

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2011 or fiscal plan year beginning <u>10/01/2011</u> and ending <u>06/30/2012</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☒ the first return/report;	☐ the final return/report;	
	☒ an amended return/report;	☒ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>LUMOS NETWORKS RETIREMENT PLAN</u>		1b Three-digit plan number (PN) ▶	<u>001</u>
		1c Effective date of plan	<u>10/01/2011</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>LUMOS NETWORKS OPERATING COMPANY</u> <u>ONE LUMOS PLAZA</u> <u>WAYNESBORO, VA 22980</u>		2b Employer Identification Number (EIN) <u>90-0673286</u>	
		2c Sponsor's telephone number <u>540-946-2000</u>	
		2d Business code (see instructions) <u>517000</u>	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	04/12/2013	JOSEPH LEIGH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	04/12/2013	JOSEPH LEIGH
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") LUMOS NETWORKS OPERATING COMPANY ONE LUMOS PLAZA WAYNESBORO, VA 22980	3b Administrator's EIN 90-0673286 3c Administrator's telephone number 540-946-2000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	516
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	250
b Retired or separated participants receiving benefits.....	6b	156
c Other retired or separated participants entitled to future benefits.....	6c	97
d Subtotal. Add lines 6a , 6b , and 6c	6d	503
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	17
f Total. Add lines 6d and 6e	6f	520
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☒ 1 **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2011 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning **10/01/2011** and ending **06/30/2012**

A Name of plan LUMOS NETWORKS RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 LUMOS NETWORKS OPERATING COMPANY	D Employer Identification Number (EIN) 90-0673286	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
NEW YORK LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
13-5582869	66915	GA36007	520	03/15/2012	12/31/2012

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 1508377**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☒ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 0**c** Additions: (1) Contributions deposited during the year **7c(1)** 1610465(2) Dividends and credits **7c(2)** 0(3) Interest credited during the year **7c(3)** 16795(4) Transferred from separate account **7c(4)** 0(5) Other (specify below) **7c(5)** 0(6) Total additions **7c(6)** 1627260**d** Total of balance and additions (add **b** and **c(6)**). **7d** 1627260**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 115982(2) Administration charge made by carrier **7e(2)** 2901(3) Transferred to separate account **7e(3)** 0(4) Other (specify below) **7e(4)** 0(5) Total deductions **7e(5)** 118883**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 1508377

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110 2011 This Form is Open to Public Inspection</div>
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For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 06/30/2012

Round off amounts to nearest dollar.
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan LUMOS NETWORKS RETIREMENT PLAN		B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LUMOS NETWORKS OPERATING COMPANY		D Employer Identification Number (EIN) 90-0673286	

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B

F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 10 Day 01 Year 2011

2 Assets:

a Market value	2a	50381444
b Actuarial value	2b	50381444

3 Funding target/participant count breakdown:

	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 171	27162918
b For terminated vested participants	3b 92	1985083
c For active participants:		
(1) Non-vested benefits	3c(1)	1704000
(2) Vested benefits	3c(2)	15255479
(3) Total active	3c(3) 255	16959479
d Total	3d 518	46107480

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐

a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	

5 Effective interest rate 5 5.79 %

6 Target normal cost 6 946415

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<div>SIGN HERE</div>	<div>Signature of actuary ANDRE STUART</div>	<div>04/01/2013</div>	<div>Date 11-07057</div>
	<div>Type or print name of actuary NEW YORK LIFE RETIREMENT PLAN SERVI</div>	<div>Most recent enrollment number 781-619-2000</div>	
	<div>Firm name 690 CANTON STREET WESTWOOD, MA 02090</div>	<div>Telephone number (including area code)</div>	
	<div>Address of the firm</div>		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011 v.012611

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	3293656	1870756
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	3293656	1870756
10	Interest on line 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of _____% except as otherwise provided (see instructions)		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	0	
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	3293656	1870756

Part III		Funding percentages	
14	Funding target attainment percentage	14	98.06 %
15	Adjusted funding target attainment percentage	15	109.26 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	102.46 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ►	18(b)	0
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 2.18%	2nd segment: 5.36%	3rd segment: 6.33 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	946415	
b Excess assets, if applicable, but not greater than 31a	31b		
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	1820705		192898
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	1139313	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	1139313	0	1139313
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37		
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 06/30/2012

A Name of plan LUMOS NETWORKS RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 LUMOS NETWORKS OPERATING COMPANY	D Employer Identification Number (EIN) 90-0673286

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
NEW YORK LIFE INVESTMENT MANAGEMENT

52-2206685

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning <u>10/01/2011</u> and ending <u>06/30/2012</u>		
A Name of plan <u>LUMOS NETWORKS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<div style="border: 1px solid black; padding: 2px;">001</div>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LUMOS NETWORKS OPERATING COMPANY</u>	D Employer Identification Number (EIN) <u>90-0673286</u>	

	Part I Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		202448
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		46889753
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		1508377
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	0	48600578

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	0	48600578
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	10229	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		10229
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	577865	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		577865
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		3579260
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4167354

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1241711	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1241711
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1241711

