We know your network.

But we also know your name.

# *Supplemental Earnings Information*
# *Second Quarter 2009*

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# Supplemental Notes

## Forward Looking Statements Caution

*• The Company's second quarter 2009 press release and conference call contains certain "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding, among other items, revenue trends, margin trends, timing of sales and installations, business fluctuations, disputes, repricing for contract renewals, revenue and customer churn, expected cost synergies, cost trends, growth plans, expected customer disconnects, growth or stability of revenue from particular customer segments, future demand, industry trends, future products and services, expected revenue mix, growth prospects, seasonality, expected cash flow, and expected capital expenditures. These forward-looking statements are based on management's current expectations and are naturally subject to risks, uncertainties, and changes in circumstances, certain of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements.*

*• Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that those expectations will prove to be correct.*

*• Important factors that could cause actual results to differ materially from the expectations described in this report are set forth under "Risk Factors" in Item 1A and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2008 and in our Quarterly Reports on Form 10-Q filed subsequent to the Annual Report. In addition, actual results may differ from our expectations due to increased customer churn, consolidation in the telecommunications industry impacting our customers, inability to obtain rights to build networks into commercial buildings, delays in launching new services, our inability to achieve all of the expected benefits of our acquisition of Xspedius Communications, LLC, decreased demand for our existing services, further economic downturn, further declines in the prices of our services due to competitive pressures and adverse regulatory rulings with respect to switched access services or other matters or legislative developments. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.*



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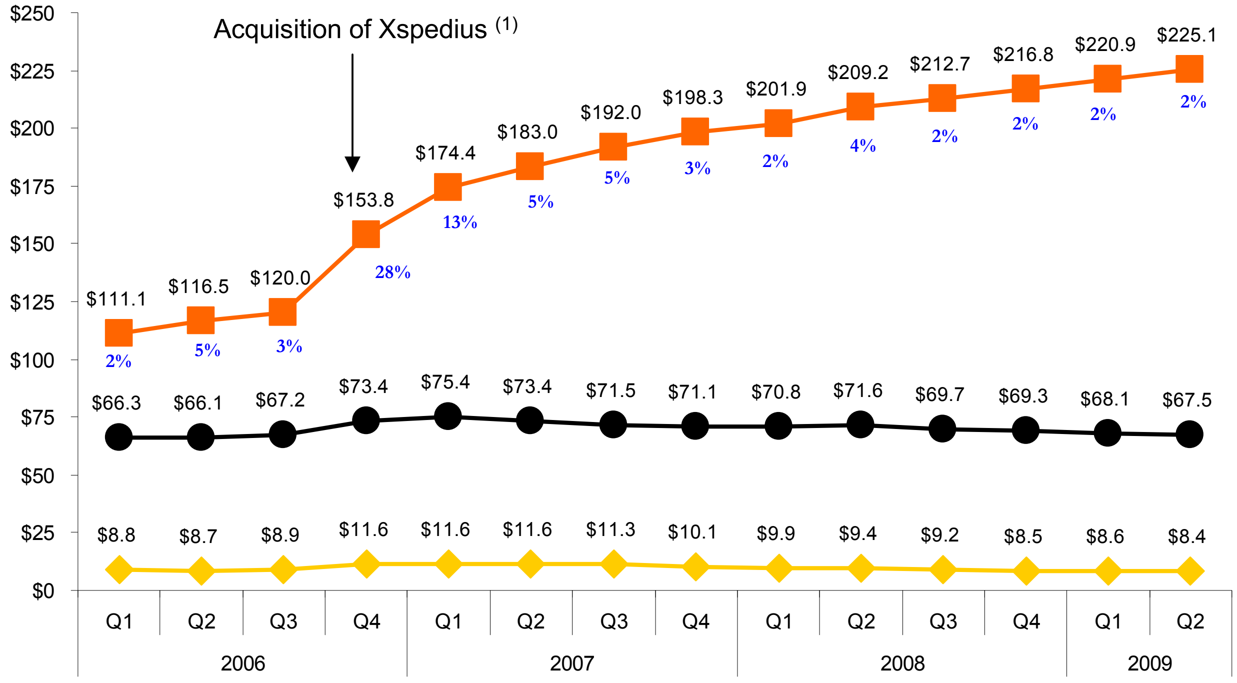
# Strong Revenue Growth

