



Frontier[™]
COMMUNICATIONS

First Day Hearing

April 16, 2020



Headlines

- Immense Scope
 - Operations
 - Employees
 - Capital Structure
- Prearranged Plan of Reorganization
 - Restructuring Support Agreement
 - (Un)impairment
 - DIP/Exit Financing

I. Company Overview: Leadership Team



Bernard L. Han, Director, President & Chief Executive Officer

- Appointed CEO in December 2019.
- Previously an advisor to Frontier, beginning in October 2019.
- Over 30 years' experience and significant operational and financial expertise, including 11 years in the telecommunications industry at DISH Network, where he served as Chief Financial Officer, Chief Operating Officer, and Executive Vice President.



Robert A. Schriesheim, Director, Chairman of Finance Committee

- Appointed director and chairman of the Finance Committee in December 2018.
- Chairman of Truax Partners LLC, partnering and advising boards and institutional investors while serving as a director of public and private companies undergoing strategic and financial transformations, with significant experience in the information services, software, and communications sectors.
- Served as director on 11 public company boards and as Chief Financial Officer of four public companies.



Mark D. Nielsen, Executive Vice President, Chief Transaction Officer & Chief Legal Officer

- Joined Frontier in March 2014.
- In 2019, role was expanded to include position of Chief Transaction Officer.
- Over 29 years' experience providing legal counsel, in private practice and as chief legal counsel and chief of staff to the Governor of Massachusetts (2003-2007).



Carlin Adrianopoli, Executive Vice President of Strategic Planning

- In his role as Senior Managing Director of FTI, has served as lead restructuring advisor to Frontier since June 2019.
- Over 20 years of experience serving as financial advisor and providing interim management and performance improvement services to corporations and directors of distressed companies.

I. Company Overview: Brief History

- In 1935, Frontier Communications Corporation's predecessor, Citizens Utilities Company, formed as a utility conglomerate.
- While the telephone business was a small part of the Company's operations for most of the 20th century, the breakup of the Bell Telephone system in 1982 and successful acquisitions throughout the 1990s and early 2000s led to an increased focus on telecommunications.
- In 2008, the Company rebranded as Frontier Communications Corporation, focusing exclusively on the telecommunications sector.
- From 2010 to 2016, through a series of acquisitions from Verizon and AT&T, Frontier expanded its operations four-fold.
- Today, Frontier is a publicly traded company, a leading national provider of telecommunications services in 29 states, and is the country's fourth largest incumbent local exchange carrier (or "ILEC").



I. Company Overview: Core Products

- As a diversified telecommunications company, Frontier provides a broad portfolio of communications services within its residential and commercial segments, which includes business and wholesale.
 - **Residential and commercial** customers include single homes, multi-dwelling units, and small to enterprise-level businesses. The Company's key products and services include data and internet, video, voice, access, managed IT solution, hardware resale, and a broad range of complex communications services across their customer base. Frontier connects to households and business locations in its service territories using a combination of fiber optic, copper, and wireless technologies.
 - **Wholesale** commercial serves carrier customers from the largest national operators (*i.e.*, Verizon, AT&T, etc.) to mid-market managed service providers, as well as hyperscalers (*i.e.*, Google, Netflix, etc.). The carriers buy both voice and data services to augment their own network infrastructure.

I. Company Overview: Revenues

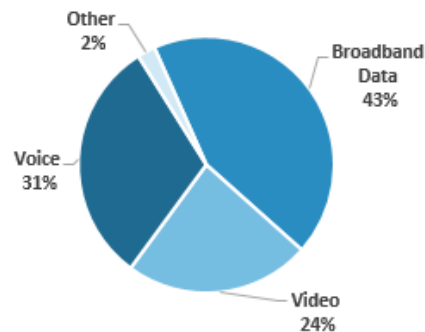


2019 Revenue

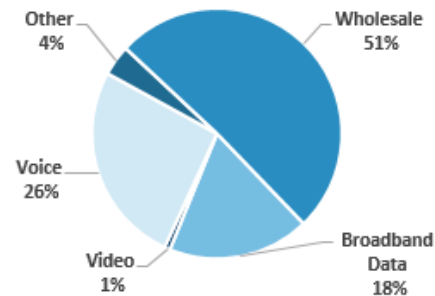
- ~\$8.10 billion Total Revenue
 - ~\$4.15 billion residential revenue
 - ~\$3.59 billion commercial revenue