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2925643
l Transfers of assets:			
(1) To this plan.....	2l(1)		45674935
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: AREHART ASSOCIATES LTD

(2) EIN: 54-1034728

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1300000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2011</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 06/30/2012		
A Name of plan LUMOS NETWORKS RETIREMENT PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 LUMOS NETWORKS OPERATING COMPANY		D Employer Identification Number (EIN) 90-0673286
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 13-3803042		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3 0
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☒ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2011 v.012611		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

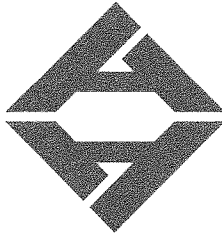
c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**LUMOS NETWORKS RETIREMENT PLAN
FINANCIAL STATEMENTS
NINE MONTHS ENDED JUNE 30, 2012**

LUMOS NETWORKS RETIREMENT PLAN
WAYNESBORO, VIRGINIA

INDEX

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AREHART ASSOCIATES LTD.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrative Committee
Lumos Networks Retirement Plan

Report on the Financial Statements

We were engaged to audit the statement of net assets available for plan benefits of the Lumos Networks Retirement Plan as of June 30, 2012, and the related statement of changes in net assets available for plan benefits for the nine months then ended, and the statement of accumulated plan benefits as of June 30, 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by New York Life Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplementary schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the nine months ended June 30, 2012, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter - Accumulated Plan Benefits

Lumos Networks Retirement Plan is a new plan effective October 1, 2011 (ongoing the plan year will begin on July 1). This is the result of a spin-off of liabilities and assets from the Revised Retirement Plan for Employees of NTELOS, Inc. (predecessor plan) effective November 1, 2011. Assets were spun off to this plan in accordance with ERISA section 4044. The allocated share of the July 1, 2011 predecessor plan valuations results was utilized to develop the accumulated plan benefits as of July 1, 2011. Since the plan has chosen to report accumulated plan benefits as of the beginning of the plan year, and the plan was not effective until October 1, 2011, there are no changes in accumulated plan benefits to report. The information concerning the changes in accumulated plan benefits will be included in the financial statements of the plan in future years.

Other Matter - Supplement Schedule

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held for investment purposes at end of year, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Arehart Associates, Ltd.

April 12, 2013
Waynesboro, Virginia

LUMOS NETWORKS RETIREMENT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
JUNE 30, 2012

ASSETS		2012
		<u> </u>
INVESTMENTS, AT FAIR VALUE		
Mutual funds held in registered investment companies	\$	46,889,753
Guaranteed interest account		<u>1,508,377</u>
TOTAL INVESTMENTS		48,398,130
EMPLOYER CONTRIBUTION RECEIVABLE		-
CASH		<u>202,448</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$	<u><u>48,600,578</u></u>

The accompanying notes are an integral part of the financial statements.

LUMOS NETWORKS RETIREMENT PLAN
STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR PLAN BENEFITS
NINE MONTHS ENDED JUNE 30, 2012

	<u>2012</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:	
Investment income	
Net appreciation	
in fair value of investments	\$ 3,483,080
Interest	106,409
Dividends	<u>577,865</u>
Net Investment income	4,167,354
Employer contributions	<u>-</u>
Transfer in of Plan assets	<u>45,674,935</u>
TOTAL ADDITIONS	<u>49,842,289</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
Benefits paid to participants	<u>1,241,711</u>
TOTAL DEDUCTIONS	<u>1,241,711</u>
NET INCREASE	48,600,578
NET ASSETS AVAILABLE FOR PLAN BENEFITS:	
Beginning of year	<u>-</u>
End of year	<u>\$ 48,600,578</u>

The accompanying notes are an integral part of the financial statements.

REVISED RETIREMENT PLAN FOR THE EMPLOYEES
OF NTELOS INC.
STATEMENT OF ACCUMULATED PLAN BENEFITS
JUNE 30, 2011

	<u>2011</u>
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS:	
Vested Benefits	
Participants currently receiving payments	\$ 22,244,182
Participant's entitled to deferred benefits	1,395,240
Other participants	<u>11,065,333</u>
	34,704,755
Nonvested benefits	<u>1,361,806</u>
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	\$ <u><u>36,066,561</u></u>

The accompanying notes are an integral part of the financial statements.

LUMOS NETWORKS RETIREMENT PLAN NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN

The following brief description of the Lumos Networks Retirement Plan ("Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

- A. **GENERAL** – The Plan is a defined benefit pension plan covering participants who transferred employment to Lumos Networks Operating Company and Subsidiaries (collectively "The Company") in connection with the reorganization of NTELOS Inc. An amendment to the Plan approved on November 1, 2012 ceased all benefit accruals for participants effective December 31, 2012. The accrued benefits as of December 31, 2012 shall not be reduced, diminished or eliminated. The Plan was effective October 1, 2011 as a "spin-off" of the Revised Retirement Plan for the Employees of NTELOS, Inc.
- B. **PENSION BENEFITS** – Employees hired under NTELOS Inc. prior to October 1, 2003, automatically became participants in the Plan upon the later of (i) completion of 1 year of service with at least 1,000 hours of service, or (ii) attainment of age 21.