***Enterprise Growth***

- Strong long-term trends
- Continued success on much larger base
- Quarterly fluctuations due to timing of installs, seasonality and usage

*$ Millions*




***Consolidated Enterprise Revenue***

- 75% of total revenue
- Highly diversified
- Sticky revenue

***Carrier Revenue***

- 22% of total revenue
- Impacted by consolidation-related churn

***Intercarrier Compensation***

- 3% of total revenue

*(1) The Company completed its acquisition of Xspedius Communications, LLC ("Xspedius") on October 31, 2006.*



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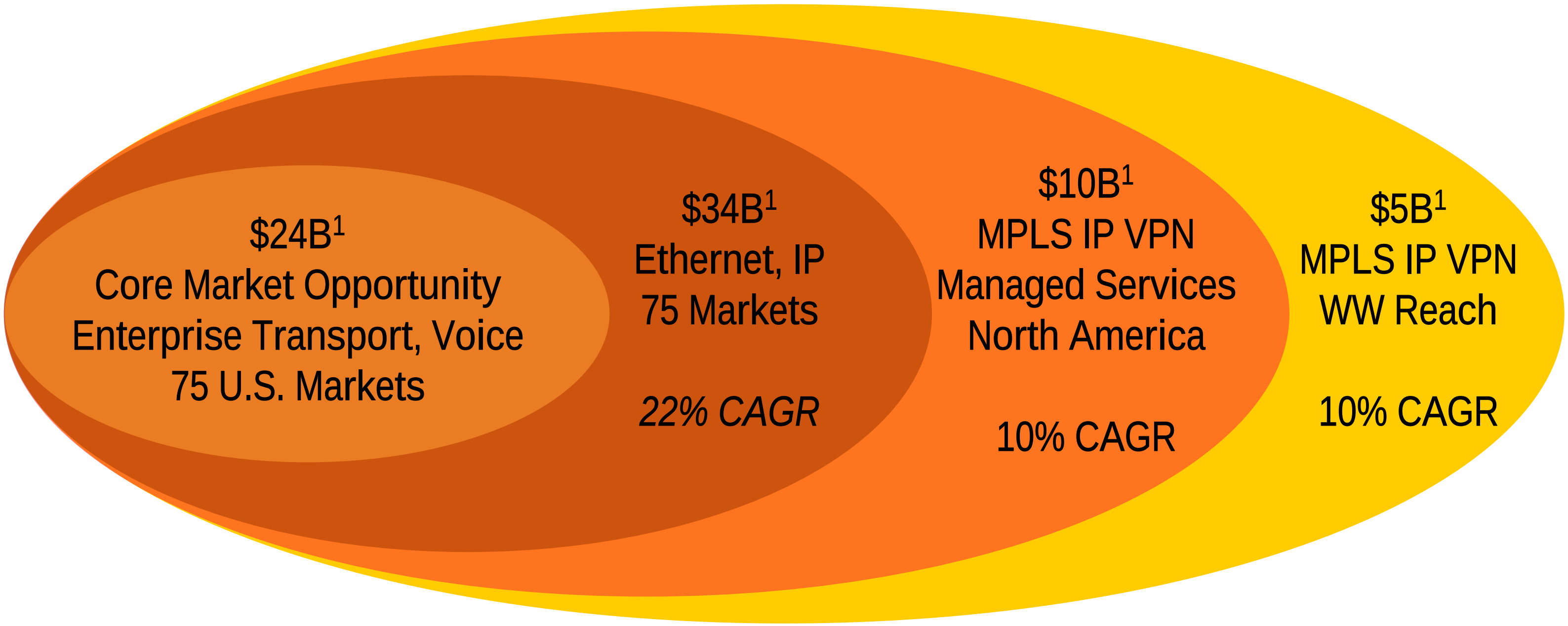
# Exponential Market Opportunities

*Nearly $75 Billion Market Opportunity in 2010*




*Increasing our services portfolio and market capabilities*

**Serving More Customers, Winning More Share of Wallet**

[1]Total adjusted for target customers and addressable market in core TWTC footprint
Sources: Data Monitor, 2009; Gartner, August 2008; IDC, August, 2009

