Investor Update

First Quarter 2012

May 7, 2012

Frontier® Communications

Safe Harbor Statement

Forward-Looking Language

This document contains forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the financial statements. Statements that are not historical facts are forward-looking statements made pursuant to the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. Words such as “believe,” “anticipate,” “expect” and similar expressions are intended to identify forward-looking statements. Forward-looking statements (including oral representations) are only predictions or statements of current plans, which we review continuously. Forward-looking statements may differ from actual future results due to, but not limited to, and our future results may be materially affected by, potential risks or uncertainties. You should understand that it is not possible to predict or identify all potential risks or uncertainties. We note the following as a partial list: the risk that the growth opportunities from the Transaction may not be fully realized or may take longer to realize than expected; the effects of greater than anticipated competition requiring new pricing, marketing strategies or new product or service offerings and the risk that we will not respond on a timely or profitable basis; reductions in the number of our access lines that cannot be offset by increases in broadband subscribers and sales of other products and services; the effects of competition from cable, wireless and other wireline carriers; our ability to maintain relationships with customers, employees or suppliers; the effects of ongoing changes in the regulation of the communications industry as a result of federal and state legislation and regulation, or changes in the enforcement or interpretation of such legislation and regulation; the effects of any unfavorable outcome with respect to any current or future legal, governmental or regulatory proceedings, audits or disputes; the effects of changes in the availability of federal and state universal funding to us and our competitors; our ability to adjust successfully to changes in the communications industry and to implement strategies for growth; continued reductions in switched access revenues as a result of regulation, competition or technology substitutions; our ability to effectively manage service quality in our territories and meet mandated service quality metrics; our ability to successfully introduce new product offerings, including our ability to offer bundled service packages on terms that are both profitable to us and attractive to customers; changes in accounting policies or practices adopted voluntarily or as required by generally accepted accounting principles or regulations; our ability to effectively manage our operations, operating expenses and capital expenditures, and to repay, reduce or refinance our debt; the effects of changes in both general and local economic conditions on the markets that we serve, which can affect demand for our products and services, customer purchasing decisions, collectability of revenues and required levels of capital expenditures related to new construction of residences and businesses; the effects of technological changes and competition on our capital expenditures and product and service offerings, including the lack of assurance that our network improvements will be sufficient to meet or exceed the capabilities and quality of competing networks; the effects of increased medical and pension expenses and related funding requirements; changes in income tax rates, tax laws, regulations or rulings, or federal or state tax assessments; the effects of state regulatory cash management practices that could limit our ability to transfer cash among our subsidiaries or dividend funds up to the parent company; our ability to successfully renegotiate union contracts in 2012 and thereafter; changes in pension plan assumptions and/or the value of our pension plan assets, which would require us to make increased contributions to the pension plan in 2013 and beyond; the effects of customer bankruptcies and home foreclosures, which could result in difficulty in collection of revenues and loss of customers; adverse changes in the credit markets or in the ratings given to our debt securities by nationally accredited ratings organizations, which could limit or restrict the availability, or increase the cost, of financing; limitations on the amount of capital stock that we can issue to make acquisitions or to raise additional capital until July 2012; our indemnity obligation to Verizon for taxes which may be imposed upon them as a result of changes in ownership of our stock may discourage, delay or prevent a third party from acquiring control of us during the two-year period ending July 2012 in a transaction that stockholders might consider favorable; our ability to pay dividends on our common shares, which may be affected by our cash flow from operations, amount of capital expenditures, debt service requirements, cash paid for income taxes and liquidity; and the effects of severe weather events such as hurricanes, tornadoes, ice storms or other natural or man-made disasters. These and other uncertainties related to our business are described in greater detail in our filings with the Securities and Exchange Commission, including our reports on Forms 10-K and 10-Q, and the foregoing information should be read in conjunction with these filings. We undertake no obligation to publicly update or revise any forward-looking statements or to make any other forward-looking statement, whether as a result of new information, future events or otherwise unless required to do so by securities laws.

Non-GAAP Financial Measures

The Company uses certain non-GAAP financial measures in evaluating its performance. These include free cash flow, EBITDA or "operating cash flow," which we define as operating income plus depreciation and amortization ("EBITDA"), and Adjusted EBITDA; a reconciliation of the differences between EBITDA and free cash flow and the most comparable financial measures calculated and presented in accordance with GAAP is included in the appendix. The non-GAAP financial measures are by definition not measures of financial performance under GAAP and are not alternatives to operating income or net income reflected in the statement of operations or to cash flow as reflected in the statement of cash flows and are not necessarily indicative of cash available to fund all cash flow needs. The non-GAAP financial measures used by the Company may not be comparable to similarly titled measures of other companies.

The Company believes that the presentation of non-GAAP financial measures provides useful information to investors regarding the Company's financial condition and results of operations because these measures, when used in conjunction with related GAAP financial measures, (i) together provide a more comprehensive view of the Company's core operations and ability to generate cash flow, (ii) provide investors with the financial analytical framework upon which management bases financial, operational, compensation and planning decisions and (iii) presents measurements that investors and rating agencies have indicated to management are useful to them in assessing the Company and its results of operations. In addition, the Company believes that free cash flow and EBITDA, as the Company defines them, can assist in comparing performance from period to period, without taking into account factors affecting cash flow reflected in the statement of cash flows, including changes in working capital and the timing of purchases and payments.

The Company has shown adjustments to its financial presentations to exclude certain costs because investors have indicated to management that such adjustments are useful to them in assessing the Company and its results of operations. These adjustments are detailed in the Appendix for the reconciliation of free cash flow and operating cash flow.

