



## Frontier Communications Announces Cash Tender Offers for up to \$1.6 Billion Aggregate Purchase Price for Certain Series of Notes

March 6, 2018

NORWALK, Conn.--(BUSINESS WIRE)--Mar. 6, 2018-- Frontier Communications Corporation (NASDAQ:FTR) announced today that it has commenced tender offers (collectively, the "Tender Offers") to purchase for cash its 8.875% Senior Notes due 2020 (the "8.875% Notes"), 6.250% Senior Notes due 2021, 9.250% Senior Notes due 2021, 8.500% Senior Notes due 2020, 8.750% Senior Notes due 2022, 10.500% Senior Notes due 2022 and 7.125% Senior Notes due 2023 (collectively, the "Notes") as described in the table below up to an amount such that the maximum aggregate consideration (excluding accrued interest) paid by the Company in the Tender Offers does not exceed \$1.6 billion (the "Aggregate Purchase Price"), subject to the Acceptance Priority Levels and the Acceptance Sublimits described below.

The terms and conditions of the Tender Offers are described in the Company's Offer to Purchase and Consent Solicitation Statement, dated March 6, 2018 (the "Offer to Purchase"), and the related Letter of Transmittal. The Tender Offers are intended to address maturities and reduce the Company's current overall interest expense. The Tender Offers will be funded by the Company from the proceeds of an anticipated debt financing, which the Company expects to close by March 20, 2018.

The following table summarizes certain material terms for the Tender Offers:

Title of Notes	CUSIP/ISIN Numbers	Aggregate Principal Amount Outstanding	Acceptance Priority Level	Acceptance Sublimit	Dollars per \$1,000 Principal Amount of Notes		
					Tender Offer Consideration (1)	Early Tender Premium	Total Consideration (1)(2)
8.875% Senior Notes due 2020	<b>Rule 144A:</b> 35906-AAR-9 <b>Reg S:</b> U3144-QAE-0 <b>Registered:</b> 35906-AAT-5	\$303,641,000	1	None	\$980.00	\$50.00	\$1,030.00
6.250% Senior Notes due 2021	35906A-AP-3	\$775,000,000	2	None	\$850.00	\$50.00	\$900.00
9.250% Senior Notes due 2021	35906A-AL-2	\$489,650,000	3	None	\$930.00	\$50.00	\$980.00
8.500% Senior Notes due 2020	35906A-AH-1	\$618,711,000	4	None	\$970.00	\$50.00	\$1,020.00
8.750% Senior Notes due 2022	<b>Rule 144A:</b> 35906A-AJ-7 <b>Registered:</b> 35906A-AK-4	\$500,000,000	5	None	\$760.00	\$50.00	\$810.00
10.500% Senior Notes due 2022	<b>Rule 144A:</b> 35906A-AU-2 <b>Reg S:</b> U3144Q-AF-7 <b>Registered:</b> 35906A-AW-8	\$2,187,537,000	6	\$200,000,000	\$820.00	\$50.00	\$870.00
7.125% Senior Notes due 2023	35906A-AM-0	\$850,000,000	7	\$100,000,000	\$610.00	\$50.00	\$660.00

(1) Excludes accrued and unpaid interest, which also will be paid.

(2) Includes the Early Tender Premium.

Each of the Tender Offers will expire at 11:59 P.M., New York City time, on April 2, 2018, unless extended (such date and time, as it may be extended, the "Expiration Date") or earlier terminated by the Company in accordance with the terms of the Offer to Purchase. No tenders submitted after the

Expiration Date will be valid.

Tendered Notes may be validly withdrawn from the applicable Tender Offer at or prior to, but not after, 5:00 p.m., New York City time, on March 19, 2018 (such date and time, as it may be extended, the "Withdrawal Deadline"), unless otherwise required by law. Holders who tender their Notes after the Withdrawal Deadline, but prior to the Expiration Date, may not withdraw their tendered Notes unless withdrawal rights are required to be extended pursuant to applicable law.