# Scaling The Business – Growing Cash Flow

- **Top 25 markets generated strong cash flow return – with opportunity to expand with economic recovery**
- **Middle 25 markets showed steady improvement in cash flow return**
- **Remaining 25 markets have not yet scaled**

| | | 2007 | | | | 2008 | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Ranking by Modified EBITDA margin** | **Market Mix (3)** | **Revenue** | **Modified EBITDA** | **Modified EBITDA Margin (1)** | **Cash Flow Return (2)** | **Revenue** | **Modified EBITDA** | **Modified EBITDA Margin (1)** | **Cash Flow Return (2)** |
| **Top 25 markets** | *Primarily Core* | $652 | $371 | 57% | 33% | $680 | $395 | 58% | 36% |
| **Middle 25 markets** | *Mix of Core & Acquired* | $317 | $123 | 39% | 12% | $343 | $141 | 41% | 13% |
| **Remaining 25 markets** | *Primarily Acquired* | $115 | $21 | 18% | (2%) | $136 | $33 | 24% | (3%) |
| **Corporate & Central Operations** | | - | ($176) | - | - | - | ($170) | - | - |
| **TOTAL** | | **$1,084** | **$339** | **31.3%** | **4.5%** | **$1,159** | **$399** | **34.4%** | **6.9%** |

*(1) For reconciliation to GAAP measures, including Modified EBITDA, see the supplemental earnings information on the Company's website at www.twtelecom.com.*
*(2) Cash flow return is defined as Unlevered Free Cash Flow (M-EBITDA less cap-ex) divided by Invested Capital (net property, plant & equipment, intangible assets & goodwill). Market level results are prior to corporate and centralized operating and capital costs and other corporate allocations.*
*(3) Market mix refers to acquired markets from the acquisition of Xspedius Communication LLS on 10/31/06, vs. the core, or pre-acquisition market*



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# Investment = Long Term Cash Flow

*Market Level Results; for the year ended 12/31/08 and 12/31/07 (1)*

| | Austin 2007 | Austin 2008 | Denver 2007 | Denver 2008 |
|---|---|---|---|---|
| ♦ M-EBITDA margin | Nearly 60% | Nearly 60% | ~ 20% | ~ 30% |
| ♦ Capex / Revenue | ~ 15% | ~15% | ~ 35% | ~ 30% |
| ♦ UFCF / Gross PP&E (2) | ~ 25% | ~ 25% | ~ (5)% | ~ 1% |
| ♦ UFCF / Invested capital (2) | ~ 50% | ~ 53% | ~ (7)% | ~ 1% |
| ♦ Fiber Route Miles | ~ 850 | ~ 870 | ~ 135 | ~ 190 |
| ♦ Buildings On Net | ~ 300 | ~ 350 | ~ 60 | ~ 80 |
| ♦ Market Opportunity (3) | ~ 18,000 businesses | | ~ 17,000 businesses | |

## Scaling the Business

Austin:
- ♦ Launched in 1994
- ♦ Includes Xspedius market from acquisition 11/06
- ♦ Consistent investment over life of market
- ♦ Significant cash flow and Capital efficient

Denver:
- ♦ Greenfield market in '01
- ♦ Market temporarily put on hold then restarted
- ♦ Developing market

(1) Market-level results are prior to corporate and centralized operating and capital costs and other corporate allocations

(2) Unlevered Free Cash Flow ("UFCF") defined as M-EBITDA less Capex is compared to both gross property, plant & equipment & to Invested Capital (including net property, plant & equipment, intangible assets & goodwill)