Management uses these non-GAAP financial measures to (i) assist in analyzing the Company's underlying financial performance from period to period, (ii) evaluate the financial performance of its business units, (iii) analyze and evaluate strategic and operational decisions, (iv) establish criteria for compensation decisions, and (v) assist management in understanding the Company's ability to generate cash flow and, as a result, to plan for future capital and operational decisions. Management uses these non-GAAP financial measures in conjunction with related GAAP financial measures. These non-GAAP financial measures have certain shortcomings. In particular, free cash flow does not represent the residual cash flow available for discretionary expenditures, since items such as debt repayments and dividends are not deducted in determining such measure. EBITDA has similar shortcomings as interest, income taxes, capital expenditures, debt repayments and dividends are not deducted in determining this measure. Management compensates for the shortcomings of these measures by utilizing them in conjunction with their comparable GAAP financial measures. The information in this document should be read in conjunction with the financial statements and footnotes contained in our documents filed with the U.S. Securities and Exchange Commission.

Quarterly Snapshot

$ Millions; Units 000s	2Q11	% Chg	3Q11	% Chg	4Q11	% Chg	1Q12
Revenue [1]	**$1,322**	(2.4%)	**$1,291**	(0.6%)	**$1,283**	(1.2%)	**$1,268**
Customer Revenue [2]	$1,164	(1.8%)	$1,143	(0.6%)	$1,136	(1.4%)	$1,120
Cash Operating Expenses	$688	(1.0%)	$682	(2.2%)	$667	(2.8%)	$648
Adjusted EBITDA [3]	**$634**	(3.9%)	**$609**	1.2%	**$616**	0.6%	**$620**
EBITDA Margin	47.9%		47.2%		48.0%		48.9%
Capital Expenditures [4]	$211	5.7%	$223	(49.8%)	$112	86.5%	$209
% Revenue	15.9%		17.2%		8.7%		16.4%
Free Cash Flow [5]	**$242**	10.3%	**$267**	34.1%	**$359**	(29.4%)	**$253**
Residential Customers	**3,252**	(2.4%)	**3,175**	(2.2%)	**3,104**	(2.1%)	**3,039**
Churn	1.7 %		1.7 %		1.5 %		1.6 %
Access Lines	**5,490**	(2.1%)	**5,374**	(2.0%)	**5,267**	(1.9%)	**5,165**
Year/Year Change	(8.6)%		(8.5)%		(8.3)%		(7.9)%
Broadband Subs	**1,739**	0.9%	**1,755**	0.5%	**1,764**	0.7%	**1,776**
Net Adds	8		16		9		12

Notes: 1) Total revenues including Switched Access & Subsidy. 2) Customer revenue is defined as total revenue less Switched Access & Subsidy revenues. 3) Represents Operating Cash Flow (EBITDA), as adjusted. 4) Capital expenditures exclude integration capital expenditures. 5) Free cash flow ("FCF") as defined by Frontier, and excluding acquisition and integration costs and capex; restated to exclude severance and early retirement costs. Numbers may not sum due to rounding. Please see Non-GAAP Reconciliations in Appendix.

Summary

- **Solid quarter of customer metrics, expanding margins, and stable leverage**
- **Invested $209M into our network to reach 40,000 new homes and increase broadband speeds**
- **Acquisition systems integration successfully completed with final 9-State conversion in March 2012**
- **Focus on revenue improvement, broadband penetration and operational excellence**
- **New organizational structure with all customer-facing activities reporting to Daniel McCarthy, President & Chief Operating Officer**

Executing on Our Strategy

Drive Revenue Growth

- Double + Triple Play Bundles
- WiFi + Mobility
- OTT Video Offers
- New Services:
  - VoIP
  - Cloud
  - Security
  - Home Automation
  - CPE

+

Lead With Broadband

- Reach / Access
- Speeds
- Capacity
- Tiering
- Service Experience

+

Deliver Operational Excellence

- Improve Online and Commercial System Capabilities
- Expand Margins
- Cost Reductions
- Productivity Initiatives
- Process Simplification

=

Create Shareholder Value

- Improve Free Cash Flow
- Reduce Leverage
- Dividend Payout
- Manage Capital Investments
- Selective Acquisitions to Drive Revenue

Keep the Customer in the Center of our Go-to-Market

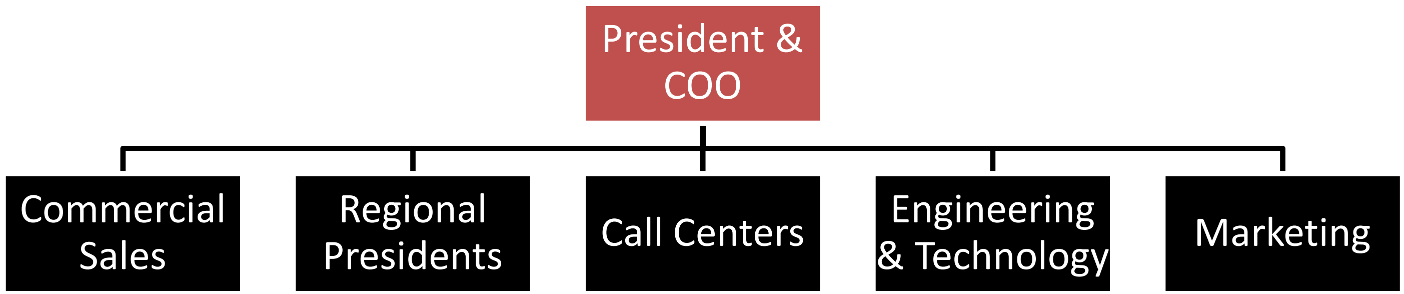
frontier Communications

Financial Highlights

- **Access line loss of 7.9% lowest to date, and expanding broadband and video net subscriber additions**
- **Residential ARPU grew sequentially, 44% reduction in sequential revenue loss**
- **Business ARPU grew sequentially, key products (Ethernet, DIA, wireless backhaul, CPE) grew 6.6% annually**
- **Adjusted EBITDA grew 1% sequentially; margin 49%, strongest to date on $13M of incremental synergies and organic cost control**
- **FCF of $253M on track to achieve $900M-$1.0B guidance**

