



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

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## Lightyear Network Solutions Moves Closer to Acquisition of SouthEast Telephone, Inc. as Bankruptcy Plan is Approved by U.S. Bankruptcy Court

-- Transaction with Kentucky-Based Company Expected to Close Q4, 2010 --

**LOUISVILLE, KY, August 17, 2010** - Lightyear Network Solutions, Inc. ("Lightyear") (OTCBB: LYNS), a provider of telecommunication services to large, medium and small businesses, as well as residential consumers throughout North America, today announced that a federal bankruptcy judge has approved SouthEast Telephone Inc.'s bankruptcy plan, which includes the sale of substantially all of SouthEast's business assets to Lightyear. SouthEast Telephone is a Kentucky-based telecommunications company.

On August 16, 2010, the U.S. Bankruptcy Court for the Eastern District of Kentucky entered a Confirmation Order approving the sale of substantially all of the assets of SouthEast Telephone to SE Acquisitions, LLC, a wholly-owned subsidiary of Lightyear, for approximately \$7.3 million. The issuance of the Order brings the parties one step closer to completing the asset purchase transaction, which remains subject to federal and state regulatory approval and is expected to close early fourth quarter of 2010.

SouthEast provides voice and data telecommunications products and services, including local and long distance phone service, DSL and paging, to primarily residential customers. SouthEast's 2009 revenue was approximately \$37.5 million. SouthEast currently has approximately 150 employees and approximately 33,000 customers.

"We are pleased to move forward with this acquisition plan, as it is expected to add significant revenues and an expanded customer base, all in close proximity to our headquarters in the Commonwealth of Kentucky," said J. Sherman Henderson, III, CEO of Lightyear. "SouthEast has an excellent team of dedicated, talented employees, and we look forward to their becoming a part of our expanding company. Together, we look forward to serving customers in eastern Kentucky who will benefit from our broad array of telecom services."

"We look forward to becoming a part of the Lightyear family," said Carla Reichelderfer, SouthEast Telephone's CFO and COO. "Lightyear is a company with a long, successful history in the telecom industry, and its focus on quality customer care, and its dedication to employees and the local community mirror that of SouthEast's."

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

Through its wholly owned subsidiary, Lightyear Network Solutions, LLC, 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, Voice over Internet Protocol (VoIP), 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 built its own VoIP network in 2004 to enhance its

product offerings and has partnered with some of the most prominent names in telecom including: Sprint, Verizon, AT&T, Qwest, Level 3, PAETEC, CenturyLink, Intelliverse, BroadSoft, Cisco and AdTran. 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. 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.