(3) "Target" businesses within a mile of TWTC's fiber



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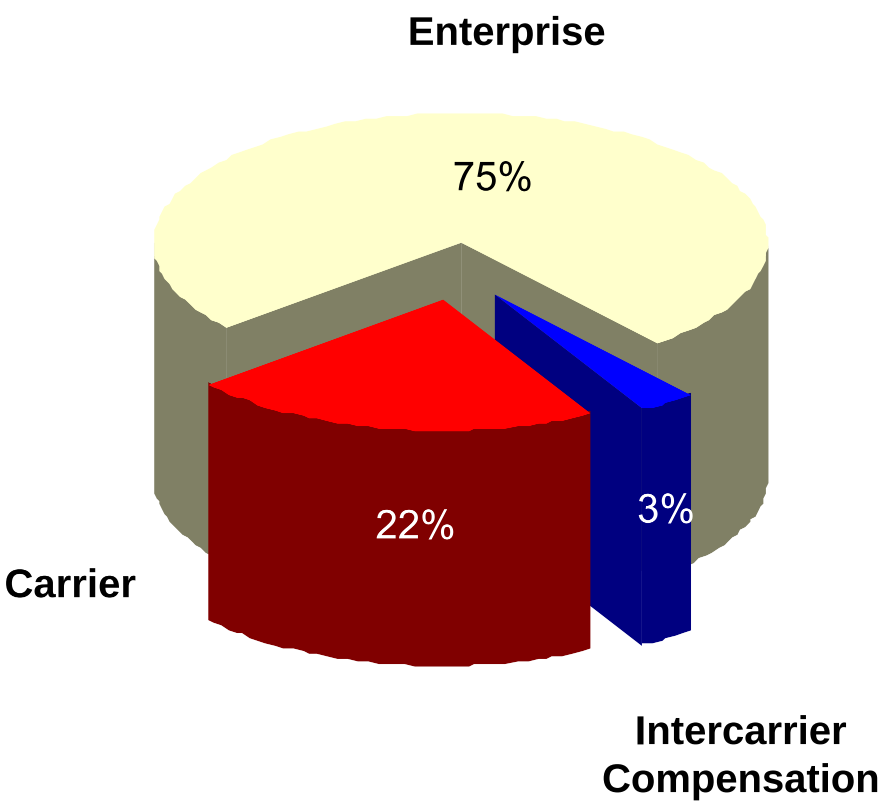
# Customer & Revenue Mix




**Revenue Mix** (1)

| | 2 years ago | 1 year ago | ***Today*** |
|---|---|---|---|
| Enterprise | 68% | 72% | ***75%*** |
| Carrier | 28% | 25% | ***22%*** |
| Intercarrier Compensation | 4% | 3% | ***3%*** |
| | **100%** | **100%** | ***100%*** |

*(1) Revenue for the three months ended June 30, 2009, 2008 and 2007.*



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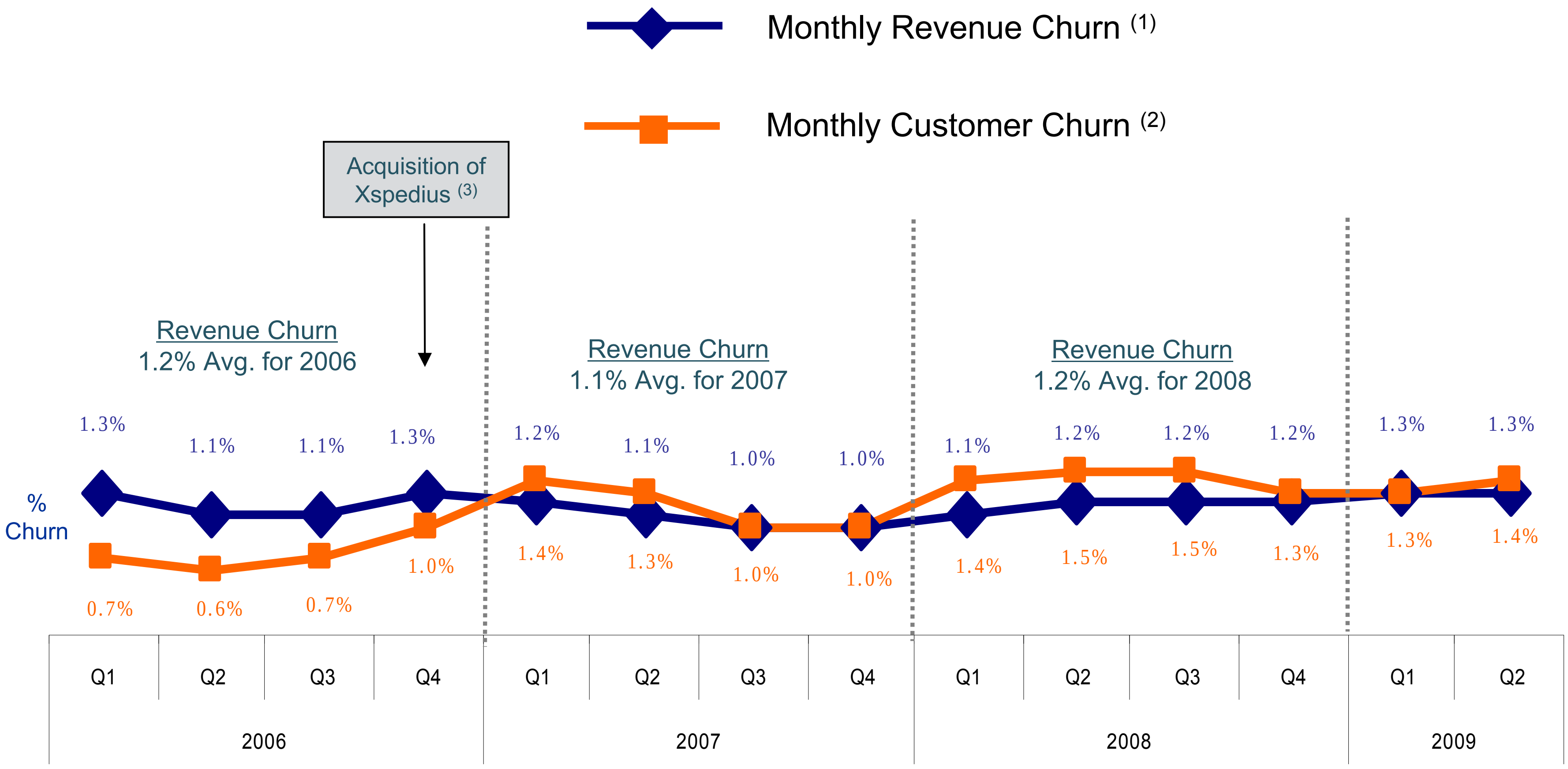
# Monthly Churn