Business Update

Organization



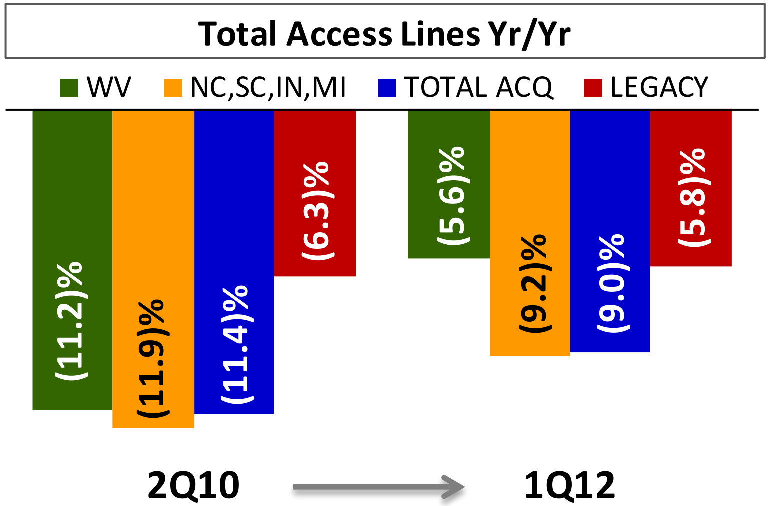
Commercial

- **Metro Ethernet revenues +5.6% yr/yr in 1Q12; Wireless backhaul revenues +16% yr/yr in 1Q12**
- **Continued focus on value-added services, higher speeds, and strategic partnerships**

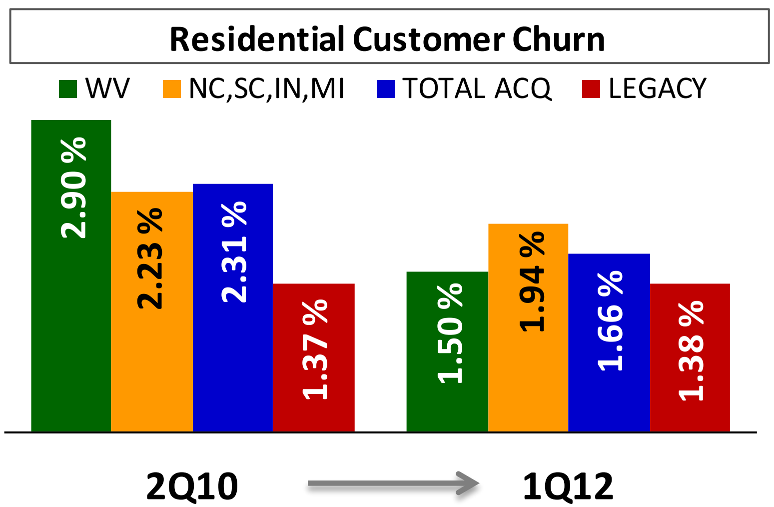
Residential

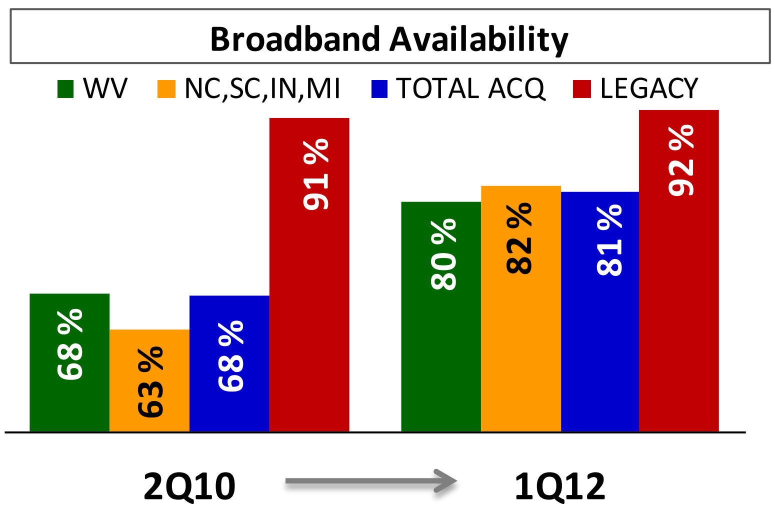
- **Financial improvements driven by network enhancement and local engagement**
- **Opportunity for incremental revenues: Frontier Secure with identity protection, WiFi, mobility, video**

Conversion Impacts



- **Acquired West Virginia metrics continue to improve dramatically**
- **Oct 1, 2011 conversion of 4 states (NC,SC,IN,MI) already showing traction**
- **On track for Acquired to reach 8% access line decline goal as we enter 2013**

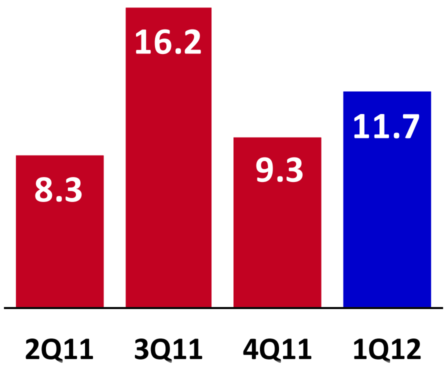




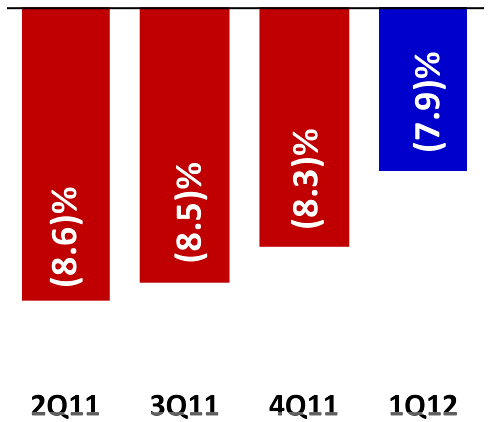
Notes: Broadband availability for 2Q10 updated for current data and methodology.