2019 Revenue Breakdown

Residential Revenue by Product



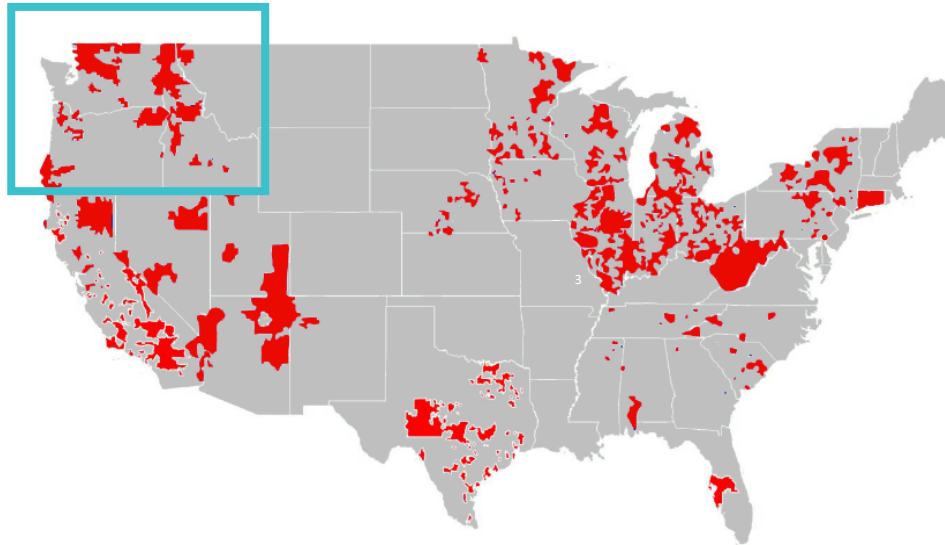
Commercial Revenue by Product



I. Company Overview: Footprint

Operations

Divestiture Markets



Summary

- 29 states
- 18,000 miles of network fiber
- 6,000 cell towers
- 4.1 million customers
- 17,700 employees
- 12,400 unionized employees

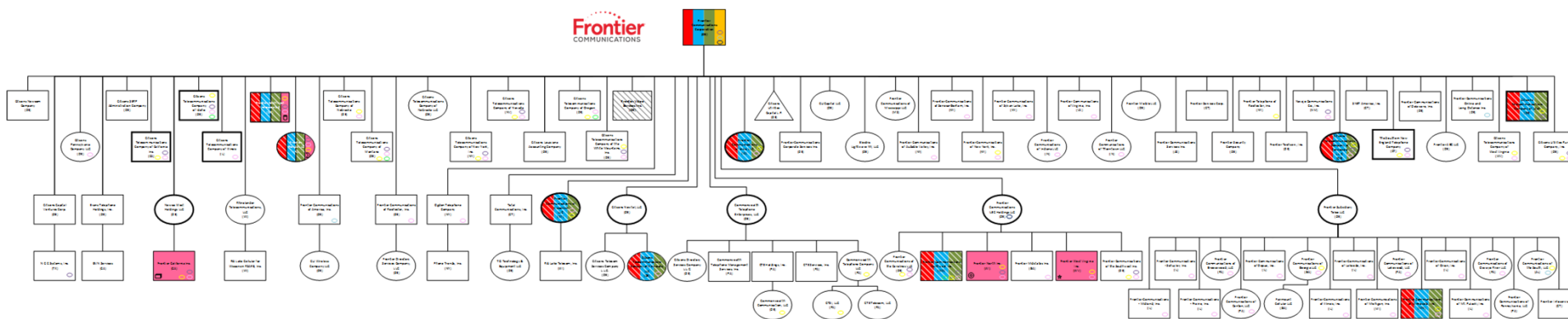


I. Company Overview: COVID-19 Update

- Employees' health
- Employees' safety
 - Screening processes
 - Enhanced equipment & protocols
 - Working from home
- Business impact—to come

I. Company Overview: Corporate Structure

- Frontier and its 103 direct and indirect subsidiaries have filed petitions in these chapter 11 cases.

