FairPoint communications

www.FairPoint.com

Company Presentation

November 2013

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Throughout this presentation, reference is made to Adjusted EBITDA and Unlevered Free Cash Flow and adjustments to GAAP and non-GAAP measures to exclude the effect of special items. Management believes that Adjusted EBITDA provides a useful measure of operational and financial performance and removes variability related to pension contributions and payments for other post-employment benefits and that Unlevered Free Cash Flow may be useful to investors in assessing the Company's ability to generate cash and meet its debt service requirements. The maintenance covenants contained in the Company's credit facility are based on Adjusted EBITDA. In addition, management believes that the adjustments to GAAP and non-GAAP measures to exclude the effect of special items may be useful to investors in understanding period-to-period operating performance and in identifying historical and prospective trends.

We provide guidance as to certain financial information herein, which consists of forward-looking statements. Our guidance is not prepared with a view toward compliance with the published guidelines of the American Institute of Certified Public Accountants, and neither our independent registered public accounting firm nor any other independent expert or outside party compiles or examines the guidance and, accordingly, no such person expresses any opinion or any other form of assurance with respect thereto. Guidance is based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. We generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to represent our actual results which could fall outside of the suggested ranges. The principal reason that we release this data is to provide a basis for our management to discuss our business outlook with analysts and investors. Notwithstanding this, we do not accept any responsibility for any projections or reports published by any such outside analysts or investors. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions or the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date hereof. Actual results may vary from the guidance and the variations may be material. Investors should also recognize that the reliability of any forecasted financial data diminishes the farther in the future that the data is forecast. In light of the foregoing, investors are urged to put the guidance in context and not to place undue reliance on it. Any inability to successfully implement our operating strategy or the occurrence of any of the events or circumstances discussed therein could result in the actual operating results being different than the guidance, and such differences may be material.

Investment Highlights

- FairPoint is well positioned to grow free cash flow sustainably

- The Company is executing its ‘four-pillar’ strategy designed to deliver sustainable free cash flow growth

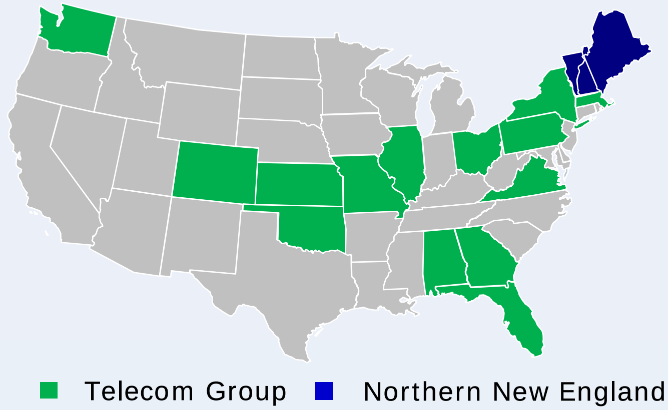
- Sustainable free cash flow growth is the best way to increase shareholder value

Company Snapshot

- 3Q13 Revenue of $236.0M, YTD Revenue of $706.0M and 3,182 employees
- Operates in 17 states with over 1.2M access line equivalents(1)
  - 80% former Verizon wireline business in Maine, New Hampshire and Vermont ("NNE")
  - 20% pre-merger FairPoint in rural communities in 17 states, including ME, NH and VT ("Telecom Group")
- **NNE**:
  - Incumbent wireline provider with extensive "enterprise class" network and scale in three contiguous states
  - 15,000+ fiber route mile network offering IP/Ethernet services to attract sustainable revenues
  - Significant organic growth opportunity, especially in business market
  - ~90% broadband availability; 33.3% penetration(2)
- **Telecom Group**:
  - Consistent, substantial cash flow generation
  - Local presence and workforce; less competition
  - ~90% broadband availability; 53.8% penetration
  - Closed sale of Idaho property for 6x EBITDA in 1Q13