Key Metrics

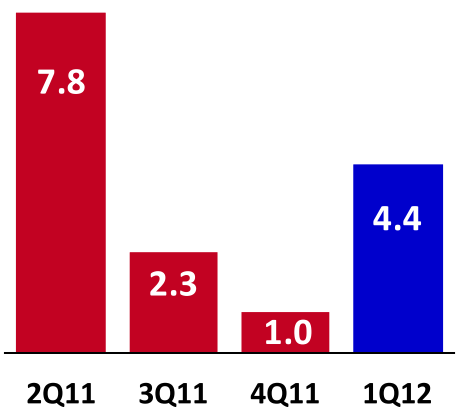
Broadband Net Adds



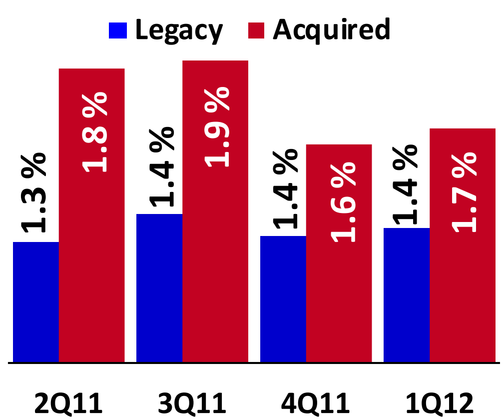
Total Access Lines Yr/Yr



Video Net Adds



Residential Monthly Churn

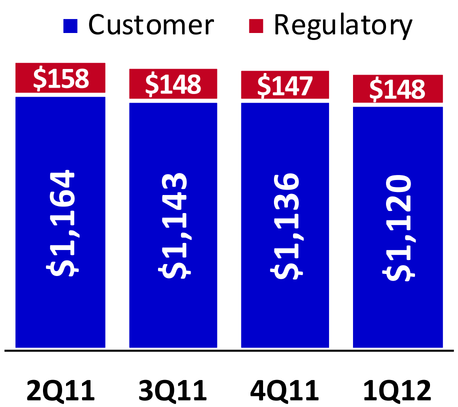


- **Broadband net adds +25% sequentially led by DSL**
- **Video selling well in bundles. Net adds led by DISH and lower FiOS disconnects**
- **Line loss improved sharply to 7.9%**
- **Churn steady; showed minor conversion impacts**

Notes: (1) Comparisons to amounts prior to 7/1/10 pro forma for the Acquired Properties. Subscriber units in 000s

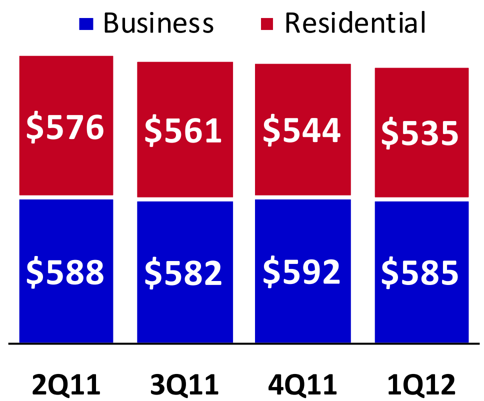
Revenues

Total Revenue Mix



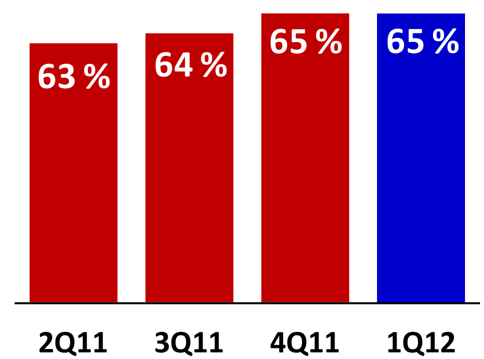
- Regulatory revenues 11.7% of 1Q12 total
- Switched access 5.5% and subsidies 3.8% of total revenue [2]

Customer Revenue



- Business represents 52% of total customer revenues
- Business ARPU up 9% yr/yr to $637

Business & Broadband [1]

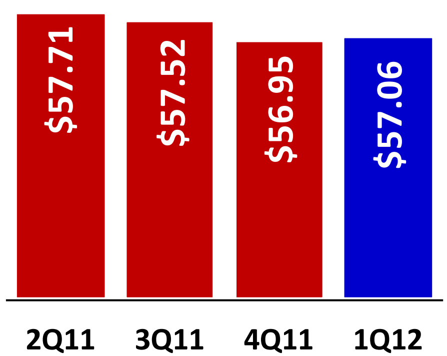


- High exposure to business and broadband revenues. Key focus on raising this level.

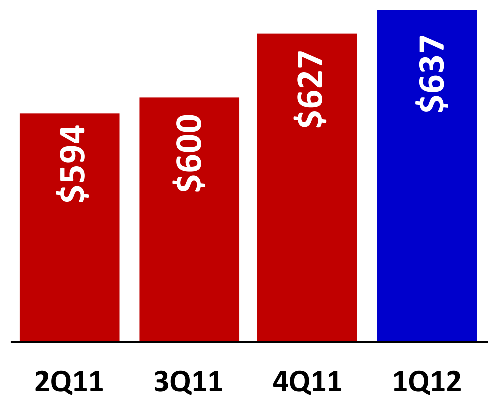
Notes: $ Millions; Numbers may not sum due to rounding. (1) as a percentage of Customer Revenue. (2) Excludes surcharges

