr. Moneymaker: Absolutely! We spun off from NTELOS on the 1st of November. Following the release of our year-end earnings, we started meeting with a number of our investors at conferences. We were in Florida in early March, we have meetings coming up in New York, in mid-April on the west coast and then in mid-May in Boston at various conferences. We will continue to meet with investors, talk about Lumos Networks and give them updates as to what we think is an exciting story as a stand-alone public company focused in a space where demand is growing. We are well situated to pursue the data growth opportunity.

CEOCFO: Why should investors pay attention to Lumos Networks and what might people not understand that they should know about the company?

Mr. Moneymaker: The consistent theme is explosive data growth. I am excited that we are serving markets where businesses, the wireless carriers, and others are demanding additional bandwidth and services. We are uniquely situated to capitalize on that opportunity. Over the last two and a half years, we have spent nearly \$300 million through acquisitions and internal expansion to expand our geographic reach and better serve our customers. In 2011, we completed the integration of one acquisition and we completed the separation from NTELOS. In 2012, we are focusing all the resources and the energy of the company to drive data revenues. We are very excited about that opportunity.



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