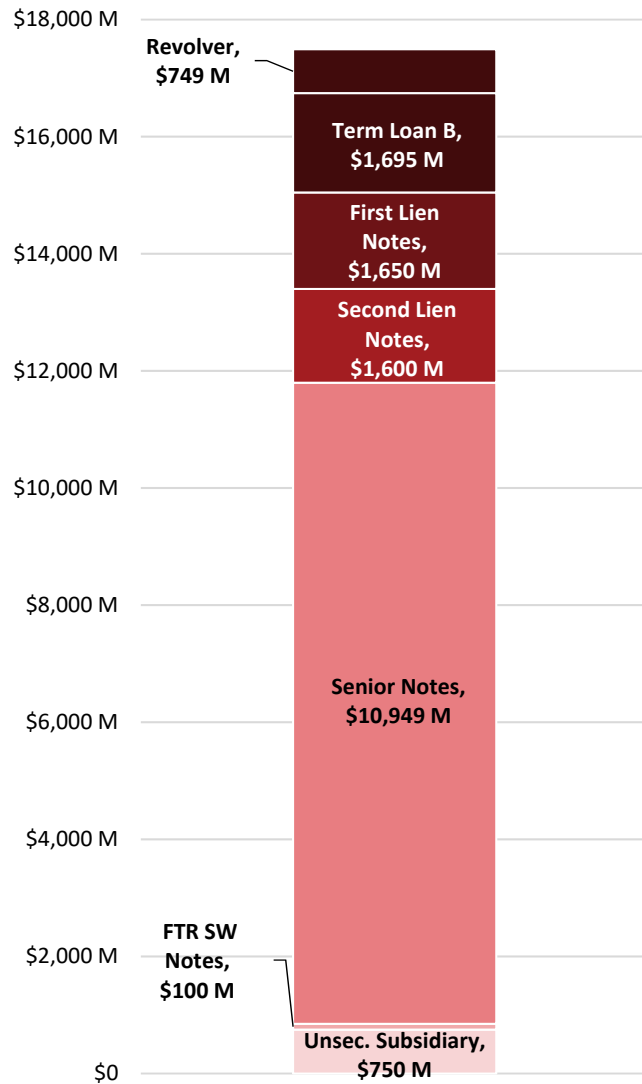


Key

Legal Entity Type	Parent Level Indebtedness	Project Level Indebtedness
Company, Corp., Inc.	Revolver / Term Loan Borrower	Project Level Debt Issuer
LLC.	Revolver / Term Loan Guarantor	Issuer – 8.5% Notes due 2031 (Verizon Secured Debt)
LP, Other Entities	Revolver / Term Loan / First Lien Notes / Second Lien Notes Guarantor	Issuer – 8.4% Notes due 2029 (Frontier West Virginia)
Regulatory Approvals	First Lien Notes Issuer	Issuer – 6.75% Notes due 2027 (Verizon Unsecured Debt)
FCC License Holder	First Lien Notes Guarantor	Issuer – 6.86% Notes due 2028 (Verizon Unsecured Debt)
PUC License Holder (ILEC)	Second Lien Notes Issuer	Issuer – 6.73% Notes due 2028 (Frontier North)
PUC Certification Holder (Long Distance)	Second Lien Notes Guarantor	Unencumbered Entity
PNW Purchase Agreement – Equity Transfer	Unsecured Notes Issuer	
PNW Purchase Agreement Signatory	Pledged Entity Under the Revolver, Term Loan, First Lien Notes, and Second Lien Notes	
Labor Agreements	Specified Subsidiaries	
CBA Party		

* The equity ownership of each entity is 100% held by its immediate parent, except for CU Wireless Company LLC, which is 99% owned by Frontier and 1% owned by Frontier Communications of America.

I. Company Overview: Capital Structure



Facility	Maturity	Amount Outstanding
Frontier – First Lien Debt Obligations¹		
Revolver	02/27/2024	\$749 million
Term Loan B	06/15/2024	\$1,695 million
First Lien Notes	04/01/2027	\$1,650 million
Frontier – Second Lien Debt Obligations		
Second Lien Notes	04/01/2026	\$1,600 million
Frontier - Total Secured Obligations		\$5,708 million
Frontier – Unsecured Obligations		
Senior Notes	Varying (2020 – 2046)	\$10,949 million
Frontier – Total Funded Debt		\$16,657 million
Subsidiary – Secured Obligations²		
FTR SW Notes ³	11/15/2031	\$100 million
Subsidiary – Unsecured Obligations		
Notes	Varying (2027– 2029)	\$750 million
Subsidiary – Total Funded Debt		\$856 million
Debtors – Aggregate Total Funded Debt		\$17,513 million

¹ Frontier has \$14 million in Industrial Development Revenue Bonds as well.

