

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Windstream Holdings, Inc.		2 Issuer's employer identification number (EIN) 46-2847717	
3 Name of contact for additional information Okapi Partners	4 Telephone No. of contact (877) 259-6290	5 Email address of contact windstream@okapipartners.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 4001 N. Rodney Parham Rd.		7 City, town, or post office, state, and Zip code of contact Little Rock, AR 72212	
8 Date of action February 27, 2017		9 Classification and description Common Stock	
10 CUSIP number 97382A200	11 Serial number(s) N/A	12 Ticker symbol WIN	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On February 27, 2017, Windstream Holdings, Inc. ("Windstream") completed the merger with EarthLink Holdings Corp. ("EarthLink"). Pursuant to the terms and conditions of the Agreement and Plan of Merger ("Merger Agreement") dated November 5, 2016 by and among Windstream, Europa Merger Sub, Inc., an indirect and wholly-owned subsidiary of Windstream ("Merger Sub 1"), Europa Merger Sub LLC, an indirect and wholly-owned subsidiary of Windstream ("Merger Sub 2"), and EarthLink, Merger Sub 1 was merged with and into EarthLink with EarthLink surviving ("the Merger"). Immediately following the Merger, EarthLink was merged with and into Merger Sub 2 with Merger Sub 2 surviving (the "Subsequent Merger") and changing its name to EarthLink Holdings, LLC.**

Pursuant to the Merger Agreement, Windstream issued EarthLink stockholders .818 of a share of Windstream common stock, par value of \$0.0001 per share, for each outstanding share of EarthLink common stock. Upon closing the Merger and Subsequent Merger, EarthLink ceased to exist and the shares of EarthLink common stock, which traded under the symbol ELNK, ceased trading on, and were delisted from the NASDAQ stock exchange.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **For federal income tax purposes, the aggregate tax basis of the Windstream common shares received by EarthLink stockholders will be the same as the aggregate adjusted tax basis of the EarthLink common shares those stockholders exchanged in the reorganization. Former EarthLink stockholders must allocate the adjusted tax basis of their EarthLink common shares across the total (reduced) number of the stockholders' new Windstream common shares received in the reorganization. The actual tax basis will differ with respect to each separate former EarthLink stockholder and, additionally, tax basis may differ with regard to separate and distinct blocks of common shares owned by any former EarthLink stockholder. If an EarthLink stockholder received cash in lieu of a fractional share of Windstream common stock, a portion of the tax basis must be allocated to the fractional share and such fractional share will be deemed to be received and then exchanged for cash. The holding period of any shares of Windstream common stock received by EarthLink stockholders in the reorganization generally will include the holding period of the shares of EarthLink common stock exchanged for such shares of Windstream common stock. (See the attached statement for additional details.)**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The full share price used to calculate the cash paid in lieu of issuing fractional shares was \$7.27. Examples illustrating the calculation of the adjusted per share basis after the exchange of EarthLink common shares for Windstream common shares is in the attached statement. Additional examples can be found in Treasury Regulation 1.358-2.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► The Merger and Subsequent Merger between Windstream and EarthLink completed on February 27, 2017 qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986 as amended. In general, the income tax consequences to the former EarthLink stockholders are determined under Internal Revenue Code sections 354, 356, 358, and 1221.

18 Can any resulting loss be recognized? ► EarthLink stockholders generally will not recognize any gain or loss for U.S. federal income tax purposes by reason of the reorganization, except with respect to cash received in lieu of a fractional share of Windstream common stock. If an EarthLink stockholder received cash in lieu of a fractional share of Windstream common stock, such stockholder will be treated as having received the fractional share in the reorganization and then as having exchanged the fractional share for a cash payment based on the full share price of \$7.27. These stockholders generally will recognize capital gain or loss with respect to such cash payment measured by the difference, if any, between the tax basis allocable to the fractional share and the amount of cash received. The gain or loss will generally be long term capital gain or loss, if, as of the effective date of the Merger and Subsequent Merger, February 27, 2017, the EarthLink stockholders' holding period for the EarthLink common stock is longer than one year. With respect to these fractional shares, any gain or loss will be reportable in the year the cash is received and may be subject to limitations. (See the attached statement for additional details.)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The reorganization and resulting stock exchange became effective on February 27, 2017; therefore, the reportable tax year is 2017.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ►



