



OUR MISSION:

Integra Telecom will lead the telecommunications industry in providing quality, user-friendly service.

RESPONSIVE. RELIABLE. LOCAL.

COMPANY OVERVIEW

Integra at a Glance



Provides voice and data service to businesses

- Local, long-distance, phone systems and Internet access

Service-focused Business Model

- Local customer care representatives
- Local management
- Secure, reliable network

Employees: 2,300

Annual Revenues: Over \$700 Million

Headquartered in Portland, OR.

Privately Held

- Primary equity investors in the company include Banc of America Capital Investors, Boston Ventures, and Warburg Pincus.

Founded in 1996.

- Telecom Act of 1996 created opportunity to grow beyond existing service footprint

Integra at a Glance



Largest Alternative Telecom Provider in West

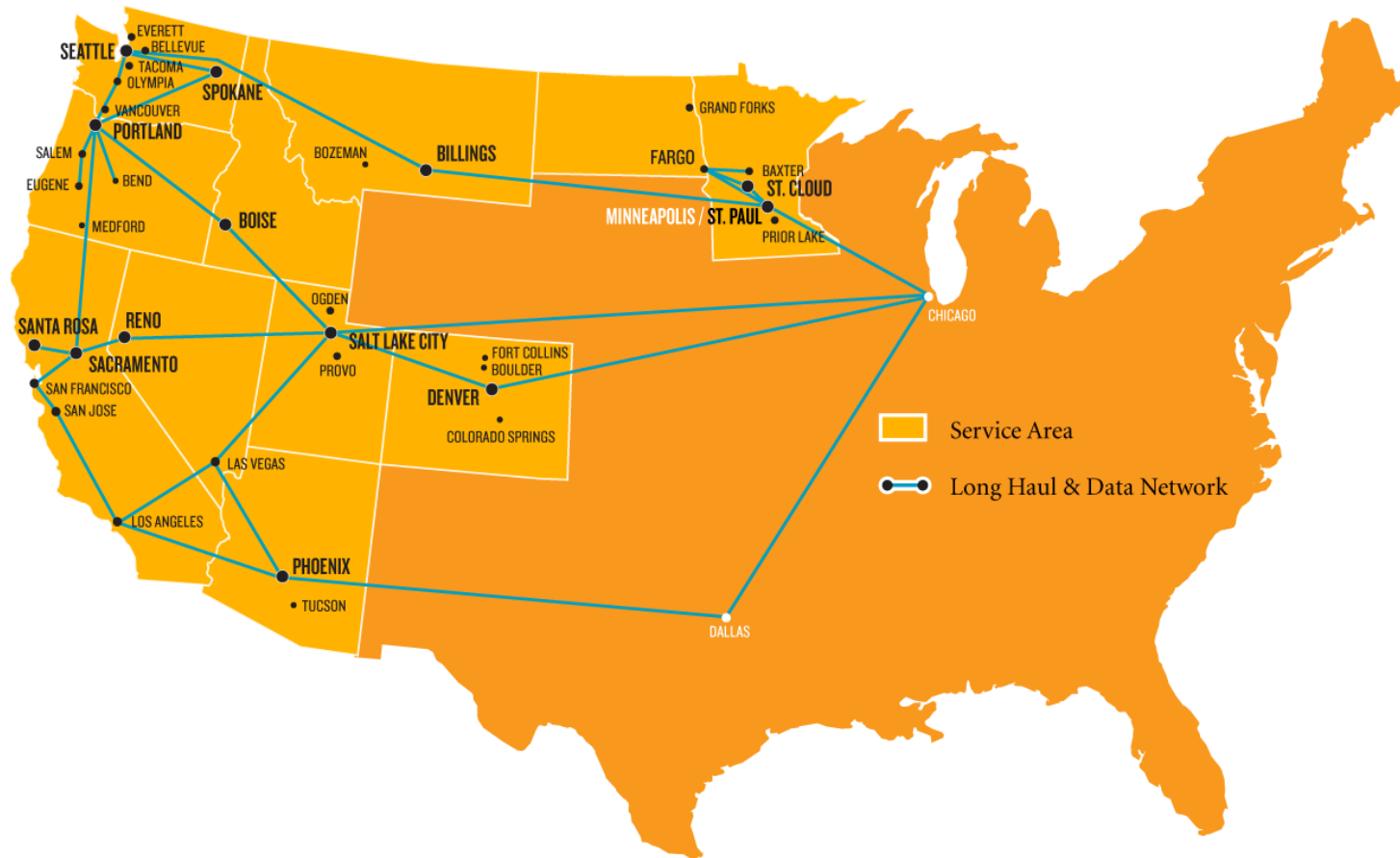
- 2,200 route mile (160,000 fiber miles) metropolitan area network
- Unique 4,700-mile, long haul network – one of largest in U.S.
- 194 Communities Served
- 580 Lit Buildings
- 33 Voice Switches
- 11-State Service Territory
- Over 130,000 Customers