² Frontier has \$6 million of Rural Utilities Service loan contracts at the subsidiary level.

³ The FTR SW Notes are secured by a first priority lien on all assets of FTR SW. As such, the collateral package is different relative to Frontier’s secured indebtedness (which contains equity pledges of certain subsidiaries as opposed to liens on their assets).

II. Stakeholders

Group	Description	Representatives
DIP Agent (Goldman Sachs)	Proposed DIP Facility	Davis Polk
JPM (as First Lien Revolver Agent)	First Lien RCF	Simpson Thacher
First Lien Lender Group	Holdings consists of amounts in First Lien Term Loan and First Lien Notes	Paul Weiss and PJT Partners
Unsecured CTF Noteholder Group	Unsecured Noteholder Groups hold approximately 80% aggregate of the Senior Notes, of which over 75% aggregate executed the RSA	Akin Gump and Ducera Partners
Unsecured Legacy Noteholder Group		Milbank and Houlihan Lokey
Subsidiary Noteholder Group	Holdings consist of amounts in Subsidiary secured and unsecured Notes	King & Spalding, Shearman & Sterling, and Rothschild

III. Events Leading to Chapter 11



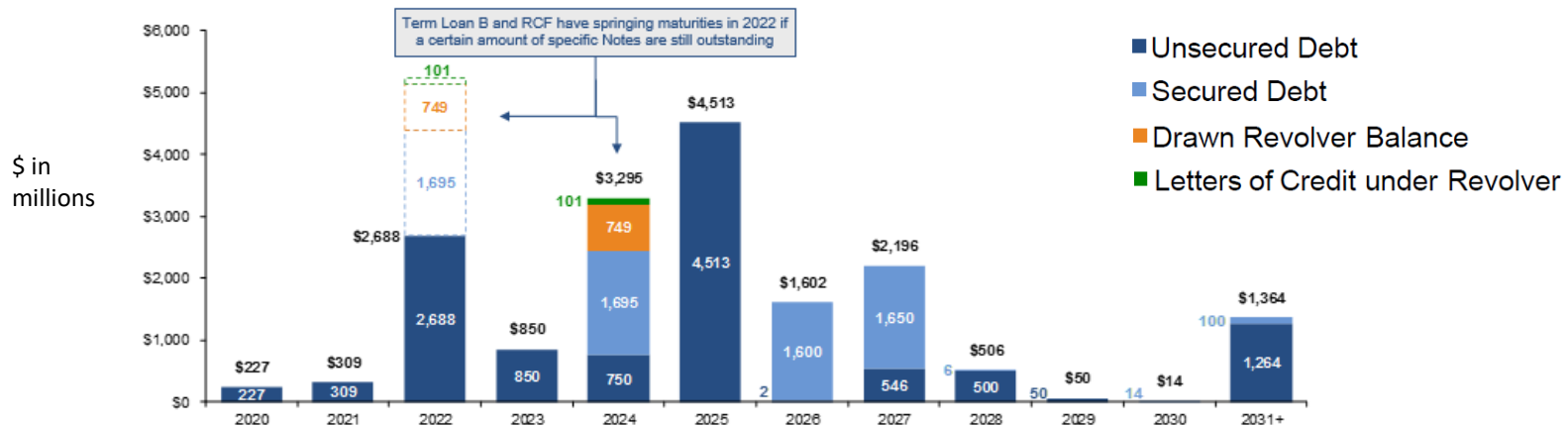
Growth Transactions Overleveraged the Capital Structure

- The Company made three acquisitions between 2010 and 2016, transforming from a provider of telephone and DSL internet services in mainly rural areas to a large, national telecommunications provider in rural, urban and suburban markets.
- The largest and most recent transaction was the 2016 acquisition of Verizon's broadband and landline operations in California, Texas, and Florida for \$10.54 billion (the "CTF Transaction"), financed in part through the issuance of \$6.6 billion in senior notes.
- Serving the new territories proved more difficult and expensive than the Company estimated, resulting in outages, delayed responses to customers, and other integration issues that made it difficult to retain customers. Simultaneously, the Company faced industry headwinds stemming from fierce competition in the telecommunications sector, shifting consumer preferences, and accelerated bandwidth and performance demands given an industry shift from copper to fiber.
- As a result, Frontier has not realized the economies of scale expected from the growth transactions, as evidenced by a loss of customers, from a high of 5.4 million after the CTF Transaction closed in 2016 to approximately 4.1 million as of December 31, 2019.