(1) Switched access lines plus broadband subscribers as of September 30, 2013
(2) Broadband subscribers as a percentage of switched access lines
(3) Approximately 20% of Telecom Group is located in ME, NH and VT

Service Territory



Access Line Equivalents

as of September 30, 2013	NNE	Telecom Group (3)	Total
Switched access lines:			
Residential	429,598	112,640	542,238
Business	249,360	44,539	293,899
Wholesale	60,315	NM	60,315
Total switched access lines	739,273	157,179	896,452
Broadband Subscribers	246,211	84,487	330,698
Total access line equivalents	985,484	241,666	1,227,150

Executing on our Strategy

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Improve Operations	Change Regulatory Environment	Transform & Grow Revenue	Execute HR Strategy
✓	✓	↑	↑
2011 Focus	2012 Focus	2013 Focus	2014 Negotiation
Complex project management, including FTTT	Level playing field	Revenue stabilization period entered in 2Q13	IBEW 2011 Force Adjustment Process (FAP)
Improved service quality	Legislation in Maine and New Hampshire; Vermont IRP	3Q13 was the first quarter of sequential revenue growth in over two years	CWA 2012 FAP executed in 30 days
Enhanced service quality after 12% reduction in force In 2011	FCC ICC/USF reform	Major long-term contracts leveraging fiber assets	Enhanced competencies in labor relations and learning & development

Leveraging Network with Outstanding Project Management

Assure quality and delivery through best in class complex project management

Key 2013 Initiatives (as of 9/30/13)

- Fiber-to-the-Tower initiative
  - Projects based on contracted services
  - Close to achieving target of over 1,300 Ethernet cellular connections in 2013

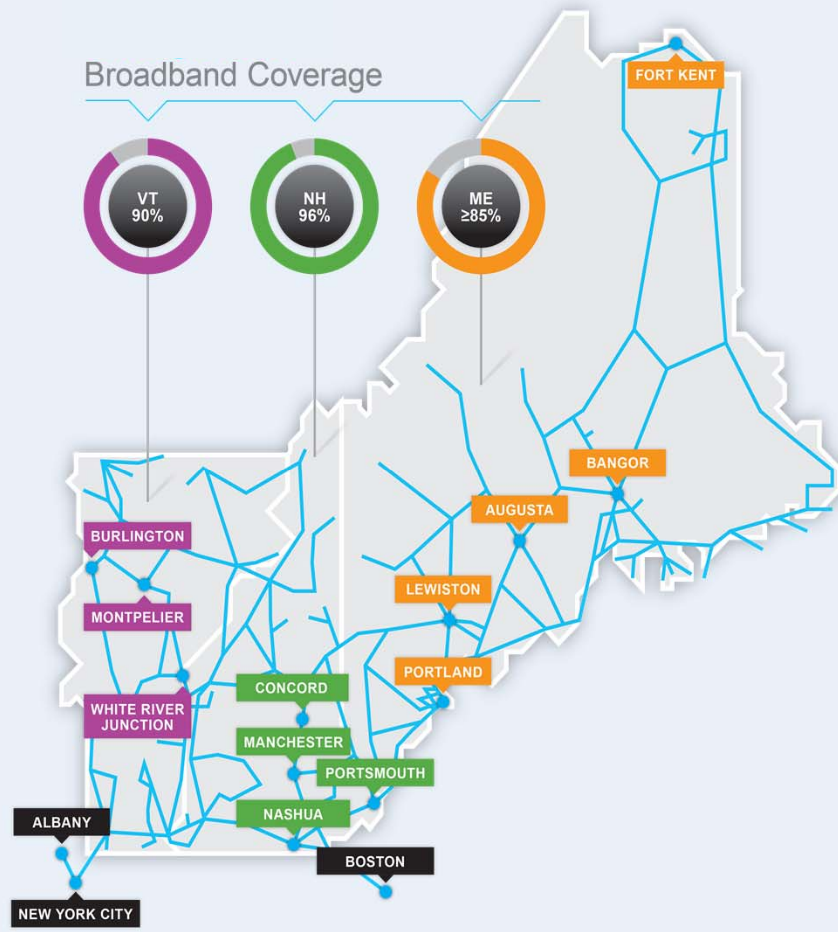
- Next Generation E-911 service
  - Fiber and next generation 911 service to 26 Public Service Answering Points in Maine well underway