Integra at a Glance

Network Map



Largest Alternative Telecom Provider in West

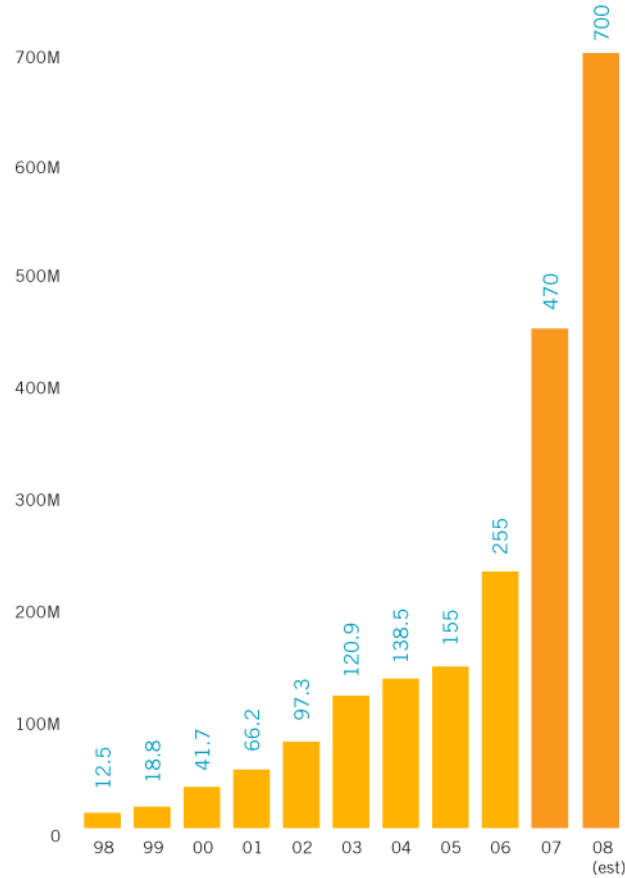


Integra at a Glance

Overall Company Revenue