Residential & Business

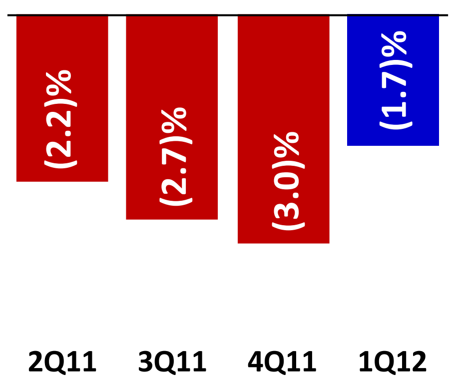
Residential ARPU



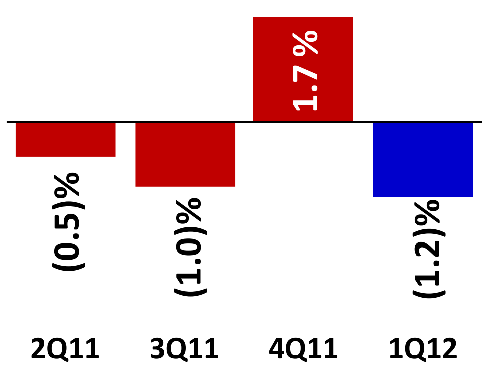
Business ARPU



Residential Customer Rev. [1]



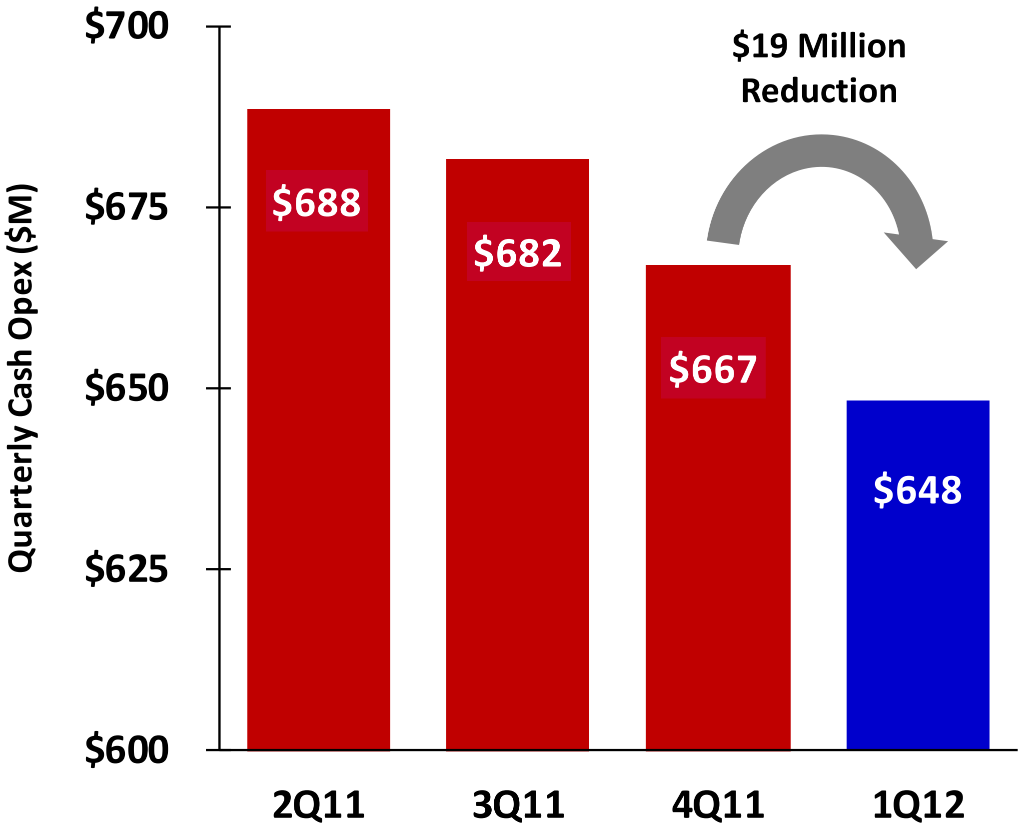
Business Customer Rev. [1]



- **Acquired Residential ARPU has +8% upside to Legacy levels**
- **Residential products-per-customer +6.4% yr/yr to 2.5 driven by broadband**
- **Mix of larger customers favorably impacting ARPU. 1Q12 seasonality on CPE sales**

Notes: 1) Sequential quarterly change.

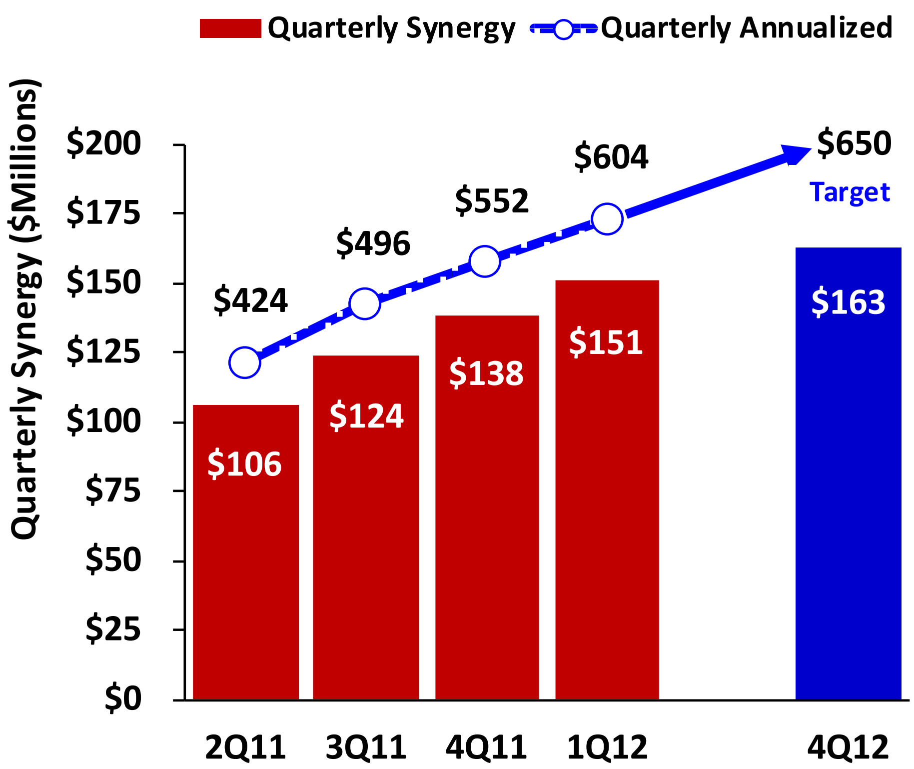
Cash Operating Expenses



- **Cash operating expenses down $19M sequentially**
- **Continued extensive focus and discipline on synergy list**

Notes: $ Millions; Please see Non-GAAP reconciliations in Appendix.

