

Company Background

- ▶ Privately held competitive local exchange carrier (CLEC)
- ▶ 12 years in business in California and Nevada
- ▶ 1,100 employees in 21 regional offices and call centers

Key Executives

- ▶ 8-year CEO Dick Jalkut
- ▶ Served as president, CEO, and chairman of NYNEX (Verizon) with 80,000 employees, 16 million customers and \$15 billion in revenue
- ▶ 100+ years of senior executive experience in major telecom companies like Verizon, AT&T, Bell South, Nuvox, TCG, WorldCom, GTE, Sprint and others
- ▶ Monthly governance meetings; audit committee includes former CA Governor Pete Wilson (board member since 1999)

Competitive Information

- ▶ Largest competitor to AT&T and Verizon (CA); CenturyLink (NV)
- ▶ 47% of CLEC market share in CA/NV
- ▶ 2 to 5 times the CA/NV revenue of the two other largest CLECs in its market area
- ▶ More than one million lines in service

Quick Facts

Financial Performance

- ▶ \$451 million in revenue in 2009
- ▶ Revenue growth of 1.8% and EBITDA gain of 3.9%
- ▶ \$760 million in capital employed with 50% in private equity
- ▶ Strong operating cash flow funds all capital investment and debt service requirements. Additional liquidity is available for opportunities or unforeseen needs through committed, undrawn lines of credit. TelePacific is free cash flow positive with no dependency on external financing.

Awards

- ▶ Named 4 times to Inc. Magazine's "Fastest Growing Private Companies in America" (2007, 2008, 2009, 2010)
- ▶ Listed among the largest and fastest growing LA area private firms for 4 consecutive years by the Los Angeles Business Journal (2006 through 2009)

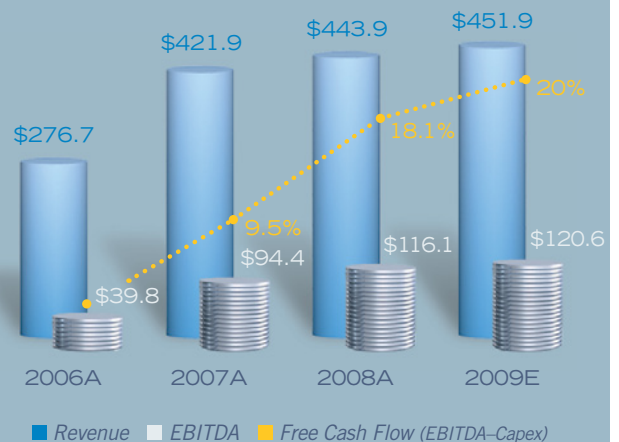
Network Infrastructure

- ▶ 18 Lucent/Nortel switches including softswitch technologies
- ▶ 37,000 fiber strand miles
- ▶ Cisco-powered MPLS IP network with CoS
- ▶ More than 370 colos in 273 wire centers
- ▶ 192 lit buildings
- ▶ Ready to serve over 90% of CA/NV businesses

Proprietary & confidential



Revenue, EBITDA & FCF

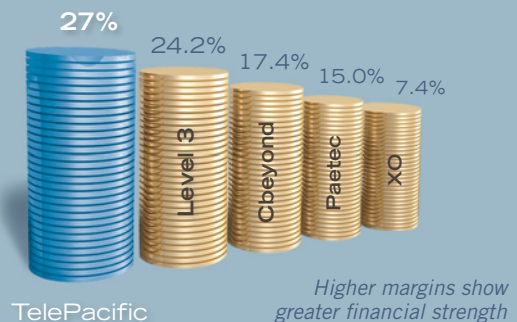


Line Growth



In spite of a challenging economy, TelePacific has sustained consistent line growth

EBITDA Margins (2008E)



Capital Structure



With 51% equity financing and current cash flow levels, TelePacific will soon be the lowest leveraged large CLEC