Largest Alternative Telecom Provider in West

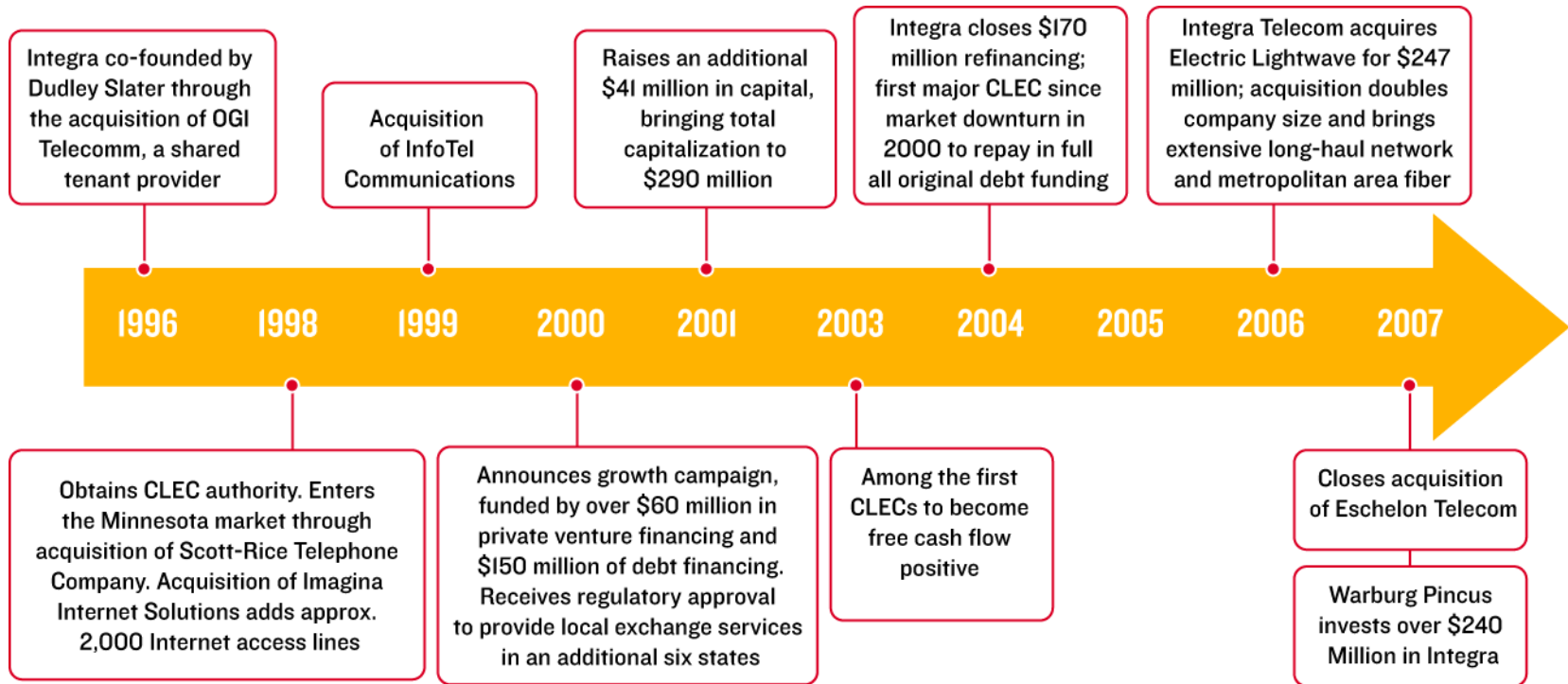


OVERALL COMPANY REVENUE

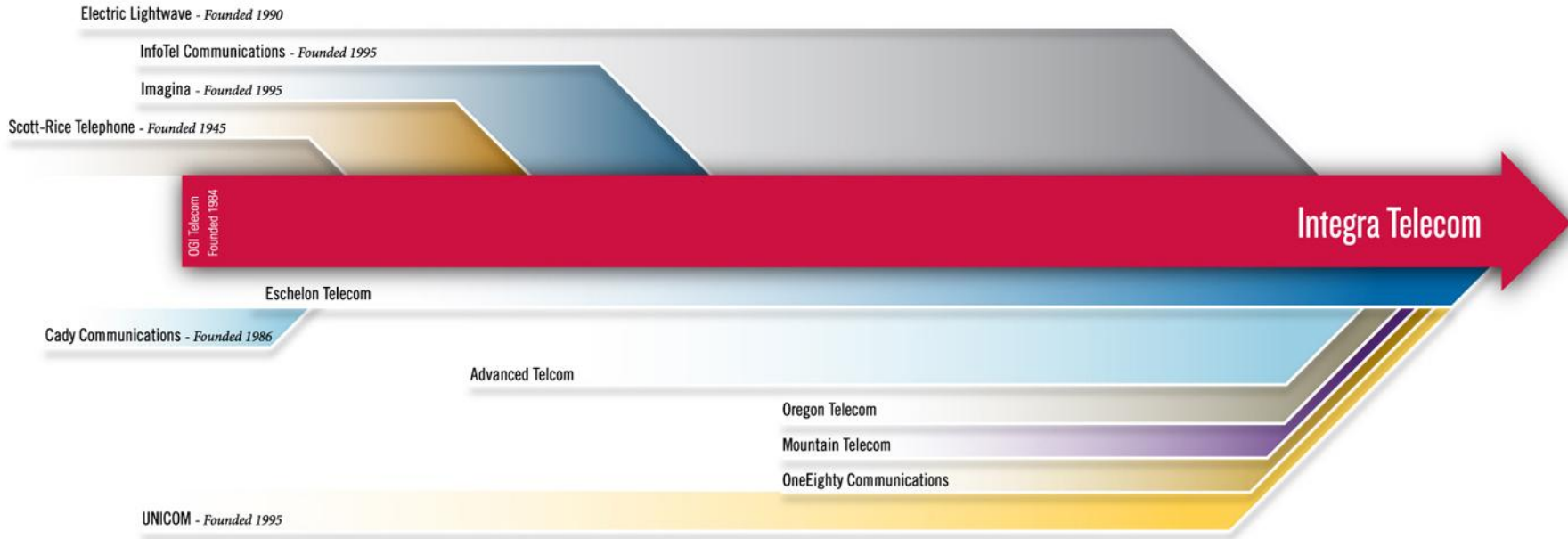


RESPONSIVE. RELIABLE. LOCAL.