- New England Telehealth Consortium
  - Fiber connection delivered to over 200 healthcare facilities
  - Targeting fiber connections to over 400 healthcare facilities

Next-Generation Network

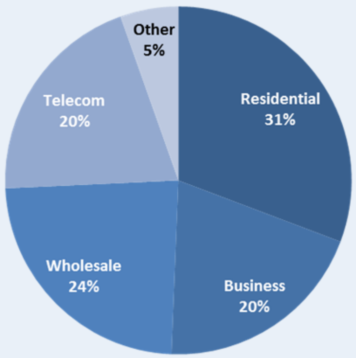
Enterprise Class fiber network designed to meet growing demand of business customers

- Over 15,000 fiber route miles
- Over 721,000 fiber strand miles
- Scalable 400G DWDM Network
- Over 350 central offices
- Over 1,300 FTTT Ethernet cellular connections expected by year end
- Over $200 million invested
- Easy access facilitated through New York and Boston

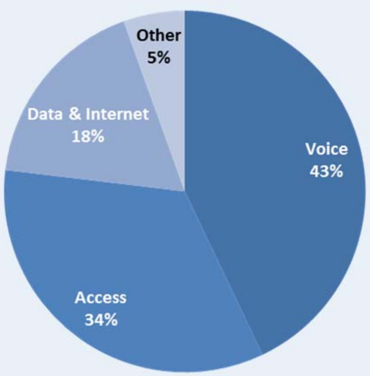


Revenue: Stabilize, Transform and Grow

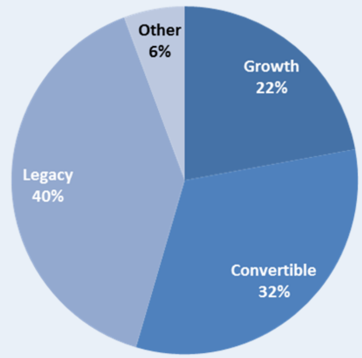
by Customer Segment (1)



by Product Type (1)(2)

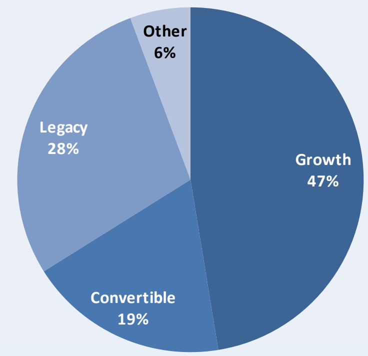


by Strategic Category (1)



- **Growth** revenues are comprised of products such as:
  - Retail Ethernet
  - Wholesale Ethernet
  - Broadband and FTTT
- **Convertible** revenues are moving from older technologies like:
  - Business voice
  - Centrex
  - ATM/Frame Relay
- **Legacy** revenues are in managed decline and comprised of:
  - Residential voice
  - Switched access

5-Year Outlook



- Sales and marketing efforts focused on driving acceleration of **Growth** products
- Proactive re-terming and up-selling designed to reduce revenue churn as **Convertible** customers switch from TDM to IP/Ethernet
- Retention efforts structured to slow churn in **Legacy** category

Entered period of revenue stabilization in 2Q13

(1) 3Q13 revenue of $236.0 million
(2) Access includes switched access and special access, which includes wholesale Ethernet services like fiber-to-the-tower

