

FRONTIER COMMUNICATIONS CORP

Form 424B5

September 05, 2014

Table of Contents

**Filed Pursuant to Rule 424(b)(5)**

**Registration No. 333-181299**

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities offered	Maximum	
	Aggregate	Amount of
	Offering Price	Registration Fee(1)
6.250% Senior Notes due 2021	\$775,000,000	\$99,820
6.875% Senior Notes due 2025	\$775,000,000	\$99,820
Total	\$1,550,000,000	\$199,640

(1) Calculated in accordance with Rule 457(r), under the Securities Act of 1933, as amended.

**Table of Contents**

**PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MAY 10, 2012**

**Frontier Communications Corporation**

**\$775,000,000 6.250% Senior Notes due 2021**

**\$775,000,000 6.875% Senior Notes due 2025**

We are offering \$775,000,000 aggregate principal amount of our 6.250% Senior Notes due 2021 (the 2021 notes ) and \$775,000,000 aggregate principal amount of our 6.875% Senior Notes due 2025 (the 2025 notes). The 2021 notes and the 2025 notes are collectively referred to herein as the notes. We will pay interest on the 2021 notes semi-annually in arrears on March 15 and September 15 of each year, commencing March 15, 2015. We will pay interest on the 2025 notes semi-annually in arrears on January 15 and July 15 of each year, commencing January 15, 2015. The 2021 notes will mature on September 15, 2021. The 2025 notes will mature on January 15, 2025. Interest on the notes will accrue from September 17, 2014.

We may, at our option, redeem some or all of the notes of a series at any time, by paying a make-whole premium, or at par on or after the date that is three months prior to the maturity date of such series, in each case plus accrued and unpaid interest, if any, to the date of the redemption. Upon the occurrence of a Change of Control Triggering Event (as defined), we will be required to offer to repurchase each series of notes at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase.

The notes are being issued to fund a portion of the purchase price for the AT&T Transaction (as defined herein). This offering is not conditioned upon, and will be consummated before, the closing of the AT&T Transaction. Upon the closing of this offering, we will deposit the net proceeds from this offering into an escrow account. If the AT&T Transaction is not consummated on or before August 17, 2015 or the stock purchase agreement relating to the AT&T Transaction is terminated prior to such date, we will be required to redeem all of the notes of each series at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the date of redemption. See Description of the Notes Escrow of Proceeds; Mandatory Redemption.

Each series of notes will be our senior obligations. Each series of notes will rank equally with the other series and with all of our other unsecured senior indebtedness from time to time outstanding.

The notes of each series are not and will not be listed on any exchange or quoted on any automated dealer quotation system. Currently, there is no public market for either series of notes.

**Investing in the notes involves risks. See Supplemental Risk Factors beginning on page S-14 for a discussion of factors that you should consider carefully before investing in the notes.**

	<b>Price to Public(1)</b>	<b>Underwriting Discounts and Commissions</b>	<b>Proceeds to Frontier(1)</b>
Per 2021 Note	100%	2.0%	98.0%
2021 Total	\$ 775,000,000	\$ 15,500,000	\$ 759,500,000
Per 2025 Note	100%	2.0%	98.0%
2025 Total	\$ 775,000,000	\$ 15,500,000	\$ 759,500,000
<b>Total</b>	<b>\$ 1,550,000,000</b>	<b>\$ 31,000,000</b>	<b>\$ 1,519,000,000</b>

(1) Plus accrued interest from September 17, 2014, if settlement occurs after that date.

Delivery of the notes will be made in book-entry form through the facilities of The Depository Trust Company on or about September 17, 2014.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

*Joint Book-Running Managers*

**J.P. Morgan**

**Citigroup**

**Morgan Stanley**

*Co-Managers*

**Barclays**

**Credit Suisse**

**Deutsche Bank Securities**

**RBS**

**The date of this prospectus supplement is September 3, 2014.**

**Table of Contents**

**TABLE OF CONTENTS**  
**PROSPECTUS SUPPLEMENT**

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-i
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	S-ii
<u>SUMMARY</u>	S-1
<u>SUPPLEMENTAL RISK FACTORS</u>	S-14
<u>USE OF PROCEEDS</u>	S-21
<u>CAPITALIZATION</u>	S-22
<u>DESCRIPTION OF THE AT&amp;T TRANSACTION</u>	S-23
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	S-28
<u>DESCRIPTION OF OTHER INDEBTEDNESS</u>	S-37
<u>DESCRIPTION OF THE NOTES</u>	S-40
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	S-57
<u>BENEFIT PLAN INVESTOR CONSIDERATIONS</u>	S-63
<u>UNDERWRITING</u>	S-65
<u>LEGAL MATTERS</u>	S-68
<u>EXPERTS</u>	S-68
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-68
<u>INCORPORATION BY REFERENCE</u>	S-69

**PROSPECTUS**

<u>ABOUT THIS PROSPECTUS</u>	1
<u>OUR COMPANY</u>	1
<u>RISK FACTORS</u>	3
<u>USE OF PROCEEDS</u>	3
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	3
<u>DESCRIPTION OF DEBT SECURITIES</u>	3
<u>PLAN OF DISTRIBUTION</u>	3
<u>VALIDITY OF SECURITIES</u>	3
<u>EXPERTS</u>	4
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	4
<u>INCORPORATION BY REFERENCE</u>	4

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which does not apply to this offering and some of which is superseded by the information in this prospectus supplement.

If the description of this offering or the notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference into this prospectus supplement. You should also read and consider the additional information under the captions "Where You Can Find

More Information and Incorporation by Reference in this prospectus supplement and the accompanying prospectus.

S-i

---

**Table of Contents**

**You should rely only on the information contained or incorporated by reference in this prospectus supplement, in the accompanying prospectus and in any free writing prospectus with respect to the offering filed by us with the Securities and Exchange Commission. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any free writing prospectus with respect to the offering filed by us with the Securities and Exchange Commission and the documents incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.**

**The underwriters are offering to sell, and are seeking offers to buy, the notes only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the offering of the notes and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.**

As used in this prospectus supplement and the accompanying prospectus, unless otherwise indicated (including, without limitation, as expressly provided under Description of the Notes ) or the context otherwise requires, references to we, us, our, Frontier and the Company refer to Frontier Communications Corporation and its subsidiaries and not include the Connecticut Operations (as defined below).

Pursuant to the Stock Purchase Agreement (as defined herein), we have agreed to acquire all of the issued and outstanding capital stock of The Southern New England Telephone Company and SNET America, Inc. (collectively the transferred companies ) from AT&T Inc. ( AT&T ) in connection with the AT&T Transaction (as defined below). Prior to the closing of the AT&T Transaction, (i) AT&T will transfer to the transferred companies certain assets and cause the transferred companies to assume certain liabilities relating to the business to be acquired and (ii) the transferred companies will transfer to AT&T certain assets, and AT&T will assume certain liabilities of the transferred companies, to be retained by AT&T following the closing (the transferred companies, after giving effect to such transactions, being referred to as the Connecticut Operations ). References to the AT&T Transaction refer to our prospective acquisition of the Connecticut Operations from AT&T pursuant to the Stock Purchase Agreement, which we expect to close in the fourth quarter of 2014.

We expect that delivery of the notes will be made against payment therefor on or about the closing date specified on the cover page of this prospectus supplement, which will be the tenth business day following the date of pricing of the notes (this settlement cycle being referred to as T+10 ). Under Rule 15c6-1 of the Securities and Exchange Commission under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of pricing or the next succeeding six business days will be required, by virtue of the fact that the notes initially will settle in T+10, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of notes who wish to trade notes on the date of pricing or the next succeeding six business days should consult their own advisor.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, contain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the statements. Statements that

S-ii

**Table of Contents**

are not historical facts are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as believe, anticipate, expect and similar expressions are intended to identify forward-looking statements. Forward-looking statements (including oral representations) are only predictions or statements of current plans, which we review continuously. Forward-looking statements may differ from actual future results due to, but not limited to, and our future results may be materially affected by, potential risks or uncertainties. You should understand that it is not possible to predict or identify all potential risks or uncertainties. We note the following as a partial list:

Our ability to complete the AT&T Transaction on the terms or timeline currently contemplated, or at all;

The ability to successfully integrate the Connecticut Operations into our existing operations and the diversion of management's attention from ongoing business and regular business responsibilities to effect such integration;

The effects of increased expenses or unanticipated liabilities incurred due to activities related to the AT&T Transaction;

The risk that the cost savings from the AT&T Transaction may not be fully realized or may take longer to realize than expected or that our actual integration costs may exceed our estimates;

The sufficiency of the assets to be acquired from AT&T to enable the combined company to operate all aspects of the Connecticut Operations;

Failure to enter into or obtain, or delays in entering into or obtaining, certain agreements and consents necessary to operate the Connecticut Operations as planned;

The failure to obtain, delays in obtaining or adverse conditions contained in any required regulatory approvals for the AT&T Transaction;

Disruption from the AT&T Transaction making it more difficult to maintain relationships with customers or suppliers of the Connecticut Operations;

Our debt and debt service obligations, which will increase following this offering and the AT&T Transaction;

The effects of greater than anticipated competition from cable, wireless and other wireline carriers that could require us to implement new pricing, marketing strategies or new product or service offerings and the risk



that we will not respond on a timely or profitable basis;

Reductions in the number of our voice customers that we cannot offset with increases in broadband subscribers and sales of other products and services;

Our ability to maintain relationships with customers, employees or suppliers;

The effects of ongoing changes in the regulation of the communications industry as a result of federal and state legislation and regulation, or changes in the enforcement or interpretation of such legislation and regulation;

The effects of any unfavorable outcome with respect to any current or future legal, governmental or regulatory proceedings, audits or disputes;

The effects of changes in the availability of federal and state universal service funding or other subsidies to us and our competitors;

Our ability to successfully adjust to changes in the communications industry and to implement strategies for growth;

Continued reductions in switched access revenues as a result of regulation, competition or technology substitutions;

S-iii

**Table of Contents**

Our ability to effectively manage service quality in our territories and meet mandated service quality metrics;

Our ability to successfully introduce new product offerings, including our ability to offer bundled service packages on terms that are both profitable to us and attractive to customers;

The effects of changes in accounting policies or practices adopted voluntarily or as required by generally accepted accounting principles or regulations;

Our ability to effectively manage our operations, operating expenses and capital expenditures, and to repay, reduce or refinance our debt;

The effects of changes in both general and local economic conditions on the markets that we serve, which can affect demand for our products and services, customer purchasing decisions, collectability of revenues and required levels of capital expenditures related to new construction of residences and businesses;

The effects of technological changes and competition on our capital expenditures, products and service offerings, including the lack of assurance that our network improvements in speed and capacity will be sufficient to meet or exceed the capabilities and quality of competing networks;

The effects of increased medical expenses (including as a result of the impact of the Patient Protection and Affordable Care Act) and pension and postemployment expenses, such as retiree medical and severance costs, and related funding requirements;

The effects of changes in income tax rates, tax laws, regulations or rulings, or federal or state tax assessments;

Our ability to successfully renegotiate union contracts;

Changes in pension plan assumptions and/or the value of our pension plan assets which could require us to make increased contributions to the pension plan in 2014 and beyond;

The effects of economic downturns that could result in difficulty in collection of revenues and loss of customers;

Adverse changes in the credit markets or in the ratings given to our debt securities by nationally accredited ratings organizations, which could limit or restrict the availability, or increase the cost, of financing to us;

Our cash flow from operations, amount of capital expenditures, debt service requirements, cash paid for income taxes and liquidity may affect our payment of dividends on our common shares;

The effects of state regulatory cash management practices that could limit our ability to transfer cash among our subsidiaries or dividend funds up to the parent company; and

The effects of severe weather events such as hurricanes, tornadoes, ice storms or other natural or man-made disasters, which may increase our operating expenses or adversely impact customer revenue.

Any of the foregoing events, or other events, could cause financial information to vary from management's forward-looking statements included in this prospectus supplement, the accompanying prospectus and any free writing prospectus with respect to the offering filed by us with the Securities and Exchange Commission. You should consider these important factors, as well as the risk factors set forth in this prospectus supplement, the accompanying prospectus, any free writing prospectus with respect to the offering filed by us with the Securities and Exchange Commission and in our Annual Report on Form 10-K for the year ended December 31, 2013, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, in evaluating any statement made in or incorporated by reference in this prospectus supplement and the accompanying prospectus. For the foregoing reasons, we caution you against relying on any forward-looking statements. We undertake no obligation to update or revise these forward-looking statements, except as required by law.

S-iv

**Table of Contents**

**SUMMARY**

*This summary highlights information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus.*

**Our Company**

We are the largest communications company providing services predominantly to rural areas and small and medium-sized towns and cities in the United States. We generated revenues of approximately \$4.8 billion for the fiscal year ended December 31, 2013 and approximately \$2.3 billion for the six months ended June 30, 2014. We currently operate in 27 states, with approximately 3.0 million customers, 1.9 million broadband connections and 0.4 million video subscribers as of June 30, 2014. Following the consummation of the AT&T Transaction, we will commence operations in the State of Connecticut and operate in 28 states overall. As of June 30, 2014, we had approximately 13,900 employees.

Incorporated in November 1935, we are the fourth largest incumbent local exchange carrier in the United States. Our business is with both residential and business customers, and we provide the last mile of communications services to customers in these markets.

We offer a broad portfolio of high-quality communications services for residential and business customers in each of our markets. Our product portfolio includes voice services, Internet access, broadband-enabled services and video services. We offer these services both on a standalone basis and as bundled packages that are purposely designed to simplify customer purchasing decisions and to provide the customer with pricing discounts. Periodically, we offer selective incentives and promotions to influence customers to purchase or retain certain services. We are staffed locally with skilled technicians and supervisors, which enables us to provide an array of communications services to meet our customers' needs. Our call center operations and field technicians are staffed with 100% U.S.-based employees.

Our mission is to be the leader in providing communications services to residential and business customers in our markets. We are committed to delivering innovative and reliable products and solutions with an emphasis on convenience, service and customer satisfaction. We believe that our local engagement structure, 100% U.S. based workforce and innovative product positioning will continue to differentiate us from our competitors in the markets in which we compete.

**The AT&T Transaction**

On December 16, 2013, we entered into an agreement (such agreement as amended on August 13, 2014 and as may be further amended, the Stock Purchase Agreement) to acquire the wireline properties of AT&T in Connecticut for a purchase price of \$2.0 billion in cash. Upon completion of the AT&T Transaction, we will operate AT&T's wireline business and statewide fiber network that provides services to residential, commercial and wholesale customers in Connecticut, making Connecticut our largest market. We will also acquire AT&T's U-verse® video and satellite TV customers in Connecticut. The Connecticut Operations generated revenues of approximately \$1.4 billion and net income of approximately \$237.6 million for the fiscal year ended December 31, 2013, and revenues of approximately \$679.8 million and net income of approximately \$54.5 million for the six months ended June 30, 2014. As of June 30, 2014, the Connecticut Operations had approximately 875,000 voice, 415,000 broadband and 215,000 video connections. The AT&T Transaction will add approximately 2,700 employees to our Company, a majority of whom are represented by the Communications Workers of America. The consummation of the AT&T Transaction is subject to the satisfaction of certain conditions, including review or approval by various federal and state regulatory agencies

and other closing conditions. We expect the AT&T Transaction to close in the fourth quarter of 2014. See Description of the AT&T Transaction.

S-1

**Table of Contents**

On January 29, 2014, we entered into a bridge loan agreement (the Bridge Loan Agreement ) among the Company, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, pursuant to which the lenders have agreed at closing of the AT&T Transaction to provide to us an unsecured bridge loan facility for up to \$1.9 billion (the Bridge Facility ) for the purposes of funding (i) substantially all of the purchase price for the AT&T Transaction and (ii) the fees and expenses incurred in connection with the transactions contemplated by the Stock Purchase Agreement. Pursuant to the Bridge Loan Agreement, if and to the extent we do not, or are unable to, raise debt yielding up to \$1.9 billion in gross cash proceeds on or prior to the closing of the AT&T Transaction, we will draw down up to \$1.9 billion in aggregate principal amount of loans under the Bridge Facility, less the amount of debt, including the notes offered hereby and borrowings under the CoBank AT&T Transaction Facility (as defined herein), raised by us on or prior to the closing of the AT&T Transaction. The Bridge Facility was downsized by \$350.0 million following the execution of the CoBank AT&T Transaction Facility and the remainder of the Bridge Facility will be terminated upon consummation of this offering.

If the AT&T Transaction is not consummated on or before August 17, 2015 (the Trigger Date ) or the Stock Purchase Agreement is terminated prior to the Trigger Date, we will be required to redeem all of the notes of each series at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the date of redemption. See Description of the Notes Escrow of Proceeds; Mandatory Redemption.

**Table of Contents**

**The Offering**

*The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The sections entitled "Description of the Notes" in this prospectus supplement and "Description of Debt Securities" in the accompanying prospectus contain more detailed descriptions of the terms and conditions of the notes and the indentures governing the notes. In this subsection, we, us and our refer only to Frontier Communications Corporation and not to any of our subsidiaries.*

Issuer	Frontier Communications Corporation
Notes Offered	<p>\$775,000,000 aggregate principal amount of 6.250% Senior Notes due 2021.</p> <p>\$775,000,000 aggregate principal amount of 6.875% Senior Notes due 2025.</p>
Maturity Date	<p>2021 notes: September 15, 2021.</p> <p>2025 notes: January 15, 2025.</p>
Interest	<p>We will pay interest on the 2021 notes semi-annually in arrears on March 15 and September 15 of each year, commencing March 15, 2015. Interest on the 2021 notes will accrue from September 17, 2014.</p> <p>We will pay interest on the 2025 notes semi-annually in arrears on January 15 and July 15 of each year, commencing January 15, 2015. Interest on the 2025 notes will accrue from September 17, 2014.</p>
Ranking	<p>The notes of each series will be our senior unsecured obligations and will rank:</p> <p>equal in right of payment to all of our existing and future senior unsecured indebtedness;</p> <p>effectively junior to all of our existing and future senior secured indebtedness (all of which is currently at our subsidiaries) to the extent of the assets securing such indebtedness;</p>

effectively junior to all existing and future indebtedness and other liabilities and commitments of our subsidiaries (including trade payables and capital lease obligations); and

senior in right of payment to all of our existing and future subordinated indebtedness, if any.

As of June 30, 2014, we and our subsidiaries had approximately \$7.9 billion of indebtedness. As of June 30, 2014, the notes would have ranked effectively junior to (i) approximately \$32.4 million of senior secured indebtedness to the extent of the assets securing such indebtedness (\$8.7 million of which was at our subsidiaries) and (ii) approximately \$1,038.1 million of liabilities of our subsidiaries, including approximately \$258.7 million of indebtedness (including the \$8.7 million of secured indebtedness referenced above), \$79.4 million with respect to a sale and leaseback transaction accounted for

S-3



**Table of Contents**

as a secured financing obligation and capital lease obligations of \$24.3 million, and excluding deferred income tax liabilities and intercompany liabilities.

On June 2, 2014, we entered into a new \$750.0 million senior unsecured revolving credit facility and terminated our previously existing revolving credit facility. As of the date of this prospectus supplement, we had not made any borrowings under the new revolving credit facility. In addition, on June 2, 2014, we entered into a credit agreement in respect of the CoBank AT&T Transaction Facility (as defined herein), which provides for a delayed single draw of up to \$350.0 million to fund a portion of the purchase price for the AT&T Transaction. See Description of Other Indebtedness. Borrowings under these facilities will rank equally with the notes offered hereby.

The indentures governing the notes will not restrict the amount of debt we may incur, including senior debt, which will be pari passu with the notes, except that each indenture will limit, subject to important qualifications, the amount of debt our subsidiaries may incur. The notes will rank effectively junior to any existing and such additional subsidiary debt.

Optional Redemption

At any time, we may redeem some or all of the notes of a series by paying a specified make-whole premium set forth under Description of the Notes Optional Redemption, or at par on or after the date that is three months prior to the maturity date of such series, in each case plus accrued and unpaid interest, if any, to the date of redemption.

Escrow of Proceeds; Mandatory Redemption The completion of this offering will occur prior to, and is not conditioned upon, the consummation of the AT&T Transaction. Upon the closing of this offering, we will deposit the net proceeds from this offering into an escrow account. We intend to use the escrowed proceeds to fund a portion of the purchase price for the AT&T Transaction. If the AT&T Transaction is not consummated on or before the Trigger Date or the Stock Purchase Agreement is terminated prior to the Trigger Date, we will be required to redeem all of the notes of each series at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the date of redemption, and, in such event, the escrowed proceeds will be applied to fund a portion of such redemption price. See Description of the Notes Escrow of Proceeds; Mandatory Redemption.

Covenants

We will issue each series of notes under a separate supplemental indenture, supplementing the base indenture between us and The Bank of New York Mellon, as trustee. References to the indenture mean the base indenture, as so supplemented, related to the applicable series of notes. Each indenture will include covenants that limit our ability and each of our subsidiaries' ability to:

incur indebtedness at our subsidiaries;

S-4

**Table of Contents**

create liens; and

merge or consolidate with other companies.

These covenants are subject to important exceptions and qualifications. In addition, we and each of our subsidiaries will not be subject to the covenant described under Description of the Notes Covenants Limitation on Subsidiary Indebtedness, including any limitation on indebtedness of subsidiaries, at any time after the notes of a series achieves investment grade ratings by S&P and Moody's, notwithstanding that such notes may later fail to maintain an investment grade rating by either S&P or Moody's. See Description of the Notes Termination of Certain Covenants.

**Change of Control**

Following a Change of Control and Ratings Decline (each as defined herein), we will be required to offer to purchase all of the notes of each series at a purchase price equal to 101% of their respective principal amounts, plus accrued and unpaid interest, if any, to the date of purchase. See Description of the Notes Repurchase of Notes upon a Change of Control Triggering Event.

**Absence of Established Market for the Notes**

Each series of notes is a new issue of securities. There is currently no established trading market for either series of notes, and we do not intend to apply for the notes to be listed on any securities exchange or to arrange for any quotation system to quote them. The underwriters have advised us that they intend to make a market in the notes. The underwriters are not obligated, however, to make a market in either series of notes and any such market-making may be discontinued by the underwriters in their discretion at any time without notice. Accordingly, there can be no assurance as to the development or liquidity of any market for either series of notes. See Underwriting.