Normal retirement age is 65, at which time a participant shall receive a monthly retirement annuity payable for the life of the participant, unless another payment form is in effect, equal to the sum of:

- 1.23% of monthly highest average compensation multiplied by total years of service; plus
- .50% of the participant's monthly highest average compensation in excess of covered compensation multiplied by total years of service.

Compensation is defined as the total remuneration received for personal services rendered, including amounts contributed pursuant to a salary-reduction election. Compensation, therefore, includes base salary, overtime pay, bonuses, extraordinary payments, salary deferral contributions, and pretax benefits under Code section 125. Monthly highest average compensation is defined to be one-sixtieth of the total compensation received by the participant during the five consecutive years of employment with the employer producing the highest average. Covered compensation is the average of the taxable wage bases in effect for the calendar year during the thirty-five year period ending with the last day of the calendar year in which the participant attains social security retirement age, determined in accordance with tables published by the Secretary of the Treasury. Notwithstanding the foregoing, compensation earned by any participant following December 31, 2012 shall not be taken into account under the Plan. In addition and notwithstanding any other provision of the Plan to the contrary, effective on and after December 31, 2012, all participants shall earn no additional years of service for purposes of determining accrued benefits.

LUMOS NETWORKS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS – continued

B. PENSION BENEFITS – continued

A reduced early retirement annuity is available to participants at age 55, provided they have completed five years of service. Years of service for the limited purpose of calculating the amount of this benefit shall include years of service earned after June 30, 2012. An increased annuity is available to participants that delay retirement beyond the normal retirement date. A deferred annuity is available to participants that complete five years of service and terminate employment prior to retirement age.

Unless an election is filed, benefits will be paid under one of two automatic methods, depending on the marital status of the retiree. Unmarried participants will receive a single life annuity that ceases upon death. Married participants will receive a qualified joint and survivor annuity. This method provides a reduced annuity for the life of the participant with half the monthly benefit continuing for the life of the spouse.

Other payment options available upon election by the participant and, if applicable, consent by the spouse, include:

- Joint and survivor annuity that provides a reduced monthly benefit to the participant and continues to pay the designated beneficiary 100%, 75%, 66.67%, or 50% of the monthly benefit upon death of the participant.
- Ten year certain and continuous annuity that provides a reduced monthly benefit to the participant for life, with a guarantee of 120 payments to either the participant and or the beneficiary.

- C. PRE-RETIREMENT DEATH BENEFITS – If a participant with five years of service dies before his annuity starting date, a qualified pre-retirement survivor annuity shall be paid to the participant's surviving spouse during such spouse's lifetime. Unless the surviving spouse elects a later date, the qualified pre-retirement survivor annuity payments must begin during the month that includes what would have been the participant's early retirement date.

2. SUMMARY OF ACCOUNTING POLICIES

- A. BASIS OF ACCOUNTING – The accompanying financial statements are prepared on the accrual basis of accounting.
- B. VALUATION OF INVESTMENTS - The plan assets are held in trust and are made up of amounts invested in registered investment companies valued at quoted market prices and a guaranteed interest account valued at contract value which equals the fair value.
- C. USE OF ESTIMATES – The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

LUMOS NETWORKS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS – continued

- D. PAYMENT OF BENEFITS – Benefit payments to participants are recorded upon distribution.
- E. SUBSEQUENT EVENTS REVIEW - The plan has evaluated subsequent events for possible recognition and/or disclosure through April 12, 2013, the date the financial statements were available to be issued.
- F. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS - Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (i) retired or terminated employees or their beneficiaries, (ii) beneficiaries of employees who have died, and (iii) present employees or their beneficiaries. Benefits under the Plan are based on employees' highest average monthly compensation for five consecutive years of service. The accumulated plan benefits for active employees are based on the assumption that wages will increase at a rate of 3% per annum. Benefits payable under all circumstances - retirement, death, disability and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

An actuary determines the actuarial present value of accumulated plan benefits, which is the amount from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payments (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation and the expected date of payment.

The significant actuarial assumptions used in the valuations as of June 30, 2011 were:

- Life expectancy of participants – IRS 2007 Current Liability Optional Combined Table.
- Retirement age assumptions – A graduated table was used ranging from 5% retired at age 55 to 100% retired by age 65.
- Employment turnover assumptions – Rates of turnover varied depending on the age of the participants and ranged from 5.29% to .94%.
- Investment return – Assumed to be 7.75%.
- Salary Increases – Assumed to be 3%.
- Social Security assumptions – The United States average FICA wage base will increase at an annual rate of 3%.

The foregoing actuarial assumptions were based on the presumption that the Plan will continue and does not reflect the assumption changes that will be required due to the amendment to freeze benefit accruals as discussed in Note 12. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

LUMOS NETWORKS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS – continued

3. FUNDING POLICY

The Employees are not required to contribute to the Plan. Employer contributions to the Plan are based upon the actuarial valuations made by the Plan's enrolled actuary and no contributions were required for the nine months ended June 30, 2012 in order for the Plan to equal or exceed the minimum funding requirements of ERISA. When benefits become payable, the Plan administrator authorizes the use of Plan assets to provide the benefits. All benefits are currently paid by check from the New York Life Trust Company as authorized and directed by the Plan administrator.