III. Events Leading to Chapter 11

- In December 2018, the Company formed the Finance Committee, chaired by a new director, Rob Schriesheim, to assist in developing a granular business plan and identifying other transaction-related workstreams.
- Throughout 2019, Frontier pursued liability management options that extended certain debt maturities.
- It nonetheless became apparent these efforts would not deleverage Frontier sufficiently to permit it to reaccess the capital markets, rightsize its capital structure, and/or adequately reinvest in the business to sustain or grow business performance.

Upcoming Maturity Walls



III. Events Leading to Chapter 11



Restructuring Support Agreement: Negotiation Timeline

- **September 2019:** Frontier proactively organized Unsecured CTF and Legacy Noteholder Groups.
- **December 2019:** Company put forth an initial term sheet to Unsecured Noteholder Groups, providing the framework for a comprehensive restructuring.
- **January 2020:** Unsecured Noteholder Groups signed NDAs for restricted discussions regarding potential transactions.
- **February/March 2020:** The parties exchanged several term sheets and negotiated at extraordinary length.
- **Late March 2020:** The NDAs expired and the Company cleansed certain confidential material to the public. The Company continued to engage in discussions with the Unsecured Noteholder Groups' advisors after the blowout.
- **April 2020:** On April 14, 2020, after extensive, arm's-length negotiations over several months, the parties executed the RSA with the Unsecured Noteholder Groups, designed to maximize stakeholder recoveries, allow operational continuity, and enhance a viable enterprise upon emergence.

IV. Prearranged Plan



Restructuring Support Agreement—Proposed Secured Creditor Treatment

Stakeholder	Proposed Treatment
First Lien Revolver	▪ Paid in full during chapter 11 cases or upon effective date
First Lien Term Loan	▪ Paid in full during chapter 11 cases or upon effective date—or reinstated
First Lien Notes	▪ Paid in full during chapter 11 cases or upon effective date—or reinstated
Second Lien Notes	▪ Paid in full during chapter 11 cases or upon effective date—or reinstated
Secured Subsidiary Debt	▪ Reinstated

IV. Prearranged Plan



Restructuring Support Agreement—Proposed Unsecured Creditor Treatment

Stakeholder	Proposed Treatment
Senior Notes	<ul style="list-style-type: none">100% of common equity, subject to the MIP\$750 million of takeback debt (subject to downward adjustment)Any surplus cash remaining after incremental payments
Unsecured Subsidiary Notes	<ul style="list-style-type: none">Reinstated
Trade & Other General Unsecured Claims	<ul style="list-style-type: none">Unimpaired
Equity	<ul style="list-style-type: none">No Recovery

Proposed DIP Facility

- For approval on final basis at the second day hearing, a \$460 million DIP Facility that shall roll into an exit facility at emergence, subject to satisfaction of certain conditions.