*(1) Revenue churn reflects average lost recurring monthly billing from disconnects (excluding repricing impacts & usage) over the quarter compared to total reported revenue.*
*(2) Customer churn reflects average monthly customer turnover compared to the average monthly customer count.*
*(3) The Company completed its acquisition of Xspedius Communications, LLC ("Xspedius") on October 31, 2006.*



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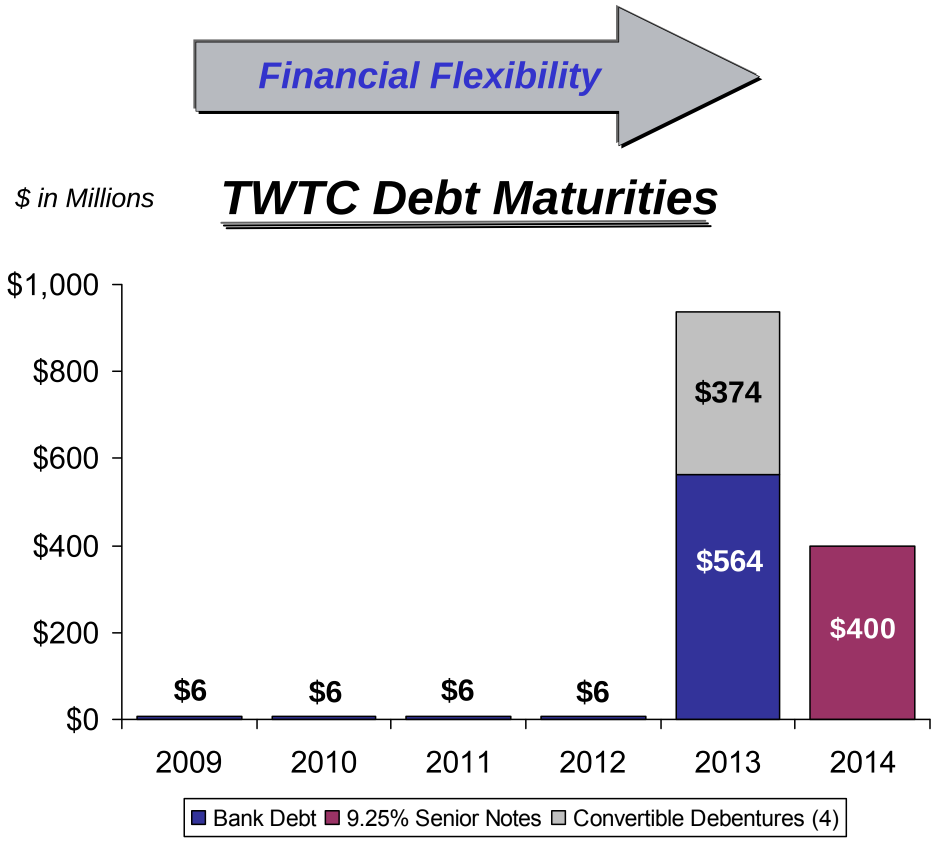
# Strong Liquidity

