
From: jeffrey E. <jeevacation@gmail.com>
Sent: Monday, November 16, 2015 4:54 PM
To: Richard Kahn
Subject: Fwd: Frontier bonds with some leverage

----- Forwarded message -----

From: Barrett, Paul S <[REDACTED]>
Date: Mon, Nov 16, 2015 at 11:03 AM

To: Brad Wechsler <[REDACTED]>
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Brad

The Frontier bonds are now offered at 100.50. Lending value is 65%. So if we buy these in the margin account you end up with a 21% leveraged yield.

Would recommend \$1=2MM.

FTR = 1/2 04/15/20 (35906AAH1)

Issuer: C2 A0 FRONTIER COMMUNICATIONS

Ticker: C2 A0 FTR

Ratings: C2 Ba3/BB-/B

Ranking: C2 Sr Unsecured

Coupon: C2 A0 8.50

Maturity: C2 04/15/20

Price: C2 A0 A0 100.50

YTW: A0 C2 C2 8.35%

YTM: =A0 =C2 =A0 8.35%

OAS Mod=Duration: 3.58

Cusip:=C2 =A0 3590=AAH1

Company Description:

Frontier Communications Corp. (FTR) is the largest pure rural telecom company in the U.S. focused on providing services to small and medium-sized cities. Frontier's services include voice, high-speed internet, satellite video (through agreements with DISH), wireless internet data access, data security solutions, bundled offerings, specialized bundles for small businesses and home offices. In February of 2015, FTR announced the acquisition of Verizon FiOS assets in Texas, Florida and California. In September 11, Frontier priced \$6.6bn of unsecured notes, consisting of \$1bn of 8.875% notes due 9/2020, \$2bn of 0.5% notes due 9/2022 and 3.6bn of 11% notes due 9/2025. The unsecured issuance followed prior completion of the secured debt (\$1.5bn of term loan A) and equity (\$2.75bn common and preferred) components, and therefore completes the financing of the Verizon transaction. Prior to the FiOS transaction, FTR completed the acquisition of AT&T wireline operations in Connecticut for \$2Bb in cash.

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