**Use of Proceeds**

The net proceeds from the offering, after deducting underwriting discounts and commissions and before deducting estimated expenses, will be approximately \$1,519.0 million. Pending consummation of the AT&T Transaction, the net proceeds from this offering will be deposited into an escrow account. We intend to use the net proceeds from this offering, together with proceeds from the CoBank AT&T Transaction Facility and cash on hand, to fund the purchase price for the AT&T Transaction. If the AT&T Transaction is not consummated on or before the Trigger Date or the Stock Purchase Agreement is terminated prior to the Trigger Date, we will be required to redeem all of the notes at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the date of redemption. See Description of the Notes Escrow of Proceeds; Mandatory Redemption and Use of Proceeds.

Risk Factors

Your investment in the notes will involve risks. You should consider carefully all of the information set forth in this prospectus supplement, the accompanying prospectus, any free writing

S-5

**Table of Contents**

prospectus with respect to this offering filed by us with the Securities and Exchange Commission and the documents incorporated by reference herein and, in particular, you should evaluate the risks in this prospectus supplement under Supplemental Risk Factors and in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2013, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, before deciding whether to purchase any notes in this offering.

Governing Law

The notes will be governed by the laws of the State of New York.

Trustee; Escrow Agent

The Bank of New York Mellon.

S-6

**Table of Contents****Summary Historical Consolidated Financial Information of Frontier**

The following tables present our summary historical consolidated financial and operating information for the periods indicated. The summary statements of operations information for the six months ended June 30, 2014 and 2013 and the summary balance sheet data as of June 30, 2014 have been derived from our unaudited interim consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus. In the opinion of our management, all adjustments considered necessary for a fair presentation of the interim June 30, 2014 and 2013 financial information have been included. The summary historical consolidated financial information as of December 31, 2013 and 2012 and for each of the three fiscal years in the three-year period ended December 31, 2013 is derived from our audited historical consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus. The summary historical consolidated financial information as of December 31, 2011 is derived from our audited historical consolidated financial statements not included or incorporated by reference into this prospectus supplement and the accompanying prospectus. The operating data below is unaudited for all periods. Our operating results for the six months ended June 30, 2014 are not necessarily indicative of the results to be expected for any future periods.

This information is only a summary and should be read in conjunction with our management's discussion and analysis of financial condition and results of operations incorporated by reference into this prospectus supplement and the accompanying prospectus and the historical consolidated financial statements and notes thereto referred to above.

(\$ in thousands)	Six Months Ended June 30, (unaudited)		Year Ended December 31,		
	2014	2013	2013	2012	2011
<b>Statements of Operations Information:</b>					
Revenue	\$ 2,301,311	\$ 2,395,929	\$ 4,761,576	\$ 5,011,853	\$ 5,243,043
Total Operating expenses	\$ 1,850,944	\$ 1,893,550	\$ 3,795,456	\$ 4,024,685	\$ 4,343,422
Gain on sale of Mohave partnership interest		\$ 14,601	\$ 14,601		
Operating income	\$ 450,367	\$ 516,980	\$ 980,721	\$ 987,168	\$ 899,621
Income from continuing operations	\$ 76,954	\$ 12,323	\$ 115,478	\$ 153,314	\$ 157,608
Net income attributable to common shareholders of Frontier	\$ 76,954	\$ 9,680	\$ 112,835	\$ 136,636	\$ 149,614
<b>Other Financial Data:</b>					
Capital expenditures(1)	\$ 302,170	\$ 326,522	\$ 634,685	\$ 802,504	\$ 824,839
Adjusted EBITDA(2)	\$ 1,036,500	\$ 1,119,218	\$ 2,238,155	\$ 2,395,846	\$ 2,485,567

(\$ in thousands)	As of June 30, (unaudited)		As of December 31,	
	2014	2013	2012	2011
<b>Balance Sheet Data:</b>				
Total assets	\$ 16,179,278	\$ 16,635,484	\$ 17,733,631	\$ 17,448,319
Long-term debt	\$ 7,650,833	\$ 7,873,667	\$ 8,381,947	\$ 8,224,392

Edgar Filing: FRONTIER COMMUNICATIONS CORP - Form 424B5

Total shareholders equity of Frontier	\$ 3,943,150	\$ 4,055,481	\$ 4,107,596	\$ 4,455,137
<b>Operating Data:</b>				
Customers	3,026,281	3,074,280	3,173,169	3,413,666
Broadband subscribers	1,931,521	1,866,670	1,754,422	1,731,020
Video subscribers	393,901	385,353	346,627(3)	527,565

S-7

**Table of Contents**

- (1) Includes capital expenditures related to integration activities in connection with the AT&T Transaction of \$41,575 for the six months ended June 30, 2014 and the businesses acquired from Verizon Communications Inc. in 2010 of \$54,097 and \$76,478 for the years ended December 31, 2012 and 2011, respectively.
- (2) Adjusted EBITDA is a non-GAAP (as defined below) financial measure which we define as operating income plus depreciation and amortization, as adjusted to add back acquisition and integration costs, non-cash pension/pension and other postretirement benefit ( OPEB ) costs, severance costs, pension settlement costs and gains/losses on the sale of certain assets. A reconciliation of the differences between Adjusted EBITDA and the most comparable financial measure calculated and presented in accordance with accounting principles generally accepted in the United States of America ( GAAP ) is set forth below. Adjusted EBITDA is not a measure of financial performance under GAAP and is not an alternative to operating income or net income reflected in the statement of operations or to cash flow, as reflected in the statement of cash flows, and it is not necessarily indicative of cash available to fund all cash needs. Adjusted EBITDA as used by us may not be comparable to similarly titled measures of other companies.

We believe that presentation of Adjusted EBITDA provides useful information to investors regarding our financial condition and results of operations because Adjusted EBITDA, when used in conjunction with related GAAP financial measures, (i) provides a more comprehensive view of our core operations and ability to generate cash flow, (ii) provides investors with the financial analytical framework upon which management bases financial, operational, compensation and planning decisions and (iii) presents measurements that investors and rating agencies have indicated to management are useful to them in assessing us and our results of operations.

Our management uses Adjusted EBITDA to (i) assist in analyzing our underlying financial performance from period to period, (ii) evaluate the financial performance of our business units, (iii) analyze and evaluate strategic and operational decisions, (iv) establish criteria for compensation decisions and (v) assist management in understanding our ability to generate cash flow and, as a result, to plan for future capital and operational decisions. We believe that Adjusted EBITDA is meaningful and useful for the reasons outlined above.

While we utilize Adjusted EBITDA in managing and analyzing our business and financial condition and believe it is useful to management and to investors for the reasons described above, Adjusted EBITDA has certain shortcomings. Management compensates for the shortcomings of Adjusted EBITDA by utilizing it in conjunction with comparable GAAP financial measures. The information presented in this section should be read in conjunction with the consolidated financial statements and the related notes incorporated by reference in this prospectus supplement and the accompanying prospectus.



**Table of Contents**

The following are the components of Adjusted EBITDA for each of the years in the three-year period ended December 31, 2013 and for the six months ended June 30, 2014 and 2013.

(\$ in thousands)	Six Months Ended June 30,		Year Ended December 31,		
	2014 (unaudited)	2013	2013	2012	2011
Operating income	\$ 450,367	\$ 516,980	\$ 980,721	\$ 987,168	\$ 899,621
Depreciation and amortization	554,870	601,524	1,169,500	1,266,807	1,403,175
	1,005,237	1,118,504	2,150,221	2,253,975	2,302,796
<b>Add back (deduct):</b>					
Acquisition and Integration Costs	30,447		9,652	81,737	143,146
Non-cash Pension/OPEB Costs	(417)	8,608	37,243	28,087	23,897
Severance Costs	1,233	6,707	11,477	32,047	15,728
Pension settlement costs			44,163		
Gain on sale of Mohave partnership interest(a)		(14,601)	(14,601)		
Adjusted EBITDA	\$ 1,036,500	\$ 1,119,218	\$ 2,238,155	\$ 2,395,846	\$ 2,485,567

- (a) On April 1, 2013, we sold our 33 1/3% interest in the Mohave Cellular Limited Partnership, in which we were the general partner. We received proceeds from the sale of \$17.8 million and recognized a gain on the sale of \$14.6 million before taxes.
- (3) Decline in video subscribers was due to the loss of 203,100 DirecTV subscribers in the third quarter of 2012 as we ceased providing DirecTV as part of our bundled packages.

**Table of Contents****Summary Historical Combined Financial Information of the Connecticut Operations**

The following summary historical combined financial data of the Connecticut Operations for the six months ended June 30, 2014 and 2013 and as of June 30, 2014 have been derived from the unaudited interim combined financial statements of the Connecticut Operations incorporated by reference into this prospectus supplement and the accompanying prospectus. The following summary historical combined financial data of the Connecticut Operations for each of the fiscal years ended December 31, 2013, 2012 and 2011 and as of December 31, 2013 and 2012 have been derived from the audited combined financial statements of the Connecticut Operations incorporated by reference into this prospectus supplement and the accompanying prospectus. The financial information of the Connecticut Operations reflects the combined financial information of The Southern New England Telephone Company and SNET America, Inc. and does not give effect to certain assets and liabilities relating to the business to be contributed by AT&T to these entities in connection with the AT&T Transaction, or to certain assets and liabilities unrelated to the business that will be transferred by these entities to AT&T in connection with the AT&T Transaction.

The summary historical combined financial data of the Connecticut Operations is only a summary and should be read in conjunction with the unaudited interim combined financial statements of the Connecticut Operations for the six months ended June 30, 2014 and 2013 and the notes thereto and the audited combined financial statements of the Connecticut Operations for the years ended December 31, 2013, 2012 and 2011 and the notes thereto incorporated by reference into this prospectus supplement and the accompanying prospectus, as well as the information under Description of the AT&T Transaction Financial Condition and Results of Operations of the Connecticut Operations. In addition, the summary historical combined financial data and the combined financial statements of the Connecticut Operations have been prepared on a carve-out basis in accordance with GAAP and reflect the historical financial position, results of operations and cash flows of the Connecticut Operations for the periods presented. They reflect assumptions and allocations made by AT&T to separate the Connecticut Operations on a stand-alone basis. As a result, the summary historical combined financial data and the combined financial statements of the Connecticut Operations may not be indicative of the financial position, results of operations, and cash flows that would have been presented if the Connecticut Operations had been a stand-alone entity. The historical financial information does not purport to be indicative of what the results of operations, financial position, and cash flows of the Connecticut Operations will be in the future.

(\$ in thousands)	Six Months Ended June 30,		Year Ended December 31,		
	2014	2013	2013	2012	2011
	(unaudited)				
<b>Statements of Operations Information:</b>					
Revenue	\$ 679,795	\$ 696,907	\$ 1,393,538	\$ 1,378,641	\$ 1,395,973
Total operating expenses(1)	\$ 591,382	\$ 567,228	\$ 1,015,510	\$ 1,363,642	\$ 1,360,524
Operating income	\$ 88,413	\$ 129,679	\$ 378,028	\$ 14,999	\$ 35,449
Net income	\$ 54,487	\$ 80,109	\$ 237,636	\$ 16,603	\$ 18,789
<b>Other Financial Data:</b>					
Construction and capital expenditures	\$ 75,247	\$ 65,404	\$ 146,842	\$ 126,050	\$ 194,345

(\$ in thousands)	As of	As of
	June 30, 2014	December 31, 2013

(unaudited)

<b>Balance Sheet Data:</b>			
Total assets	\$ 1,522,643	\$ 1,545,215	\$ 1,580,710
Total current liabilities	\$ 258,790	\$ 231,378	\$ 298,418
Parent's equity	\$ 1,167,103	\$ 1,222,781	\$ 1,170,812

- (1) Includes allocated affiliate costs of \$224.7 million and \$193.2 million for the six months ended June 30, 2014 and 2013, respectively, and \$393.4 million, \$366.1 million and \$357.3 million for the years ended December 31, 2013, 2012 and 2011 respectively.

S-10

**Table of Contents**

**Summary Unaudited Pro Forma Condensed Combined Financial Information**

The following summary unaudited pro forma condensed combined financial information is based upon the historical consolidated financial information of Frontier and the historical combined financial information of the Connecticut Operations incorporated by reference into this prospectus supplement and the accompanying prospectus, and has been prepared to reflect the AT&T Transaction based on the acquisition method of accounting. The unaudited pro forma condensed combined financial information presents the combination of the historical financial statements of Frontier and the historical financial statements of the Connecticut Operations, adjusted to give effect to (1) the transfer of specified assets and liabilities from AT&T to the Connecticut Operations that are not included in the Connecticut Operations historical balance sheet as of June 30, 2014, and the retention of specified assets and liabilities by AT&T that are included in the Connecticut Operations historical balance sheet as of June 30, 2014, as more fully described in note 3(a) to the unaudited pro forma condensed combined financial information included elsewhere in this prospectus supplement, (2) the completion of this offering and the drawdown of the CoBank AT&T Transaction Facility, as more fully described in note 3(b) to the unaudited pro forma condensed combined financial information included elsewhere in this prospectus supplement, (3) the payment by Frontier to AT&T of \$2.0 billion in cash (excluding any potential working capital purchase price adjustment as set forth in the Stock Purchase Agreement) as more fully described in note 3(c) to the unaudited pro forma condensed combined financial information included elsewhere in this prospectus supplement and (4) the consummation of the transactions contemplated by the Stock Purchase Agreement, with Frontier considered the accounting acquirer, based on the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial information. The historical financial information has been adjusted to give effect to events that are directly attributable to the AT&T Transaction and factually supportable and, in the case of the statements of operations information, that are expected to have a continuing impact.

The unaudited pro forma condensed combined balance sheet information has been prepared as of June 30, 2014, and gives effect to the AT&T Transaction and other events described above as if they had occurred on that date. The unaudited pro forma condensed combined statements of operations information, which have been prepared for the six months ended June 30, 2014 and for the year ended December 31, 2013, give effect to the AT&T Transaction and other events described above as if they had occurred on January 1, 2013.

The unaudited pro forma condensed combined financial information was prepared using (1) the unaudited interim condensed combined financial statements of the Connecticut Operations as of and for the six months ended June 30, 2014, (2) the audited combined financial statements of the Connecticut Operations as of and for the year ended December 31, 2013, (3) the unaudited interim condensed consolidated financial statements of Frontier as of and for the six months ended June 30, 2014, and (4) the audited consolidated financial statements of Frontier as of and for the year ended December 31, 2013, in each case, incorporated by reference in this prospectus supplement and the accompanying prospectus. The following summary unaudited pro forma condensed combined financial information should be read in conjunction with the unaudited pro forma condensed combined financial information, including the notes thereto, included elsewhere in this prospectus supplement.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that would have been achieved had the AT&T Transaction and other events described above been completed at the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or results of operations of Frontier after completion of the AT&T Transaction. In the opinion of Frontier's management, all adjustments considered necessary for a fair presentation have been included.

S-11

**Table of Contents**

The unaudited pro forma condensed combined financial information does not give effect to any potential cost savings or other operating efficiencies that could result from the AT&T Transaction. In addition, the fair value of the assets acquired and liabilities assumed are based upon estimates. The final allocation is dependent upon valuations and other studies that will not be completed until after the AT&T Transaction has been consummated. Accordingly, the purchase price allocation pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information in this prospectus supplement.

(\$ in millions, except per share amounts)	Six Months Ended	
	June 30, 2014	Year Ended December 31, 2013
	(unaudited)	
<b>Statements of Operations Information:</b>		
Revenue	\$ 2,918	\$ 6,011
Operating income	\$ 494	\$ 1,049
Net income attributable to common shareholders of Frontier	\$ 73	\$ 83
Basic and diluted net income per common share	\$ 0.07	\$ 0.08
<b>Other Financial Data:</b>		
Capital expenditures	\$ 336	\$ 782
Adjusted EBITDA(1)	\$ 1,187	\$ 2,614

(\$ in millions)	As of June 30, 2014
	(unaudited)
<b>Balance Sheet Data:</b>	
Property, plant and equipment, net	\$ 8,473
Goodwill	\$ 7,176
Total assets	\$ 18,887
Long-term debt	\$ 9,551
Total equity	\$ 3,907

- (1) The following are the components of pro forma Adjusted EBITDA for the six months ended June 30, 2014 and the year ended December 31, 2013, as calculated by Frontier. Neither AT&T nor the Connecticut Operations have historically used Adjusted EBITDA in connection with the management of the Connecticut Operations. For an explanation of Frontier's presentation and use of Adjusted EBITDA, see footnote (2) under Summary Historical Consolidated Financial Information of Frontier.

(\$ in millions)	Six Months Ended	
	June 30, 2014	Year Ended December 31, 2013

	<b>(unaudited)</b>	
Revenue	\$ 2,918	\$ 6,011
<b>Less:</b>		
Costs and expense (exclusive of depreciation and amortization)	1,739	3,529
<b>Add back:</b>		
Pension settlement costs of Frontier		44
Severance costs of Frontier	1	11
Non-cash pension/OPEB costs of Frontier		37
Non-cash pension costs of Connecticut Operations	7	40
<b>Adjusted EBITDA</b>	<b>\$ 1,187</b>	<b>\$ 2,614</b>

S-12

**Table of Contents****Ratio of Earnings to Fixed Charges**

The following table contains our historical consolidated ratio of earnings to fixed charges for the periods indicated. For purposes of this ratio, earnings consist of pre-tax income from continuing operations before income (loss) from equity investees, and after deductions for income attributable to the noncontrolling interest in a partnership, plus fixed charges (except for interest capitalized and preferred dividend requirements of consolidated subsidiaries) and distributed income of equity investees. Fixed charges consist of interest expensed and capitalized, plus the portion of rent expense under operating leases deemed to be representative of interest.

	<b>Six Months Ended</b>		<b>Year Ended</b>			
	<b>June 30, 2014</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>	<b>December 31, 2011</b>	<b>December 31, 2010</b>	<b>December 31, 2009</b>
Consolidated Ratios of Earnings to Fixed Charges(1)(2)	1.32	1.23	1.29	1.33	1.49	1.49

(1) Includes losses on early extinguishment of debt or exchanges of debt of \$159.8 million, \$90.4 million and \$45.9 million for the years ended December 31, 2013, 2012 and 2009, respectively. The consolidated ratios of earnings to fixed charges, adjusted to exclude losses on early extinguishment of debt or exchanges of debt were 1.45, 1.42 and 1.61 for the years ended December 31, 2013, 2012 and 2009, respectively.

(2) Does not reflect the AT&T Transaction or this offering of notes.



Table of Contents

**SUPPLEMENTAL RISK FACTORS**

*You should carefully consider the risks described below in addition to the risks described in **Risk Factors** in the accompanying prospectus and in any free writing prospectus with respect to the offering filed by us with the Securities and Exchange Commission, as well as in **Item 1A. Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2013, which is incorporated by reference into this prospectus supplement and the accompanying prospectus, as well as the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, before investing in the notes. See **Where You Can Find More Information** and **Incorporation by Reference**. You could lose part or all of your investment.*

**Risks Related to the AT&T Transaction**

**The AT&T Transaction may not be consummated on the terms or timeline currently contemplated, or at all. In the event that the AT&T Transaction is not consummated on or prior to the Trigger Date or the Stock Purchase Agreement is terminated at any time prior thereto, we will be required to redeem the notes. In such event, the amount required to redeem the notes may be greater than the net proceeds for this offering and we may not have the funds necessary to redeem the notes in full. In addition, if we redeem the notes, you may not obtain the return you expect on the notes.**

The consummation of the AT&T Transaction is subject to certain conditions, including (i) the absence of a court or other governmental order prohibiting consummation of the transaction, (ii) the receipt of applicable regulatory consents, (iii) the absence of a material adverse effect on the business to be acquired from AT&T and (iv) other closing conditions. See **Description of the AT&T Transaction**. We can make no assurances that the conditions to consummate the AT&T Transaction will be satisfied (or as to the waiver thereof), or that the AT&T Transaction will be consummated on the terms or timeline currently contemplated, or at all. If the AT&T Transaction is not consummated on or before the Trigger Date, or if the Stock Purchase Agreement is terminated prior to the Trigger Date, we will be required to redeem all of the outstanding notes at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the date of redemption. See **Description of the Notes Escrow of Proceeds; Mandatory Redemption**. Although we will deposit the net proceeds from this offering into an escrow account, that amount will not be sufficient to redeem the notes in full, and we cannot assure you that we will have sufficient funds available to redeem the notes in full. In addition, even if we are able to redeem the notes pursuant to the mandatory redemption provisions, you may not be able to reinvest the proceeds you receive from the redemption in a comparable security at an effective interest rate or return on investment as high as what you otherwise would have received on your notes being redeemed.

We will not be required to redeem the notes as long as the AT&T Transaction closes prior to the Trigger Date, even if between the closing of this offering and the closing of the AT&T Transaction we experience any changes (including any material changes) in our business or financial condition, or if the terms of the Stock Purchase Agreement are amended, including in material respects.

**Our effort to combine our business and the Connecticut Operations may not be successful and may decrease the time that management will have to serve existing customers, attract new customers and develop new services or strategies.**

The Company is devoting a significant amount of time and attention to the process of integrating the operations of our business and the Connecticut Operations, which may decrease the time that management will have to serve existing customers, attract new customers and develop new services or strategies. The size and complexity of the Connecticut Operations and the process of using our existing common support functions and systems to manage the Connecticut

Operations after the acquisition, if not managed and completed successfully by management, may result in interruptions of the business activities of the Company that could have an adverse effect on the Company's business, financial condition and results of operations.

S-14

**Table of Contents**

**We will incur significant expense in connection with the AT&T Transaction and may not realize the cost synergies that are anticipated from the AT&T Transaction.**

The success of the AT&T Transaction will depend, in part, on our ability to realize anticipated cost synergies. The Company's success in realizing these cost synergies, and the timing of this realization, depends on the successful integration of our business and operations with the Connecticut Operations. The Company has incurred, and will continue to incur up to closing, significant costs related to the AT&T Transaction, such as legal, accounting, filing, financial advisory and integration costs. The Company currently expects that it will incur approximately \$225 million to \$275 million of costs related to integration activities in 2014. Even if the Company is able to integrate the Connecticut Operations successfully, our actual integration costs may be higher than we expect, and this integration may not result in the realization of the full benefits of the cost synergies that Frontier currently expects within the anticipated time frame or at all. In addition, we will assume significant liabilities related to the Connecticut Operations in connection with the AT&T Transaction, including potential contingent liabilities related to legal, regulatory, employee and other business and contractual related matters, and the costs associated with these liabilities may be higher than we have anticipated.