Revenue Strategy

- **Focus: Growth-oriented, sustainable high-margin revenues**
- **Service: "Enterprise Class" Ethernet and data-centric services enabled by extensive fiber network**
- **Target: Three contiguous state footprint for regional, wholesale and local customers in NNE**

Next Generation Network

- Network (NNE) engineered for "Enterprise Class" customers to support latest high-speed data services
- 15K fiber route miles connecting over 350 Central Offices
- 2.1 million high-speed Internet qualified loops, including over 1.3 million qualified ADSL-2+ loops and over 100K fiber-to-the-premise passings
- Latest generation IP/MPLS network core and over 400G DWDM optical transport

Enhanced Data Products

- Focus on data-centric products such as Ethernet, fiber-to-the-tower and Broadband
- Easy access to NNE through out-of-territory service connections in New York and Boston
- Matching growing customer bandwidth demands with next-generation products like Hosted PBX
- Reliability, redundancy and service quality are competitive advantages

Focused and Driven Sales Culture

- Improved sales recruiting process, sales activity model and best-in-class practices
- Focused go-to-market strategy based on customer, product and sales verticals
- Key wins across the Business, Wholesale and Government / Education markets
- Target key segments (e.g. Enterprise, SMB) that are expected to have high take-up

Significant Growth Opportunities in NNE Business Market (23% Market Share)

Enhanced Data Products

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Broadband Opportunity

- Opportunity to meaningfully increase broadband penetration in ME, NH and VT
- Continue to increase speeds and reach and respond to competitive offerings
  - Increased in-footprint broadband availability from ~60% to ~90% over the past 5 years
  - Low penetration in 7Mb+ is significant growth opportunity
    - Past nine months customers receiving 7 MB or more increased 26% … customers receiving 3 MB or less increased only 1%

Opportunity for 7Mb+ Data Products

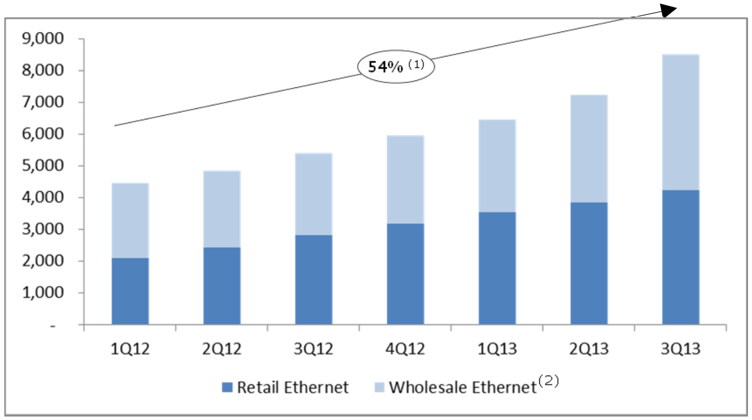
Max Speed	Current Subs	Total Qualified Loops	% Penetration
<=1.5Mb	0.1M	0.3M	20%
3Mb	0.1M	0.5M	20%
7Mb	0.1M	0.5M	10%
15Mb	0.0M	0.7M	2%
30Mb	0.0M	0.1M	8%
Total	**0.3M**	**2.1M**	**11%**

Next-Generation Ethernet & IP Products

- Key growth products include:
  - Retail and Wholesale Ethernet (FTTT, E-DIA, E-LAN)
  - Broadband (DSL and FTTP)
  - Managed services (Hosted VoIP)
- Ethernet products increasingly important as the Company drives expansion into the business market
  - Ethernet revenue has grown 57.8% YoY
- IP and Ethernet products will be critical as the product mix shifts away from local voice, ATM, frame relay and switched access

Rapid Ethernet Adoption

(Ethernet circuits)

