



**LIGHTYEAR**<sup>®</sup>  
Network Solutions

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## Lightyear Network Solutions Completes the Acquisition of SouthEast Telephone

### -- Acquisition to Add over \$30 Million in Annual Revenue --

LOUISVILLE, KY, October 7, 2010 - Lightyear Network Solutions, Inc. (OTCBB: LYNS) ([www.lightyear.net](http://www.lightyear.net)), a provider of telecommunication services to businesses and residential customers throughout North America, has completed the acquisition of the business assets of SouthEast Telephone Inc., ("SouthEast"). The transaction is valued at approximately \$7.2 million, which reflects an acquisition multiple of 0.22X SouthEast's annualized run-rate revenue for 2010.

For the six months ending June 30, 2010, SouthEast's revenue was \$16.4 million and Lightyear's revenue for the same period was \$22.5 million, resulting in combined, annualized run-rate revenue of \$77.8 million for 2010 (\$76 million net of pro forma adjustments related to intercompany transactions).

"We are very pleased that SouthEast Telephone is now a part of the Lightyear family," said J. Sherman Henderson III, CEO of Lightyear Network Solutions. "We expect this acquisition to be immediately accretive to EBITDA and add significantly to our revenue. The transaction is consistent with our objective to increase shareholder value through targeted acquisitions that positively contribute to our earnings and the economies of scale of our products and services, as well as through organic growth driven by our highly motivated authorized sales agents."

The transaction is part of Lightyear's strategy to rapidly scale its core business through a combination of acquisitions of small- to mid-sized telecommunications providers and organic growth generated from its large number of authorized agents who sell local service in 44 states and long-distance service in 49 states.

SouthEast, which is based in Pikeville, Ky., services approximately 31,000 lines and is a provider of voice and data telecommunications products and services, including local and long-distance phone service and DSL. Its customer base consists primarily of residential customers.

Carla Reichelderfer, age 49, has been appointed as President and General Manager of Lightyear's SouthEast subsidiary. Ms. Reichelderfer had been with SouthEast since 2008 having Chief Financial Officer and Chief Operating Officer responsibilities at different times during her tenure there. Ms. Reichelderfer has more than 23 years of telecommunications industry experience and joined SouthEast with key responsibilities for improving operational efficiencies that contributed to the company's overall profitability and improving EBITDA.

"We are pleased that Carla Reichelderfer has agreed to join the Lightyear family and look forward to working closely with her as she leads the team at SouthEast Telephone," said Stephen M. Lochmueller, President of Lightyear Network Solutions. "Lightyear and SouthEast together look

forward to serving the residential and business customers of Eastern Kentucky who will benefit from our integrated product offering of telecom services and products.”

A pro forma statement of operations and consolidated balance sheet as of June 30, 2010, are contained in the Company's Form 8-K dated October 7, 2010, as filed with the Securities and Exchange Commission.

### **About Lightyear Network Solutions, Inc.**

Through its wholly owned subsidiaries, Lightyear provides telecommunication services to large, medium and small businesses and to residential consumers throughout North America. Lightyear's product offerings include local PRI and digital T1, enhanced Internet services, MPLS, Ethernet, local and long-distance service, and conferencing. Lightyear also offers wireless services to customers in the U.S. through wholesale contracts with multiple wireless providers. Lightyear provides Voice over Internet Protocol (VoIP) services through its own network launched in 2004. Lightyear has partnered with the other leaders in telecommunications including: Sprint, Verizon, AT&T, Level 3, PAETEC, CenturyLink, XO Communications, Intelliverse, BroadSoft, Cisco and ADTRAN to deliver a broad and complete communication solution to its customers. Lightyear Network Solutions is headquartered in Louisville, Ky. Additional information can be found at: [www.lightyear.net](http://www.lightyear.net).

### **Forward-Looking Statements**

This press release contains "forward-looking statements" for purposes of the Securities and Exchange Commission's "safe harbor" provisions under the Private Securities Litigation Reform Act of 1995 and Rule 3b-6 under the Securities Exchange Act of 1934. These forward-looking statements are subject to various risks and uncertainties that could cause Lightyear's actual results to differ materially from those currently anticipated. These forward-looking statements may include, without limitation, statements about our marketing and acquisition opportunities, business strategies, competition, expected activities and expenditures as we pursue our business plan. Although we believe that the expectations reflected in any forward looking statements are reasonable, the risks and uncertainties which could cause our actual results to differ materially from those currently anticipated includes changes in market conditions, our ability to integrate acquired operations, the ability to obtain additional financing on satisfactory terms, customer acceptance of products, regulatory issues, competitive factors, or other business circumstances and risk factors described in our filings with the Securities and Exchange Commission. Except as required by law, Lightyear undertakes no obligation to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this press release.

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