**If the assets included in the Connecticut Operations are insufficient to operate all aspects of the Connecticut Operations, it could adversely affect the Company's business, financial condition and results of operations.**

Pursuant to the Stock Purchase Agreement, AT&T will contribute to the Connecticut Operations certain assets and liabilities of its local exchange business and related landline activities in Connecticut, including video, broadband internet and switched long distance services provided to designated customers located in Connecticut. However, the assets comprising the Connecticut Operations following the consummation of the AT&T Transaction may not be sufficient to operate all aspects of the Connecticut Operations and the Company may have to use assets or resources from our existing business or acquire additional assets in order to operate the Connecticut Operations, which could cost the Company more than we anticipate.

Pursuant to the Stock Purchase Agreement, we have certain rights to cause AT&T to transfer to us any assets required to be included in the Connecticut Operations that were not contributed as required. If AT&T is unable or unwilling to transfer those assets to the Company, or if AT&T and Frontier disagree about whether those assets were required to be contributed to the Connecticut Operations under the Stock Purchase Agreement, the Company might not be able to obtain those assets or similar assets from others without significant additional costs or at all, which could adversely affect the Company's business, financial condition and results of operations.

**The Company's business, financial condition and results of operations may be adversely affected following consummation of the AT&T Transaction if the Company is not able to obtain requisite consents or enter into certain agreements.**

The products and services of the Connecticut Operations are currently provided by AT&T to certain customers pursuant to master agreements, together with other AT&T products or services. Pursuant to the Stock Purchase Agreement, we and AT&T have jointly agreed to use our reasonable best efforts for six months following the consummation of the AT&T Transaction to obtain any consents required to separate from such master agreements and assign to Frontier the portion thereof related to the Connecticut Operations. To the extent that the parties are not able to obtain any such required consent, such contracts will not be assigned to us and we may not be able to establish a direct relationship with such customers.

Frontier must also enter into agreements and obtain consents related to, among other things, video transport and content, in order to provide video services to customers in Connecticut following consummation of the AT&T

Transaction. In the event Frontier is not able to enter into such agreements or obtain such consents, we may not be able to provide such services to customers in Connecticut following consummation of the AT&T Transaction, which could have an adverse impact on our business, financial condition and results of operations.

S-15

## **Table of Contents**

### **Regulatory agencies may delay approval of the AT&T Transaction, fail to approve it, or approve it in a manner that may diminish the anticipated benefits of the AT&T Transaction.**

Completion of the AT&T Transaction is conditioned upon the receipt of certain government consents, approvals, orders and authorizations. While we intend to pursue vigorously all required governmental approvals and do not know of any reason why we would not be able to obtain the necessary approvals in a timely manner, the requirement to receive these approvals before completion of the AT&T Transaction could delay its completion. A lengthy delay in the completion of the AT&T Transaction could diminish the anticipated benefits and/or result in additional transaction and financing costs, loss of revenues or other effects associated with uncertainty about the transaction. In addition, until the AT&T Transaction is completed, the attention of Frontier management may be unnecessarily diverted from ongoing business and regular business responsibilities.

Further, governmental agencies may decline to grant required approvals, or they may impose conditions on their approval of the AT&T Transaction that could have an adverse effect on the Company's business, financial condition and results of operations. If certain governmental agencies decline to grant any required approval for the AT&T Transaction, the AT&T Transaction may not be consummated. In addition, conditions imposed by governmental agencies in connection with their approval of the AT&T Transaction (such as service quality or capital expenditure requirements) may restrict the Company's ability to achieve anticipated synergies, revenues and cash flows.

### **The AT&T Transaction could adversely affect the business and operations of the Connecticut Operations prior to or following the consummation of the AT&T Transaction.**

As a result of the pending AT&T Transaction, some current or potential customers of the Connecticut Operations may defer decisions relating to subscribing for additional or new services, decide not to subscribe for such services or cancel their existing services prior to or following the consummation of the AT&T Transaction. Any such actions by new or existing customers of the Connecticut Operations could have a material adverse effect on the results of operations of the Connecticut Operations and, as a result, Frontier's results of operations following the consummation of the AT&T Transaction.

## **Risks Related to the Notes**

### **Debt and debt service obligations may adversely affect us.**

We have a significant amount of indebtedness, which amounted to approximately \$7.9 billion at June 30, 2014. On June 2, 2014, we entered into a new \$750.0 million senior unsecured revolving credit facility and terminated our previously existing revolving credit facility. As of the date of this prospectus supplement, we had not made any borrowings under the new revolving credit facility. In addition, on June 2, 2014, we entered into a credit agreement in respect of the CoBank AT&T Transaction Facility, which provides for a delayed single draw of up to \$350.0 million to fund a portion of the purchase price for the AT&T Transaction. See Description of Other Indebtedness. Our indebtedness will increase substantially as a result of this offering. We may also obtain additional long-term debt and working capital lines of credit to meet future financing needs, subject to certain restrictions under the terms of our existing indebtedness, which would increase our total debt. Although our existing debt is substantial, each indenture under which the notes will be issued will still permit us to incur additional debt. If we were to incur additional indebtedness, the risks that you face as a result of our substantial indebtedness could be magnified.

The potential significant negative consequences on our financial condition and results of operations that could result from our debt include:

limitations on our ability to obtain additional debt or equity financing;

instances in which we are unable to meet the financial covenants contained in our debt agreements or to generate cash sufficient to make required debt payments, which circumstances have the potential of accelerating the maturity of some or all of our outstanding indebtedness;

S-16

**Table of Contents**

the allocation of a substantial portion of our cash flow from operations to service our debt, thus reducing the amount of our cash flow available for other purposes, including operating costs, capital expenditures and dividends that would otherwise improve our competitive position, results of operations or stock price;

requiring us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet payment obligations;

compromising our flexibility to plan for, or react to, competitive challenges in our business and the communications industry; and

the possibility of our being put at a competitive disadvantage with competitors who do not have as much debt as we do, and competitors who may be in a more favorable position to access additional capital resources.

In addition, our senior notes are rated below investment grade by independent ratings agencies. This can result in higher borrowing costs for us. We cannot assure you that these rating agencies will not lower our current debt ratings, if in the rating agencies' judgment, such an action is appropriate. A lowering of a rating may further increase our future borrowing costs and reduce our access to capital.

**Frontier is a holding company and, as a result, we rely on the receipt of funds from our subsidiaries in order to meet our cash needs and service our indebtedness, including the notes. The notes will be effectively subordinated to liabilities of our subsidiaries.**

Frontier is a holding company and our principal assets consist of the shares of capital stock or other equity instruments of our subsidiaries. As a holding company without independent means of generating operating revenues, we depend on dividends, distributions and other payments from our subsidiaries to fund our obligations, including those arising under the notes, and meet our cash needs. We cannot assure you that the operating results of our subsidiaries at any given time will be sufficient to make dividends, distributions or other payments to us in order to allow us to make payments on the notes. In addition, the payment of these dividends, distributions and other payments, as well as other transfers of assets, between our subsidiaries and from our subsidiaries to us may be subject to legal, regulatory or contractual restrictions. Some state regulators have imposed and others may consider imposing on regulated companies, including us, cash management practices that could limit the ability of such regulated companies to transfer cash between subsidiaries or to the parent company. While none of the existing state regulations materially affect our cash management, any changes to the existing regulations or imposition of new regulations or restrictions may materially adversely affect our ability to transfer cash within our consolidated companies.

You will not have any claim as a creditor against our subsidiaries. Accordingly, all obligations of our subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise. As of June 30, 2014, our subsidiaries had outstanding approximately \$1,038.1 million of total liabilities, including approximately \$258.7 million of indebtedness (including \$8.7 million of secured indebtedness), \$79.4 million with respect to a sale and leaseback transaction accounted for as a secured financing obligation and capital lease obligations of \$24.3 million, and excluding deferred income tax liabilities and intercompany liabilities. Although the indentures governing the notes will limit the indebtedness our subsidiaries may incur, our subsidiaries will be able to incur a substantial amount of additional debt, including, without limitation, Acquired Indebtedness (as defined in the indentures governing the notes). See Description of the Notes Covenants Limitations on Subsidiary Indebtedness. Moreover, each indenture governing the applicable series of notes will provide that this covenant will no longer be

applicable to such series from and after the first date on which the notes of the applicable series are rated investment grade. Termination of this covenant would allow us to engage in certain transactions that would not be permitted while this covenant was in effect even if the notes are subsequently downgraded below investment grade. See Description of the Notes Termination of Certain Covenants.

S-17



## Table of Contents

**There will be no cross-default or cross-acceleration provisions in the indentures governing the notes, which could affect our ability to satisfy our obligations under the notes.**

The indentures governing the notes will not contain a cross-default or cross-acceleration provision so holders of the notes will not have the right to accelerate indebtedness represented by the notes in the event of (1) a default by us or any of our subsidiaries under any other indebtedness of our company or our subsidiaries, including under our credit facilities, or (2) a bankruptcy or similar event affecting any of our subsidiaries. If such events occur, our obligations and our subsidiaries' obligations, as applicable, will have to be satisfied first, and the holders of the notes will have no rights to participate in any distributions or payments. Consequently, we might not have sufficient funds or resources following such events to satisfy our obligations, including our obligations under the notes.

**The notes are unsecured and will effectively be subordinated to any secured indebtedness.**

The notes are unsecured and therefore will be effectively subordinated to any of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness. In the event of a bankruptcy or similar proceeding, the assets that serve as collateral for any secured indebtedness will be available to satisfy the obligations under the secured indebtedness before any payments are made on the notes. As of June 30, 2014, we had approximately \$32.4 million of secured indebtedness (\$8.7 million of which was at our subsidiaries). The indentures governing the notes will permit us, subject to specified limitations, to incur a substantial amount of additional secured debt, including, without limitation, Acquired Indebtedness (as defined herein).

**The agreements governing our debt, including the notes and our credit facilities, contain various covenants that impose restrictions on us that may affect our ability to operate our business and to make payments on the notes.**

The indentures governing the notes will contain covenants that, among other things, limit our ability and the ability of our subsidiaries to:

create liens;

merge or consolidate with other companies; and

incur indebtedness at our subsidiaries.

In addition, our credit facilities require us to comply with specified covenants, including financial ratios. Any future indebtedness may also require us to comply with similar covenants. These restrictions on our ability to operate our business could seriously harm our business by, among other things, limiting our ability to take advantage of financings, mergers, acquisitions and other corporate opportunities.

Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants. Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit lenders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations, including our obligations under the notes. In addition, the limitations imposed by financing agreements on our ability

to incur additional debt and to take other actions might significantly impair our ability to obtain other financing.

**If an active trading market does not develop for either series of notes, you may be unable to sell such notes or to sell them at a price you deem sufficient.**

Each series of notes is a new issue of securities for which there is currently no public trading market. We do not intend to list the notes on any national securities exchange or automated quotation system. In addition, the

S-18

**Table of Contents**

liquidity of any trading market for either series of notes, and the market price quoted for either series of notes, may be adversely affected by changes in the overall market for those securities and by changes in our financial performance or prospects or in the prospects of telecommunications companies generally. We cannot give you any assurance as to:

the liquidity of any trading market that may develop;

the ability of holders to sell their notes; or

the price at which holders would be able to sell their notes.

Even if a trading market develops, each series of notes may trade at higher or lower prices than the principal amount or purchase price depending on many factors, including:

prevailing interest rates;

the number of holders of such series of notes;

the interest of securities dealers in making a market for such series of notes;

the market for similar notes; and

our financial performance.

In addition, we understand that the underwriters presently intend to make a market in the notes. However, they are not obligated to do so and may discontinue making a market in either series of notes at any time without notice. As a result, we cannot assure you that an active trading market will develop for either series of notes. If no active trading market for the notes develops, the price at which you may be able to sell notes, if at all, may be less than the price you pay for them.

**We may not have sufficient funds to repurchase the notes upon a Change of Control Triggering Event (as defined herein), and certain strategic transactions may not constitute a Change of Control Triggering Event.**

The terms of the notes will require us to make an offer to repurchase the notes upon the occurrence of a Change of Control and Ratings Decline at a purchase price equal to 101% of the respective principal amounts of the notes plus accrued interest to the date of the purchase. It is possible that we will not have sufficient funds at the time of the Change of Control Triggering Event to make the required repurchase of notes and will be required to obtain third party financing to do so. We may not be able to obtain this financing on commercially reasonable terms, or on terms acceptable to us, or at all. In addition, the occurrence of certain change of control events may constitute an event of default under the terms of our credit facilities. Such an event of default would entitle the lenders under our credit facilities to, among other things, cause all outstanding debt thereunder to become due and payable.

We continuously evaluate and may in the future enter into strategic transactions. Any such transaction could happen at any time, could be material to our business and could take any number of forms, including, for example, an acquisition, merger or a sale of all or substantially all of our assets. Other than in connection with the AT&T Transaction, we currently have no agreement or understanding regarding, and are not in active negotiations with respect to, any material strategic transaction, although as part of our strategy we expect to continue to evaluate and may enter into material strategic transactions in the future. Further, subject to limitations in the indentures governing the notes, we could, in the future, enter into certain transactions, including acquisitions, refinancings, other recapitalizations or material strategic transactions that would not result in a Change of Control Triggering Event within the meaning of such indenture and would not otherwise be prohibited by the covenants and provisions of such indenture. Such transactions could significantly increase the amount of our indebtedness outstanding at such time (including secured debt or subsidiary debt that would be effectively senior to the notes) or otherwise affect our capital structure or credit ratings.

**Table of Contents**

**In a bankruptcy proceeding, the application of the escrowed funds to repay the notes may require the prior approval of the bankruptcy court adjudicating the bankruptcy proceeding.**

If we commence a bankruptcy or reorganization case, or one is commenced against us, while the escrow account remains funded, bankruptcy law may prevent the trustee under the indenture governing each series of notes from using the escrowed funds to pay the special mandatory redemption. The court adjudicating that case might find that the escrow account is the property of the bankruptcy estate. In that event, we believe that the holders of notes would be treated as secured creditors with a security interest in the escrowed funds. However, in a bankruptcy proceeding, secured creditors are prohibited from foreclosing upon or disposing of a debtor's property without prior bankruptcy court approval. As a result, the application of the escrowed funds to repay the notes may require the prior approval of the bankruptcy court. See Description of Notes Escrow of Proceeds; Mandatory Redemption.

**Table of Contents**

**USE OF PROCEEDS**

The net proceeds from the offering, after deducting underwriting discounts and commissions and before deducting estimated expenses, will be approximately \$1,519.0 million. Pending consummation of the AT&T Transaction, the net proceeds from this offering will be deposited into an escrow account. We intend to use the net proceeds from this offering, together with proceeds from the CoBank AT&T Transaction Facility and cash on hand, to fund the purchase price for the AT&T Transaction. If the AT&T Transaction is not consummated on or before the Trigger Date or the Stock Purchase Agreement is terminated prior to the Trigger Date, we will be required to redeem all of the notes of each series at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the date of redemption. See Description of the Notes Escrow of Proceeds; Mandatory Redemption.

S-21

**Table of Contents****CAPITALIZATION**

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2014 (i) on an actual basis and (ii) as adjusted to give effect to the sale of the \$775.0 million principal amount of 2021 notes and \$775.0 million principal amount of 2025 notes offered hereby and the assumed application of the net proceeds thereof, together with proceeds from the CoBank AT&T Transaction Facility and cash on hand, to fund the purchase price for the AT&T Transaction. See Use of Proceeds.

You should read this information in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, our consolidated financial statements and the related notes in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 and the separate financial statements of the Connecticut Operations, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus. See also Unaudited Pro Forma Condensed Combined Financial Information.

<b>(In Millions)</b>	<b>As of June 30, 2014</b>	
	<b>Historical</b>	<b>As Adjusted</b>
Cash and cash equivalents(1)	\$ 802	\$ 671
Long-term debt, net of current portion and debt discount(2):		
6.250% Senior Notes due 2021		775
6.875% Senior Notes due 2025		775
CoBank AT&T Transaction Facility		350
Senior notes, debentures and other debt(2)	7,651	7,651
<b>Total long-term borrowings</b>	<b>7,651</b>	<b>9,551</b>
Total shareholders' equity	3,943	3,943
<b>Total capitalization</b>	<b>\$ 11,594</b>	<b>\$ 13,494</b>

- (1) As adjusted information does not reflect expenses related to this offering and the AT&T Transaction, which will be paid with cash on hand.
- (2) Excludes current portion of long-term debt of \$105.0 million and \$96.9 million at June 30, 2014 that matures on March 15, 2015 and April 15, 2015, respectively. As of June 30, 2014, we also had \$750.0 million available under our revolving credit agreement.

**Table of Contents**

**DESCRIPTION OF THE AT&T TRANSACTION**

On December 16, 2013, we entered into the Stock Purchase Agreement to acquire the wireline properties of AT&T in Connecticut for a purchase price of \$2.0 billion in cash. Upon completion of the AT&T Transaction, we will operate AT&T's wireline business and statewide fiber network that provides services to residential, commercial and wholesale customers in Connecticut, making Connecticut our largest market. We will also acquire AT&T's U-verse® video and satellite TV customers in Connecticut. We expect the AT&T Transaction to close in the fourth quarter of 2014. We expect to fully convert the Connecticut Operations onto our existing systems and networks immediately following the closing of the AT&T Transaction.

**The Stock Purchase Agreement**

The following summary of the Stock Purchase Agreement is not complete and is subject to, and is qualified in its entirety by reference to, all provisions of the Stock Purchase Agreement (including the definitions of terms used therein). You should read the Stock Purchase Agreement for provisions that may be important to you. A copy of the Stock Purchase Agreement was filed as Exhibit 2.1 to our Current Report on Form 8-K, filed December 17, 2013, and an amendment thereto was filed as Exhibit 2.1 to our Current Report on Form 8-K, filed August 14, 2014, each of which is incorporated by reference herein. See [Where You Can Find More Information](#) in this prospectus supplement.

Pursuant to the Stock Purchase Agreement, we have agreed to acquire all of the issued and outstanding capital stock of The Southern New England Telephone Company and SNET America, Inc. from AT&T. Prior to the closing under the Stock Purchase Agreement, (i) AT&T will transfer to the transferred companies certain assets and cause the transferred companies to assume certain liabilities relating to the business to be acquired and (ii) the transferred companies will transfer to AT&T certain assets, and AT&T will assume certain liabilities of the transferred companies, to be retained by AT&T following the closing. We refer you to the separate financial statements of the Connecticut Operations incorporated herein by reference.

Consummation of the transactions contemplated by the Stock Purchase Agreement is subject to the satisfaction of certain conditions, including (i) expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), (ii) receipt of the necessary approvals required to be obtained from the Federal Communications Commission and from the Connecticut Public Utility Regulatory Authority (PURA), which includes approval of the proposed Settlement Agreement among Frontier, the Connecticut Attorney General and the Connecticut Office of Consumer Counsel, and (iii) other closing conditions. A Technical Session of PURA to address deficiencies in the proposed Settlement Agreement is currently scheduled for September 10, 2014. The current PURA hearing schedule provides for a decision regarding approval of the AT&T Transaction by October 15, 2014. The early waiting period under the HSR Act expired in the first quarter of 2014 and approval from the Federal Communications Commission was received in the third quarter of 2014.

Our obligation to consummate the transactions contemplated by the Stock Purchase Agreement is also subject to, among other things, (i) the completion of an extraction of customer data for the Connecticut Operations that meets certain specified requirements and (ii) the absence of a Seller Material Adverse Effect (as defined in the Stock Purchase Agreement), which means, after the date of the Stock Purchase Agreement, any event, occurrence, development, state of facts, effect, condition or change that, individually or in the aggregate, has a material adverse effect on the business, financial condition, assets, liabilities or results of operations of the Connecticut Operations taken as a whole, subject to certain enumerated exceptions as set forth in the Stock Purchase Agreement.

The parties to the Stock Purchase Agreement have made to each other certain representations and warranties, and have agreed to certain covenants, agreements and indemnification provisions. In addition, the Stock Purchase Agreement



contemplates that we and AT&T will enter into certain ancillary agreements at the closing of the AT&T Transaction.

S-23

## **Table of Contents**

The Stock Purchase Agreement may be terminated in certain circumstances, including, among others, (i) by mutual agreement of the Company and AT&T or (ii) by either the Company or AT&T if the AT&T Transaction does not close by December 16, 2014 (subject to extension by either the Company or AT&T to up to June 16, 2015 in certain circumstances). The Stock Purchase Agreement may be amended or waived if such amendment or waiver is in writing and signed, in the case of an amendment, by the Company and AT&T, or in the case of a waiver, by the party against whom the waiver is to be effective.

On January 29, 2014, we entered into the Bridge Loan Agreement among the Company, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, pursuant to which the lenders have agreed at closing of the AT&T Transaction to provide to us an unsecured bridge loan facility for up to \$1.9 billion for the purposes of funding (i) substantially all of the purchase price for the AT&T Transaction and (ii) the fees and expenses incurred in connection with the transactions contemplated by the Stock Purchase Agreement. Pursuant to the Bridge Loan Agreement, if and to the extent we do not, or are unable to, raise debt yielding up to \$1.9 billion in gross cash proceeds on or prior to the closing of the AT&T Transaction, we will draw down up to \$1.9 billion in aggregate principal amount of loans under the Bridge Facility, less the amount of debt, including the notes offered hereby and borrowings under the CoBank AT&T Transaction Facility, raised by us on or prior to the closing of the AT&T Transaction. The Bridge Facility was downsized by \$350.0 million following the execution of the CoBank AT&T Transaction Facility and the remainder of the Bridge Facility will be terminated upon consummation of this offering.

If the AT&T Transaction is not consummated on or before August 17, 2015 or the Stock Purchase Agreement is terminated prior to the Trigger Date, we will be required to redeem all of the notes of each series at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the date of redemption. See Description of the Notes Escrow of Proceeds; Mandatory Redemption.

## **The Connecticut Operations**

As of June 30, 2014, the Connecticut Operations had approximately 875,000 voice, 415,000 broadband and 215,000 video connections. The AT&T Transaction will add approximately 2,700 employees to our Company, a majority of whom are represented by the Communications Workers of America. Following the consummation of the AT&T Transaction, we will commence operations in the State of Connecticut and operate in 28 states overall.

Connecticut is an attractive market for us. Our corporate headquarters have been in Connecticut since 1946 and approximately 190 of our employees are already engaged in the local Connecticut community. According to the U.S. Census Bureau, Connecticut has a population of approximately 3.6 million people, with approximately 1.4 million households. In addition, Connecticut has the fourth highest state family income level in the United States.