Subject to the terms and conditions of the Tender Offers, holders who validly tender, and do not validly withdraw, their Notes at or prior to 5:00 P.M., New York City time, on March 19, 2018 (such date and time, as it may be extended, the "Early Tender Date"), and whose Notes are accepted for purchase, will receive the applicable total consideration set forth in the table above for each \$1,000 principal amount of Notes purchased pursuant to the Tender Offers (the "Total Consideration"), which includes the early tender premium set forth in the table above per \$1,000 principal amount of Notes (the "Early Tender Premium"). Subject to the terms and conditions of the Tender Offers, holders who validly tender their Notes after the Early Tender Date and at or prior to 11:59 P.M., New York City time, on the Expiration Date, and whose Notes are accepted for purchase, will receive only the applicable tender offer consideration amount set forth in the table above for each \$1,000 principal amount of Notes purchased pursuant to the Tender Offers (the "Tender Offer Consideration"), which is equal to the applicable Total Consideration minus the Early Tender Premium. In addition to the applicable Total Consideration or the Tender Offer Consideration, as the case may be, all holders of Notes accepted for purchase pursuant to the Tender Offers will also receive on the Early Settlement Date (as defined below) or the Final Settlement Date (as defined below), as applicable, accrued and unpaid interest on their Notes purchased from the applicable last interest payment date with respect to such Notes up to, but not including, the Early Settlement Date or the Final Settlement Date, as applicable.

The Notes accepted for purchase will be accepted in accordance with their Acceptance Priority Levels set forth in the table above (with 1 being the highest Acceptance Priority Level), provided that (a) the Company will only accept for purchase Notes of any and all series up to an amount such that the aggregate amount of Total Consideration and/or Tender Offer Consideration, as the case may be, paid by the Company pursuant to the Tender Offers will not exceed the Aggregate Purchase Price, (b) the Company will not purchase an aggregate principal amount of Notes of any series in excess of the Acceptance Sublimit applicable to such series, if any, as set forth in the table above, and (c) Notes tendered and not validly withdrawn at or prior to the Early Tender Date will be accepted for purchase in priority to Notes tendered after the Early Tender Date and at or prior to the Expiration Date. The Company reserves the right, but is under no obligation, to increase the Aggregate Purchase Price and/or any or all of the Acceptance Sublimits or to otherwise alter the terms of any Tender Offer at any time, subject to compliance with applicable law, which could result in the Company purchasing a greater aggregate principal amount of any or all series of Notes in the Tender Offers.

Subject to the terms and conditions of the Tender Offers, the Company expects to accept for purchase and purchase, subject to the Aggregate Purchase Price, any Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date on the early settlement date (the "Early Settlement Date"), which is currently expected to occur on March 20, 2018. To the extent that the Tender Offers are not fully subscribed at the Early Tender Date, the Company expects to purchase any remaining Notes that have been validly tendered after the Early Tender Date and at or prior to the Expiration Date and that the Company accepts for purchase in accordance with the terms and conditions of the Tender Offers, promptly following the Expiration Date (the "Final Settlement Date"), which is expected to occur on April 3, 2018. Notes accepted on any Early Settlement Date or the Final Settlement Date will be accepted subject to the Aggregate Purchase Price, the Acceptance Priority Levels, the Acceptance Sublimits and proration, each as described in the Offer to Purchase.

The Tender Offers are subject to the satisfaction or waiver of certain conditions to the Tender Offers set forth in the Offer to Purchase. The Tender Offers are not conditioned upon a minimum principal amount of Notes being tendered.

In conjunction with the Tender Offers, the Company is soliciting (the "Consent Solicitation") from holders of the 8.875% Notes consents to proposed amendments ("Proposed Amendments") to the indenture governing the 8.875% Notes (the "8.875% Notes Indenture"), which would eliminate substantially all restrictive covenants, certain events of default and certain other provisions contained in the 8.875% Notes Indenture. The adoption of the Proposed Amendments requires the consent of the holders of at least a majority of the outstanding principal amount of 8.875% Notes (the "Requisite Consents"). Each tendering holder of 8.875% Notes will be deemed to have consented to the Proposed Amendments. If the Company receives the Requisite Consents, it will execute a supplemental indenture to the 8.875% Notes Indenture (the "Supplemental Indenture"). The Supplemental Indenture will become effective upon execution thereof by us and The Bank of New York Mellon Trust Company, N. A., the trustee for the (the "Trustee"), but will provide that the Proposed Amendments will not become operative until we purchase in the Tender Offers at least a majority in principal amount of the outstanding 8.875% Notes. If the Tender Offer for the 8.875% Notes is terminated or withdrawn, the 8.875% Notes Indenture will remain in effect in its present form.

Full details of the terms and conditions of the Tender Offers and the Consent Solicitation are described in the Offer to Purchase and related Letter of Transmittal, which are being sent by the Company to holders of the Notes. Holders of the Notes are encouraged to read these documents, as they contain important information regarding the Tender Offers and the Consent Solicitation.