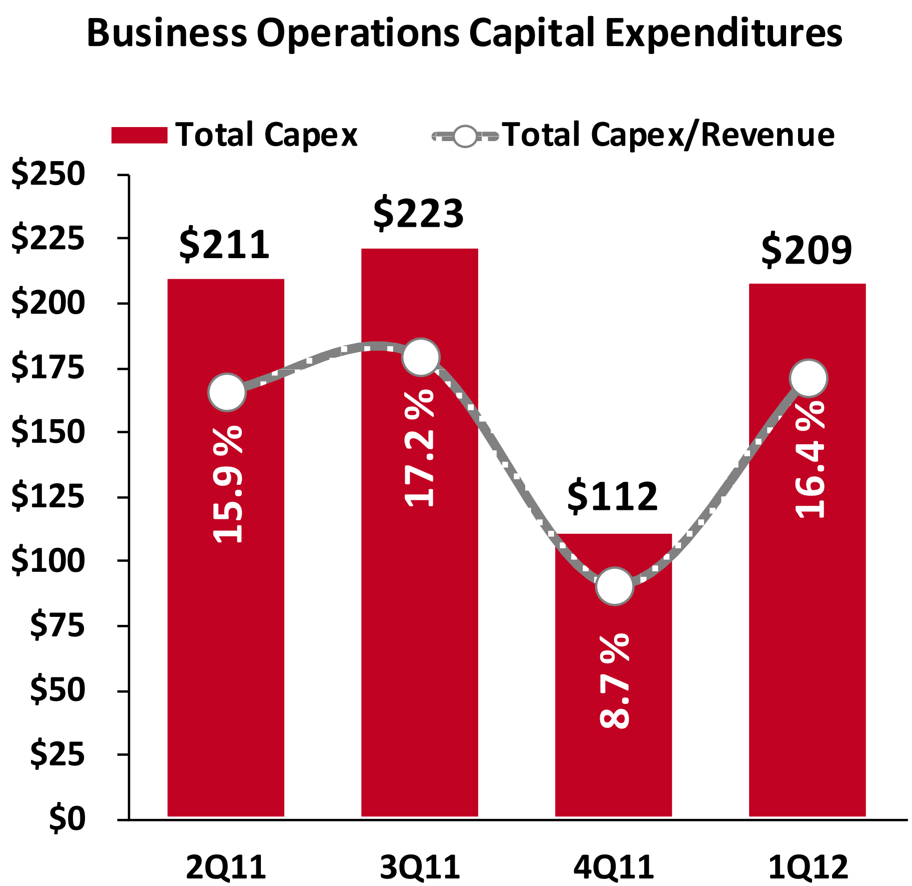
Cost Savings



- **$13M incremental synergies from vendor savings, contractor reductions, network cost savings, benefit changes, and real estate savings**
- **Target remains $650M by year-end 2012**
- **Remaining synergies from vendor savings, information technology, and real estate**

Notes: $ Millions

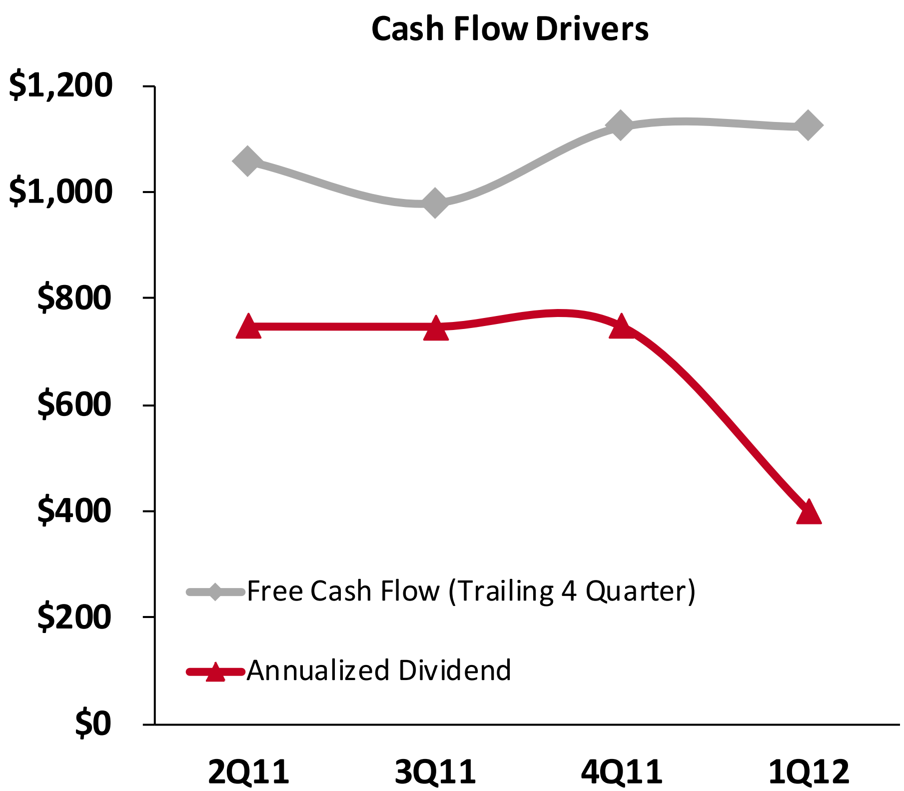
Capital Expenditures



- Broadband expansion to 40,000 homes
- Ahead of FCC commitment levels
- Capital focus is shifting to speed upgrades
- High 1Q12 spend due to favorable weather conditions
- Trailing 12-month capex/revenues of 14.6%

Notes: $ Millions. Numbers may not sum due to rounding.