The Connecticut Operations align with our core competencies and have a well-built and maintained network, with approximately 96% broadband coverage and 47% U-verse<sup>®</sup> coverage. The Connecticut Operations will provide us with greater scale to leverage our network, information technology, engineering, administrative services and procurement capabilities to realize currently anticipated cost synergies and savings of approximately \$200 million annually by the third anniversary of the consummation of the AT&T Transaction. In addition, we believe we will be able to leverage the experience we obtained in successfully integrating the businesses acquired from Verizon Communications Inc. in 2010 to more effectively and efficiently integrate the Connecticut Operations in a timely manner. See Supplemental Risk Factors Risks Related to the AT&T Transaction Our effort to combine our business and the Connecticut Operations may not be successful and may decrease the time that management will have to serve existing customers, attract new customers and develop new services or strategies.

## **Historical Financial Condition and Operating Results of the Connecticut Operations**

The following is an analysis of historical operating results of the Connecticut Operations. This analysis should be read in conjunction with the historical combined financial statements of the Connecticut Operations

S-24

---

**Table of Contents**

incorporated by reference herein. The historical combined financial statements have been carved out from AT&T's consolidated financial statements in accordance with U.S. generally accepted accounting principles and reflect assumptions and allocations made by AT&T to separate the Connecticut Operations on a stand-alone basis. Accordingly, the historical combined financial statements, which do not contemplate the AT&T Transaction, may not be indicative of the financial condition and operating results that would have existed had the Connecticut Operations been a stand-alone entity. The historical combined financial statements of the Connecticut Operations reflect revenues and associated expenses relating to certain services provided to other affiliates of AT&T, which business relationship will be modified in connection with the AT&T Transaction. This analysis should be read in conjunction with the unaudited pro forma condensed combined financial information contained elsewhere herein which reflects, among other things, pro forma adjustments to reflect the expected impact of the modifications to the business relationship between AT&T and the Connecticut Operations upon consummation of the AT&T Transaction, as well as assets and liabilities not included in the historical financial statements of the Connecticut Operations that will be transferred by AT&T to the Connecticut Operations in connection with the AT&T Transaction and assets and liabilities included in the historical financial statements of the Connecticut Operations that will be retained by AT&T in connection with the AT&T Transaction.

***Revenue***

Revenue for the Connecticut Operations is generated primarily through the provision of voice services, data services and other revenue generated from the provision of network, marketing and other services to other affiliated AT&T entities. Such revenues are generated through either a monthly recurring fee or a fee based on usage, and revenue recognition is not dependent upon significant judgments by management, with the exception of a determination of a provision for uncollectible amounts.

Revenue in the six-month period ended June 30, 2014 decreased \$17.1 million, or 2%, to \$679.8 million as compared to the comparable period in 2013. The decline during the first six months of 2014 was primarily the result of decreases in voice revenue, partially offset by an increase in data revenue. Revenue for the year ended December 31, 2013 increased \$14.9 million, or 1%, to \$1,393.5 million as compared to the year ended December 31, 2012. The increase in 2013 was primarily the result of increases in data and other revenues, partially offset by a decrease in voice revenue. Revenue for the year ended December 31, 2012 decreased \$17.3 million, or 1%, to \$1,378.6 million as compared to the year ended December 31, 2011. The decline in 2012 was primarily the result of decreases in voice revenue, partially offset by an increase in data revenue.

Total voice revenue for the six-month period ended June 30, 2014 decreased \$25.7 million, or 11%, to \$213.0 million as compared to the comparable period in 2013. Total voice revenue for the year ended December 31, 2013 decreased \$53.0 million, or 10%, to \$463.3 million as compared to the year ended December 31, 2012. Total voice revenue for the year ended December 31, 2012 decreased \$54.8 million, or 10%, to \$516.2 million as compared to the year ended December 31, 2011. Voice revenue, which excludes revenue from VoIP connections, declined in all periods primarily due to reductions in local and long distance customers as consumers have moved from landline services to IP-based technology and wireless forms of communication.

Total data revenue for the six-month period ended June 30, 2014 increased \$12.5 million, or 3%, to \$410.8 million as compared to the comparable period in 2013. Total data revenue for the year ended December 31, 2013 increased \$58.3 million, or 8%, to \$806.5 million as compared to the year ended December 31, 2012. Total data revenue for the year ended December 31, 2012 increased \$38.1 million, or 5%, to \$748.2 million as compared to the year ended December 31, 2011. Data revenue increases in all periods were primarily driven by increases in broadband, video and VoIP revenues as the Connecticut Operations has increased customers for such services each period since 2011.

Total other revenue for the six-month period ended June 30, 2014 decreased \$4.0 million, or 7%, to \$55.9 million as compared to the comparable period in 2013. The decline during the first six months of 2014 was primarily the result of decreases in revenue generated from network, marketing and customer service services provided to other affiliated AT&T entities, partially offset by an increase in other ancillary revenues. Total other

S-25

---

**Table of Contents**

revenue for the year ended December 31, 2013 increased \$9.6 million, or 8%, to \$123.8 million as compared to the year ended December 31, 2012, primarily as a result of increases in revenue generated from network, marketing, and customer service services provided to other affiliated AT&T entities. This was partially offset by a decrease in other ancillary revenues. Total other revenue for the year ended December 31, 2012 decreased \$0.6 million, or 1%, to \$114.3 million as compared to the year ended December 31, 2011.

The Connecticut Operations had approximately 514,000 total residential voice connections as of June 30, 2014 and approximately 538,000, 592,000 and 657,000 total residential voice connections as of December 31, 2013, 2012 and 2011, respectively. The Connecticut Operations lost approximately 24,000 residential voice connections, net, for six-month period ended June 30, 2014, and approximately 54,000 and 65,000, residential voice connections, net, for years ended December 31, 2013, and December 31, 2012, respectively, in each case versus the previous year-end customer totals.

The Connecticut Operations had approximately 415,000 total broadband subscribers as of June 30, 2014 and approximately 416,000, 415,000 and 422,000 total broadband subscribers as of December 31, 2013, 2012 and 2011, respectively. The Connecticut Operations lost approximately 1,300 broadband customers, net, for six-month period ended June 30, 2014, versus customer totals at December 31, 2013, gained approximately 1,000, broadband subscribers, net, for year ended December 31, 2013, and lost approximately 7,800 total broadband subscribers, net, during the year ended December 31, 2012, in each case versus the prior year-end customer totals.

The Connecticut Operations had approximately 215,000 total video subscribers as of June 30, 2014 and approximately 206,000, 177,000 and 153,000 total video subscribers as of December 31, 2013, 2012 and 2011, respectively. The Connecticut Operations gained approximately 9,000 video subscribers, net, for six-month period ended June 30, 2014 versus customer totals at December 31, 2013 and gained 29,000, and 24,000 video subscribers, net, during the years ended December 31, 2013 and 2012, in each case versus the prior year-end customer totals.

***Operating Expenses***

Total operating expenses for the six months ended June 30, 2014 increased \$24.2 million, or 4%, to \$591.4 million, as compared with the six months ended June 30, 2013, reflecting higher allocated charges and content costs, partially offset by lower pension and postretirement expenses and a decrease in depreciation and amortization expense. Total operating expenses for the year ended December 31, 2013 decreased \$348.1 million, or 26%, to \$1,015.5 million as compared to the year ended December 31, 2012 primarily due lower pension and postretirement expense and lower depreciation and amortization expenses, partially offset by higher allocated charges and content costs. Total operating expenses for the year ended December 31, 2012 increased \$3.1 million, to \$1,363.6 million as compared to the year ended December 31, 2011 primarily due to higher pension and postretirement expenses, allocated charges and content costs, partially offset by decreased depreciation and amortization.

Pension and postretirement expenses (which are components of both cost of services and sales, and selling, general and administrative expenses) for the six months ended June 30, 2014 and 2013 were \$0.8 million and \$8.2 million, respectively, reflecting higher amortization of prior service credits due to plan changes in the fourth quarter of 2013. Pension and postretirement expenses (which are components of both cost of services and sales, and selling, general and administrative expenses) were \$(113.4) million, \$189.4 million and \$146.2 million for the years ended December 31, 2013, 2012 and 2011, respectively. The decrease in pension and postretirement expense in 2013 as compared to 2012 was primarily due to an actuarial gain of \$131.9 million in 2013 and an actuarial loss of \$173.7 million in 2012. The increase in pension and postretirement expenses in 2012 as compared to 2011 was primarily due to a higher actuarial loss of \$173.7 million in 2012 as compared to an actuarial loss of \$123.5 million in 2011. Actuarial gains and losses are noncash and are measured and recorded annually.

S-26

**Table of Contents**

Allocated charges are affiliate costs related to allocated functions including information technology, finance and accounting, human resources, network support, advertising and marketing and other services. Allocated charges also include content costs and royalty expense for the use of trademarks owned by AT&T affiliates. Allocated charges (which are components of both cost of services and sales, and selling, general and administrative expenses) for the six months ended June 30, 2014 and 2013 were \$224.7 million and \$193.2 million, respectively. Allocated charges (which are components of both cost of services and sales, and selling, general and administrative expenses) were \$393.4 million, \$366.1 million and \$357.3 million for the years ended December 31, 2013, 2012 and 2011, respectively. The increase in allocated charges reflected higher content costs primarily driven by growth in video subscribers.

Depreciation and amortization expenses for the six months ended June 30, 2014 and 2013 were \$78.7 million and \$81.5 million, respectively. Depreciation and amortization expenses were \$166.2 million, \$187.0 million and \$208.7 million for the years ended December 31, 2013, 2012 and 2011, respectively. The decreases in depreciation and amortization expenses were primarily due to assets becoming fully depreciated.

***Capital Expenditures***

Capital expenditures for the Connecticut Operations for the six-month periods ended June 30, 2014 and 2013 were \$75.2 million and \$65.4 million, respectively, largely due to increased maintenance capital expenditures on our existing network as well as higher spend due to broadband expansion. Capital expenditures for the Connecticut Operations for the years ended December 31, 2013, 2012 and 2011 were \$146.8 million, \$126.1 million and \$194.3 million, respectively. Capital expenditures increased from 2012 as compared to 2013 as a result of higher U-verse video infrastructure build out in 2013 and projects in 2013 to run fiber to business locations. Capital expenditures declined from 2011 as compared to 2012 due to a reduction in U-verse video infrastructure build out in 2012, as well as a wireless site backhaul project that was completed in 2011.



---

**Table of Contents****UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following unaudited pro forma condensed combined financial information is based upon the historical consolidated financial information of Frontier and the historical combined financial information of the Connecticut Operations incorporated by reference into this prospectus supplement and the accompanying prospectus, and has been prepared to reflect the AT&T Transaction based on the acquisition method of accounting. The unaudited pro forma condensed combined financial information presents the combination of the historical financial statements of Frontier and the historical financial statements of the Connecticut Operations, adjusted to give effect to (1) the transfer of specified assets and liabilities from AT&T to the Connecticut Operations that are not included in the Connecticut Operations historical balance sheet as of June 30, 2014, and the retention of specified assets and liabilities by AT&T that are included in the Connecticut Operations historical balance sheet as of June 30, 2014, as more fully described in note 3(a) below, (2) the completion of this offering and the drawdown of the CoBank AT&T Transaction Facility, as more fully described in note 3(b) below, (3) the payment by Frontier to AT&T of \$2.0 billion in cash (excluding any potential working capital purchase price adjustment as set forth in the Stock Purchase Agreement) as more fully described in note 3(c) below and (4) the consummation of the transactions contemplated by the Stock Purchase Agreement, with Frontier considered the accounting acquirer, based on the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial information. The historical financial information has been adjusted to give effect to events that are directly attributable to the AT&T Transaction and factually supportable and, in the case of the statements of operations information, that are expected to have a continuing impact.

The unaudited pro forma condensed combined balance sheet information has been prepared as of June 30, 2014, and gives effect to the AT&T Transaction and other events described above as if they had occurred on that date. The unaudited pro forma condensed combined statements of operations information, which have been prepared for the six months ended June 30, 2014 and for the year ended December 31, 2013, give effect to the AT&T Transaction and other events described above as if they had occurred on January 1, 2013.

The unaudited pro forma condensed combined financial information was prepared using, and should be read in conjunction with, (1) the unaudited interim condensed combined financial statements of the Connecticut Operations as of and for the six months ended June 30, 2014, (2) the audited combined financial statements of the Connecticut Operations as of and for the year ended December 31, 2013, (3) the unaudited interim condensed consolidated financial statements of Frontier as of and for the six months ended June 30, 2014, and (4) the audited consolidated financial statements of Frontier as of and for the year ended December 31, 2013, in each case, incorporated by reference in this prospectus supplement and the accompanying prospectus.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that would have been achieved had the AT&T Transaction and other events described above been completed at the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or results of operations of Frontier after completion of the AT&T Transaction. In the opinion of Frontier's management, all adjustments considered necessary for a fair presentation have been included.

The unaudited pro forma condensed combined financial information does not give effect to any potential cost savings or other operating efficiencies that could result from the AT&T Transaction. In addition, the fair value of the assets acquired and liabilities assumed are based upon estimates. The final allocation is dependent upon valuations and other studies that will not be completed until after the AT&T Transaction has been consummated. Accordingly, the purchase price allocation pro forma adjustments are preliminary and are subject to further adjustments as additional information becomes available and additional analyses are performed, and each further adjustment may be material.

Such adjustments have been made solely for the purpose of providing unaudited pro forma condensed combined financial information in this prospectus supplement.

S-28

Table of Contents

**FRONTIER COMMUNICATIONS CORPORATION AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET INFORMATION**

**AS OF JUNE 30, 2014**

**(\$ in millions)**

	Connecticut Operations		Additional Transfer of Assets and Connecticut Liabilities Operations, Incurrence		Pro Forma Adjustments		Pro Forma Combined	
	Connecticut Frontier Operations	to/from Operations	T&T (3a)	as Adjusted	of New Debt (3b)	(3c)		
<b><u>ASSETS</u></b>								
Cash and cash equivalents	\$ 802	\$	\$	\$	\$ 1,867	\$ (2,000)	(i)	\$ 669
Accounts receivable, net	464	129	(27)	102				566
Other current assets	145	29	(20)	9	(8)			146
<b>Total current assets</b>	<b>1,411</b>	<b>158</b>	<b>(47)</b>	<b>111</b>	<b>1,859</b>	<b>(2,000)</b>		<b>1,381</b>
Property, plant and equipment, net	7,163	1,310		1,310				8,473
Goodwill	6,338					838	(ii)	7,176
Other intangibles, net	1,063					547	(iii)	1,610
Other assets	204	55	(45)	10	33			247
<b>Total assets</b>	<b>\$ 16,179</b>	<b>\$ 1,523</b>	<b>\$ (92)</b>	<b>\$ 1,431</b>	<b>\$ 1,892</b>	<b>\$ (615)</b>		<b>\$ 18,887</b>
<b><u>LIABILITIES AND EQUITY</u></b>								
Long-term debt due within one year	\$ 263	\$	\$	\$	\$	\$		\$ 263
Accounts payable and other current liabilities	1,019	259	(192)	67		28	(iv)	1,114
<b>Total current liabilities</b>	<b>1,282</b>	<b>259</b>	<b>(192)</b>	<b>67</b>		<b>28</b>		<b>1,377</b>
Deferred income taxes	2,355		308	308		217	(v)	2,880
Other liabilities	948	97	127	224				1,172
Long-term debt	7,651				1,900			9,551
Equity	3,943	1,167	(335)	832	(8)	(860)	(vi)	3,907
	<b>\$ 16,179</b>	<b>\$ 1,523</b>	<b>\$ (92)</b>	<b>\$ 1,431</b>	<b>\$ 1,892</b>	<b>\$ (615)</b>		<b>\$ 18,887</b>

Total liabilities and  
equity

See notes to unaudited pro forma condensed combined financial information.

S-29

Table of Contents

**FRONTIER COMMUNICATIONS CORPORATION AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**  
**INFORMATION**

**FOR THE SIX MONTHS ENDED JUNE 30, 2014**

**(\$ in millions, except per share amounts)**

	<b>Frontier</b>	<b>Connecticut Operations</b>	<b>Pro Forma Adjustments</b>		<b>Pro Forma Combined</b>
Revenue	\$ 2,301	\$ 680	\$ (3)	(4a)	\$ 2,918
			(25)	(4b)	
			(32)	(4c)	
			(3)	(4d)	
Cost and expenses (exclusive of depreciation and amortization)	1,266	513	(6)	(4c)	1,739
			(3)	(4d)	
			(6)	(4e)	
			7	(4f)	
			(10)	(4g)	
			(22)	(4h)	
Depreciation and amortization	555	79	6	(4e)	685
			45	(4i)	
Acquisition and integration costs	30		(30)	(4k)	
Total operating expenses	1,851	592	(19)		2,424
Operating income	450	88	(44)		494
Investment and other income (expense), net	1				1
Interest expense	338		50	(4j)	388
Income tax expense	36	34	(36)	(4l)	34
<b>Net income attributable to common shareholders of Frontier</b>	<b>\$ 77</b>	<b>\$ 54</b>	<b>\$ (58)</b>		<b>\$ 73</b>
<b>Basic and diluted net income per common share</b>	<b>\$ 0.08</b>				<b>\$ 0.07</b>

See notes to unaudited pro forma condensed combined financial information.

Table of Contents

**FRONTIER COMMUNICATIONS CORPORATION AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**  
**INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**(\$ in millions, except per share amounts)**

	<b>Frontier</b>	<b>Connecticut Operations</b>	<b>Pro Forma Adjustments</b>		<b>Pro Forma Combined</b>
Revenue	\$ 4,762	\$ 1,394	\$ (6)	(4a)	\$ 6,011
			(52)	(4b)	
			(82)	(4c)	
			(5)	(4d)	
Cost and expenses (exclusive of depreciation and amortization)	2,616	850	(7)	(4c)	3,529
			(5)	(4d)	
			(13)	(4e)	
			153	(4f)	
			(20)	(4g)	
			(45)	(4h)	
Depreciation and amortization	1,170	166	13	(4e)	1,448
			99	(4i)	
Acquisition and integration costs	10		(10)	(4k)	
Total operating expenses	3,796	1,016	165		4,977
Gain on sale of Mohave partnership interest	15				15
Operating income	981	378	(310)		1,049
Investment and other income (expense), net	(151)	1			(150)
Interest expense	667		129	(4j)	796
Income tax expense	47	141	(171)	(4l)	17
Net income	116	238	(268)		86
Less: Income attributable to the noncontrolling interest in a partnership	3				3
<b>Net income attributable to common shareholders of Frontier</b>	<b>\$ 113</b>	<b>\$ 238</b>	<b>\$ (268)</b>		<b>\$ 83</b>
<b>Basic and diluted net income per common share</b>	<b>\$ 0.11</b>				<b>\$ 0.08</b>

Edgar Filing: FRONTIER COMMUNICATIONS CORP - Form 424B5

See notes to unaudited pro forma condensed combined financial information.

S-31

**Table of Contents**

**Notes to Unaudited Pro Forma Condensed**

**Combined Financial Information**

**1. Description of the AT&T Transaction**

On December 16, 2013, Frontier and AT&T entered into the Stock Purchase Agreement for Frontier to acquire the wireline properties of AT&T in Connecticut for a purchase price of \$2.0 billion in cash (excluding any potential working capital purchase price adjustment as set forth in the Stock Purchase Agreement). Upon completion of the AT&T Transaction, we will operate AT&T's wireline business and statewide fiber network that provides services to residential, commercial and wholesale customers in Connecticut, making Connecticut our largest market. We will also acquire AT&T's U-verse® video and satellite TV customers in Connecticut. The consummation of the AT&T Transaction is subject to the satisfaction of certain conditions, including review or approval by various federal and state regulatory agencies, and other customary closing conditions. Subject to these conditions, we expect the AT&T Transaction to close in the fourth quarter of 2014.

The unaudited pro forma condensed combined financial information was prepared using the accounting standard regarding business combinations. For purposes of the unaudited pro forma condensed combined financial information, the aggregate estimated transaction costs (other than debt incurrence fees in connection with this offering and the drawdown of the CoBank AT&T Transaction Facility, as set forth in note 3(b)), which are charged as an expense of Frontier as they are incurred, are expected to be approximately \$40 million and include estimated costs associated with investment banker advisory fees, legal fees, and regulatory and auditor services of Frontier. Approximately \$2 million and \$10 million of transaction costs were recognized by Frontier for the six months ended June 30, 2014 and the year ended December 31, 2013, respectively, and the balance of approximately \$28 million is reflected as an accrual in the Pro Forma Adjustments column on the unaudited pro forma condensed combined balance sheet as of June 30, 2014. These costs, along with integration costs, are eliminated as a pro forma adjustment in the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2014 and the year ended December 31, 2013. In addition, the combined company will incur integration costs primarily related to information systems, network and process conversions (including hardware and software costs). Integration costs are being incurred in part in advance of the consummation of the Stock Purchase Agreement in the fourth quarter of 2014, and will be recorded based on the nature and timing of the specific action. Frontier currently expects to incur operating expenses and capital expenditures of approximately \$225 million to \$275 million in 2014 related to integration initiatives. For purposes of the unaudited pro forma condensed combined financial information, it is assumed that no amounts will be paid, payable or forgone by AT&T pursuant to orders or settlements issued or entered into in order to obtain governmental approvals in the State of Connecticut that are required to complete the AT&T Transaction.

Frontier is considered the accounting acquirer for purposes of the preparation of the unaudited pro forma condensed combined financial information. This conclusion is based upon Frontier's consideration of all relevant factors included in the accounting standard regarding business combinations, including the purchase of common stock of The Southern New England Telephone Company and SNET America, Inc. pursuant to the Stock Purchase Agreement.



**Table of Contents****2. Basis of Purchase Price Allocation**

The estimated purchase price has been allocated to the tangible and intangible assets acquired and liabilities assumed on a preliminary basis as follows (dollars in millions):

Estimated transaction consideration:		\$ 2,000
Current assets	\$ 111	
Property, plant & equipment	1,310	
Goodwill	838	
Customer list	547	
Other assets	10	
Current liabilities	(67)	
Deferred income taxes	(525)	
Other liabilities	(224)	
Total net assets acquired		\$ 2,000

The allocation of the purchase price to assets and liabilities is preliminary. The final allocation of the purchase price will be based on the fair values of the assets acquired and liabilities assumed as of the date of the AT&T Transaction, as determined by third-party valuation for certain assets and liabilities. The valuation will be completed after the consummation of the AT&T Transaction. There can be no assurance that the actual allocation will not differ significantly from the preliminary allocation.