While the Company expects and intends to continue the Plan with benefits frozen effective December 31, 2012 for its participants hired before October 1, 2003, continuance of the Plan is not a contractual obligation. Participation in the plan has been closed and is not available to employees hired on or after October 1, 2003. Each subsidiary of the Company who has adopted the Plan has the right to discontinue its contributions and to withdraw from the Plan and the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA.

4. PLAN TERMINATION

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations generally to provide the following benefits in the order indicated:

- Payments to participants who have been receiving benefits for at least three years prior to the date of termination limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding termination.
- Benefits guaranteed under ERISA in sequence set forth in ERISA.
- The remaining undistributed present value of accrued benefits

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. The PBGC guarantees vested benefits at the level in effect on the date of plan termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

LUMOS NETWORKS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS – continued

5. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
June 30, 2012			
Registered Investment Companies			
Large Cap Value	\$ 22,829,023	\$ 22,829,023	\$ -
Mid Cap Blend	2,801,896	2,801,896	-
Small Cap Blend	1,893,521	1,893,521	-
Foreign Stock - Large Cap	3,219,047	3,219,047	-
Bond	16,146,266	16,146,266	-
	<u>46,889,753</u>	<u>46,889,753</u>	<u>-</u>
Guaranteed Interest Account	1,508,377	-	1,508,377
	<u>\$ 48,398,130</u>	<u>\$ 46,889,753</u>	<u>\$ 1,508,377</u>

FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. There have been no transfers between the various levels.

Level 1 Fair Value Measurements – The fair value of Registered Investment Companies are based on quoted market prices as of year-end.

Level 3 Value Measurements – The New York Life Insurance Guaranteed Interest Account is not actively traded but is a group annuity contract issued to the Plan's trustee that provides for a book value record of the amounts deposited to and withdrawn from the account. The Guaranteed Interest Account is therefore at all times equal to the contributions to the contract, plus interest credited, plus dividends if any, minus expenses withdrawn, and minus withdrawals. This contract value also equals fair market value.

LUMOS NETWORKS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS – continued

5. FAIR VALUE MEASUREMENTS -continued

The following table sets forth a summary of changes in the fair value of the plan's level 3 assets:

	Guaranteed Interest Contracts
Balance, July 1, 2011	\$ -
Interest credited, included in interest income	10,197
Purchases	1,522,865
Settlements	(24,685)
Balance, June 30, 2012	\$ <u>1,508,377</u>

6. INVESTMENTS

Listed below are the assets held by the Plan which exceed 5 percent or more of the Plan's net assets. The mutual funds, which are held in registered investment companies, are listed at fair market value.

	2012
Vanguard Windsor II	\$ 7,713,162
T Rowe Price Value Fund	7,596,834
Dodge & Cox Income Fund	6,072,644
Loomis Sayles Bond Fund Retail	4,983,576
RS Value Fund A	2,801,896
Neuberger Ber Strat Inc Trst	5,090,046
Main Stay ICAP Select Equity I	7,519,027

Listed below are the details of net appreciation (depreciation) in fair value of investments:

	2012
Mutual funds	\$ <u>3,483,080</u>

LUMOS NETWORKS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS – continued

7. INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Guaranteed Interest Account is a fully benefit-responsive investment contract with New York Life Insurance Company (Issuer) that is maintained in a group annuity contract. The contract is included in the financial statements at contract value (which represents contributions and earnings, less Plan withdrawals and administrative expenses), as reported by New York Life. New York Life Insurance Company guarantees the return of principal plus accrued interest. The Plan may direct the withdrawal or transfer of all or a portion of their investment at contract value.

Contributions to the Guaranteed Interest Account are currently invested in a broadly diversified fixed income portfolio within New York Life Insurance Company's general account. Fixed income investments in the general account are managed by New York Life Investments' Fixed Income Investor Group. These investments in the general account are intended to provide a stable crediting rate consistent with preservation of principal. The New York Life general account is invested primarily in a conservative array of securities and cash-equivalent investments in accordance with the investment restrictions of New York Insurance Law. The primary objective of the general account is to ensure that New York Life can meet its obligations to policyholders.

Interest on the contract accrues daily and is credited at the end of the month and reflects the crediting rate declared in advance and guaranteed by New York Life Insurance Company. The crediting rate is subject to a minimum rate provision, but may never fall below 1% after deduction for any expenses. The key factors that impact the crediting rate under the group annuity contract are the timing and magnitude of the cash flows in and out of the general account as well as prevailing market rates on fixed income assets available for investment by the general account. The interest crediting rate may not be reset more frequently than semi-annually after the first contract year.

The minimum crediting rate is 1%, as provided by the contract. As of June 30, 2012, the annualized gross crediting rate was 2.60%. The net annualized crediting rate was 2.10%.

Certain events, not considered probable to occur, limit the plan's ability to transact at contract value with New York Life Insurance Company. These events include employer-initiated events such as plan termination, merger, spin-off, or early retirement incentives. Plan-initiated transactions are permitted on a daily basis. Transfers to competing funds must first go through a non-competing investment option for at least 90 days.