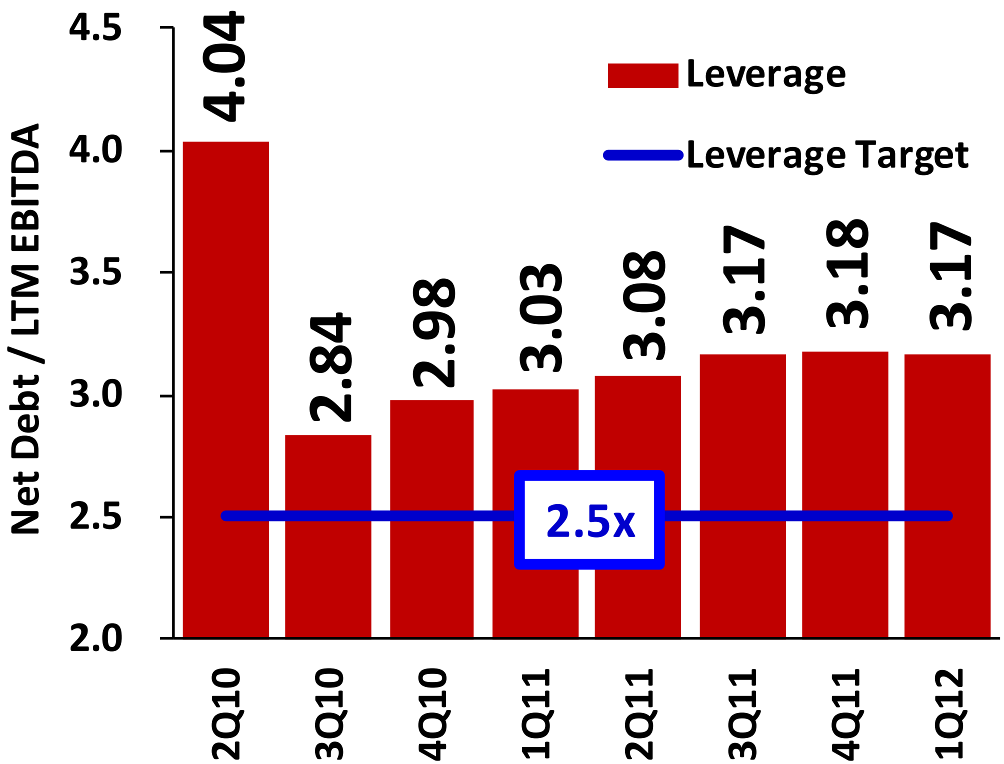
Cash Flow



- **1Q12 Adjusted EBITDA margin 49%**
- **1Q12 FCF payout ratio of 39%**
- **Building cash for debt repayment and business investment**

Notes: $ Millions; See Appendix for calculation of Free Cash Flow (FCF).

Credit & Liquidity



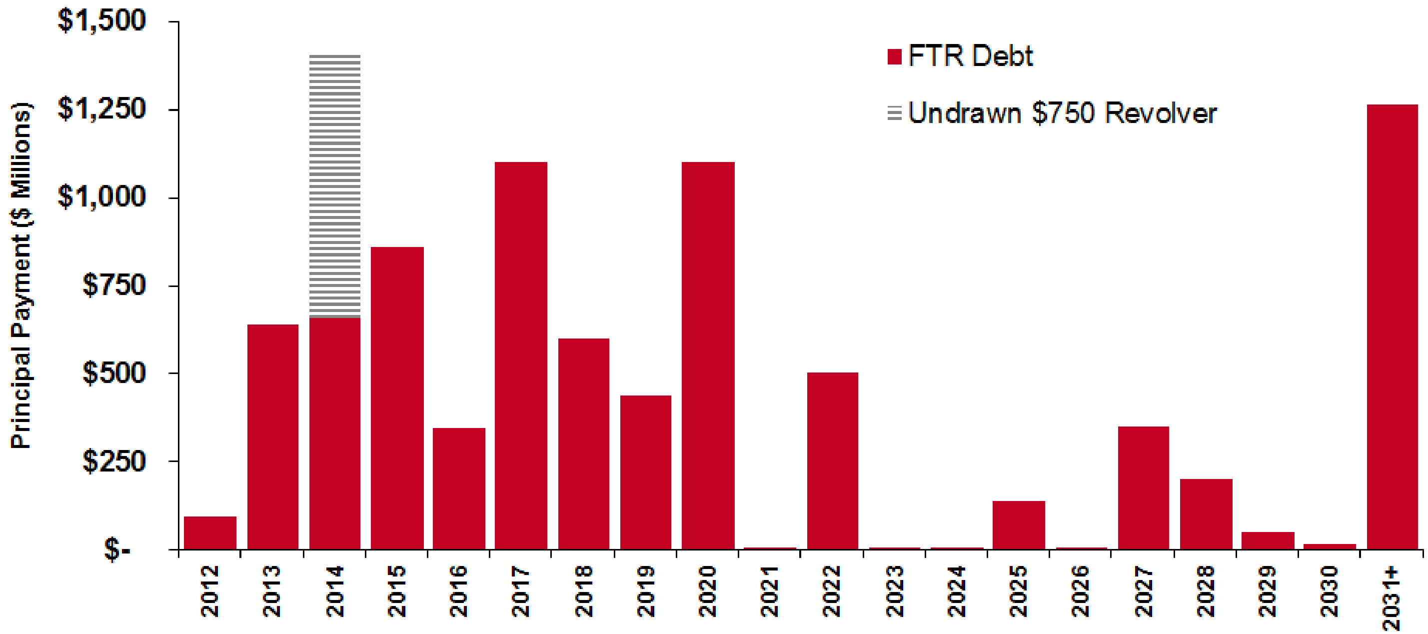
- **Leverage (Net Debt / EBITDA) has reduced slightly**
- **$1.3B of current liquidity.**

	1Q12
Cash & Equiv. (1)	$505
Credit Facility	750
Total Liquidity	$1,255
Total Debt	$8,289
LTM Adj. EBITDA	$2,479
Leverage Ratio (2)	3.17x

Notes: $ Millions. (1) Includes Restricted Cash; (2) Calculation excludes $63M of escrow cash.