The above noted preliminary allocation includes deferred taxes that are established at acquisition. Deferred taxes represent the tax effect at 41.75% of the non-deductible step-up in value portion of the customer list asset ( $(\$520 \text{ million} \times 41.75\%) = \$217 \text{ million}$ ). Frontier and AT&T have agreed to make a joint election under Section 338(h)(10) of the Internal Revenue Code, and comparable state and local tax code provisions, with regard to \$27 million of intangible assets that will retain their tax basis. The offsetting entry to establish the deferred tax liability is recorded as goodwill.

**Table of Contents****3. Pro Forma Balance Sheet Adjustments:**

- (a) The Connecticut Operations are adjusted to (1) exclude assets and liabilities that will be retained by AT&T that are included in the Connecticut Operations financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus and (2) give effect to certain assets and liabilities relating to the business to be contributed by AT&T to these entities in connection with the AT&T Transaction. A brief description of these items follows (dollars in millions):

<b>Balance</b>	<b>Amount</b>	<b>Reason</b>
Accounts receivable, net	\$ (17)	Intercompany receivables retained by AT&T
	(10)	Receivables related to businesses retained by AT&T
	\$ (27)	
Other current assets	\$ (25)	Removal of intercompany tax balances retained by AT&T
	5	Record inventory to be transferred by AT&T prior to closing
	\$ (20)	
Other assets	\$ (36)	Removal of income tax balances
	(9)	Removal of intangible assets related to the AT&T sale of a business to a third party
	\$ (45)	
Accounts payable and other current liabilities	\$ (176)	Intercompany payables retained by AT&T
	(12)	Removal of accrued liabilities to be retained by AT&T
	(4)	Payables related to businesses retained by AT&T
	\$ (192)	
Deferred income taxes	\$ 308	Deferred income tax adjustments
Other liabilities	\$ 210	To establish liabilities for postemployment benefits
	20	To establish liabilities for workers' compensation claims
	(31)	Liabilities to be retained by AT&T
	(72)	Removal of accrued uncertain tax position liabilities and credits retained by AT&T
	\$ 127	
Parent's equity	\$ (335)	Reflects the aggregate impact of the above noted entries

The pension and other postretirement employee benefits adjustments are based on amounts recorded by AT&T whereby the pension and OPEB obligations related to active employees only will be transferred to Frontier and pension obligations will be fully funded as of the closing date of the AT&T Transaction. An actuarial evaluation will be completed at the time of, or subsequent to, the completion of the Stock Purchase Agreement and may be different from that reflected in the unaudited pro forma condensed combined financial information. This difference, including the related impact on deferred taxes, may be material.

The deferred income tax adjustments reflect the impact on fixed assets, net of the pension and OPEB liabilities for active employees and depreciation.

- (b) On December 16, 2013, we signed a commitment letter for a bridge loan facility. On January 29, 2014, we entered into a bridge loan agreement (the Bridge Loan ) among the Company, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, pursuant to which the Lenders have agreed at closing of the AT&T Transaction to provide to us an unsecured bridge loan facility for up to \$1.9 billion for the purposes of funding (i) substantially all of the purchase price for the AT&T Transaction and (ii) the fees and expenses incurred in connection with the transactions contemplated by the Stock Purchase Agreement.

## **Table of Contents**

The pro forma adjustment to cash reflects this offering of the 2021 notes and the 2025 notes, as well as the CoBank AT&T Transaction Facility.

The adjustment presented reflects the debt incurrence of \$1.9 billion in the aggregate, less assumed debt incurrence fees and commissions of approximately \$36 million (of which \$3 million has been incurred). Additionally, an adjustment was made for \$8 million to reflect the acceleration of deferred financing costs related to the Bridge Loan.

(c) (i) This adjustment in the amount of \$2.0 billion reflects the cash that will be paid at closing of the AT&T Transaction (excluding any potential working capital purchase price adjustment as set forth in the Stock Purchase Agreement), primarily funded through the incurrence of new debt as described in 3(b) above.

(ii) This adjustment in the amount of \$838 million reflects the goodwill associated with the excess of the AT&T Transaction consideration issued over the preliminary estimated fair value of the underlying identifiable net tangible and intangible assets at June 30, 2014, and reflects the impact of the deferred taxes established in (v) below.

(iii) This adjustment in the amount of \$547 million reflects the preliminary fair value of the identifiable intangible asset (customer list) which was estimated by Frontier's management primarily based on the fair values assigned to similar assets in recently completed acquisitions (a market approach). A third party valuation firm is being utilized to help determine the final fair value after the Stock Purchase Agreement is completed, but this determination is not yet final. There can be no assurance that the actual fair value determination will not differ significantly from the preliminary fair value determination. For purposes of the preliminary fair value determination, the estimated useful life of the customer list asset was assumed to be ten years.

(iv) This adjustment in the amount of \$28 million records the estimated unpaid non-recurring costs for acquisition related transaction costs, primarily bankers, lawyers and consulting advisory fees.

(v) This adjustment in the amount of \$217 million reflects the deferred taxes associated with the nondeductible step-up in value portion of the customer list asset ( $\$520 \text{ million} \times 41.75\% = \$217 \text{ million}$ ) based on an assumed tax rate of 41.75%.

(vi) This adjustment in the amount of \$860 million eliminates the as adjusted net equity of the Connecticut Operations (\$832 million) and recognizes unpaid estimated transaction costs of \$28 million as of June 30, 2014.

## **4. Pro Forma Income Statement Adjustments:**

(a) This adjustment reflects results of operations related to contracts, primarily with unaffiliated third parties, that will not be transferred to Frontier in the AT&T Transaction.

(b) This adjustment reflects the incremental change related to contracts with AT&T affiliates that will be transferred to Frontier under modified terms.

(c)

This adjustment reflects results of operations related to certain operations (substantially with AT&T affiliates) that will not continue after the closing of the AT&T Transaction.

- (d) This adjustment reflects the reclassification of bad debt expense from cost and expenses to revenue.
- (e) This adjustment reflects the reclassification of allocated depreciation and amortization from cost and expenses to depreciation and amortization.
- (f) This adjustment reflects pension, other postretirement employee benefits of retirees and postemployment benefits retained by AT&T based on the terms of the Stock Purchase Agreement whereby the pension and OPEB obligations related to active employees only will be transferred to Frontier and pension obligations will be fully funded as of the closing date of the AT&T Transaction.

**Table of Contents**

The adjustment for the year ended December 31, 2013 also reflects the reversal of \$131 million in actuarial gains that were recorded in income by AT&T in order to conform to Frontier's accounting policy for pension and other post retirement benefits.

- (g) This adjustment reflects the removal of costs related to employee headcount that will not be transferred to Frontier associated with the adjustment described in 4(c) above.
- (h) This adjustment reflects the removal of royalty expense charged by AT&T for the use of its name and trademark that will not continue after the AT&T Transaction.
- (i) This adjustment reflects amortization expense associated with the customer list asset estimated in note 3(c) above assuming an accelerated method of amortization and an estimated useful life of ten years which corresponds to an increase in depreciation and amortization of \$45 million and \$99 million for the six months ended June 30, 2014 and the year ended December 31, 2013, respectively. No adjustment has been reflected for depreciation expense. The actual depreciation and amortization expense will be based on the final fair value attributed to the identifiable tangible and intangible assets based upon the results of the third-party valuation of the acquired assets. The depreciation and amortization rates may also change based on the results of this third-party valuation. There can be no assurance that the actual depreciation and amortization expense will not differ significantly from the pro forma adjustment presented.
- (j) This adjustment reflects additional interest expense on the \$1,550 million aggregate principal amount of notes offered hereby and the \$350 million CoBank AT&T Transaction Facility (\$50 million and \$129 million for the six months ended June 30, 2014 and the year ended December 31, 2013, respectively), based on an assumed weighted average interest rate of 6.69% for the six months ended June 30, 2014 and 6.73% for the year ended December 31, 2013 and the elimination of interest expense related to the Bridge Loan, as described in 3(b) above.
- (k) This adjustment reflects the removal of acquisition and integration expenses related to costs incurred by Frontier in connection with the AT&T Transaction.
- (l) This adjustment reflects the income tax effect of the pro forma adjustments described in notes 4(a) through 4(k) above, using an estimated effective income tax rate of 38%.

---

**Table of Contents****DESCRIPTION OF OTHER INDEBTEDNESS**

The following is a summary of certain of our outstanding indebtedness. To the extent this summary contains descriptions of our credit facilities, our senior notes and debentures and the indentures governing them, the descriptions do not purport to be complete and are qualified in their entirety by reference to those and related documents. See [Where You Can Find More Information](#) and [Incorporation by Reference](#).

**Our Credit Facilities**

We have a credit agreement (the [Credit Agreement](#)) with CoBank, ACB, as administrative agent, lead arranger and a lender, and the other lenders party thereto, for a \$575.0 million senior unsecured term loan facility with a final maturity of October 14, 2016. The entire facility was drawn upon execution of the Credit Agreement in October 2011. Repayment of the outstanding principal balance is required in quarterly installments in the amount of \$14,375,000, which commenced on March 31, 2012, with the remaining outstanding principal balance to be repaid on the final maturity date. As of June 30, 2014, we had \$431.3 million outstanding under the Credit Agreement. Borrowings under the Credit Agreement bear interest based on the margins over the Base Rate (as defined in the Credit Agreement) or LIBOR, at our election. Interest rate margins under the facility (ranging from 0.875% to 2.875% for Base Rate borrowings and 1.875% to 3.875% for LIBOR borrowings) are subject to adjustments based on our Total Leverage Ratio, as such term is defined in the Credit Agreement. The interest rate on this facility at June 30, 2014 was LIBOR plus 2.875%. The Total Leverage Ratio (as defined in the Credit Agreement) may not exceed 4.5 to 1.

On June 2, 2014, we entered into a new \$750.0 million senior unsecured revolving credit facility and terminated our previously existing revolving credit facility. As of the date of this prospectus supplement, we had not made any borrowings under the new revolving credit facility. The terms of the credit facility are set forth in the credit agreement among us, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (the [Revolving Credit Agreement](#)). The credit facility terminates on May 31, 2018. Associated undrawn facility fees under the credit facility range from 0.250% to 0.450% per annum depending on our Debt Rating (as defined in the Revolving Credit Agreement), and were 0.400% per annum as of June 30, 2014. The credit facility includes an accordion feature that under certain circumstances allows us to increase the size of the credit facility by \$100.0 million. During the term of the credit facility, we may borrow, repay and reborrow funds, and may obtain letters of credit, subject to customary borrowing conditions. Loans under the credit facility will bear interest based on the alternate base rate or the adjusted LIBO Rate (each as determined under the Revolving Credit Agreement), at our election, plus a margin based on our Debt Rating (ranging from 0.50% to 1.50% for alternate base rate borrowings and 1.50% to 2.50% for adjusted LIBO Rate borrowings). The interest rate margin under the credit facility, as of June 30, 2014, is 1% (for alternate base rate borrowings) and 2% (for adjusted LIBO Rate borrowings). Letters of credit issued under the credit facility will also be subject to fees that vary depending on our Debt Rating. The credit facility is available for general corporate purposes but may not be used to fund dividend payments. The Leverage Ratio (as defined in the Revolving Credit Agreement) may not exceed 4.5 to 1.

On January 29, 2014, we entered into the Bridge Loan Agreement among the Company, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, pursuant to which the lenders have agreed at closing of the AT&T Transaction to provide to us an unsecured bridge loan facility for up to \$1.9 billion for the purposes of funding (i) substantially all of the purchase price for the AT&T Transaction and (ii) the fees and expenses incurred in connection with the transactions contemplated by the Stock Purchase Agreement. Pursuant to the Bridge Loan Agreement, if and to the extent we do not, or are unable to, raise debt yielding up to \$1.9 billion in gross cash proceeds on or prior to the closing of the AT&T Transaction, we will draw down up to \$1.9 billion in aggregate principal amount of loans under the Bridge Facility, less the amount of debt, including the notes offered hereby and borrowings under the CoBank AT&T Transaction Facility, raised by us on or prior to the closing of the AT&T

Transaction. The Bridge Facility was downsized by \$350.0 million following the execution of the CoBank AT&T Transaction Facility and the remainder of the Bridge Facility will be terminated upon consummation of this offering.

S-37



---

**Table of Contents**

On June 2, 2014, we entered into a credit agreement in respect of a senior unsecured term loan facility with CoBank, ACB, as administrative agent, lead arranger and a lender, and the other lenders party thereto, which provides for a delayed single draw of up to \$350.0 million to fund a portion of the purchase price for the AT&T Transaction (the CoBank AT&T Transaction Facility). The CoBank AT&T Transaction Facility may be drawn upon only to finance the AT&T Transaction and amounts repaid under the facility may not be reborrowed. The delayed draw advance under the CoBank AT&T Transaction Facility is available through December 16, 2014; provided that the availability thereof may be extended up to June 16, 2015 to the extent the Stock Purchase Agreement termination date is so extended. Repayment of the outstanding principal balance will be required in quarterly installments of \$8,750,000 each, with the remaining outstanding principal balance to be repaid on the maturity date (the earlier of five years from the date of the delayed draw advance and December 15, 2019). The delayed draw advance under the CoBank AT&T Transaction Facility is subject to various conditions, including a pro forma Total Leverage Ratio (as defined in the CoBank AT&T Transaction Facility) of no more than 3.95 to 1 at the time of the advance, the absence of a Seller Material Adverse Effect (as defined in the Stock Purchase Agreement as in effect on the date the CoBank AT&T Transaction Facility was entered into), and the consummation of the AT&T Transaction pursuant to the Stock Purchase Agreement as in effect on the date the CoBank AT&T Transaction Facility was entered into without giving effect to any amendments, consents or waivers thereto that are materially adverse to the lenders absent their consent, as well as other customary conditions. Loans under the CoBank AT&T Transaction Facility will bear interest based on a margin over the base rate or LIBOR, at our election. Interest rate margins under the facility range from 0.875% to 2.875% per annum for base rate borrowings and 1.875% to 3.875% per annum for LIBOR borrowings, depending on and subject to adjustment based on our Total Leverage Ratio. As of June 30, 2014, the interest rate under the facility is 2.375% (for base rate borrowings) and 3.375% (for LIBOR borrowings). The Total Leverage Ratio may not exceed 4.5 to 1.

As of June 30, 2014, we had \$8.7 million in secured promissory note borrowings from the Federal Financing Bank with the Rural Utilities Service (formerly the Rural Electrification Administration). These notes mature January 3, 2028 and have a weighted-average interest rate of 6.15%. In addition, as of June 30, 2014, we had \$13.6 million of borrowings outstanding under a loan agreement related to the issuance of industrial development revenue bonds. The loan agreement matures in 2030 and has a weighted-average interest rate of 6.33%. In addition, we had \$10.1 million of secured financings with four year terms and no stated interest rate for certain equipment purchases.

**Our Notes and Debentures**

At June 30, 2014, our notes and debentures represented \$7.4 billion of our approximately \$7.9 billion of indebtedness outstanding. At June 30, 2014, we had outstanding the following notes and debentures:

\$105.0 million in principal amount of 6.625% Senior Notes due 2015;

\$96.9 million in principal amount of 7.875% Senior Notes due 2015;

\$606.9 million in principal amount of 8.250% Senior Notes due 2017;

\$582.7 million in principal amount of 8.125% Senior Notes due 2018;

\$434.0 million in principal amount of 7.125% Senior Notes due 2019;

\$1,021.5 million in principal amount of 8.500% Senior Notes due 2020;

\$500.0 million in principal amount of 9.250% Senior Notes due 2021;

\$500.0 million in principal amount of 8.750% Senior Notes due 2022;

\$850.0 million in principal amount of 7.125% Senior Notes due 2023;

\$750.0 million in principal amount of 7.625% Senior Notes due 2024;

S-38

**Table of Contents**

\$138.0 million in principal amount of 7.000% Debentures due 2025;

\$1.7 million in principal amount of 6.800% Debentures due 2026;

\$345.9 million in principal amount of 7.875% Senior Notes due 2027;

\$200.0 million in principal amount of 6.730% Debentures due 2028\*;

\$50.0 million in principal amount of 8.400% Debentures due 2029\*;

\$945.3 million in principal amount of 9.000% Senior Notes due 2031;

\$0.6 million in principal amount of 7.680% Debentures due 2034;

\$125.0 million in principal amount of 7.450% Debentures due 2035; and

\$193.5 million in principal amount of 7.050% Debentures due 2046.

\* These notes were issued by certain subsidiaries of Frontier Communications Corporation. Frontier Communications Corporation is the issuer of all other debt listed above.

We may from time to time repurchase our debt in the open market, through tender offers, exchanges of debt securities, by exercising redemption rights or in privately negotiated transactions. We may also refinance existing debt or exchange existing debt for newly issued debt obligations.

There are no scheduled principal payments required on any of these notes or debentures until their final maturities.

Our outstanding senior notes and debentures are senior, unsecured obligations that rank pari passu in right of payment with all of our existing and future senior indebtedness and rank senior in right of payment to all of our existing and future subordinated indebtedness. None of our outstanding senior notes or debentures are guaranteed by our subsidiaries.

Certain of our senior note indentures restrict our subsidiaries' ability to incur additional indebtedness. Please read Supplemental Risk Factors. The agreements governing our debt, including the notes and our credit facilities, contain various covenants that impose restrictions on us that may affect our ability to operate our business and to make payments on the notes.

**Table of Contents**

**DESCRIPTION OF THE NOTES**

Frontier Communications Corporation will issue each series of notes under a supplemental indenture (each, a supplemental indenture ) to be dated the date the notes are first issued, supplementing the base indenture (the base indenture ) dated as of April 9, 2009, between us and The Bank of New York Mellon, as trustee. References to the indenture mean the base indenture, as so supplemented, related to the applicable series of notes. The terms of each series of notes include those stated in the applicable supplemental indenture and the base indenture and those made part of the applicable indenture by reference to the Trust Indenture Act of 1939. A copy of each indenture is available for inspection at the office of the trustee.

The following description is a summary of the terms of the notes. The descriptions in this prospectus supplement contain a summary of certain terms of the notes, the supplemental indenture as to each series of notes and the base indenture, but do not purport to be complete and are qualified by reference to those instruments. In this section, we, our, us and Frontier refer only to Frontier Communications Corporation and not to any of our subsidiaries. Certain terms used in this description are defined under the subheading Certain Definitions.

**General**

We are issuing \$775.0 million aggregate principal amount of our 2021 notes and \$775.0 million aggregate principal amount of our 2025 notes in this offering.

The notes will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. We may offer additional series of debt securities from time to time under either indenture in as many distinct series as we may determine. All debt securities issued under each indenture will be our senior unsecured obligations and will rank equal in right of payment to the notes. The terms and conditions of each series of debt securities, including the notes, will be set forth in those debt securities and in the applicable supplemental indenture. We may, without the consent of the holders of notes, issue additional notes of a series, including the notes, having the same ranking, interest rate, maturity and other terms as the notes of that series previously issued. Any additional notes having such same terms, together with the notes of that series previously issued, will constitute a single series of notes issued under the applicable indenture, provided that if the additional notes are not fungible with the notes for United States federal income tax purposes, the additional notes will have a separate CUSIP number.

Each series of notes is a separate series of notes. As a result, holders of each series of notes will have separate rights to, among other things, give notice of defaults or to direct the trustee to exercise remedies during an event of default or otherwise.

The 2021 notes will mature on September 15, 2021. We will pay interest on the 2021 notes on March 15 and September 15 of each year, commencing March 15, 2015, to the persons in whose names the 2021 notes are registered on the preceding March 1 and September 1, respectively. The 2025 notes will mature on January 15, 2025. We will pay interest on the 2025 notes on January 15 and July 15 of each year, commencing January 15, 2015, to the persons in whose names the 2025 notes are registered on the preceding January 1 and July 1, respectively. Interest on the notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

We will pay principal and interest on the notes, register the transfer of the notes and exchange the notes at our office or agency maintained for that purpose, which initially will be the corporate trust office of the trustee located at 101 Barclay Street, Floor 8 West, New York, New York 10286, Attention: Corporate Trust Administration. So long as the notes are represented by global debt securities, the interest payable on the notes will be paid to Cede & Co, the nominee of the depository, or its registered assigns as the registered owner of such global debt securities, by wire

transfer of immediately available funds on each of the applicable interest payment dates. If any of the notes are no longer represented by a global debt security, we have the option to pay interest

S-40

## **Table of Contents**

by check mailed to the address of the person entitled to the interest. No service charge will be made for any transfer or exchange of notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable.

If the trustee shall not be the registrar for either series of notes at any time, we will furnish or cause to be furnished to the trustee a list in such form as the trustee may reasonably require of the names of the holders of the notes of such series (a) semi-annually and (b) at such other times as the trustee may request in writing, within thirty days after receipt of any such request.

The notes will be our senior unsecured obligations and will rank:

equal in right of payment to all of our existing and future senior unsecured indebtedness;

effectively junior to all of our existing and future senior secured indebtedness (all of which is currently at our subsidiaries) to the extent of the value of the assets securing such indebtedness;

effectively junior to all existing and future indebtedness and other liabilities and commitments of our subsidiaries (including trade payables and capital lease obligations); and

senior in right of payment to all of our existing and future subordinated indebtedness, if any.

As of June 30, 2014, we and our subsidiaries had approximately \$7.9 billion of indebtedness. At such date, the notes would have ranked effectively junior to (i) approximately \$32.4 million of senior secured indebtedness to the extent of the assets securing such indebtedness (\$8.7 million of which was at our subsidiaries) and (ii) approximately \$1,038.1 million of liabilities of our subsidiaries, including approximately \$258.7 million of indebtedness (including the secured indebtedness), \$79.4 million with respect to a sale and leaseback transaction accounted for as a secured financing obligation, capital lease obligations of \$24.3 million and excluding deferred income tax liabilities and intercompany liabilities.

## **Optional Redemption**

The 2021 notes will be redeemable at Frontier's election, in whole or in part, at any time prior to June 15, 2021 (three months prior to the maturity date of the 2021 notes) at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the 2021 notes to be redeemed; and
- (2) as determined by an Independent Investment Banker, the sum of the present values of the remaining scheduled payments of principal and interest on the 2021 notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 50 basis points

plus, in either of the above cases, accrued and unpaid interest to the date of redemption on the 2021 notes to be redeemed.