Contract value is the relevant measurement attribute for fully benefit-responsive investment contracts because contract value is the amount the Plan would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Plan Benefits presents the fair value of the investment contract. This value is also equal to the contract value of the guaranteed interest account so an adjustment to contract value is not necessary.

LUMOS NETWORKS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS – continued

8. LIMITED – SCOPE AUDIT

As permitted by the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA, the scope of the audits on these financial statements was limited in regard to information certified to be complete and accurate by New York Life Trust Company, the Plan trustee. There were no auditing procedures performed with respect to the following information provided by the trustee except for comparing such information to the related amounts included in the financial statements.

- Schedule of investments included in the Statements of Net Assets Available for Plan Benefits and Note 5 and Note 6.
- Investment income included in the Statements of Changes in Net Assets Available for Plan Benefits.
- Supplemental schedules of investments.

9. TAX STATUS

The Plan has not received a determination letter. The Plan was modeled after the Revised Retirement Plan for the Employees of Ntelos Inc., which obtained its latest determination letter on February 8, 2012, in which the Internal Revenue Service stated that this model plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. This model plan has submitted a request for determination on the plan document. The Plan Administrator for Lumos Networks Retirement Plan believes therefore, that the Plan is currently designed and is being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

10. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

	<u>2012</u>
Investment Income per the financial statements:	
Net appreciation (depreciation) in fair value of investments	\$ 3,483,080
Interest	106,409
Dividends	<u>577,865</u>
	<u>\$ 4,167,354</u>
Investment Income per Schedule H of the Form 5500:	
Interest	\$ 10,229
Dividends	577,865
Net investment gain (loss) from registered investment companies	<u>3,579,260</u>
	<u>\$ 4,167,354</u>

LUMOS NETWORKS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS – continued

11. PLAN ASSET TRANSFERS AND SPIN-OFF

On December 7, 2010, the board of directors of NTELOS Holdings Corp. ("Holdings Corp.") approved a plan to create separate wireless and wireline businesses (hereinafter referred to as the "Business Separation") by spinning off the wireline business into the newly formed publicly traded company Lumos Networks Corp. ("Lumos Networks"). On October 14, 2011, Holdings Corp. announced a distribution date of October 31, 2011 for the spin-off of all the issued and outstanding shares of common stock of Lumos Networks. The spin-off of Lumos Networks was in the form of a tax-free stock distribution to Holdings Corp. stockholders of record as of the close of business on October 24, 2011, the record date.

In connection with the Business Separation, Holdings Corp. and Lumos Networks entered into an Employee Matters Agreement ("EMA") that, among other things, established the methodology for separating certain employee benefit plans. In accordance with the terms of the EMA the Plan transferred assets of \$45,674,935 to Lumos Networks Retirement Plan.

12. PLAN AMENDMENTS AND SUBSEQUENT EVENTS

On November 1, 2012 the board voted to amend the plan to freeze benefit accruals effective December 31, 2012. Following December 31, 2012 Participants compensation will not be taken into account for purposes of determining the Participant's average monthly Compensation nor will they earn additional years of service for purposes of determining accrued benefits. However, Participants shall be credited with any years of service earned after June 30, 2012 for the limited purpose of determining the eligibility requirements for early retirement benefits.

13. INCOME TAX

The Company's Forms 5500 for the period ended June 30, 2012, and forward remain open for examination by the Department of Labor and Internal Revenue Service.

Name of Plan:
LUMOS NETWORKS RETIREMENT PLAN

Three-digit
plan number:
001

Plan Sponsor:
LUMOS NETWORKS OPERATING COMPANY

EIN:
90-0673286

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
	MainStay Cash Reserves Fund I	cash reserves		202,448
	Vanguard Windsor II	mutual fund		7,713,162
	T Rowe Price Value Fund	mutual fund		7,596,834
	Dodge & Cox Income Fund	mutual fund		6,072,644
	Loomis Sayles Bond Fund Retail	mutual fund		4,983,576
	RS Value Fund A	mutual fund		2,801,896
	Neuberger Ber Strat Inc Trst	mutual fund		5,090,046
	MainStay ICAP Select Equity I	mutual fund		7,519,027
	American EuroPacific Growth R4	mutual fund		1,618,228
	Thornburg Intl Value Fund R5	mutual fund		1,600,819
	RidgeWorth Small Cap Val Eq A	mutual fund		1,893,521
	New York Life Guaranteed Interest Account	guaranteed interest account		1,508,377

Attachment to Form 5500
Schedule SB, line 22 - Description of Weighted Average Retirement Age

Plan Name	<u>Lumos Networks Retirement Plan</u>	EIN:	<u>90-0673286</u>
Plan Sponsor's Name	<u>Lumos Networks Operating Company</u>	PN:	<u>001</u>