Timeline



Timeline



RESPONSIVE. RELIABLE. LOCAL.

MARKET OVERVIEW

Market Profile



Competitive Differentiation:

- Competitive matrix showed void in service for the small and mid-sized business sector

Business Customers:

- 750 or fewer employees (typically don't have internal telecom dept.)
- Service sensitive and value our differentiated strategy



Market Profile



Highly Differentiated Service Model

- + Product range (eliminate multiple vendor confusion)
- + Local presence (local number, answered by real person)
- + On-net service (ability to add value and control product quality)
- + Regional networks (offensive & defensive advantages)

= **Quality, user-friendly customer experience**

Customers



Integra's Target Markets Employ an average of 85% of a State's Workforce



Morgan Jewelers

Salt Lake City, Utah

Integra Customer since 2002

Integra Telecom...
Helping your business
do business.

[customer profile >>>](#)



The Bridal Loft

Portland, Oregon

Integra Customer since 2004

Integra Telecom...
Helping your business
do business.

[customer profile >>>](#)



Grace Foods, Inc.

Phoenix, Arizona

Integra Customer since 1998

Integra Telecom...
Helping your business
do business.

[customer profile >>>](#)



Kent Floral

Kent, Washington

Integra Customer since 2005

Integra Telecom...
Helping your business
do business.

[customer profile >>>](#)

Products / Services

High level Product/Services Set



- Local
- Long Distance
- Fax Lines
- DSL
- Calling Card
- Call Management/Call Routing
- Conference Calling
- Dedicated Internet
- Domain Services
- Email
- Equipment Maintenance Plans
- IP Addressing
- Interactive Voice Response
- LAN/WAN Hardware
- Local/National Dial-up Internet
- Managed Firewalls
- Network Configuration
- Network/System Monitoring
- Point to Point private lines
- Premise Wiring
- Presence Management Integration
- Soft Phones
- Simple Solutions Bundle
- SMTP Mail Relay
- Telephone Systems
- Toll Free
- Unified Messaging
- Video Conferencing
- Voice Messaging
- VPNs
- Web Hosting
- Web Conferencing
- Wireless Networking
- VoIP Telephone Systems