*As of June 30, 2009*

- No Near Term Major Debt Maturities
- Weighted Cost of Debt is 4.9% (2) (5)
- No Financial Maintenance Covenants (1)
- Key debt metrics (2) (5)
  Net Debt/M-EBITDA: approx. 2x
  Interest Coverage: over 6x
- $392 million cash & equivalents
- Unused $80 million revolver (3)




*(1) The Company has no financial maintenance covenants as of June 30, 2009. There are financial maintenance covenants in the Company's undrawn revolver which would only apply if drawn.*
*(2) Based on annualized results for Q2 2009.*
*(3) In January 2009, the Company decreased its revolver by $20 million for that portion of the commitment backed by a failed financial institution.*
*(4) See the Company's SEC filings for a full description of the debt instruments.*
*(5) Excludes the impact of adoption of FSP APB 14-1 which decreased debt and increased non cash interest expense.*



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# Capital Investments

*$ Millions*

| *Cap-Ex Excluding Integration & Branding* | *Full Year 2005* | *Full Year 2006* | *Full Year 2007* | *Full Year 2008* |
|---|---|---|---|---|
| **Short to Medium Term** | | | | |
| **Success Based** | **$140** | **$166** | **$203** | **$223** |
| *(Building entry, fiber, central office augmentation)* | ***86%*** | ***87%*** | ***88%*** | ***84%*** |
| **Longer-term Strategic** | | | | |
| • Product investment, life-cycle & Strategic market expansions | **7** | **8** | **6** | **20** |
| • IT/Corporate investment/Other | **16** | **15** | **21** | **23** |
| **Total** | **$163** | **$189** | **$230** | **$266** |
| ***Integration & Branding Capital Expenditures*** | **-** | **$4** | **$30** | **$11** |

**The Company expects approximately $275 million for capital expenditures in 2009**



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# The Strength of the TWTC Model

- ***Highly diversified revenue base for Quarter* [(1)]**
  - *75% enterprise revenue mix*
  - *Largest enterprise customer ~ 2% of total*
  - *Largest Enterprise Vertical < 10% of total*
  - *Mortgage industry ~ 5% of total*
  - *Nearly two-thirds of revenue fully on our network*
  - *Nearly two-thirds of revenue on 3 - 5 year contracts*
- ***Solid margin expansion – year over year***
  - *220 basis point expansion in M-EBITDA* [(3)]
- ***Strong liquidity & Levered Free Cash Flow***
  - *$392 million in cash and equivalents – as of June 30, 2009*
  - *8% Levered Free Cash Flow margin* [(4)]
  - *Approx. 2-1 Net Debt-to-Modified EBITDA ratio* [(2) (4)]
  - *No significant debt maturities until 2013*

*(1) For the quarter ended June 30, 2009*
*(2) Annualized for the quarter ended June 30, 2009*
*(3) For the quarter ended June 30, 2009 compared to 2008*
*(4) As of June 30, 2009 excluding the impacts of FSP APB 14-1*

# Modified EBITDA Reconciliation

| *$ in millions* | 2007 Q1 | 2007 Q2 | 2007 Q3 | 2007 Q4 | 2007 Full Year | 2008 Q1 | 2008 Q2 | 2008 Q3 | 2008 Q4 | 2008 Full Year | 2009 Q1 | 2009 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net Income(Loss)** | $(17.3) | $(13.2) | $(15.3) | $(9.0) | $(54.8) | $(4.7) | $(3.2) | $(.1) | $.9 | $(7.3) | $2.9 | $5.9 |
| **Income tax expense (benefit)** | .3 | .1 | .2 | .4 | 1.0 | .3 | .4 | .9 | .7 | 2.3 | .7 | 1.0 |
| **Other Gain/Loss** | - | - | 2.4 | .6 | 3.0 | - | 4.1 | 3.7 | - | 7.8 | - | - |
| **Interest expense, net (including non-cash interest expense) (2)** | 22.4 | 21.8 | 21.8 | 22.3 | 88.3 | 21.8 | 21.3 | 21.2 | 22.7 | 87.0 | 21.3 | 21.0 |
| **Debt extinguishment costs** | - | - | - | - | - | - | - | - | - | - | - | - |
| **Non-cash stock-based compensation expense** | 4.8 | 5.6 | 5.8 | 5.8 | 22.0 | 6.1 | 5.3 | 5.4 | 6.4 | 23.4 | 6.3 | 6.6 |
| **Depreciation, amortization and accretion** | 66.1 | 68.7 | 71.5 | 73.2 | 279.5 | 69.9 | 70.9 | 71.5 | 73.5 | 285.8 | 73.2 | 74.4 |
| **Modified EBITDA (1)** | $76.3 | $83.0 | $86.4 | $93.3 | $339.0 | $93.4 | $98.8 | $102.6 | $10.2 | $399.0 | $104.4 | $108.9 |

