



LUMOS NETWORKS ANNOUNCES CLOSING OF CLARITY COMMUNICATIONS ACQUISITION

Monday, January 23, 2017

Lumos Networks Corp. ("Lumos Networks") (NASDAQ: LMOS), a leading fiber-based service provider in the mid-Atlantic region announced it recently completed the closing of its acquisition of Clarity Communications Group ("Clarity"), in line with prior guidance of a first quarter of 2017 closing. Clarity operates a 730 mile fiber network with 75 on-net locations with the vast majority of its operations in the state of North Carolina.

Timothy G. Biltz, CEO of Lumos Networks, said, "I am excited to announce the closing of our acquisition of Clarity Communications and we are thrilled to welcome the founders of Clarity, Todd Peverall and Andy Carwile and the rest of the Clarity team onto the Lumos fiber platform. We look forward to a productive year as an integrated unit in 2017 as we leverage their military sales channel expertise and pursue opportunities in North Carolina, which is now our 26th Enterprise Market."

"Given the favorable metrics of this transaction, including the imputed adjusted EBITDA multiple, we view the Clarity acquisition as we would an organic transaction requiring upfront capital spending to produce sustainable high-quality fiber revenue," Mr. Biltz noted. "However, the fiber EBITDA derived from the Clarity transaction bolstered our financials immediately upon closing rather than having to complete a fiber build that could take many months to complete. Simply put, Clarity is already a contributing factor in Lumos achieving the necessary scale needed to become a pure play fiber bandwidth infrastructure company."

Mr. Biltz continued, "Further, I am happy to report that our sales teams have already begun to cross-sell Clarity's extensive expertise into the military channel across our entire footprint of more than 9,200 fiber route miles. We believe there are 409 military installations in the existing Lumos Networks footprint and estimate that the total military networking addressable market is \$44 million. Further, we estimate non-military data networking spend near Clarity's network is \$88 million."

"This transaction gives us an instant foothold within the Carrier and Enterprise verticals in many high growth North Carolina markets and gives us a new sales channel into various government end markets, including military installations and e-rate," finished Mr. Biltz.

Bank Street Group LLC served as exclusive financial advisor to Clarity Communications in connection with this transaction.

About Lumos Networks

Lumos Networks is a leading fiber-based service provider in the Mid-Atlantic region serving Carrier, Enterprise and Data Center customers, offering end-to-end connectivity in 24 markets in Virginia, Pennsylvania, West Virginia, Maryland, Ohio and Kentucky. With a fiber network of

9,204 fiber route miles and 475,507 total fiber strand miles, Lumos Networks connects 1,297 unique Fiber to the Cell sites, 1,642 total FTTC connections, 36 data centers, including 7 company owned co-location facilities, 1,984 on-net buildings and approximately 3,300 total on-net locations. In 2015, Lumos Networks generated over \$114 million in Data revenue over our fiber network.

Detailed information about Lumos Networks is available at www.lumosnetworks.com.