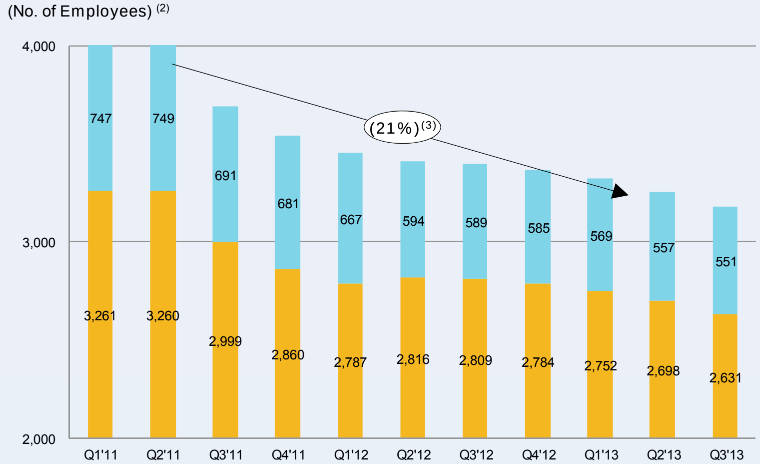


(1) CAGR of Ethernet circuit counts
(2) Includes FTTT customers

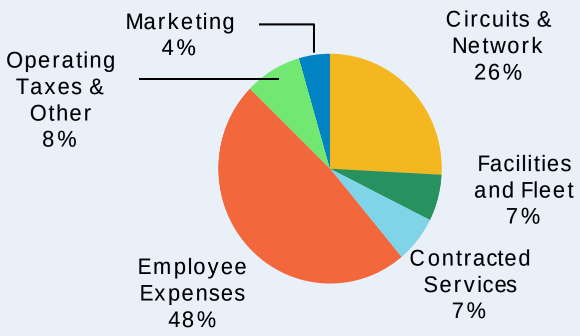
Execute HR Strategy

- FairPoint continues to align its human resource assets with the changing telecom landscape
- 21% workforce reduction in last 2 ½ years
- 3,182 employees as of September 30, 2013
  - 1,157 non-represented
  - 2,025 union (1,782 covered by CBAs with CWA and IBEW in NNE, which expire Aug. 2014)
- FairPoint has increased productivity and maintained service quality
  - Demonstrated improvement in key service-quality metrics despite headcount reduction
  - Increased productivity on a per-employee basis over time

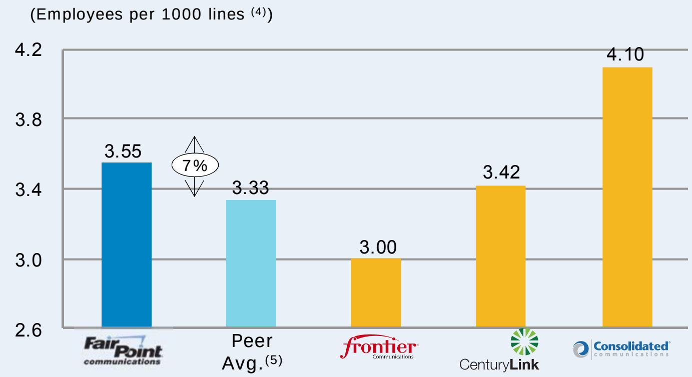
Headcount Rationalization



$700M Cost Structure (1)



Headcount Rationalization



Labor negotiations in 2014 provide opportunity to further address cost structure

(1) FY 2012 adjusted for items added back to compute Adjusted EBITDA
(2) NNE = Yellow, Telecom Group = Blue
(3) Decrease represents total change in workforce since 1Q11
(4) As of Dec. 31, 2012 for peers, as of September 30, 2013 for FRP
(5) Weighted average of FTR, CNSL and CTL