*(1) Please see the earnings press release at www.twtelecom.com for further details on financial measures.*
*(2) Includes non cash interest expense and deferred debt costs which include impacts of adopting FASB Staff Position APB 14-1 for convertible debt.*



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# Free Cash Flow Reconciliation

*$ in millions*

| | 2007 | | | | | 2008 | | | | | 2009 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Full Year | Q1 | Q2 | Q3 | Q4 | Full Year | Q1 | Q2 |
| **Reconciliation from Modified EBITDA:** | | | | | | | | | | | | |
| Modified EBITDA (1) | $76.3 | $83.0 | $86.4 | $93.3 | $339.0 | $93.4 | $98.8 | $102.6 | $104.2 | $399.0 | $104.4 | $108.9 |
| Less Capital Expenditures | (55.1) | (78.6) | (59.2) | (66.6) | (259.5) | (59.6) | (68.4) | (75.9) | (72.9) | (276.9) | (73.4) | (69.2) |
| Unlevered Free Cash Flow | 21.2 | 4.4 | 27.2 | 26.7 | 79.5 | 33.7 | 30.4 | 26.7 | 31.3 | 122.1 | 31.0 | 39.7 |
| Less Net Interest Costs(2) | 18.3 | 17.7 | 17.5 | 18.0 | 71.5 | 17.4 | 16.8 | 16.7 | 18.1 | 69.0 | 16.5 | 16.1 |
| Levered Free Cash Flow(2) | $2.9 | $(13.3) | $9.7 | $8.6 | $7.9 | $16.3 | $13.6 | $10.0 | $13.3 | $53.2 | $14.5 | $23.6 |
| **Reconciliation to Cash Flow from Operating Activities:** | | | | | | | | | | | | |
| Levered Free Cash Flow | $2.9 | $(13.3) | $9.7 | $8.6 | $7.9 | $16.3 | $13.6 | $10.0 | $13.3 | $53.2 | $14.5 | $23.6 |
| Capital Expenditures | 55.1 | 78.6 | 59.2 | 66.6 | 259.5 | 59.6 | 68.4 | 75.9 | 72.9 | 276.9 | 73.4 | 69.2 |
| Income tax (expense) benefit | (.3) | (.1) | (.2) | (.4) | (1.0) | (.3) | (.4) | (.9) | (.7) | (2.3) | (.7) | (1.0) |
| Changes in operating assets and liabilities | (18.2) | 5.3 | (10.4) | 21.0 | (2.3) | (16.7) | (9.9) | (6.7) | 9.6 | (23.7) | (23.8) | 14.8 |
| Other | - | - | .1 | - | .1 | - | .1 | 1.1 | .4 | 1.4 | .4 | - |
| Net cash provided by (used in) operating activities | $39.5 | $70.5 | $58.4 | $95.8 | $264.2 | $58.9 | $71.8 | $79.4 | $95.5 | $305.5 | $63.8 | $106.6 |

*(1) Please see the earnings press release at www.twtelecom.com for further detail on financial measures.*
*(2) Excludes non-cash interest expense & deferred debt costs and debt extinguishment costs.*
*(3) Modified EBITDA, as a measure of liquidity, is also reconciled to Net Cash provided by (used in) operating activities in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed with the SEC and posted on the Company's website.*