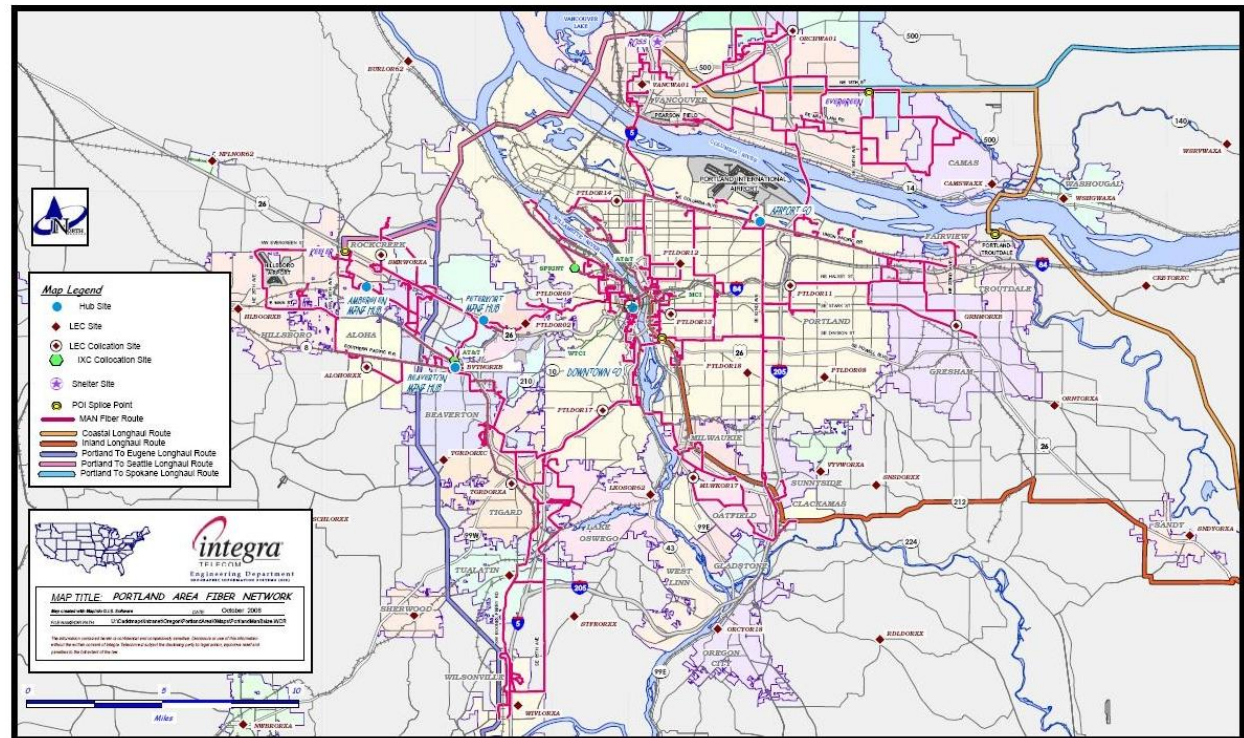
The Network

Metropolitan Area Networks (MANs)



MAN Cities:

- Portland (sample)
- Seattle
- Minneapolis
- Salt Lake City
- Sacramento
- Boise
- Phoenix



Decentralized Model

Integra Telecom's Unique Business Model Delivers Industry-Leading Service

Local Operating Market Area (OMA) owns:

- Local Customer Experience
- Local network, network operations and management of all employees that “touch” the customer
- Profit and loss management