Date ►

3/03/17

Print your name ►

Willis R. Kemp

Title ►

Vice President-Tax

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check if self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

March 3, 2017

Windstream Holdings, Inc.
Merger with EarthLink Holdings Corp. on February 27, 2017
Tax Reporting Statement Under
Section 6045B of the Internal Revenue Code
Supplement to Form 8937

Information required under Internal Revenue Code Section 6045B

Effective January 1, 2011, a corporation that engages in certain actions affecting the basis of its stock must file an information return with the Internal Revenue Service (hereinafter “IRS”) describing, among other things, the organizational action and the action’s quantitative effect on the basis of the corporation’s stock. A corporation may satisfy the filing requirement by posting the information return in a readily accessible format on its primary public website for a period of ten years.

The information in this statement is being provided by Windstream Holdings, Inc. (“Windstream”) as the reporting issuer and the acquirer, by merger, of EarthLink Holdings Corp. (“EarthLink”) on February 27, 2017, and is intended to satisfy the requirements of Internal Revenue Code Section 6045B and Treasury Regulation 1.6045B-1. It is provided in conjunction with and as a supplement to Form 8937 Report of Organizational Actions Affecting Basis of Securities and is available at www.windstream.com/investors under Stock Information.

Reporting Issuer:	Windstream Holdings, Inc.
Taxpayer Identification Number:	46-2847717
Security Identifiers:	Windstream Holdings, Inc. CUSIP # 97382A200 Ticker Symbol: WIN (NASDAQ exchange)
	EarthLink Holdings Corp. CUSIP # 27033X101 Ticker Symbol: ELNK (NASDAQ exchange)
Contact at Reporting Issuer:	Christie Grumbos Senior Vice President-Treasurer Windstream Holdings, Inc. 4001 Rodney Parham Road Little Rock, AR 72201 (866) 320-7922 or (501) 748-7578 christie.grumbos@windstream.com

Overview

According to opinions received from attorneys for Windstream and EarthLink, the receipt of Windstream common stock in exchange for EarthLink common stock will be tax-free for U.S. federal income tax purposes to U.S. taxpayers, except that stockholders will recognize gain or loss with respect to cash received in lieu of fractional shares of Windstream common stock. This document provides examples illustrating how to calculate, for U.S. federal income tax purposes, taxable gains and losses on the merger, as well as the tax basis of the Windstream common shares received in the merger. The examples are for individuals who are citizens or residents of the United States, purchased all of their EarthLink common shares for cash and held those shares as a capital asset (generally, for investment purposes). The examples do not address any special tax rules that may apply (including shares received as compensation), nor do they address the consequences of any state, local, or foreign tax laws.

The taxable gain or loss required to be recognized with respect to the cash received in lieu of a fractional share will be equal to the difference between the cash received and the shareholder's tax basis (determined as described below) in such fractional share (assuming the stock is held as a capital asset).

Important Notice

THE INFORMATION IN THIS DOCUMENT, INCLUDING THE FORM 8937 TO WHICH IT IS ATTACHED, DOES NOT CONSTITUTE TAX ADVICE AND IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSES OF (I) AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE OR (II) PROMOTING, MARKETING, OR RECOMMENDING ANY TRANSACTION OR MATTER ADDRESSED HEREIN. Your tax consequences depend on your individual circumstances and could differ significantly from those in the examples below. **You should consult your tax advisor regarding the specific tax consequences of the merger to you in light of your tax circumstances.** These examples are for illustrative purposes only and do not replace the discussion of tax consequences contained on pages 154-156 in the joint proxy statements/prospectus dated January 23, 2017 and distributed to EarthLink stockholders of record on January 25, 2017. Copies of the joint proxy statement/prospectus can be obtained through an email request sent to windstream.investor.relations@windstream.com.

Calculations

- **Step 1:** *Calculate the Basis in EarthLink Common Shares.* The basis generally equals the amount you paid for your EarthLink common shares including commissions. If you received dividends in the past that were classified as return of capital, you should reduce your cost basis accordingly, but not below zero. Please consult your tax advisor.