The 2021 notes will be redeemable at Frontier's election, in whole or in part, at any time on or after June 15, 2021 (three months prior to the maturity date of the 2021 notes), at a redemption price equal to 100% of the principal amount of the 2021 notes to be redeemed, plus accrued and unpaid interest to the date of redemption on the 2021 notes to be redeemed.

The 2025 notes will be redeemable at Frontier's election, in whole or in part, at any time prior to October 15, 2024 (three months prior to the maturity date of the 2025 notes) at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the 2025 notes to be redeemed; and
- (2) as determined by an Independent Investment Banker, the sum of the present values of the remaining scheduled payments of principal and interest on the 2025 notes to be redeemed (not including any

S-41

## **Table of Contents**

portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 50 basis points

plus, in either of the above cases, accrued and unpaid interest to the date of redemption on the 2025 notes to be redeemed.

The 2025 notes will be redeemable at Frontier's election, in whole or in part, at any time on or after October 15, 2024 (three months prior to the maturity date of the 2025 notes), at a redemption price equal to 100% of the principal amount of the 2025 notes to be redeemed, plus accrued and unpaid interest to the date of redemption on the 2025 notes to be redeemed.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the person in whose name the note is registered at the close of business on such interest record date.

Frontier will mail a notice of redemption at least 30 days but not more than 60 days before the redemption date to each holder of the securities to be redeemed.

Unless Frontier defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions thereof called for redemption.

If less than all of the notes are to be redeemed, selection of the notes for redemption will be made by the trustee:

- (1) if the notes are listed on any national securities exchange, in compliance with the requirements of such national securities exchange; or
- (2) if the notes are not so listed, on a pro rata basis (subject to the procedures of The Depository Trust Company) or, to the extent a pro rata basis is not permitted, in such manner as the trustee shall deem to be fair and appropriate.

No note of \$2,000 in principal amount or less shall be redeemed in part. If any note is to be redeemed in part only, the notice of redemption relating to such note will state the portion of the principal amount to be redeemed. A new note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original note.

The notes are not subject to a sinking fund.

## **Escrow of Proceeds; Mandatory Redemption**

Concurrently with the closing of this offering, we will enter into an escrow agreement (the "Escrow Agreement") with the trustee in its capacity as escrow agent (the "Escrow Agent") and with J.P. Morgan Securities LLC as the representative of the underwriters named below pursuant to which we will deposit with the Escrow Agent the net proceeds from this offering (together with any other property from time to time held by the Escrow Agent, the "Escrowed Funds"). Escrowed Funds will be invested by the Escrow Agent at our instruction in U.S. Treasury securities and certain other investments permitted by the Escrow Agreement as directed by us.



We expect to use all of the net proceeds from this offering as described under Use of Proceeds upon the consummation of the AT&T Transaction. However, the completion of this offering will occur prior to, and is not conditioned upon, the consummation of the AT&T Transaction.

In the event that (a) the AT&T Transaction is not consummated on or before the Trigger Date or (b) at any time prior to the Trigger Date, the Stock Purchase Agreement is terminated (either such event being a Mandatory Redemption Event ), we will redeem all of the notes of each series (the Mandatory Redemption )

## **Table of Contents**

at the Mandatory Redemption Price. The Mandatory Redemption Price will be a price equal to 100% of the principal amount of the notes of such series, plus accrued and unpaid interest, if any, to the Mandatory Redemption Date (as defined below). Notice of the occurrence of a Mandatory Redemption Event will be delivered by us (a Mandatory Redemption Notice ) to the Escrow Agent. Concurrently with the delivery of the Mandatory Redemption Notice, we shall request the trustee to, at our expense, deliver (in accordance with the procedures of The Depository Trust Company ( DTC ) or otherwise by first-class mail to each holder's registered address) a notice that a Mandatory Redemption is to occur. Within two business days (or such other minimum period as may be required by DTC) after our delivery of a Mandatory Redemption Notice, we will effect the Mandatory Redemption (the date of such redemption, the Mandatory Redemption Date ).

If the Escrow Agent receives a Mandatory Redemption Notice, the Escrow Agent will liquidate all Escrowed Funds then held by it not later than the Mandatory Redemption Date. On the business day prior to the Mandatory Redemption Date, we will deposit, or direct the deposit of, any additional amounts necessary to fund the redemption of the notes at the Mandatory Redemption Price into the escrow account.

No provisions of the Escrow Agreement (including, without limitation, those relating to the release of the Escrowed Funds) may be waived or modified in any manner materially adverse to the holders of either series of notes without the written consent of the holders of a majority in principal amount of the notes of such series outstanding.

The provisions relating to mandatory redemption described in this section may not be waived or modified for each series of notes without the written consent of holders of at least 90% in principal amount of that series of notes outstanding.

## **Repurchase of Notes upon a Change of Control Triggering Event**

If a Change of Control Triggering Event occurs with respect to the notes, each holder of notes will have the right to require Frontier to repurchase all or any part of that holder's notes pursuant to a Change of Control offer on the terms set forth in the applicable supplemental indenture. In the Change of Control offer, Frontier will offer a Change of Control payment in cash equal to 101% of the aggregate principal amount of notes repurchased, plus accrued and unpaid interest on the notes to the applicable date of repurchase. Within 30 days following any Change of Control Triggering Event, if Frontier had not, prior to the Change of Control Triggering Event, sent a redemption notice for all the notes of the applicable series in connection with an optional redemption permitted by the applicable supplemental indenture, Frontier will mail a notice to each registered holder of such series of notes briefly describing the transaction or transactions that constitute a Change of Control Triggering Event and offering to repurchase notes of such series on the date specified in such notice (the Change of Control Payment Date ) pursuant to the procedures required by the applicable supplemental indenture and described in such notice.

Frontier will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act ) and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Triggering Event provisions of the applicable supplemental indenture, Frontier will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Triggering Event provisions of the applicable supplemental indenture by virtue of such conflict.

## **Table of Contents**

On the Change of Control Payment Date, Frontier will, to the extent lawful:

- (1) accept for payment all notes or portions thereof properly tendered pursuant to the Change of Control offer;
- (2) deposit with the paying agent an amount equal to the Change of Control payment in respect of all notes or portions thereof properly tendered; and
- (3) deliver or cause to be delivered to the trustee the notes so accepted together with an Officers Certificate stating the aggregate principal amount of notes or portions thereof being purchased by Frontier.

The paying agent will promptly mail to each registered holder of notes so tendered the Change of Control Payment for such notes, and the trustee will promptly authenticate and mail, or cause to be transferred by book entry, to each holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; provided that each such new note will be in a principal amount of \$2,000 and integral multiples of \$1,000 in excess thereof. Any note so accepted for payment will cease to accrue interest on and after the Change of Control Payment Date.

Frontier will not be required to make a Change of Control offer upon a Change of Control Triggering Event if a third party makes the Change of Control offer in the manner, at the times and otherwise in compliance with the requirements set forth in the supplemental indenture or indenture of each series applicable to a Change of Control offer made by Frontier and purchases all notes properly tendered and not withdrawn under the Change of Control offer.

A Change of Control offer may be made in advance of a Change of Control Triggering Event, and conditional upon the occurrence of such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control Triggering Event at the time of making the Change of Control offer.

There can be no assurance that Frontier will have sufficient funds available at the time of any Change of Control Triggering Event to consummate a Change of Control offer for all notes then outstanding at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest to the Change of Control Payment Date. See

Supplemental Risk Factors Risks Related to The Notes We may not have sufficient funds to repurchase the notes upon a Change of Control Triggering Event (as defined herein), and certain strategic transactions may not constitute a Change of Control Triggering Event.

## **Covenants**

### *Limitation on Subsidiary Indebtedness*

Frontier will not permit any of its Subsidiaries to Incur any Indebtedness, other than:

- (A) Indebtedness of any Subsidiary of Frontier consisting of (i) Guarantees by such Subsidiary of Indebtedness of Frontier under Credit Facilities or (ii) Liens granted by such Subsidiary to secure such Guarantee or such Indebtedness of Frontier, in an aggregate principal amount (without duplication), when taken together with the aggregate principal amount of Indebtedness secured by Liens on the property or assets (which includes

capital stock) of Frontier and its Subsidiaries Incurred pursuant to the second sentence and clause (1) of the first paragraph of Limitations on Liens covenant below, not to exceed the Permitted Amount at the time of Incurrence of such Guarantee or Lien;

- (B) Indebtedness of any Designated Subsidiary or any Subsidiary of such Designated Subsidiary, provided that, with respect to this clause (B) only, no portion of such Indebtedness is recourse to Frontier or any of its other Subsidiaries;
- (C) Acquired Indebtedness;
- (D) Indebtedness existing on the Issue Date of any Subsidiary of Frontier;

S-44

**Table of Contents**

(E) Indebtedness of any Subsidiary of Frontier issued in exchange for, or the net proceeds of which are used or will be used to extend, refinance, renew, replace, defease or refund, other Indebtedness that was permitted by the applicable supplemental indenture to be Incurred under clause (C) or (D) of this paragraph; or

(F) Indebtedness in an aggregate principal amount, at anytime outstanding, not to exceed \$250.0 million. The maximum amount of Indebtedness that may be Incurred pursuant to this Limitation on Subsidiary Indebtedness covenant will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies.

*Limitation on Liens*

Frontier will not, and will not permit any of its Subsidiaries to, allow any Lien on any of Frontier's or its Subsidiaries property or assets (which includes capital stock) securing Indebtedness, unless the Lien secures the notes equally and ratably with, or prior to, any such Indebtedness secured by such Lien, for so long as such other Indebtedness is so secured, subject to certain exceptions described below. Each supplemental indenture provides for an exception from this limitation for secured debt which Frontier or its Subsidiaries may issue, assume, guarantee or permit to exist up to 10% of the value of the consolidated total assets of Frontier as shown on, or computed from, the most recent quarterly or annual balance sheet prepared in accordance with GAAP and filed by Frontier with the Securities and Exchange Commission ( SEC ) or provided to the trustee. In addition, this restriction will not take into account or apply to:

- (1) Liens securing Indebtedness and other obligations under any senior bank financing of Frontier or any of its Subsidiaries, including Guarantees of Indebtedness and other obligations under such senior bank financings, in an amount of up to 20% of the sum of the total consolidated current assets and net property, plant and equipment of Frontier as shown on, or computed from, the most recent quarterly or annual balance sheet prepared in accordance with GAAP and filed by Frontier with the SEC or provided to the trustee;
- (2) Liens existing on the Issue Date;
- (3) Liens on property that exist when Frontier acquires the property that secure payment of the purchase price of the property;
- (4) Liens securing debt that any Subsidiary of Frontier owes to Frontier or to any other Subsidiary of Frontier;
- (5) Liens on property, shares of stock or indebtedness of any entity that exists when (a) it becomes a Subsidiary of Frontier, (b) it is merged into or consolidated with Frontier or any of its Subsidiaries, or (c) Frontier or any of its Subsidiaries acquires all or substantially all of the assets of the entity, provided that no such Lien extends to any other property of Frontier or any of its Subsidiaries;
- (6) Liens on property to secure debt incurred for development or improvement of the property;

- (7) Liens securing (a) nondelinquent performance of bids or contracts (other than for borrowed money, obtaining of advances or credit or the securing of debt), (b) contingent obligations on surety and appeal bonds and (c) other similar nondelinquent obligations, in each case incurred in the ordinary course of business;
- (8) Liens securing purchase money Indebtedness or Capital Lease Obligations, provided that (a) any such Lien attaches to the property within 270 days after the acquisition thereof and (b) such Lien attaches solely to the property so acquired;
- (9) Liens arising solely by virtue of any statutory or common law provision relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit account or other funds, provided that such deposit account is not a dedicated cash collateral account and is not subject to restrictions against Frontier's access in excess of those set forth by regulations promulgated by the Federal Reserve Board and such deposit account is not intended by Frontier to provide collateral to the depository institution;

S-45

---

**Table of Contents**

- (10) pledges or deposits under worker's compensation laws, unemployment insurance laws or similar legislation;
- (11) statutory Liens and Liens for taxes, assessments or other governmental charges for sums not yet due or delinquent or which are being contested or appealed in good faith by appropriate proceedings;
- (12) Liens arising solely by operation of law and in the ordinary course of business, such as mechanics', materialmen's, warehousemen's and carriers' Liens and Liens of landlords or of mortgages of landlords on fixtures and movable property located on premises leased in the ordinary course of business;
- (13) Liens on personal property (other than shares or debt of Frontier's Subsidiaries) securing loans maturing in not more than one year or on accounts receivables in connection with a receivables financing program;
- (14) Liens securing financings in amounts up to the value of assets, businesses and properties acquired after the Issue Date; or any Lien upon any property to secure all or part of the cost of construction thereof or to secure debt incurred prior to, at the time of, or within twelve months after completion of such construction or the commencement of full operations thereof (whichever is later), to provide funds for such purpose; and
- (15) extensions, renewals or replacement of any of the Liens described above, if limited to all or any part of the same property securing the, original Lien.

Notwithstanding the foregoing, Frontier will not, and will not permit any of its Subsidiaries to, Incur Liens securing Indebtedness or other obligations pursuant to the second sentence or clause (1) of the first paragraph above, unless, after giving effect to the incurrence of such Liens, the aggregate amount (without duplication) of (a) the Indebtedness and other obligations secured by Liens on the property or assets (which includes capital stock) of Frontier and its Subsidiaries incurred pursuant to the second sentence and clause (1) of the first paragraph above plus (b) the Indebtedness of Frontier's Subsidiaries Incurred pursuant to clause (A) of the first paragraph of Limitation on Subsidiary Indebtedness covenant above shall not exceed the Permitted Amount at the time of the incurrence of such Liens.

*Merger, Consolidation and Sale of Assets*

Frontier may not consolidate or merge with or into, or sell, lease or convey all or substantially all of its assets in any one transaction or series of transactions to any other Person, unless:

- (1) the resulting, surviving or transferee Person (the successor) is either Frontier or is a corporation organized under the laws of the United States, any state or the District of Columbia and expressly assumes by supplemental indenture all of Frontier's obligations under the supplemental indenture, the indenture and the notes of the applicable series of notes; and
- (2) immediately after giving effect to the transaction no Event of Default or event which with notice or lapse of time would be an Event of Default has occurred and is continuing.

The successor will be substituted for Frontier in the applicable indenture with the same effect as if it had been an original party to such indenture. Thereafter, the successor may exercise the rights and powers of Frontier under such indenture.

#### **Termination of Certain Covenants**

In the event that the notes of a series receive a rating equal to or greater than BBB- by S&P and Baa3 by Moody's or the equivalent thereof under any new ratings system if the ratings system of either such agency shall be modified after the date hereof (with a stable or better outlook in the case of a rating equal to BBB- by S&P and Baa3 by Moody's) (each such rating, an Investment Grade Rating), and notwithstanding that such notes



## **Table of Contents**

may later cease to have an Investment Grade Rating from either S&P or Moody's or both, Frontier and its Subsidiaries will be released from their obligations to comply with the provisions of the applicable indenture relating to such series of notes described under Limitation on Subsidiary Indebtedness.

## **Events of Default**

The term Event of Default with respect to each series of notes means any of the following:

- (1) failure to pay interest for 60 days after the date payment is due and payable;
- (2) failure to pay principal or premium, if any, on any note when due, at maturity, upon any redemption, by declaration or otherwise;
- (3) failure to perform other covenants for 90 days after due notice that performance was required; or
- (4) events in bankruptcy, insolvency or reorganization of Frontier.

If an Event of Default relating to the payment of interest or principal involving a series of notes has occurred and is continuing, the trustee or the holders of not less than 25% in aggregate principal amount of the notes of that series may declare the entire principal amount of the notes of that series to be due and payable immediately.

If an Event of Default relating to the failure to perform other covenants occurs and is continuing for a period of 60 days after the date on which such failure becomes an Event of Default, then the trustee or the holders of not less than 25% in aggregate principal amount of a series of notes may declare the entire principal amount of the notes of that series to be due and payable immediately.

The holders of not less than a majority in aggregate principal amount of notes of a series may, after satisfying conditions, rescind and annul any of the above-described declarations and consequences involving such series of notes.

If an Event of Default relating to events in bankruptcy, insolvency or reorganization of our company occurs and is continuing, then the principal amount of all of the notes outstanding and any accrued interest on such notes will automatically become due and payable immediately, without any declaration or other act by the trustee or any holder.

Each indenture imposes limitations on suits brought by holders of notes against us. Except for actions for payment of overdue principal or interest, no holder of notes may institute any action against us under the applicable indenture unless:

the holder has previously given to the trustee written notice of an Event of Default and of the continuance thereof;

the holders of at least 25% in aggregate principal amount of the notes of that series then outstanding requested that the trustee institute the action;

the requesting holders have offered the trustee reasonable indemnity for expenses and liabilities that may be incurred by bringing the action;

the trustee has not instituted the action within 60 days of the request; and

the trustee has not received inconsistent direction by the holders of a majority in aggregate principal amount of the notes of that series then outstanding.

We will be required to file annually with the trustee a certificate, signed by an officer of our company, stating whether or not the officer knows of any default by us in the performance, observance or fulfillment of any condition or covenant of the indenture or supplemental indenture applicable to each series of notes.

S-47

**Table of Contents**

**Discharge, Defeasance, and Covenant Defeasance**

Frontier may elect either:

- (1) to defease and be discharged from any and all obligations with respect to the notes of a series; or
- (2) to be released from its obligations described above under Repurchase of Notes upon a Change of Control Triggering Event, Limitation on Subsidiary Indebtedness, Limitation on Liens and Merger, Consolidation and Sale of Assets with respect to the notes of a series, only:
  - (A) upon the deposit with the trustee, in trust, of money and/or U.S. government obligations, which through the payment of interest and principal of the U.S. government obligations in accordance with their terms will provide money in an amount sufficient to pay any installment of principal and premium, if any and interest on such notes on the applicable Stated Maturity of the payments in accordance with the terms of the applicable supplemental indenture, the applicable indenture and such notes;
  - (B) upon delivery to the trustee by Frontier of an opinion of counsel to the effect that the defeasance will not cause the holders of such notes to recognize income, gain or loss for United States federal income tax purposes and holders will be subject to United States federal income tax on the same amount, in the same manner and at the same time as would have been the case if the defeasance had not occurred;
  - (C) if at the time of defeasance or release no Event of Default with respect to such notes will have happened or be continuing; and
  - (D) if certain other conditions are satisfied.

**Book-Entry, Delivery and Form**

The notes of each series initially will be represented by one or more fully registered global securities. Each global security will be deposited with, or on behalf of, DTC, or any successor thereto and registered in the name of Cede & Co., DTC's nominee.

You may hold your interests in a global security in the United States through DTC, either as a participant in such system or indirectly through organizations which are participants in such system. So long as DTC or its nominee is the registered owner of the global securities representing a series of notes, DTC or such nominee will be considered the sole owner and holder of such notes for all purposes of such notes and the applicable indenture. Except as provided below, owners of beneficial interests in the notes will not be entitled to have the notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered the owners or holders of the notes under the applicable indenture, including for purposes of receiving any reports that we or the trustee delivers pursuant to such indenture. Accordingly, each person owning a beneficial interest in the notes must rely on the procedures of DTC or its nominee and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, in order to exercise any rights of a holder of notes.

Unless and until we issue the notes in fully certificated form:

- (1) you will not be entitled to receive physical delivery of a certificate representing your interest in the notes;
- (2) all references in this prospectus supplement to actions by holders will refer to actions taken by DTC upon instructions from its direct participants; and
- (3) all references in this prospectus supplement to payments and notices to holders will refer to payments and notices to DTC or Cede & Co., as the registered holder of each series of notes, for distribution to you in accordance with DTC procedures.

S-48

**Table of Contents**

DTC has provided us with the following information: DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered under Section 17A of the Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through computerized book-entry changes in direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations, and other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules that apply to DTC and its participants are on file with the SEC.

If you intend to purchase any of the notes in the manner provided by this prospectus supplement, you must do so through the DTC system by or through direct participants. The participant that you purchase through will receive a credit for the notes on DTC's records. The ownership interest of each actual purchaser of the notes, who we refer to as a beneficial owner, is in turn to be received on the participant's records. Beneficial owners will not receive written confirmation from DTC of their purchases, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the notes except in the event that use of the book-entry system for the securities is discontinued.

To facilitate subsequent transfers, all notes deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities. DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Neither DTC nor Cede & Co. will consent or vote with respect to the notes. Under its usual procedures, DTC would mail an Omnibus Proxy to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

We will make any payments on the notes to DTC. DTC's practice is to credit direct participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participant and not of DTC, us or the trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. The trustee or we will be responsible for the payment of all amounts to DTC. DTC will be responsible for the disbursement of those

payments to its participants, and the participants will be responsible for disbursements of those payments to beneficial owners.

If DTC is at any time unwilling or unable to continue as depository for a series of notes and a successor depository is not appointed by us within 90 days or DTC has ceased to be a clearing agency registered under the Exchange Act when required to do so and a successor depository is not appointed within 90 days with respect to

S-49

**Table of Contents**

such series, we will issue notes of such series in certificated form in exchange for global securities. Each indenture permits us to determine at any time and in our sole discretion that notes of such series shall no longer be represented by global securities. DTC has advised us that, under its current practices, it would notify its participants of our request, but will only withdraw beneficial interests from the global security at the request of each DTC participant. We would issue definitive certificates in exchange for any beneficial interests withdrawn.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable (including DTC), but we take no responsibility for its accuracy. Neither we nor the trustee will have any responsibility or obligation to participants, or the persons for whom they act as nominees, with respect to:

- (1) the accuracy of the records of DTC, its nominee or any participant, any ownership interest in the notes, or
- (2) any payments to, or the providing of notice to, participants or beneficial owners.

**Modification of the Indenture**

Each indenture provides that we and the trustee may enter into supplemental indentures without the consent of the holders of a series of notes to:

secure the notes of that series;

evidence the assumption by a successor corporation of our obligations;

add covenants for the protection of the holders of the notes of that series;

provide for the issuance of, and terms of, new notes as permitted under the applicable indenture;

cure any ambiguity or correct any inconsistency in the applicable indenture or any supplement thereto;

evidence and provide for the acceptance of appointment by a successor trustee for that series;

make any change that would provide any additional rights or benefits to the holders of the notes of that series or that does not adversely affect the legal rights hereunder of any holder of the notes of that series; and

comply with requirements of the SEC in order to effect or maintain the qualification of the applicable indenture under the Trust Indenture Act of 1939.