<u>Age</u>	<u>Actuarial Exposure</u>	<u>Rate of Retirement</u>	<u>Number Retiring</u>
55	1,000.00	5.00%	50.0
56	950.00	2.00%	19.0
57	931.00	2.00%	18.6
58	912.38	2.00%	18.2
59	894.13	2.00%	17.9
60	876.25	2.00%	17.5
61	858.72	2.00%	17.2
62	841.55	80.00%	673.2
63	168.31	25.00%	42.1
64	126.23	25.00%	31.6
65	94.67	100.00%	94.7

Average Retirement Age:	61.7
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Attachment to 2011 Schedule SB
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Lumos Networks Retirement Plan
Plan Sponsor's Name Lumos Networks Operating Company

EIN: 90-0673286
PN: 001

Actuarial Cost Method

Funding Target / Target Normal Cost

An Actuarial Cost Method is an allocation of the expected cost of a pension plan on a year-by-year basis. The primary objective of an Actuarial Cost Method is to accumulate enough assets prior to each participant's retirement to provide the promised pension benefits.

The Pension Protection Act of 2006 (PPA) mandates the use of the Traditional Unit Credit Actuarial Cost Method. Under this method, the accrued benefit is estimated based upon service and, if applicable, earnings as of the valuation date. The Funding Target is equal to the actuarial present value of all accrued benefits as of the valuation date. The Target Normal Cost is the actuarial present value, as of the valuation date, of the expected increases in projected accrued benefit attributable to service expected to be completed during the plan year (i.e. if applicable, one year's salary growth is reflected in the determination of Target Normal Cost).

For tax deduction purposes, the Funding Target may reflect the value of future pay increases on accrued benefits, if applicable.

PPA Discounting Method

The plan sponsor is responsible for making the following decisions with regard to the discounting method:

- Full yield-curve spot rates or a segmented yield-curve of a 24-month average rates of corporate bond rates
- If the segmented yield curve is used, the rates as of the month of the valuation may be used or as of a lookback month up to 4 months prior to the valuation date (the full yield curve must use the rates as of the month of the valuation starting in 2010)

For purposes of this valuation, the following discounting method was used and is assumed to be approved by the plan sponsor:

- Rates for the month of June preceding the predecessor plan's valuation date.
- Segment Rates

Asset Valuation Method

The Plan Assets for purposes of this Actuarial Valuation are valued under the asset averaging method, including, if applicable, discounted receivable contributions. The value of plan assets is set equal to the average of the fair market value of assets on the valuation date and the adjusted fair market value of assets (including expected earnings) determined for the two earlier annual determination dates. Expected earnings are calculated using the third segment rate of the segmented yield-curve in effect at the beginning of each valuation year. The resulting average value must be constrained so that it falls between 90 and 110 percent of the fair market value of assets on the valuation date.

Attachment to 2011 Schedule SB
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Lumos Networks Retirement Plan
Plan Sponsor's Name Lumos Networks Operating Company

EIN: 90-0673286
PN: 001

Actuarial Assumptions

Economic Assumptions

<u>PPA Segment Rates</u>	<u>Funding Target and PBGC</u>
- Segment 1: Up to Year 5	2.18%
- Segment 2: Years 5-20	5.36%
- Segment 3: Years 20+	6.33%

Annual rates of increase:

- Salaries	3.00%
- Future Social Security wage bases	3.00%
- Statutory limits on compensation and benefits	N/A

Demographic Assumptions

Mortality: IRS 2011 Static Mortality Table

Termination: 30% during the first year of service
15% during the second year of service

After 2 years of service, Sarason T-4 Table.

Sample rates as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	5.29%	5.29%
40	4.19%	4.19%
55	0.94%	0.94%

Retirement: Rates vary by age as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
55	5.00%	5.00%
56 - 61	2.00%	2.00%
62	80.00%	80.00%
63	25.00%	25.00%
64	25.00%	25.00%
65+	100.00%	100.00%

Attachment to 2011 Schedule SB
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Lumos Networks Retirement Plan

EIN: 90-0673286

Plan Sponsor's Name Lumos Networks Operating Company

PN: 001

Actuarial Assumptions

Disability: None

Miscellaneous Assumptions

Form of Payment: Life Annuity

Expenses: Assumed equal to prior year's expenses

Percent Married: 70%

Spouse's Age: Wives assumed to be 2 years younger than husbands

Attachment to 2011 Schedule SB
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Lumos Networks Retirement Plan
Plan Sponsor's Name Lumos Networks Operating Company

EIN: 90-0673286
PN: 001

Summary of Plan Provisions

Effective Date:	October 1, 2011
Employee:	Any person who is employed by Lumos Networks Operating Company and was covered under the Revised Retirement Plan for Employees of NTELOS Inc. as of October 1, 2011.
Eligibility Requirements:	Age: 21 Service: One Year of Service Maximum Age: None
Plan Entry Date:	An eligible employee will enter the plan on the first day of the month following completion of the eligibility requirements.
Year of Service:	12-consecutive month computation period in which an employee is credited with 1,000 or more hours of service. Computation period commences on employee's date of hire for eligibility and on the first day of the plan year for vesting and benefit accrual purposes. Former employees of Roanoke-Botetcourt Telephone Company receive service for benefit accrual purposes only from August 1, 2001. Former employees of PrimeCo receive service for benefit accrual purposes only from date of acquisition (July 26, 2000).
Normal Retirement Date:	First of the month coincident with or next following attained age 65 and 5 years of plan participation.
Compensation:	The total remuneration paid to an employee by the Employer for personal services actually rendered and which is includable as gross income on Form W-2 plus deferrals.
Monthly Highest Average Compensation:	Compensation averaged over 5 consecutive years producing the highest average prior to termination of employment.
Normal Retirement Benefit:	An amount equal to the greater of (A) and (B) (A) the sum of: (i) accrued benefit as of June 30, 1989 plus (ii) an amount determined in (B) below, based on years of service accrued after June 30, 1989 (B) the sum of: (i) 1.23% of monthly highest average compensation times years of service plus

