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Electric Lightwave to Operate as a Standalone Fiber-Based Network Services Company

Vancouver, Wash. – Aug. 4, 2016 – Integra Telecom Holdings, Inc. announced today that it is splitting into two stand-alone businesses, Electric Lightwave and Integra. This separation establishes Electric Lightwave as a pure-play, fiber-based network services company and accelerates its strategy to focus investment and resources to leverage its unique and expansive network assets. Electric Lightwave is the largest regional fiber-based provider in the western United States, serving more than 5,400 large enterprise customers, wholesale carriers, web content providers, government organizations and educational institutions. Its broad fiber footprint includes more than 8,000 miles of long-haul fiber, connecting 23 fiber markets in which it has over 4,000 miles of metro fiber, serving over 3,000 commercial buildings, 125 cellular towers and 100 data centers.

“To further align with our commitment to providing the most robust fiber-based services in the western U.S., Electric Lightwave will operate as an independent business with a singular focus,” said Marc Willency, CEO. “We are highly motivated to aggressively invest in and expand our network, and we are dedicated to providing our fiber-enabled customers with highly differentiated solutions that blend diverse and secure network routes, built-in reliability and unparalleled support.”

The separation creates dedicated personnel, customers and infrastructure for Electric Lightwave and Integra, and each business will have separate operating and financial metrics going forward. In July 2016, Electric Lightwave’s ARPU was approximately \$4,750 and Electric Lightwave generated annualized pro forma revenues and Adjusted EBITDA of \$429 million and \$134 million, respectively, in the six-months ended June 30, 2016. In a further reflection of this strategic focus and relative financial contributions of each business, the corporate entity which owns the Electric Lightwave and Integra operating entities will be renamed Electric Lightwave.

“The underlying operating model, employee capabilities, financial profile, and capital requirements in the fiber infrastructure business are increasingly different from those necessary in today’s market for SME-focused communications services providers,” said Jesse Selnick, CFO. “Through operational and financial separation, we are focusing our capital investments and aligning human resources toward the attractive growth opportunities at Electric Lightwave, including the continued investment in high-return, success-based capital projects.”

Integra will maintain competitive and incumbent operations in Minnesota, North Dakota and Colorado, as well as manage all small business customers throughout all Electric Lightwave markets. Integra will be led by Brady Adams, senior vice president and general manager of Integra and who previously served as CEO of opticAccess (acquired in October 2015). Following the split, approximately 17% of combined employees

will be day-to-day employees of the Integra business, and leverage certain centralized Electric Lightwave corporate functions (e.g., finance/accounting, legal, HR, technology) through intracompany services arrangements.

The Bank Street Group LLC served as the exclusive financial advisor to the Company in connection with the separation.

A detailed presentation on Electric Lightwave, Integra and the separation transaction discussed herein is available [here](#) and an FAQ is provided for customers, partners and other interested parties [here](#).

Electric Lightwave Announces Changes to Board of Directors

- Bob Guth has been named Executive Chairman
- Paul Sunu, will serve as Vice Chairman of the Board as well as Chairman of the Audit Committee
- Jesse Selnick, CFO, has been elected to the Board

Guth joined the Company's board of directors in 2009 and has extensive leadership experience in networking and telecommunications, including positions with Integra, Level 3 Communications, TelCove, and Lumos Networks. From September 2014 through August 2015, Guth served as Interim President and CEO of Integra. During this period, Guth was instrumental in architecting the go-to-market strategies which accelerated the growth of Electric Lightwave and enabled it to build the scale to operate as a standalone business. As Executive Chairman, Guth will focus on areas where execution will have an outsized impact on the Company's overall strategic success.

"I'm very pleased to have the opportunity to more directly support Marc, Jesse and the rest of the team as we continue to build the preeminent fiber-based services provider in the western United States," said Bob Guth. "Electric Lightwave is in a unique position to capitalize on favorable market dynamics and I'm confident that these strategic steps we're announcing today will allow us to increase our already significant momentum."

Paul Sunu said, "This is an exciting time for the company. These organizational and operational changes create better alignment within Electric Lightwave and pave the way to building the preeminent fiber-based communications provider in the western United States. I believe Bob's direct involvement will only serve to enhance this talented management team."

About Electric Lightwave

Electric Lightwave is the largest regional fiber-based network services provider in the western United States. The company provides critical data networking solutions, unified communications platforms, and cloud and security services to enterprises, governments and wholesale carriers. Headquartered in Vancouver, Washington, Electric Lightwave offers a fiber optic network that includes more than 8,000 miles of long haul fiber, 4,000 miles of metro fiber and high bandwidth access with up to 200 Gbps connections. For more information, visit www.electricleightwave.com.

Forward Looking Statements

This press release includes projections and forward looking statements. These projections and forward looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance and achievements, or industry results, to be materially different from any future results, outcomes, performance or achievements expressed or implied by such forward looking statements. Undue reliance should not be placed on any projections or forward looking statements. Projections and forward looking statements should not be regarded as a representation by the Company that the projections or forward looking statements will be achieved. All projections and forward looking statements are based on information available as of the date of this press release and are based on a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company. Information relating to the split of the Company into two stand alone businesses is presented for illustrative purposes only and does not purport to be indicative of what the Company's actual financial condition or results of operation will be upon effectiveness of such split. The Company undertakes no obligation to publicly update or revise any projections or forward looking statement, whether as a result of new information, future events or otherwise.

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