# FSP APB 14-1 – Income Statement & Cash Flow Impact

| *$ in millions* | Quarter | | | Full Year | | |
|---|---|---|---|---|---|---|
| | Q208 | Q109 | Q209 | 2006 | 2007 | 2008 |
| **Reconciliation of Interest Expense as previously reported to as currently reported** | | | | | | |
| **Interest Expense as previously reported:** | | | | | | |
| Interest Expense | $18.3 | $16.7 | $16.2 | $95.0 | $89.1 | $75.3 |
| Non-cash interest expense | 0.6 | 0.6 | 0.6 | 3.2 | 2.2 | 2.2 |
| **Total interest expense as previously reported** | 18.9 | 17.3 | 16.8 | 98.2 | 91.3 | 77.5 |
| **Non-cash interest expense, incremental-convertible debt (1):** | | | | | | |
| Discount amortization | 3.8 | 4.0 | 4.1 | 9.8 | 14.0 | 15.3 |
| Deferred debt issue costs | 0.1 | 0.1 | 0.1 | 0.4 | 0.5 | 0.5 |
| **Total non-cash interest expense, incremental-convertible debt** | 3.9 | 4.2 | 4.2 | 10.2 | 14.6 | 15.8 |
| **Interest expense** | | | | | | |
| Interest expense | 18.3 | 16.7 | 16.2 | 95.0 | 89.1 | 75.3 |
| Non-cash interest expense | 4.5 | 4.8 | 4.8 | 13.4 | 16.8 | 18.0 |
| **Total, as currently reported** | $22.8 | $21.5 | $21.0 | $108.4 | $105.8 | $93.3 |
| **Reconciliation of Levered Free Cash Flow as previously reported to as currently reported** | | | | | | |
| **Unlevered Free Cash Flow** | $30.4 | $31.0 | $39.7 | $93.3 | $79.5 | $122.1 |
| Interest expense | 18.3 | 16.7 | 16.2 | 95.0 | 89.1 | 75.3 |
| Non-cash interest expense | 0.6 | 0.6 | 0.6 | 3.2 | 2.2 | 2.2 |
| Interest income | 1.5 | 0.1 | 0.1 | 20.1 | 17.5 | 6.3 |
| **Levered Free Cash Flow, as previously reported** | 13.0 | 13.8 | 23.0 | 15.2 | 5.7 | 50.9 |
| Add: Reclassification of deferred debt issue costs (2) | 0.6 | 0.6 | 0.6 | 3.2 | 2.2 | 2.2 |
| **Levered Free Cash Flow, as currently reported (2)** | $13.6 | $14.5 | $23.6 | $18.4 | $7.9 | $53.2 |

(1) Effective 1/1/09, the Company adopted FASB Staff Position ("FSP") APB 14-1, Accounting for Convertible Debt Instruments, which requires retrospective application. For further details see the Company's SEC filings.

(2) In conjunction with the adoption of FSP APB 14-1, the Company now excludes all non-cash interest expense in its calculation of levered free cash flow.



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# FSP APB 14-1 – Balance Sheet Impact

*$ in millions*

**Reconciliation of Retrospective Application to Balance Sheet for FSP APB 14-1**

| | Quarter | | | Full Year | | |
|---|---|---|---|---|---|---|
| | Q208 | Q109 | Q209 | 2006 | 2007 | 2008 |
| **Other Assets, as previously reported** | $540.1 | $521.6 | $518.7 | $544.5 | $550.1 | $524.7 |
| Application of FSP APB 14-1 | (4.8) | (5.2) | (5.4) | (4.1) | (4.6) | (5.1) |
| **Other Assets, as currently reported** | $535.3 | $516.4 | $513.3 | $540.4 | $545.6 | $519.6 |
| **Long-term debt and capital lease obligations, as previously reported** | $1,368.2 | $1,370.0 | $1,368.8 | $1,376.0 | $1,370.3 | $1,365.6 |
| Application of FSP APB 14-1 | (89.2) | (77.4) | (73.3) | (110.7) | (96.7) | (81.4) |
| **Long-term debt and capital lease obligations as currently reported** | $1,279.0 | $1,292.6 | $1,295.5 | $1,265.3 | $1,273.6 | $1,284.2 |
| **Stockholder' Equity, as previously reported** | $581.6 | $610.3 | $629.6 | $552.6 | $566.2 | $596.9 |
| Application of FSP APB 14-1 | 84.4 | 72.2 | 67.9 | 106.6 | 92.1 | 76.3 |
| **Stockholders' Equity, as currently reported** | $666.0 | $682.5 | $697.5 | $659.3 | $658.3 | $673.2 |

(1) Effective 1/1/09, the Company adopted FASB Staff Position (" FSP") APB 14-1, Accounting for Convertible Debt Instruments, which requires retrospective application. For further details see the Company's SEC filings.



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