Each indenture also provides that we and the trustee may, with the consent of the holders of not less than a majority in aggregate principal amount of the notes of a series, then outstanding and affected, voting as one class, add any provisions to, or change in any manner, eliminate or modify in any way the provisions of such indenture or any supplement thereto or modify in any manner the rights of the holders of the notes of such series. We and the trustee may not, however, without the consent of the holder of each outstanding note affected thereby:

extend the final maturity of any note;

reduce the principal amount or premium, if any;

reduce the rate or extend the time of payment of interest;

reduce any amount payable on redemption;

change the currency in which the principal, premium, if any, or interest is payable;

impair the right to institute suit for the enforcement of any payment on any note when due; or

reduce the percentage of holders of notes whose consent is required for any modification of the applicable indenture.



## **Table of Contents**

### **The Trustee**

The Bank of New York Mellon is the trustee under each indenture.

Except during the continuance of an Event of Default, the trustee will perform only such duties as are specifically set forth in the applicable indenture or the applicable supplemental indenture. During the existence of an Event of Default, the trustee will exercise such of the rights and powers vested in it under the applicable indenture and the applicable supplemental indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

Pursuant and subject to the Trust Indenture Act, the trustee will be permitted to engage in other transactions with us; however, if the trustee acquires any conflicting interest, it would be required to eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee or resign.

### **No Individual Liability of Incorporators, Shareholders, Officers or Directors**

Each indenture provides that no incorporator and no past, present or future shareholder, officer or director of our company or of any successor corporation, in their capacity as such, shall have any individual liability for any of our obligations, covenants or agreements under the applicable notes or such indenture.

### **Governing Law**

Each indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

### **Certain Definitions**

*Acquired Indebtedness* means Indebtedness of a Person existing at the time such Person becomes a Subsidiary of Frontier or Indebtedness of a Subsidiary of Frontier assumed in connection with an Asset Acquisition by such Subsidiary; provided such Indebtedness was not Incurred in connection with or in contemplation of such Person becoming a Subsidiary or such Asset Acquisition.

*Adjusted Treasury Rate* means, with respect to any redemption date:

- (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or
- (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the

Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Adjusted Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

*Asset Acquisition* means (1) an investment by Frontier or any of its Subsidiaries in any other Person pursuant to which such Person shall become a Subsidiary or shall be merged into or consolidated with Frontier or

**Table of Contents**

any of its Subsidiaries; or (2) an acquisition by Frontier or any of its Subsidiaries of the property and assets of any Person other than Frontier or any of its Subsidiaries that constitute substantially all of a division, operating unit or line of business of such Person.

*Beneficial Owner* has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular person as such term is used in Section 13(d)(3) of the Exchange Act, such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition.

*Board of Directors* means either the Board of Directors of Frontier or any committee of such Board duly authorized to act on its behalf.

*Board Resolution* means one or more resolutions, certified by the secretary or an assistant secretary of Frontier to have been duly adopted or consented to by the Board of Directors and to be in full force and effect, and delivered to the trustee.

*Business Day* means a day that (a) in the Place of Payment (or in any of the Places of Payment, if more than one) in which amounts are payable and (b) in the city in which the Corporate Trust Office is located, is not a Saturday or Sunday or a day on which banking institutions are authorized or required by law or regulation to close.

*Capital Lease Obligations* means Indebtedness represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP. The amount of Indebtedness will be the capitalized amount of the obligations determined in accordance with GAAP consistently applied.

*Capital Stock* means, with respect to any entity, any and all shares, interests, participations or other equivalents (however designated) of or in such entity's Common Stock or other equity interests, and options, rights or warrants to purchase such Common Stock or other equity interests, whether now outstanding or issued after the Issue Date.

*Change of Control* means the occurrence of any of the following:

- (1) the adoption of a plan relating to the liquidation or dissolution of Frontier;
- (2) any person, as such term is used in Section 13(d)(3) of the Exchange Act, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the voting power of the Voting Stock of Frontier; provided that a transaction in which Frontier becomes a Subsidiary of another Person shall not constitute a Change of Control if (a) the stockholders of Frontier immediately prior to such transaction Beneficially Own, directly or indirectly through one or more intermediaries, 50% or more of the voting power of the outstanding Voting Stock of such other Person of whom Frontier is then a Subsidiary and (b) immediately following such transaction no person (as defined above) other than such other Person, Beneficially Owns, directly or indirectly, more than 50% of the voting power of the Voting Stock of Frontier; or
- (3) the first day on which a majority of the members of the Board of Directors of Frontier are not Continuing Directors.

*Change of Control Triggering Event* means the occurrence of both a Change of Control and a Ratings Decline.

*Commodity Agreement* means any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement.

S-52

**Table of Contents**

*Common Stock* means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

*Comparable Treasury Issue* means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the applicable notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes ( *Remaining Life* ).

*Comparable Treasury Price* means, for any redemption date, (1) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations the average of all such quotations.

*Continuing Director* means, as of any date of determination, any member of the Board of Directors of Frontier who:

- (1) was a member of such Board of Directors on the Issue Date; or
- (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

*Corporate Trust Office* means the office of the trustee at which the trust created by the applicable indenture shall, at any particular time, be principally administered, which office is, at the date as of which such indenture is dated, located at 101 Barclay Street, Floor 8 West, New York, New York 10286.

*Credit Facilities* means one or more debt facilities or commercial paper facilities, in each case with banks or other lenders, including the Rural Telephone Finance Cooperative, providing for revolving credit loans, term loans, receivables financings, including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables, letters of credit or other borrowings, including capital markets debt, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

*Currency Agreement* means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement.

*Default* means any event that is, or after notice or passage of time or both would be, an Event of Default.

*Designated Subsidiary* means any Subsidiary of Frontier (a) the Capital Stock of which Frontier intends to distribute to its shareholders or (b) the assets or Capital Stock of which Frontier intends to sell or otherwise dispose of to any Person other than Frontier or any of its Subsidiaries, in each case, as evidenced by a Board Resolution.

*Disqualified Stock* means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the Stated Maturity of the notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the notes.

**Table of Contents**

*Fair Market Value* means the price that would be paid in an arm's length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination, unless otherwise specified, shall be conclusive if evidenced by a Board Resolution.

*GAAP* means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and in the statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, as in effect from time to time. All ratios and computations contained or referred to in each indenture shall be computed in conformity with GAAP applied on a consistent basis.

*Guarantee* means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services (unless such purchase arrangements are on arm's-length terms and are entered into in the ordinary course of business), to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term *Guarantee* shall not include endorsements for collection or deposit in the ordinary course of business. The term *Guarantee* used as a verb has a corresponding meaning.

*Incur* means, with respect to any Indebtedness, to incur, create, issue, assume, *Guarantee* or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness; provided that (1) any Indebtedness of a Person existing at the time such Person becomes a Subsidiary will be deemed to be incurred by such Subsidiary at the time it becomes a Subsidiary and (2) neither the accrual of interest nor the accretion or amortization of original issue discount nor the payment of interest or dividend in the form of additional Indebtedness shall be considered an Incurrence of Indebtedness.

*Indebtedness* means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto, but excluding obligations with respect to letters of credit (including trade letters of credit) securing obligations entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement);

- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, which purchase price is due more than one year after the date of placing such property in service or taking delivery and title thereto or the completion of such services, except Trade Payables;
- (5) all Capital Lease Obligations of such Person;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided that the amount of such Indebtedness shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness;
- (7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;

S-54



**Table of Contents**

- (8) to the extent not otherwise included in this definition, obligations under Interest Rate Agreements, Commodity Agreements and Currency Agreements, except for Interest Rate Agreements, Commodity Agreements and Currency Agreements entered into for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk; and
- (9) all Disqualified Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, provided:

- (A) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;
- (B) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be Indebtedness so long as such money is held to secure the payment of such interest; and
- (C) that Indebtedness shall not include:
  - (I) any liability for federal, state, local or other taxes;
  - (II) workers compensation claims, self-insurance obligations, performance, surety, appeal and similar bonds and completion guarantees provided in the ordinary course of business;
  - (III) obligations arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, provided that such Indebtedness is extinguished within two business days of its Incurrence; or
  - (IV) any Indebtedness defeased or called for redemption.

*Independent Investment Banker* means one of the Reference Treasury Dealers appointed by us.

*Interest Rate Agreement* means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement.

*Issue Date* means the date on which each series of notes offered hereby are originally issued under the applicable indenture.

*Lien* means, with respect to any property or assets, including Capital Stock, any mortgage or deed of trust, pledge, lien, hypothecation, assignment, deposit arrangement, security interest, charge, easement or zoning restriction that materially impairs usefulness or marketability, encumbrance, security agreement, Capital Lease Obligation, conditional sale, any other agreement that has the same economic effect as any of the above, or any sale and leaseback transaction.

*Moody's* means Moody's Investor Services, Inc. or any successor rating agency.

*Officers Certificate* means, with respect to any Person, a certificate signed by the chairman of the Board of Directors, the chief executive officer, the president, the chief financial officer or any vice president and by the treasurer, any assistant treasurer, the controller, any assistant controller, the secretary or any assistant secretary of such Person in accordance with the applicable provisions of the applicable indenture.

**Table of Contents**

*Permitted Amount* means, at any time, the sum of (a) 10% of the value of the consolidated total assets of Frontier and (b) 20% of the sum of the total consolidated current assets and net property, plant and equipment of Frontier, in each case, as shown on, or computed from, the most recent quarterly or annual consolidated balance sheet filed by Frontier with the SEC or provided to the trustee.

*Person* means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, estate, unincorporated organization or government or any agency or political subdivision thereof or any other entity.

*Place of Payment* means the place or places where the principal of and interest, if any, on the notes are payable as determined in accordance with the applicable indenture.

*Ratings Agencies* means Moody's and S&P.

*Ratings Decline* means the occurrence of the following on, or within 90 days after, the date of the public notice of the occurrence of a Change of Control or of the intention by us or any third-party to effect a Change of Control (which period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by any of the Ratings Agencies): (1) in the event that the notes have an Investment Grade Rating by both Ratings Agencies, such notes cease to have an Investment Grade Rating by one or both of the Ratings Agencies, or (2) in any other event, the rating of such notes by either of the Ratings Agencies decreases by one or more gradations (including gradations within ratings categories as well as between rating categories) or is withdrawn.

*Reference Treasury Dealer* means any of the primary U.S. Government securities dealers in New York City.

*Reference Treasury Dealer Quotations* means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

*S&P* means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., or any successor rating agency.

*Stated Maturity* means, (1) with respect to any debt security, the date specified in such debt security as the fixed date on which the final installment of principal of such debt security is due and payable and (2) with respect to any scheduled installment of principal of or interest on any debt security, the date specified in such debt security as the fixed date on which such installment is due and payable.

*Subsidiary* means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

*Trade Payables* means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

*Voting Stock* of any Person as of any date means the Capital Stock of such Person that is normally entitled to vote in the election of the Board of Directors of such Person.

S-56

**Table of Contents**

**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following discussion sets forth a summary of material United States federal income tax considerations relevant to the purchase, ownership and disposition of notes.

This summary:

does not purport to be a complete analysis of all of the potential tax considerations that may be applicable to an investor as a result of the investor's particular tax situation;

summarizes the material United States federal income tax considerations relevant to the purchase, ownership and disposition of the notes offered hereby by an initial holder of the notes who purchases the notes in the initial offering for cash at their issue prices (generally, the first price at which a substantial amount of the issue is sold to purchasers (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers));

is based on the Internal Revenue Code of 1986, as amended, which we refer to as the Code, the existing applicable United States Treasury regulations promulgated or proposed under the Code, which we refer to as the Treasury Regulations, judicial authority and currently effective published rulings and administrative pronouncements, each as of the date hereof and each of which is subject to change and differing interpretations at any time, possibly with retroactive effect;

is applicable only to beneficial owners of notes who hold their notes as capital assets, within the meaning of section 1221 of the Code;

does not address all aspects of United States federal income taxation that may be relevant to holders in light of their particular circumstances or who are subject to special treatment under United States federal income tax laws, including but not limited to:

dealers and electing traders in securities or currencies who use a mark-to-market method of accounting for their securities holdings;

brokers, banks and other financial institutions, insurance companies, tax-exempt organizations, personal holding companies and pension funds;

regulated investment companies and real estate investment trusts;

persons who own the notes as a position in a hedging transaction or as part of a straddle, conversion or other integrated transaction for United States federal income tax purposes;

U.S. holders (as defined below) whose functional currency for United States federal income tax purposes is not the United States dollar;

certain former citizens and former long-term residents of the United States;

holders subject to the alternative minimum tax;

corporations that accumulate earnings in order to avoid United States federal income tax;

non-U.S. holders (defined below) subject to special rules under the Code, including non-U.S. estates and trusts with U.S. beneficiaries, controlled foreign corporations and passive foreign investment companies ; and

partnerships, other pass-through entities and investors in these entities; and

does not discuss any possible applicability of any United States state or local taxes, non-United States taxes or any United States federal tax other than the income tax, including, but not limited to, the United States federal gift tax and estate tax.

## Table of Contents

As used in this summary, the term "U.S. holder" means a beneficial owner of a note who is, for United States federal income tax purposes:

an individual citizen or resident of the United States;

a corporation, or other entity taxable as a corporation, that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate whose income is subject to United States federal income tax regardless of its source; or

a trust (i) if a court within the United States is able to exercise primary supervision over the trust's administration, and one or more United States persons, within the meaning of section 7701(a)(30) of the Code, has the authority to control all substantial decisions of the trust, or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

If a partnership, including any entity or arrangement treated as a partnership for United States federal income tax purposes, holds notes, then the United States federal income tax treatment of a partner in that partnership generally will depend on the status of the partner and the partnership's activities. Partners and partnerships should consult their own tax advisors with regard to the United States federal income tax treatment of an investment in the notes.

The term "non-U.S. holder" means a beneficial owner of a note who is neither a U.S. holder nor a partnership. Potential non-U.S. holders should refer to the discussion under the heading "Non-U.S. Holders" below.

**This summary of material United States federal income tax considerations constitutes neither tax nor legal advice. Prospective investors are urged to consult their own tax advisors to determine the specific tax consequences and risks to them of purchasing, holding and disposing of the notes, including the application to their particular situation of any United States federal income, United States federal estate and gift, United States state and local, non-United States and other tax laws and of any applicable income tax treaty.**

## **Effect of Certain Contingencies**

Under the terms of the notes, amounts in excess of stated interest or principal may be required to be paid in certain circumstances. See "Description of the Notes" Repurchase of Notes upon a Change of Control Triggering Event. It is possible that the IRS could assert that the payment of such excess amounts is a contingent payment, and the notes are therefore contingent payment debt instruments for United States federal income tax purposes. Under the applicable Treasury Regulations, however, for purposes of determining whether a debt instrument is a contingent payment debt instrument, remote or incidental contingencies (determined as of the date the notes are issued) are ignored. The Company believes the possibility of making additional payments is remote and/or incidental and consequently, the notes would not be treated as contingent payment debt instruments. Our position will be binding on holders unless such holder timely and explicitly discloses to the IRS that it is taking a position different from ours. Our determination is not binding on the IRS, however, and if the IRS were to successfully challenge the determination, the timing, amount, and the character of income recognized by a holder may be materially different from the consequences discussed herein. Holders should consult their own tax advisors regarding this issue. The remainder of this discussion assumes that the notes are not treated as contingent payment debt instruments.

**U.S. Holders**

***Stated Interest***

Stated interest on a note generally will be taxable to a U.S. holder as ordinary interest income at the time it accrues or is received in accordance with such holder's method of accounting for United States federal income tax purposes.

S-58



## **Table of Contents**

### ***Sale, Exchange, Redemption or Other Taxable Disposition of Notes***

Upon a sale, exchange, redemption, repurchase or other taxable disposition of notes, a U.S. holder generally will recognize taxable gain or loss. The amount of such gain or loss will be measured by the difference, if any, between:

the amount of cash plus the fair market value of any other property received in exchange for the disposed notes, excluding any such amount attributable to accrued but unpaid interest; and

the U.S. holder's adjusted tax basis in the disposed notes at the time of such disposition.

Any amount received by the U.S. holder attributable to accrued but unpaid interest will be taxed as such, as described under the heading "Stated Interest" above.

Subject to any adjustments, a U.S. holder's adjusted tax basis in a note generally will equal the holder's initial investment in the note.

Gain or loss recognized by a U.S. holder generally will be capital gain or loss and, if such holder held the note for more than one year at the time of the disposition, long-term capital gain or loss. Long-term capital gains recognized by certain non-corporate U.S. holders, including individuals, generally will be subject to a reduced tax rate. The deductibility of capital losses is subject to limitations.

### ***Surtax on Net Investment Income***

Certain U.S. holders who are individuals, estates, or trusts are subject to a 3.8% surtax on the lesser of (1) the U.S. holder's net investment income for the relevant taxable year and (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. holder's net investment income generally will include its gross interest income and its net gains from the disposition of the notes, unless such interest payments or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their investment in the notes.

### ***Non-U.S. Holders***

#### ***Interest***

Subject to the discussion below regarding FATCA, all payments to a non-U.S. holder that are attributable to interest generally will be exempt from United States federal withholding tax, *provided* that:

such payments are not effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (or, in the case of an applicable tax treaty, are not attributable to the non-U.S. holder's permanent establishment in the United States or, in the case of an individual, fixed base maintained by the non-U.S. holder in the United States);

the non-U.S. holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote;

the non-U.S. holder is not a controlled foreign corporation that is related, directly or indirectly, to us through stock ownership within the meaning of the applicable sections of the Internal Revenue Code; and

prior to the payment, the non-U.S. holder of the note certifies, under penalty of perjury, on a properly executed and delivered IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or appropriate substitute form, that it is not a United States person for United States federal income tax purposes.

S-59

**Table of Contents**

A non-U.S. holder who is not exempt from tax under these rules generally will be subject to United States federal withholding tax at a gross rate of 30%, subject to any exemption or reduction under an applicable income tax treaty, unless the interest is effectively connected with the conduct by the non-U.S. holder of a United States trade or business, as described under the heading **United States Trade or Business** below. Non-U.S. holders should consult applicable income tax treaties, which may provide reduced rates of or an exemption from United States federal withholding tax on payments of interest. Non-U.S. holders will be required to comply with certification requirements in order to claim a treaty exemption or reduced rate, which may be satisfied by providing an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or appropriate substitute form to us or our agent.

***Sale, Exchange, Redemption or Other Taxable Disposition of Notes***

Subject to the discussions below concerning backup withholding and FATCA, any gain realized (but excluding any amounts attributable to accrued but unpaid interest, which is treated as interest as discussed above in **Interest** ) by a non-U.S. holder on a sale, exchange, redemption, repurchase or other taxable disposition of notes generally will be exempt from United States federal income and withholding tax, unless:

that gain is effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States and, if provided in an applicable income tax treaty, is attributable to a permanent establishment or, for individuals, a fixed base of the non-U.S. holder (see **United States Trade or Business** below); or

in the case of a nonresident alien individual, the holder is present in the United States for 183 or more days in the taxable year of disposition and certain other conditions are satisfied.

***United States Trade or Business***

Income or gain with respect to a note generally is considered United States trade or business income if it is:

effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States; and

in the case of a treaty resident, attributable to the holder's permanent establishment in the United States or, in the case of an individual, a fixed base in the United States maintained by the non-U.S. holder.

Non-U.S. holders generally will be taxed on any United States trade or business income in the same manner as U.S. holders, but without regard to the surtax on net investment income described above. See **U.S. Holders** above. Non-U.S. holders will be required to provide a properly executed IRS Form W-8ECI or appropriate substitute form to claim any available exemption from income or withholding tax.

Non-U.S. holders should consult any applicable income tax treaties, which may provide reduced rates of or an exemption from United States federal income or withholding tax. Non-U.S. holders will be required to satisfy certification requirements in order to claim a reduction of or exemption from income or withholding tax pursuant to an applicable income tax treaty.

Corporate non-U.S. holders with United States trade or business income may also be subject to an additional branch profits tax at a gross rate of 30% on their earnings and profits for the taxable year that are effectively connected with the holder's conduct of a trade or business within the United States (subject to certain adjustments), subject to exemption or reduction by an applicable income tax treaty.

S-60

## **Table of Contents**

### **Backup Withholding and Information Reporting**

#### ***U.S. Holders***

Certain non-exempt U.S. holders may be subject to information reporting in respect of any payments made on the notes or the proceeds of a disposition of notes. In addition, backup withholding may apply, currently at a rate of 28%, if the U.S. holder (i) fails to supply a taxpayer identification number and certain other information, certified under penalty of perjury, (ii) fails to certify eligibility for an exemption to backup withholding or (iii) otherwise fails to comply with the applicable backup withholding rules. Backup withholding is not an additional tax, and amounts withheld under backup withholding are allowable as a refund or a credit against the U.S. holder's federal income tax upon furnishing the required information on a timely basis to the IRS.

#### ***Non-U.S. Holders***

We will, where required, report to non-U.S. holders and to the IRS the amount of any principal and interest paid on the notes. Copies of these information returns also may be made available under the provisions of a specific treaty or other agreement to the tax authorities of the country in which the non-U.S. holder is a resident.

Backup withholding, currently at a rate of 28%, will not apply to payments of interest if either the requisite certification that the non-U.S. holder is not a United States person for United States federal income tax purposes has been received or an exemption from backup withholding has otherwise been established, provided that neither we nor our paying agent have actual knowledge, or reason to know, that the non-U.S. holder is a United States person for United States federal income tax purposes that is not an exempt recipient or that the conditions of any other exemption are not satisfied.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of notes within the United States or conducted through certain U.S.-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury as to non-United States person status or such owner otherwise establishes an exemption (provided that neither the broker nor intermediary has actual knowledge or reason to know that such owner is a United States person or that the conditions of any other exemptions are not in fact satisfied).

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules from payments to a non-U.S. holder may be refunded or credited against the non-U.S. holder's United States federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

### **FATCA Withholding Taxes**

The Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act (generally referred to as "FATCA") generally impose a 30% withholding tax on certain payments to certain foreign financial institutions that fail to certify their FATCA status, and investment funds and non-financial foreign entities if certain disclosure requirements related to direct and indirect United States shareholders and/or United States accountholders are not satisfied.