Financial Overview

Summary Financial Results

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Q3 and YTD 2013 Results

- Q3 Revenue of $236.0M was up $1.5M versus Q2 revenue
- Reported positive momentum in growth-oriented business
  - Ethernet services contributed approximately $16.4M of revenue in Q3 2013 as compared to $11.5M a year ago, an increase of 43% YoY
  - Data and Internet services revenue grew 12.9% YoY
  - Broadband subscribers grew 3.0%(1) and total Ethernet circuits grew by 57.8% YoY
- Adjusted EBITDA(2) increased to $67.5M in Q3 2013 as compared to $66.4M in Q2 2013
- Unlevered Free Cash Flow(3) declined to $24.4 million from $34.8 million in Q2, because of higher capital expenditures and pension contributions partially offset by higher Adjusted EBITDA
- Liquidity remains strong with a Q3 2013 cash balance of $25M; $75M revolver remains undrawn exclusive of letters of credit
- Reaffirmed full year Unlevered Free Cash Flow guidance of $100-110M

(1) Pro forma for the sale of Idaho operations on Jan. 31, 2013
(2) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Net Income (Loss) to Adjusted EBITDA, see our third quarter 2013 earnings release furnished November 4, 2013 on Form 8-K
(3) Unlevered Free Cash Flow means Adjusted EBITDA minus the sum of pension contributions, OPEB payments and capital expenditures. Unlevered Free Cash Flow is a non-GAAP financial measure. For a reconciliation of Net Income (Loss) to Unlevered Free Cash Flow, see our third quarter 2013 earnings release furnished November 4, 2013 on Form 8-K

Recent Financial Trends

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Financial Highlights

($ in M)	4Q12	1Q13	2Q13	3Q13	2012	2013 Guidance
Revenue	$239.7	$235.5[3]	$234.5[3]	$236.0	$973.6	
Adjusted EBITDA[1]	$63	$64	$66	$67.5	$278	$255 - $265
margin	*26%*	*27%*	*28%*	*29%*	*29%*	
Capital expenditures	$49	$30	$27	$33.8	$145	$130
% of revenue	*20%*	*13%*	*12%*	*14%*	*15%*	
Cash Pension & OPEB	$1	$1	$4	$9.3	$21	$27
Unlevered Free Cash Flow[2]	$12	$33	$35	$24.4	$112	$100 - $110
Cash on hand	$23	$17	$27	$24.7	$23	
Debt, gross	$957	$940	$938	$936.8	$957	

Commentary:

- 2013 guidance takes into account the sale of Idaho on Jan. 31, 2013 ($8M of revenue, $5M of Adjusted EBITDA and $1M of CapEx per year)
- Annual mandatory debt principal payments of $6.4 million

(1) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Net Income (Loss) to Adjusted EBITDA, see the Company's third quarter 2013 earnings release furnished November 4, 2013 on Form 8-K
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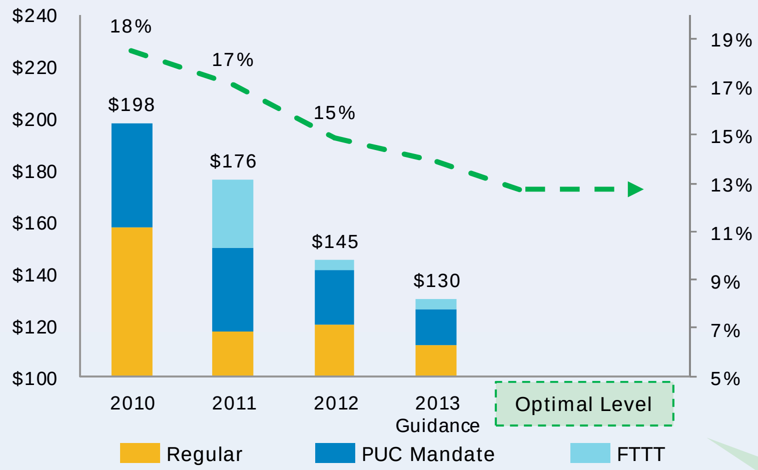
(3) Sale of Idaho operations on Jan. 31, 2013 resulted in $1.3M of sequential revenue decline from 4Q12 to 1Q13 and approximately $0.6M of sequential revenue decline from 1Q13 to 2Q13