All OMA personnel are under one roof in the markets – next to the customer

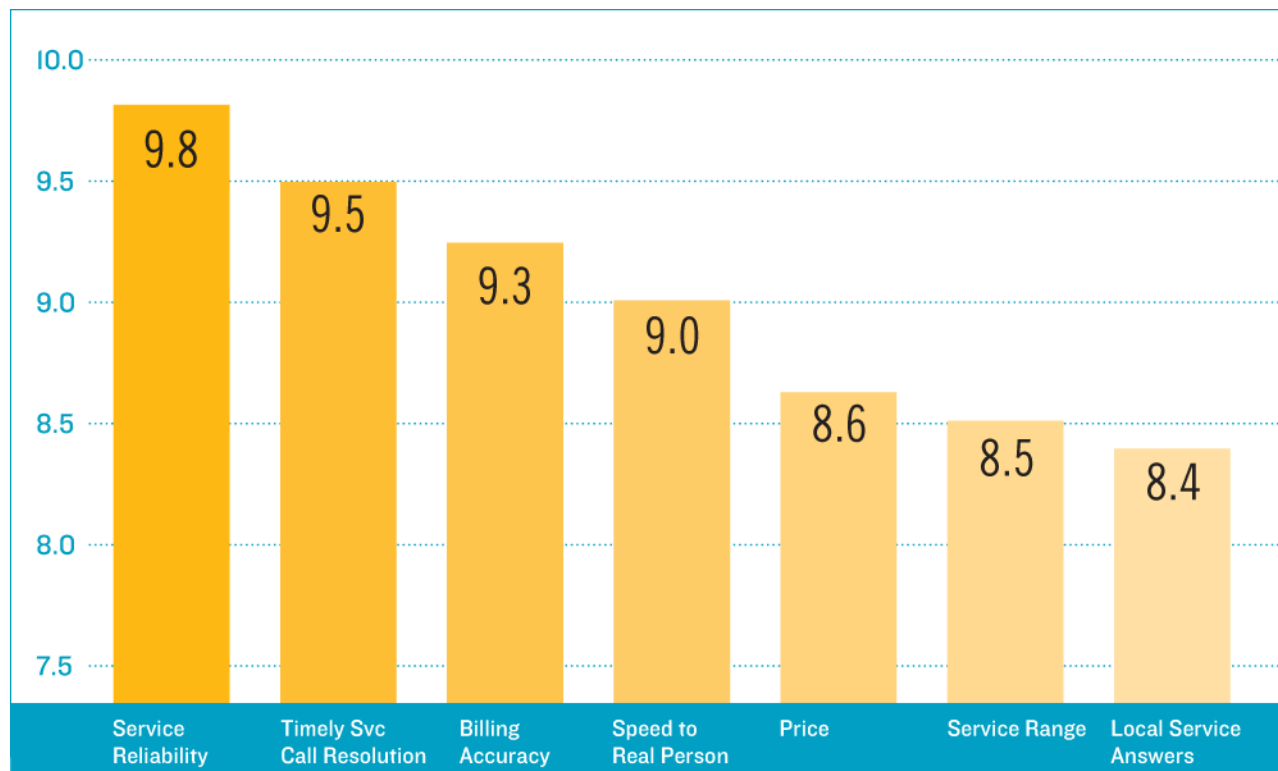
Purchase Criteria

Customer Ranking of Seven Key Purchase Criteria



Customers Are Demanding Service From Their Carriers

Price is important, but four other service-related criteria rank higher.







2006 Riley Research Association. 10-Point scale, 10 being extremely important.

Customer Criteria

Decentralized Model Validated by Customers



2007 Customer Ratings from Integra's Seven Largest Metropolitan Service Areas (MSA)

CRITERIA					AVG. of all others, incl. CLECs
Reliability of service	9.0	8.7	8.5	8.8	8.4
Resolving service call in a timely manner	9.0	8.4	7.9	7.9	8.2
Billing accuracy	9.3	9.0	8.7	8.8	9.1
Speed in which call was answered by a real person	9.1	7.7	7.1	7.7	8.1
Price	8.4	7.7	7.3	7.4	7.7
Service calls answered by a local care representative	9.0	8.0	7.7	8.1	8.1
Full Range of Services	9.3	9.2	8.9	9.0	9.2

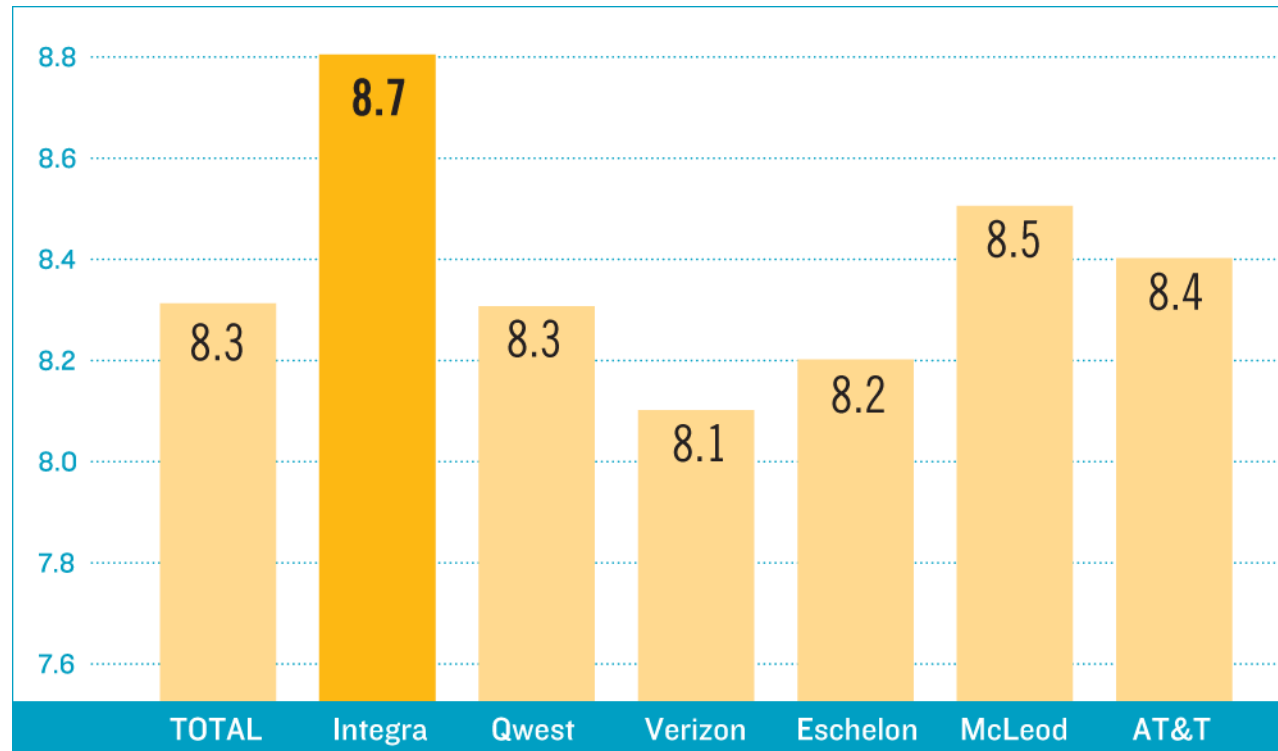
Above is a chart that depicts the statistical rating by customers of each company with regard to overall service quality, highlighting Integra versus its primary competitors and the brand standard of AT&T. These results were based on a statistically valid sample of the SME market within Integra's 7 largest MSAs and reflect the mean rating for each company. 10-Point scale, 10 being extremely satisfied. 2006 Riley Research Association.