Under applicable Treasury Regulations, a withholding tax of 30% generally will be imposed, subject to certain exceptions, on payments of (a) interest on the notes and (b) beginning in 2017, gross proceeds from the sale or other disposition of the notes. In the case of payments made to a foreign financial institution (generally including an investment fund), as a beneficial owner or as an intermediary, the tax generally will be imposed, subject to certain

exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the United States government (a FATCA Agreement ) or (ii) is required by and complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an IGA ), in either case to, among other things, collect and provide to the

S-61

**Table of Contents**

United States or other relevant tax authorities certain information regarding United States account holders of such institution. In the case of payments made to a foreign entity that is not a financial institution (as a beneficial owner), the tax generally will be imposed, subject to certain exceptions, unless such entity provides the withholding agent with a certification that it does not have any substantial United States owners (generally, any specified United States person that directly or indirectly owns more than a specified percentage of such entity) or that identifies its substantial United States owners. If the notes are held through a foreign financial institution that enters into (or is otherwise subject to) a FATCA Agreement, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold such tax on payments of interest and proceeds described above made to (x) a person (including an individual) that fails to comply with certain information requests or (y) a foreign financial institution that has not entered into (and is not otherwise subject to) a FATCA Agreement and is not required to comply with FATCA pursuant to applicable foreign law enacted in connection with an IGA.

If any amount of, or in respect of, United States withholding tax were to be deducted or withheld from payments on the notes as a result of a failure by an investor (or by an institution through which an investor holds the notes) to comply with FATCA, neither the issuer nor any paying agent nor any other person would, pursuant to the terms of the notes, be required to pay additional amounts with respect to any notes as a result of the deduction or withholding of such tax.

Each prospective investor should consult its own tax advisor regarding the application of FATCA to the ownership and disposition of the notes.

The United States federal income tax summary discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation.

Prospective investors should consult their own tax advisors with respect to the tax consequences to them of the ownership and disposition of the notes, including the tax consequences under United States federal income tax laws, state, local, foreign and other tax laws and the possible effects of changes in such laws.

**Table of Contents**

**BENEFIT PLAN INVESTOR CONSIDERATIONS**

The following is a summary of certain considerations associated with the purchase of the notes by employee benefit plans that are subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ( ERISA ), by plans that are subject to Section 4975 of the Code or by persons whose underlying assets are considered to include plan assets of such plans (each, an ERISA Plan ). Certain other benefit plans may be subject to federal, state, local, non-U.S. or other laws that regulate their investments (collectively, Similar Laws ) and, accordingly, may be subject to similar risks (together with ERISA Plans, Plans ).

**Prohibited Transaction Issues**

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons who are parties in interest (as defined in ERISA) or disqualified persons (as defined in Section 4975 of the Code), unless an exemption applies. A non-exempt prohibited transaction may have to be rescinded, and a fiduciary of an ERISA Plan that permits such a transaction may be subject to penalties and liabilities under ERISA.

The issuer or certain of its affiliates may be a party in interest or disqualified person with respect to ERISA Plans from time to time, and the extension of credit is a transaction to which Section 406 of ERISA and Section 4975 of the Code applies. The acquisition and/or holding of notes by any ERISA Plan as to which the issuer and certain of its affiliates is considered a party in interest or a disqualified person may result in a direct or indirect prohibited transaction under ERISA and/or Section 4975 of the Code, unless an exemption applies.

In this regard, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code exempt the involvement of the assets of an ERISA Plan in connection with the sale or exchange of property with, the lending of money or other extension of credit with, or the transfer of plan assets to, or the use of plan assets by or for the benefit of, a person who is a party in interest or disqualified person if: (i) such person is a party in interest or disqualified person solely by reason of providing services to the ERISA Plan or by reason of certain relationships to such a service provider and is not a fiduciary (including by reason of rendering investment advice) with respect to the investment of plan assets involved in the transaction and (ii) the ERISA Plan pays no more and no less than adequate consideration (as defined in such Sections). In addition, the U.S. Department of Labor has issued prohibited transaction class exemptions, or PTCEs, that may apply to the acquisition and holding of the notes. These class exemptions include, without limitation, PTCE 84-14 (relating to transactions effected by independent qualified professional asset managers), PTCE 90-1 (relating to transactions involving insurance company pooled separate accounts), PTCE 91-38 (relating to transactions involving bank collective investment funds), PTCE 95-60 (relating to transactions involving life insurance company general accounts) and PTCE 96-23 (relating to transactions effected by in-house asset managers). A purchaser of any notes should be aware that there can be no assurance that all of the conditions of any statutory or administrative exemption will be satisfied and that the scope of the exceptive relief provided by any statutory or administrative exemption might not cover all acts which might be construed as prohibited transactions.

The notes may not be purchased or held by any Plan unless such purchase and holding will not constitute or result in a non-exempt prohibited transaction under ERISA and Section 4975 of the Code or a violation of, or penalty, excise or similar tax under, any applicable Similar Laws.

**Representation**

By acceptance of a note, each purchaser and subsequent transferee of a note will be deemed to have represented and warranted that either: (i) no portion of the assets used by such purchaser or transferee to acquire or hold the note



constitutes assets of any Plan or (ii) the purchase and holding of the note by such purchaser or transferee will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, or a similar violation of, or penalty, excise or similar tax under, any applicable Similar Laws.

S-63

**Table of Contents**

The preceding discussion is general in nature and is not intended to be all-inclusive. Fiduciaries or other persons considering purchasing the notes on behalf of, or with the assets of, any Plan should consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment, including the applicability of any exemption thereto. Each purchaser and holder of the notes has exclusive responsibility for ensuring that its purchase and holding of the notes does not violate the fiduciary and prohibited transaction rules of ERISA, Section 4975 of the Code and any Similar Laws. The sale of any notes to any Plan is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

**Table of Contents****UNDERWRITING**

Subject to the terms and conditions of the underwriting agreement, the underwriters named below, through their representative, J.P. Morgan Securities LLC, have severally agreed to purchase from us the following respective principal amounts of notes listed opposite their name below at the public offering prices less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement:

<b>Underwriters</b>	<b>Principal Amount of 2021 Notes</b>	<b>Principal Amount of 2025 Notes</b>
J.P. Morgan Securities LLC	\$ 387,500,000	\$ 387,500,000
Citigroup Global Markets Inc.	96,875,000	96,875,000
Morgan Stanley & Co. LLC	96,875,000	96,875,000
Barclays Capital Inc.	48,438,000	48,437,000
Credit Suisse Securities (USA) LLC	48,438,000	48,437,000
Deutsche Bank Securities Inc.	48,437,000	48,438,000
RBS Securities Inc.	48,437,000	48,438,000
<b>Total</b>	<b>\$ 775,000,000</b>	<b>\$ 775,000,000</b>

The underwriting agreement provides that the obligations of the several underwriters to purchase the notes offered hereby are subject to certain conditions precedent and that the underwriters will purchase all of the notes offered by this prospectus supplement if any of these notes are purchased.

The following table shows the underwriting discount that we will pay to the underwriters in connection with the offering of the notes:

	<b>Paid by us</b>
Per 2021 note	2.0%
Per 2025 note	2.0%

The underwriters may offer the notes to selected dealers at the public offering prices minus a concession of up to 0.375% of the principal amount. In addition, the underwriters may allow, and those selected dealers may reallow, a concession of not in excess of 0.250% per note to certain brokers and other dealers. After the offering, the concession and reallowance may be reduced by the representative. No such reductions will change the proceeds to be received by us as set forth on the cover page of this prospectus supplement.

In addition, we estimate that our share of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately \$0.8 million.

We have agreed to indemnify the several underwriters against some specified types of liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of any of such liabilities.

Each series of notes is a new issue of securities with no established trading market. The notes will not be listed on any securities exchange or quoted on any automated dealer quotation system. The underwriters may make a market in the notes after completion of the offering. The underwriters are not obligated, however, to make a market in either series of notes and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for either series of notes or that an active public market for either series of notes will develop. If an active public trading market for either series of notes does not develop, the market price and liquidity of such series may be adversely affected.

We expect that delivery of the notes will be made against payment therefor on or about the closing date specified on the cover page of this prospectus supplement, which will be the tenth business day following the

S-65

**Table of Contents**

date of pricing of the notes (this settlement cycle being referred to as T+10 ). Under Rule 15c6-1 of the Securities and Exchange Commission under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of pricing or the next succeeding six business days will be required, by virtue of the fact that the notes initially will settle in T+10, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of notes who wish to trade notes on the date of pricing or the next succeeding six business days should consult their own advisor.

In connection with the offering of the notes, the underwriters may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the underwriters. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may have the effect of preventing or retarding a decline in the market price of the notes or cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If the underwriters engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State ), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date ), it has not made and will not make an offer of the notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the notes to the public in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors, as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representative of the underwriters for any such offer; or;
- (c) in any other circumstances falling within article 3(2) of the Prospectus Directive.

provided that no such offer of the notes shall result in a requirement for the publication by the Company or the representative of the underwriters of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD

Amending Directive means Directive 2010/73/EU.

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of

S-66

**Table of Contents**

Section 21 of the Financial Services and Markets Act 2000 (the FSMA ) received by it in connection with the issue or sale of any Securities, in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

You should be aware that the laws and practices of certain countries require investors to pay stamp taxes and other charges in connection with purchases of securities. We have agreed that, for a period of 30 days following the date hereof, without the prior written consent of the representative, we will not offer, sell, contract to sell, pledge, otherwise dispose of, or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by us or any of our affiliates or any person in privity with the us or any of our affiliates, directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by us (other than the notes offered hereby).

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities.

The underwriters and their affiliates perform various financial advisory, investment banking and commercial banking services from time to time for Frontier and its affiliates, for which they received or will receive customary fees and expenses. J.P. Morgan Securities LLC has also acted as financial advisor to the Company in connection with the AT&T Transaction. Certain of the underwriters or their affiliates are lenders and/or agents or arrangers under Frontier's existing credit facilities, including the Bridge Facility. The obligation under the Bridge Facility will be terminated as a result of this offering. Certain of the underwriters or their affiliates may hold long and short positions in the debt and equity of Frontier and its affiliates for their own account and for the account of their customers.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Company. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

If any of the underwriters or their affiliates has a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, certain other of the underwriters have hedged and are likely in the future to hedge and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby.

**Table of Contents**

**LEGAL MATTERS**

The validity of the notes offered hereby will be passed upon for us by Jones Day, New York, New York. The underwriters are represented by Weil, Gotshal & Manges LLP, New York, New York, in connection with this offering.

**EXPERTS**

The consolidated financial statements of Frontier Communications Corporation as of December 31, 2013 and 2012, and for each of the years in the three-year period ended December 31, 2013, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2013 have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, as set forth in their report incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The combined financial statements of the Connecticut Operations as of December 31, 2013 and 2012, and for each of the three years in the period ended December 31, 2013, incorporated by reference in this prospectus supplement and the accompanying prospectus, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon, and are incorporated by reference herein, in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy materials with the SEC at the SEC's public reference room, located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. Our SEC filings are also available to the public on the SEC's Internet site at <http://www.sec.gov>. Our SEC filings can also be found on our website at <http://www.frontier.com>. However, the information on our website is not a part of this prospectus supplement and the accompanying prospectus. In addition, you can inspect reports and other information we file at the office of The Nasdaq Stock Market, One Liberty Plaza, 165 Broadway, New York, NY 10006.



**Table of Contents**

**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference information that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. This prospectus supplement, the accompanying prospectus and the information that we file later with the SEC may update and supersede the information we incorporate by reference. We incorporate by reference the following documents listed below and any future filings (other than current reports or portions thereof furnished under Item 2.02 or Item 7.01 of Form 8-K) made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act, until the underwriters sell all of the securities offered hereby:

our Annual Report on Form 10-K for the year ended December 31, 2013, including portions of our Proxy Statement on Schedule 14A for the 2014 annual meeting of our stockholders to the extent specifically incorporated by reference therein;

our Quarterly Reports on Form 10-Q for the three months ended March 31, 2014 and six months ended June 30, 2014;

our Current Reports on Form 8-K filed on January 6, 2014, January 16, 2014, January 30, 2014, February 18, 2014, February 21, 2014, March 4, 2014, March 6, 2014, March 17, 2014, April 1, 2014, May 5, 2014, May 6, 2014 (relating to our participation in an investor conference and our declaration of a quarterly dividend), May 14, 2014, June 4, 2014, June 5, 2014, June 25, 2014, June 26, 2014, July 7, 2014, July 28, 2014, July 30, 2014, August 13, 2014, August 14, 2014, and September 3, 2014; and

the combined financial statements of the Connecticut Operations for the six months ended June 30, 2014 and 2013 and as of June 30, 2014 and December 31, 2013 and for each of the years ended December 31, 2013, 2012 and 2011 and as of December 31, 2013 and 2012, and the unaudited pro forma condensed combined financial statements of Frontier, assuming consummation of and after giving effect to the AT&T Transaction, for the six months ended June 30, 2014 and as of June 30, 2014 and for the year ended December 31, 2013, contained in the Current Report on Form 8-K, filed on September 3, 2014.

Upon your oral or written request, we will provide you with a copy of any of these filings at no cost. Requests should be directed to Frontier Communications Corporation, 3 High Ridge Park, Stamford, Connecticut 06905, Telephone No. (203) 614-5600.

**Table of Contents**

**PROSPECTUS**

**Frontier Communications Corporation**

**Debt Securities**

We may from time to time offer to sell our debt securities, which may consist of debentures, notes or other types of debt.

We may offer and sell these debt securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. We will provide specific terms of any securities to be offered in supplements to this prospectus. The prospectus supplements may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

Our principal executive offices are located at 3 High Ridge Park, Stamford, Connecticut 06905. Our telephone number is (203) 614-5600.

**Investing in our securities involves risks. Please refer to the Risk Factors section on page 3 and the supplemental risk factors contained in any applicable prospectus supplement and in the documents we incorporate by reference for a description of the risks you should consider when evaluating such investment.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is May 10, 2012**

**Table of Contents**

**Table of Contents**

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS</u>	1
<u>OUR COMPANY</u>	1
<u>RISK FACTORS</u>	3
<u>USE OF PROCEEDS</u>	3
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	3
<u>DESCRIPTION OF DEBT SECURITIES</u>	3
<u>PLAN OF DISTRIBUTION</u>	3
<u>VALIDITY OF SECURITIES</u>	3
<u>EXPERTS</u>	4
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	4
<u>INCORPORATION BY REFERENCE</u>	4

**Table of Contents**

**ABOUT THIS PROSPECTUS**

This prospectus is part of an automatic shelf registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, as a well-known seasoned issuer, as defined in Rule 405 under the Securities Act of 1933, as amended, or the Securities Act. By using a shelf registration statement, we may sell, at any time and from time to time, in one or more offerings, any combination of the securities described in this prospectus or any accompanying prospectus supplement. As allowed by SEC rules, this prospectus does not contain all of the information included in the registration statement, including its exhibits. For further information, we refer you to the registration statement, including its exhibits, the documents incorporated by reference therein and herein as well as any accompanying prospectus supplements or any free writing prospectuses prepared by or on behalf of us or to which we have referred you. Statements contained in this prospectus and any accompanying prospectus supplement or in any applicable free writing prospectus about the provisions or contents of any agreement or other document are not necessarily complete. If the SEC's rules and regulations require that an agreement or document be filed as an exhibit to the registration statement, please see that agreement or document for a complete description of these matters.

You should read this prospectus, any accompanying prospectus supplement and any applicable free writing prospectus together with any additional information you may need to make your investment decision. You should also read and carefully consider the information in the documents we have referred you to in **Where You Can Find More Information**. Information incorporated by reference after the date of this prospectus is considered a part of this prospectus and may add, update or change information contained in this prospectus. The information in this prospectus, any accompanying prospectus supplement, any applicable free writing prospectus or any document incorporated herein or therein by reference is accurate as of the date contained on the cover of such documents. None of the delivery of this prospectus, any accompanying prospectus supplement or any applicable free writing prospectus or any sale made under this prospectus, any accompanying prospectus supplement or any applicable free writing prospectus will, under any circumstances, imply that the information in this prospectus, any accompanying prospectus supplement or any applicable free writing prospectus is correct as of any date after the date of this prospectus or any such accompanying prospectus supplement or applicable free writing prospectus. Any information in such subsequent filings that is inconsistent with this prospectus will supersede the information in any accompanying prospectus supplement. You should rely only on the information incorporated by reference or provided in this prospectus, any accompanying prospectus supplement or any applicable free writing prospectuses prepared by or on behalf of us or to which we have referred you. We have not authorized anyone else to provide you with any other information.

Unless otherwise expressly stated herein or the context otherwise requires, all references in this prospectus to **Frontier**, **we**, **us**, **our**, **our company** or **the company** refer to Frontier Communications Corporation, a Delaware corporation and its direct and indirect subsidiaries.

**OUR COMPANY**

We are a communications company providing services predominantly to rural areas and small and medium-sized towns and cities in the U.S. Our business is with both residential and business customers and we provide the last mile of telecommunications services to customers in these markets.

We offer a broad portfolio of high-quality communications services for residential and business customers in each of our markets. These include services traditionally associated with local telephone companies, as well as other services such as long distance, Internet access, broadband-enabled services and video services. We offer these services both à la carte and, increasingly, as bundled packages which are purposely designed to simplify customer purchasing decisions and to provide the customer with pricing discounts. We also offer incentives and promotions such as gifts to influence customers to purchase or retain certain services. We also enhance customer retention by offering one-, two-

and three-year price protection plans under which customers commit to a term in exchange for predictable pricing or other incentives and promotions. We are staffed locally with skilled

**Table of Contents**

technicians and supervisory personnel, which enables us to provide efficiently and reliably an array of communications services to meet our customers' needs. Our call center operations and field technicians are staffed with 100% U.S.-based personnel.

Our mission is to be the leader in providing communications services to residential and business customers in our markets. We are committed to delivering innovative and reliable products and solutions with an emphasis on convenience, service and customer satisfaction. We believe that our local management structure, 100% U.S.-based customer service and innovative product positioning will continue to differentiate us from our competitors in the markets in which we compete.

For the year ended December 31, 2011, we had total revenue of approximately \$5.2 billion.

We are a Delaware corporation with executive offices at 3 High Ridge Park, Stamford, Connecticut 06905. Our telephone number is (203) 614-5600.

**Table of Contents****RISK FACTORS**

Please carefully consider the risk factors described in our periodic reports filed with the SEC, which are incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus or include in any applicable prospectus supplement. Additional risks and uncertainties not presently known to us or that we deem currently immaterial may also impair our business operations or adversely affect our results of operations or financial condition.

**USE OF PROCEEDS**

Unless otherwise stated in the prospectus supplement accompanying this prospectus, we will use the net proceeds from the sale of any debt securities for general corporate purposes.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table contains our historical consolidated ratio of earnings to fixed charges for the periods indicated. For purposes of this ratio, earnings consist of pre-tax income (loss) from continuing operations before dividends on convertible preferred securities, extraordinary expense, cumulative effect of changes in accounting principles and income (loss) from equity investees, plus fixed charges (except for interest capitalized and preferred dividend requirements of consolidated subsidiaries) and distributed income of equity investees. Fixed charges consist of interest expensed and capitalized, plus the portion of rent expense under operating leases deemed to be representative of interest.

	Year Ended December 31,					Three Months Ended
	2008	2009	2010	2011		March 31,
2007						2012
1.87	1.76	1.49	1.49	1.33		1.24

**DESCRIPTION OF DEBT SECURITIES**

We will set forth in the applicable prospectus supplement a description of any debt securities that may be offered pursuant to this prospectus.

**PLAN OF DISTRIBUTION**

We may sell the offered securities through agents, through underwriters or dealers, directly to one or more purchasers, or through a combination of any of these methods of sale. We will identify the specific plan of distribution, including any underwriters, dealers, agents or direct purchasers and their compensation in a prospectus supplement.

**VALIDITY OF SECURITIES**

The validity of the securities offered hereby will be passed upon for us by Jones Day, New York, New York.

**Table of Contents**

**EXPERTS**

The consolidated financial statements of Frontier Communications Corporation as of December 31, 2011 and 2010, and for each of the years in the three-year period ended December 31, 2011, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2011 have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The combined special-purpose financial statements of Verizon Communications Inc.'s Separate Telephone Operations as of December 31, 2009 and 2008, and for each of the three years in the period ended December 31, 2009, incorporated by reference in this Prospectus and Registration Statement (including the schedule appearing therein), have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, and are incorporated by reference herein, in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy materials with the SEC at the SEC's public reference room, located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. Our SEC filings are also available to the public on the SEC's Internet site at <http://www.sec.gov>. Our SEC filings can also be found on our website at <http://www.frontier.com>. However, the information on our website is not a part of this prospectus. In addition, you can inspect reports and other information we file at the office of The Nasdaq Stock Market, One Liberty Plaza, 165 Broadway, New York, NY 10006.

**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference information that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. This prospectus and the information that we file later with the SEC may update and supersede the information we incorporate by reference. We incorporate by reference the following documents listed below and any future filings (other than current reports or portions thereof furnished under Item 2.02 or Item 7.01 of Form 8-K) made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act:

our Annual Report on Form 10-K for the year ended December 31, 2011;

our Quarterly Report on Form 10-Q for the three months ended March 31, 2012;

our Current Reports on Form 8-K filed on January 10, 2012, January 27, 2012, February 14, 2012, February 16, 2012 (relating to our declaration of a quarterly dividend), February 22, 2012, March 16, 2012, April 2, 2012, April 9, 2012, April 20, 2012, May 7, 2012 (relating to our press release announcing the Company being named to the Fortune 500 list), May 8, 2012 and May 10, 2012 (relating to our press release announcing the Company's participation in an investor conference); and



Edgar Filing: FRONTIER COMMUNICATIONS CORP - Form 424B5

the combined financial statements of Verizon's Separate Telephone Operations (1) at December 31, 2009 and 2008 and for each of the three years in the period ended December 31, 2009, contained in our prospectus filed pursuant to Rule 424(b) on June 4, 2010, and (2) at June 30, 2010 and December 31, 2009 and for the six and three months ended June 30, 2010 and 2009, contained in the Current Report on Form 8-K, filed on May 10, 2012.

Upon your oral or written request, we will provide you with a copy of any of these filings at no cost. Requests should be directed to Frontier Communications Corporation, 3 High Ridge Park, Stamford, Connecticut 06905, Telephone No. (203) 614-5600.

**Table of Contents**