Disciplined approach to Cap Ex

Cap Ex Trend and Allocation

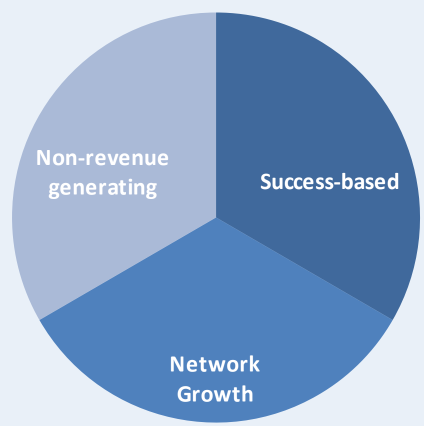
(Capital expenditures by year and as a % of revenue (*$ in M*))



- Success-based includes spending directly attributable to sales
- Network growth includes fiber expansion, broadband buildout and speed upgrades
- Non-revenue generating includes IT, plant maintenance and cost saving projects

Optimizing Cap Ex Levels

- Cap Ex managed through regular review of priorities and initiatives
- Cap Ex trending toward optimal level
- Cap Ex spend tends to increase in 2H due to timing of construction



Pension and OPEB Considerations

- Pension & OPEB liabilities arise primarily from Northern New England union contracts
  - GAAP liabilities represent status quo into perpetuity and reflect continuation of past practices
- 2013 Pension contribution of $22M and OPEB payments of $5M targeted
- Pension and OPEB liabilities are highly sensitive to changes in the discount rate and healthcare cost trend assumptions
- 21% reduction in headcount since 2011 (2)

Pension & OPEB GAAP Liability

Pension & OPEB GAAP Liability

($ in millions)	2011	2012	3Q13
Pension			
Plan assets	$160.3	$166.3	$168.8
Projected benefit obligation	$318.3	$369.8	$377.8
Key assumptions:			
Discount Rate	4.63%	4.08%	4.18%
OPEB			
Plan assets	$1.0	$0.0	$0.0
Projected benefit obligation	$533.2	$621.4	$658.5
Key assumptions:			
Discount Rate	4.66%	4.20%	4.20%
Healthcare cost trend (<65 years)	8.40%	8.10%	8.10%
Healthcare cost trend (>65 years)	8.40%	8.10%	8.10%

Pension & OPEB Sensitivity (1)

($ in millions)	Pension	OPEB
Impact on liability given 1% change in the discount rate assumption	20%	23%
Impact on liability given 1% increase in healthcare cost trend assumption	N/A	$158.2
Impact on liability given 1% decrease in healthcare cost trend assumption	N/A	($119.2)

Labor negotiations in 2014 provide opportunity to address Pension & OPEB

(1) Based upon liability at December 31, 2012
(2) Resulted in over $65 million in lump sum distributions

Strengthening Financial Profile

Disciplined Investment for Growth

- Focused on revenue & product transformation
  - "Enterprise Class" network with 15K fiber route miles in 3 contiguous states
  - Continually developing network to meet growing and rapidly evolving needs of enterprise and wholesale customers
  - Enhanced sales organization with positive momentum
- Significant growth opportunities in NNE Business Market (currently 23% market share)

Strengthen Balance Sheet

- Deleveraging
  - Reduced debt from $1B to $936.8M in a little over 2 years
  - Successful refinancing in 1Q13
  - Mandatory debt principal payments of $6.4M per year
  - 50% excess cash flow sweep ($0 sweep expected for 2013)
  - Continued investment discipline
  - Sustainable, growing free cash flow
- Monetizing non-core assets at attractive valuations
  - Sale of Idaho operations for 6x EBITDA
  - $2M gross proceeds from non-productive real estate
- Focus on cost savings leading up to labor contract renegotiations in August 2014
- Manage pension liability through prudent cash contributions