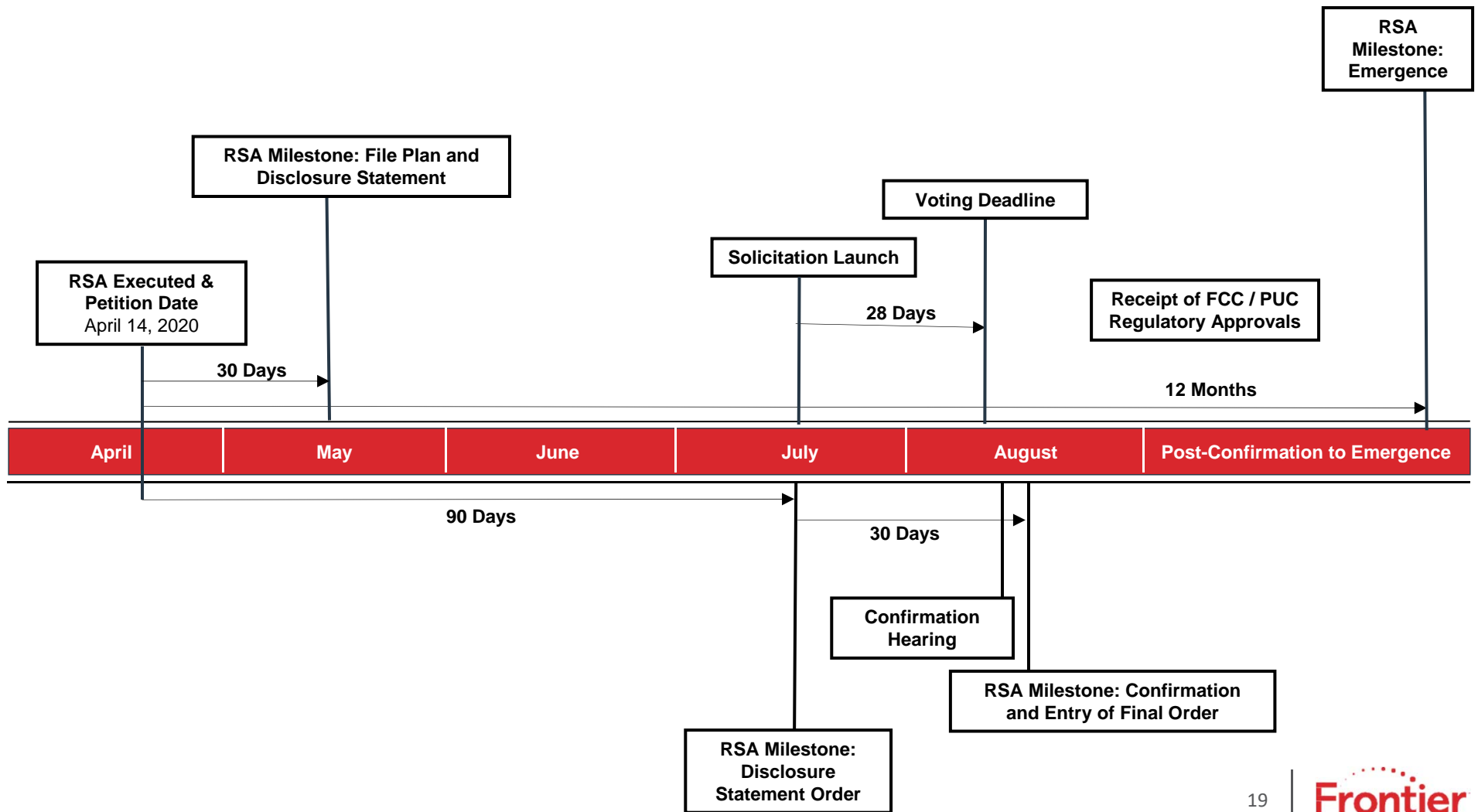
V. Path Forward—RSA Key Benefits

- ✓ Eliminate over \$10 billion in funded debt obligations
- ✓ Close the Pacific Northwest asset sale during the pendency of the chapter cases
- ✓ Avoid potentially value-destructive litigation between creditors
- ✓ Ensure a go-forward business that will allow Frontier to make capital expenditures to reinvest in business
- ✓ Leave trade and other general unsecured claims unimpaired
- ✓ Preserve business, jobs, vendor, and customer relationships
- ✓ Emerge from chapter 11 on an expedited basis, pending requisite regulatory approvals

V. Path Forward—Regulatory Approvals

- As a telecommunications provider, the Company's operations are subject to federal, state, and local regulation, each of which require authorizations for the Company's regulated service offerings.
 - **Federal:** Federal Communications Commission approval will be required to assign various interstate, long distance, and wireless licenses to the Reorganized Debtors.
 - **State:** Twenty states in which Frontier operates also likely require approval by respective Public Utilities Commissions, which exercise jurisdiction over intrastate telecommunications services and the facilities used to provide, originate, or terminate those services.
- The Debtors have prepared for and are ready to start immediately on these approval processes.

V. Path Forward: RSA Milestones



VI. Proposed Agenda for First Day Hearing

- Joint Administration
- Adequate Protection/DIP Motion
- Motion to Shorten Time

- Cash Management
- Critical Vendors
- Content Motion

- Case Management
- Claims and Noticing Agent
- Insurance
- Interim Compensation
- Schedules and Statements Extension
- Creditor Matrix
- Taxes
- Customer Programs
- Wages
- NOL Motion
- Utilities