Attachment to 2011 Schedule SB
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Lumos Networks Retirement Plan
Plan Sponsor's Name Lumos Networks Operating Company

EIN: 90-0673286
PN: 001

Summary of Plan Provisions

(ii) 0.50% of monthly highest average compensation in excess of covered compensation times years of service.

Normal Form of Benefit: Unmarried: Single Life Annuity
 Married: 50% Joint and Survivor Annuity

Optional Forms of Benefit: 50%, 66 2/3%, 75% or 100% Joint and Survivor Annuity or 10 Year Certain and Life Annuity

Accrued Benefit: As of any date of determination, the Normal Retirement Benefit based on the Employee's monthly highest average compensation and years of service to that date.

Early Retirement Benefit: A person may elect to retire and commence receipt of a reduced pension on the first day of any month subsequent to his 55th birthday and completion of 5 years of vesting service. The benefit is the Normal Retirement benefit reduced by 1/180 for each of the first 60 months and 1/360 for each of the next 60 months by which early retirement precedes normal retirement date. There is no reduction for early retirement if the participant is over age 62 and has at least 25 years of service. The following schedule applies if the sum of the participant's age and service is greater than or equal to 85:

Number of Years From Annuity Starting Date to Normal Retirement Date Age 65	Percentage that Applies to Normal Retirement Benefit (B)(i)	Percentage that Applies to Normal Retirement Benefit (B)(ii)
0	100.00	100.00
1	100.00	100.00
2	100.00	100.00
3	100.00	100.00
4	100.00	95.00
5	100.00	90.00
6	100.00	85.00
7	100.00	80.00
8	100.00	75.00
9	100.00	68.80
10	100.00	63.20

Attachment to 2011 Schedule SB
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Lumos Networks Retirement Plan
Plan Sponsor's Name Lumos Networks Operating Company

EIN: 90-0673286
PN: 001

Summary of Plan Provisions

Late Retirement:	A person may elect to retire and commence a benefit on first day of any month after normal retirement date. The late retirement benefit is the greater of the normal retirement benefit actuarially increased to reflect later commencement or continued accrual of the normal retirement benefit which is calculated using the monthly highest average compensation and years of service as of the late retirement date.
Death Benefit:	<p>(i) Upon the death of a vested participant with an eligible spouse prior to the participant's earliest retirement date, his spouse will be entitled to an annuity based on the participant's accrued benefit as of his date of death his death, survived to age 55, retired with the 50% Joint & Survivor Option and died on the following day.</p> <p>(ii) If the death occurs after the participant is eligible for early, normal or late retirement, the spouse's benefit commences on the first of the month immediately following his death based on the accrued benefit calculated as if the participant retired on the day before his death and had selected the 100% Joint & Survivor Option.</p>
Vesting:	100% vesting after 5 Years of Service, disregarding service prior to age 18.

Attachment to Form 5500 Schedule SB
Schedule SB, line 26 - Schedule of Active Participant Data

Plan Name Lumos Networks Retirement Plan
Plan Sponsor's Name Lumos Networks Operating Company

EIN: 90-0673286
PN: 001

YEARS OF CREDITED SERVICE

Attained Age	Under 1 No.	1 to 4 No.	5 to 9 No.	10 to 14 No.	15 to 19 No.	20 to 24 No.	25 to 29 No.	30 to 34 No.	35 to 39 No.	40 & up No.	Total
Under 25											0
25 to 29			5	4							9
30 to 34			7	23	1						31
35 to 39			4	35	3	1					43
40 to 44			5	26	7	5					43
45 to 49			2	21	5	4	2				34
50 to 54			3	13	10	4		8	1		39
55 to 59			4	12	4	2		3	9		34
60 to 64			6	5	1	3	2		1	1	19
65 to 69			2							1	3
70 & up											0
	0	0	38	139	31	19	4	11	11	2	255

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 06/30/2012

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Lumos Networks Retirement Plan	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Lumos Networks Operating Company	D Employer Identification Number (EIN) 90-0673286	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month <u>10</u> Day <u>1</u> Year <u>2011</u>			
2 Assets:			
a Market value	2a		50,381,444
b Actuarial value	2b		50,381,444
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	171	27,162,918
b For terminated vested participants	3b	92	1,985,083
c For active participants:			
(1) Non-vested benefits.....	3c(1)		1,704,000
(2) Vested benefits	3c(2)		15,255,479
(3) Total active.....	3c(3)	255	16,959,479
d Total.....	3d	518	46,107,480
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate	5		5.79 %
6 Target normal cost	6		946,415

