

Fairpoint Group plc (“Fairpoint” or “the Company”)

Directors’ Dealings

The Company announces that under the Fairpoint Group plc Joint Ownership Plan (“the Plan”) the Company approved the award of a joint beneficial ownership to key senior management over ordinary shares of 1p in the Company (the “Shares”) on 11 January 2010. The Shares will be held jointly with Lloyds TSB, as trustee of the Fairpoint Group plc Employee Trust (“Trustee”). Subject to performance conditions and continued employment within the Group, the awards have an effective strike price of 84p per share and are subject to a performance period to 31 December 2012.

Under the Plan Chris Moat, Chief Executive Officer was awarded a joint beneficial interest in 385,000 Shares; Andrew Heath, Finance Director was awarded a joint beneficial interest in 110,000 Shares and Derek Oakley, Insolvency Director was awarded a joint beneficial interest in 41,250 Shares. The number of Shares that will vest will be determined based on the extent to which defined performance conditions have been achieved. For Mr Heath and Mr Oakley 50% of the Shares will vest if the Company’s share price in the three years to 31 December 2012 over a thirty day period averages 122p or greater and 100% if in the three years to 31 December 2012 the Company’s share price averages 183p or greater. For Mr Moat 100% of the shares will vest if in the three years to 31 December 2012 the Company’s share price averages 183p or greater.

A payment of 1p per Share was paid by the participants for their respective interest in the Shares.

Should the performance conditions not be achieved then the participants will be obliged to sell their respective interests in the Shares to the trustee at the lower of market value and 1p per Share.

Following the determination of the performance conditions, the value of the award is to be determined based on the excess of the share price above 84p.

The beneficial interest in the Shares is jointly owned by the participants and the Trustees as co-owners. The participants will hold no voting rights over the Ordinary Shares prior to the satisfaction of the Performance Conditions. Following such satisfaction, the participants may instruct the Trustee to vote in accordance with their wishes on the number of Shares proportionate to their respective interests.

Following the award, the directors will have the following interests in the ordinary share capital of the Company:

Director	Number of options held over ordinary shares	Number of ordinary shares co-owned with the trustee
Mr Moat	900,000	385,000
Mr Heath	150,000	110,000
Mr Oakley	412,500	41,250

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