The Competition

How Integra Telecom Compares to the Competition



2007 Customer Rating of Overall Service | Consolidated Results of Major MSAs

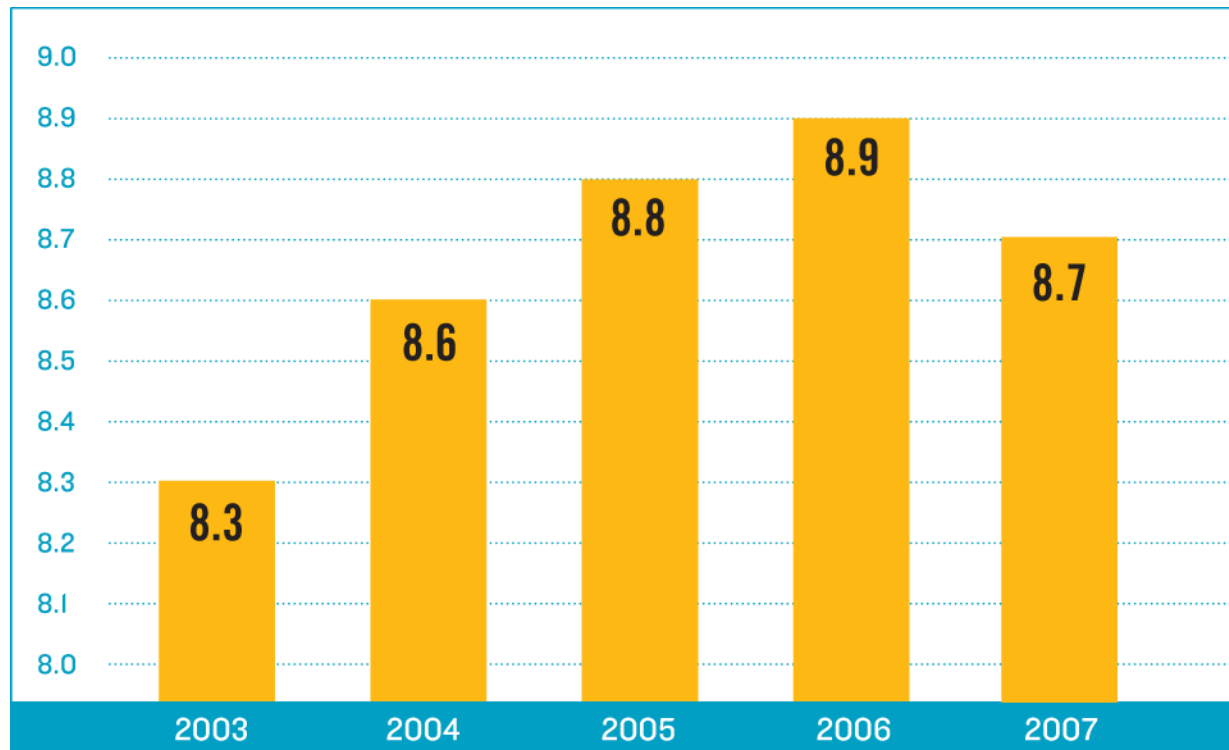


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Overall Customer Satisfaction

Integra Raises the Bar on Customer Service

96% somewhat / very satisfied



(1-10, with 10 being the highest) Riley Research Associates

Survey Results



“In nearly 20 years of satisfaction assessment across a wide variety of industries, Integra’s scores are among the highest. We rarely see the number of ‘10’s’ that we saw in the recent survey.”

~ Michael J. Riley

Research Director, Riley Research Associates

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