Debt Profile

- **Annualized 1Q12 FCF after dividends of $613M**
- **7.9% Weighted Average Cost of Debt. Next significant maturity is $581M 6.25% notes due 1/15/13**
- **Expect to file a new SEC shelf registration statement in the near future to replace expired shelf**



Guidance

- **Capital expenditures in 2012 include increased broadband expansion and speed, fiber-to-the-cell, and other strategic investments**
- **Expect additional integration expense and capital resulting from March 2012 conversion and other cost synergy initiatives**

	2012		
	Low	**High**	**1Q 2012 YTD**
Free Cash Flow	**$900**	**$1,000**	**$253**
Capital Expenditures	**725**	**775**	**209**
Cash Taxes	**25**	**25**	**(0)**
Integration Expense	**80**	**80**	**35**
Integration Capex	**40**	**40**	**16**

Notes: $ Millions. See Appendix for calculation of Free Cash Flow.

Appendix

Access Lines by State

As of 3/31/12	FRONTIER	ACQUIRED	COMBINED	% Total
West Virginia	128,351	442,829	571,180	11.1 %
Indiana	3,655	497,361	501,016	9.7 %
Illinois	83,433	414,123	497,556	9.6 %
Ohio	485	441,761	442,246	8.6 %
Michigan	15,586	333,907	349,493	6.8 %
Wisconsin	48,814	200,276	249,090	4.8 %
Oregon	10,994	219,275	230,269	4.5 %
California	118,426	16,229	134,655	2.6 %
Arizona	122,953	2,768	125,721	2.4 %
Idaho	16,652	84,934	101,586	2.0 %
Nevada	21,801	24,132	45,933	0.9 %
COMBINED	**571,150**	**2,677,594**	**3,248,744**	**62.9 %**
Washington	0	362,707	362,707	7.0 %
North Carolina	0	194,208	194,208	3.8 %
South Carolina	0	86,309	86,309	1.7 %
NEW STATES	**0**	**643,224**	**643,224**	**12.5 %**
New York	538,229	0	538,229	10.4 %
Pennsylvania	342,314	0	342,314	6.6 %
Minnesota	175,517	0	175,517	3.4 %
Tennessee	64,716	0	64,716	1.3 %
Iowa	36,657	0	36,657	0.7 %
Nebraska	35,645	0	35,645	0.7 %
Alabama	22,634	0	22,634	0.4 %
Utah	19,040	0	19,040	0.4 %
Georgia	16,099	0	16,099	0.3 %
New Mexico	7,268	0	7,268	0.1 %
Montana	6,990	0	6,990	0.1 %
Mississippi	4,733	0	4,733	0.1 %
Florida	3,018	0	3,018	0.1 %
LEGACY	**1,272,860**	**0**	**1,272,860**	**24.6 %**
TOTAL FRONTIER	**1,844,010**	**3,320,818**	**5,164,828**	**100.0 %**

Reconciliation of Non-GAAP Financial Measures

(Amounts in millions)	Three Months Ended Actual March 31, 2011	Actual June 30, 2011	Actual September 30, 2011	Actual December 31, 2011	Actual March 31, 2012
Net Income to Free Cash Flow					
Net income	$ 56	$ 34	$ 22	$ 45	$ 30
Add back:					
Depreciation and amortization	351	359	352	341	357
Income tax expense (benefit)	37	37	(7)	22	19
Pension/OPEB costs (non-cash)	11	6	6	1	12
Severance and early retirement costs (1)	-	11	4	1	7
Stock-based compensation	4	4	3	4	4
Acquisition and integration costs	13	20	67	42	35
Subtract:					
Cash paid (received) for income taxes (refunds)	9	18	(44)	(17)	-
Other income (loss), net	7	-	1	2	3
Capital expenditures - Business operations	203	211	222	112	209
Free cash flow	**$ 253**	**$ 242**	**$ 268**	**$ 359**	**$ 253**

Notes: (1) The definition of free cash flow has been revised to add back severance and early retirement costs, with all prior periods conformed to the current calculation.

Notes: Numbers may not sum due to rounding.

Reconciliation of Non-GAAP Financial Measures

	Three Months Ended				
(Amounts in millions)	Actual March 31, 2011	Actual June 30, 2011	Actual September 30, 2011	Actual December 31, 2011	Actual March 31, 2012
Operating Cash Flow					
Operating income	$ 251	$ 238	$ 180	$ 230	$ 208
Add back:					
Depreciation and amortization	351	359	352	341	357
Operating cash flow	$ 602	$ 597	$ 532	$ 571	$ 565
Adjustments:					
Non-cash pension/OPEB costs	11	6	6	1	12
Severance and early retirement costs	-	11	4	2	7
Acquisition and integration costs	13	20	67	42	35
Operating income, as adjusted	$ 275	$ 275	$ 257	$ 275	$ 263
Operating cash flow, as adjusted	$ 626	$ 634	$ 609	$ 616	$ 620

Notes: Numbers may not sum due to rounding.

Frontier Communications Corp.

(NASDAQ: **FTR**)

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