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	 Signature of actuary	<u>04/01/2013</u> Date <u>11-07057</u> Most recent enrollment number <u>(781) 619-2000</u> Telephone number (including area code)
ANDRE STUART Type or print name of actuary NEW YORK LIFE RETIREMENT PLAN SERVI Firm name 690 CANTON STREET WESTWOOD MA 02090 Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	3,293,656	1,870,756
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8).....	3,293,656	1,870,756
10 Interest on line 9 using prior year's actual return of _____ %.....		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		0
b Interest on (a) using prior year's effective rate of _____ % except as otherwise provided (see instructions).....		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		
12 Other reductions in balances due to elections or deemed elections.....	0	
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	3,293,656	1,870,756

Part III Funding percentages

14 Funding target attainment percentage	14	98.06 %
15 Adjusted funding target attainment percentage	15	109.26 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	102.46 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals •			18(b)	0	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?	☒ Yes	☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes	☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:			
a Segment rates:	1st segment: 2.18 %	2nd segment: 5.36 %	3rd segment: 6.33 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 0
22 Weighted average retirement age			22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....		☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	946,415	
b Excess assets, if applicable, but not greater than 31a	31b		
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	1,820,705		192,898
b Waiver amortization installment.....			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.....	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	1,139,313	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	1,139,313	0	1,139,313
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37		
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected ☐ 2 plus 7 years ☐ 15 years			
b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011			
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

Name of Plan:
LUMOS NETWORKS RETIREMENT PLAN

Three-digit
plan number:
001

Plan Sponsor:
LUMOS NETWORKS OPERATING COMPANY

EIN:
90-0673286

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
	MainStay Cash Reserves Fund I	cash reserves		202,448
	Vanguard Windsor II	mutual fund		7,713,162
	T Rowe Price Value Fund	mutual fund		7,596,834
	Dodge & Cox Income Fund	mutual fund		6,072,644
	Loomis Sayles Bond Fund Retail	mutual fund		4,983,576
	RS Value Fund A	mutual fund		2,801,896
	Neuberger Ber Strat Inc Trst	mutual fund		5,090,046
	MainStay ICAP Select Equity I	mutual fund		7,519,027
	American EuroPacific Growth R4	mutual fund		1,618,228
	Thornburg Intl Value Fund R5	mutual fund		1,600,819
	RidgeWorth Small Cap Val Eq A	mutual fund		1,893,521
	New York Life Guaranteed Interest Account	guaranteed interest account		1,508,377

Attachment to 2011 Form 5500

Schedule SB, line 7 - Explanation of Discrepancy in Prior Year Funding Standard Carryover

Balance or Prefunding Balance

Plan Name Lumos Networks Retirement Plan

EIN: 90-0673286

Plan Sponsor's Name Lumos Networks Operating Company

PN: 001

If the balance from the prior year has been adjusted so that it does not match the corresponding amount in line 13 of the prior-year Schedule SB, explain:

Per the instructions, for the first year for which the plan is subject to the minimum funding rules of Code section 430, line 7 is to be left blank. However, this caused an error in the electronic filing process, so line 7a and b was set equal to line 9a and b in order to file the SB without errors.

Attachment to 2011 Form 5500
Schedule SB, line 25 - Change in Method

Plan Name Lumos Networks Retirement Plan

EIN: 90-0673286

Plan Sponsor's Name Lumos Networks Operating Company

PN: 001

Describe the change:

A change in funding method is being made under the Lumos Networks Retirement Plan (the "Plan") which was established effective October 1, 2011 in connection with the spinoff of assets and liabilities from the Revised Retirement Plan for Employees of NTELOS, Inc. (the "Predecessor Plan") EIN/PN: 54-1443350/001. Due to the mid-year spinoff of assets and liabilities, the proposed valuation date for the initial plan year of the Plan is October 1, 2011. The change in valuation date is a funding method change as described in Rev Proc 2000-40 Section 3.13. All other funding methods for the Plan are consistent with those of the Predecessor Plan. The valuation date for subsequent plan years will be July 1. A valuation date of October 1, 2011 is proposed in order to appropriately determine costs for the initial plan year for the Plan and the costs for the Predecessor Plan reflecting the spinoff of assets and liabilities as of that date. A request for approval was submitted based on informal recommendations that approval be sought for post Pension Protection Act of 2006 (PPA) mid-year spinoffs. Per Q&A 10 of the 2001 Gray Book and Q&A 7 of the 2009 Gray Book, an allocated share of the Predecessor Plan's July 1, 2011 valuation results were relied upon to determine the minimum required contribution for the period of October 1, 2011 through June 30, 2012. As the instructions require that Line 1 be equal to the first day of the Plan Year, Line 1 shows October 1, 2011.

Schedule SB, line 32 - Schedule of Amortization Bases

Plan Name Lumos Networks Retirement Plan

EIN: 90-0673286

Plan Sponsor's Name	Lumos Networks Operating Company
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PN: 001

[illegible]