The Company has retained J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC and Goldman Sachs & Co. LLC to act as the Dealer Managers for the Tender Offers and Solicitation Agents for the Consent Solicitation and Ipreo LLC as the Tender Agent and Information Agent for the Tender Offers and the Consent Solicitation. Questions regarding the Tender Offers and the Consent Solicitation may be directed to J.P. Morgan Securities LLC at (866) 834-4666 (toll-free) or (212) 834-3260 (collect); Credit Suisse Securities (USA) LLC at (800) 820-1653 (toll-free) or (212) 538-1862 (collect); Goldman Sachs & Co. LLC at (800) 828-3182 (toll-free) or (212) 357-1452 (collect); or Ipreo LLC at (212) 849-3880 (collect), (888) 593-9546 (toll-free) or email [tenderoffer@ipreo.com](mailto:tenderoffer@ipreo.com). Requests for additional copies of this Offer to Purchase or the Letter of Transmittal should be directed to the Information Agent at the phone number above.

None of the Company, its subsidiaries, its board of directors, its employees, the Dealer Managers, the Solicitation Agents, the Tender Agent and Information Agent or the Trustee with respect to the Notes is making any recommendation as to whether holders should tender any Notes in response to the Tender Offers or deliver consents in the Consent Solicitation. Holders must make their own decisions as to whether to participate in the Tender Offers and the Consent Solicitation, and, if so, the principal amount of Notes to tender and consent with respect thereto.

The Tender Offers and the Consent Solicitation are only being made pursuant to the Offer to Purchase and the related Letter of Transmittal. This press release is neither an offer to purchase nor a solicitation of an offer to sell any Notes in the Tender Offers, and is not a solicitation of consents to the Proposed Amendments. The Tender Offers and the Consent Solicitation are not being made to, nor will Notes be accepted for purchase from or on behalf of, holders of Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws of

such jurisdiction. In any jurisdiction in which the Tender Offers are required to be made by a licensed broker or dealer, the Tender Offers will be deemed to be made on behalf of the Company by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

The Company reserves the right, subject to applicable law, with respect to any or all of the Tender Offers and/or the Consent Solicitation to (a) extend the Early Tender Date, Withdrawal Deadline or Expiration Date to a later date and time as announced by the Company; (b) increase the Aggregate Purchase Price, (c) increase all or any of the Acceptance Sublimits; (d) waive in whole or in part any or all conditions to the Tender Offers; (e) delay the acceptance for purchase of any Notes or delay the purchase of any Notes; or (f) otherwise modify or terminate any Tender Offer with respect to one or more series of Notes and/or the Consent Solicitation.

This press release shall not constitute an offer to sell, or the solicitation of any offer to buy, any securities, nor shall there be any sales of securities mentioned in this press release in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **About Frontier Communications**

Frontier Communications Corporation (NASDAQ: FTR) is a leader in providing communications services to urban, suburban, and rural communities in 29 states. Frontier offers a variety of services to residential customers over its fiber-optic and copper networks, including video, high-speed internet, advanced voice, and Frontier Secure<sup>®</sup> digital protection solutions. Frontier Business offers communications solutions to small, medium, and enterprise businesses.

### **Forward-Looking Statements**

This document contains "forward-looking statements," related to future, not past, events. Forward-looking statements address our expected future business and financial performance and financial condition, and contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," or "target." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These risks and uncertainties include, but are not limited to: the success of the debt financing; the success of the Tender Offers and the Consent Solicitation, including the willingness of noteholders to tender their notes at the price and on the terms and conditions proposed by Frontier in the Offer to Purchase and Consent Solicitation and their willingness to deliver consents in the Consent Solicitation; and the other factors that are described in our filings with the U.S. Securities and Exchange Commission, including our reports on Forms 10-K and 10-Q. These risks and uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update or revise these forward-looking statements.

View source version on businesswire.com: <http://www.businesswire.com/news/home/20180306006732/en/>

Source: Frontier Communications

Frontier Communications Corporation

#### **Investors:**

Luke Szymczak, 203-614-5044  
Vice President, Investor Relations  
[luke.szymczak@ftr.com](mailto:luke.szymczak@ftr.com)

or

#### **Media:**

Brigid Smith, 203-614-5042  
AVP, Corp. Comm.  
[brigid.smith@ftr.com](mailto:brigid.smith@ftr.com)