- **Step 2:** *Calculate the Total Consideration Received in the Merger.* The total merger consideration equals the fair market value of the new Windstream common shares (including any fractional share). No other form of consideration was rendered.
- **Step 3:** *Calculate the Total Basis in New Windstream Common Stock.* Your total basis in the Windstream common stock received in the merger (including any fractional share) equals the basis in your EarthLink common stock (as determined in Step 1).
- **Step 4:** *Calculate the Taxable Gain or Loss Recognized on any Fractional Shares.* Your gain or loss on the exchange of any fractional Windstream common share for cash equals (1) the cash you received in exchange for the fractional share, minus (2) your basis in the fractional share (determined based on the calculation in Step 3).
- **Step 5:** *Calculate the Total Basis in Remaining Windstream Common Shares.* Your total basis in the remaining Windstream common shares equals (1) your basis in the Windstream common shares received in the merger (including any fractional share) (as determined in Step 3), minus (2) your basis in the fractional share (as determined for purposes of Step 4).

If you owned multiple blocks of EarthLink common stock purchased at different share prices, you should consult your tax advisor regarding your basis in the new Windstream common stock received in exchange for multiple blocks of EarthLink common stock.

Assumptions for Examples

THE FOLLOWING EXAMPLES UTILIZE THE CALCULATIONS DESCRIBED ABOVE AND ARE FOR ILLUSTRATIVE PURPOSES ONLY AND SHOULD NOT BE CONSIDERED TAX ADVICE. In the examples, it is assumed that you owned 1,100 shares of EarthLink common stock at the time of the merger. It is also assumed, for purposes of calculating the total consideration received in the merger (Step 2), that the fair market value of any new Windstream common shares received in the merger was \$7.27 per share, which was the closing price on the business day immediately preceding the closing date of the merger as provided by the Merger Agreement.

In the examples, you would have been entitled to approximately 899.80 shares of Windstream common stock (1,100 EarthLink common shares times the 0.818 stock exchange ratio). In exchange for the 0.80 fractional share, you would have received a cash payment of \$5.82 (\$7.27 times 0.80 shares), leaving you with 899 shares of Windstream common stock.

The examples differ as to the original cost basis in EarthLink common stock. In Example 1, you are assumed to have had an original basis of \$5.00 per EarthLink common share. In Example 2,

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your basis is assumed to be \$10.00 per share. You should use your actual basis to complete the calculations as each shareholders' basis is different. Please consult your tax advisor.

Example 1: Assuming you paid \$5.00 per share for your EarthLink common shares

Step 1: Basis in EarthLink Common Shares

1,100 shares x \$5/share	\$5,500.00
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Step 2: Total Consideration Received in the Merger

Stock Merger Consideration (899.80 Windstream Common Shares x \$7.27)	\$6,541.55
Total Consideration Received	\$6,541.55

Step 3: Total Basis in New Windstream Common Shares

Basis in EarthLink Common Shares	\$5,500.00
Basis in New Windstream Common Shares (899.80 Shares)	\$5,500.00

Step 4: Taxable Gain or Loss Recognized on Fractional Share

Cash Paid in Lieu of Fractional Share (0.80 x \$7.27)	\$ 5.82
Less: Basis Attributable to Fractional Share [(0.80/899.80) x \$5,500.00]	<u>(4.89)</u>
Taxable Gain on Fractional Share	\$ 0.93

Step 5: Total Basis in the Remaining Windstream Common Shares

Basis in New Windstream Common Shares (899.80 shares)	\$5,500.00
Less: Basis Attributable to Fractional Share (from Step 4)	<u>(4.89)</u>
Basis in Remaining Windstream Common Shares (838 shares)	\$5,495.11

Per Share Basis (\$5,495.11/899 shares)	\$6.11
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In this example, you would report a total taxable gain of \$0.93 from the merger, and you would have a tax basis of \$5,495.11 in the 899 shares of Windstream common stock that you received.

This calculation is for illustrative purposes only and should not be considered tax advice. Specific questions about your unique situation should be discussed with your tax advisor.

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Example 2: Assuming you paid \$10.00 per share for your EarthLink common shares

Step 1: Basis in EarthLink Common Shares

1,100 shares x \$10/share \$11,000.00

Step 2: Total Consideration Received in the Merger

Stock Merger Consideration (899.80 Windstream Common Shares x \$7.27) \$ 6,541.55

Total Consideration Received \$ 6,541.55

Step 3: Total Basis in New Windstream Common Shares

Basis in EarthLink Common Shares \$11,000.00

Basis in New Windstream Common Shares (899.80 Shares) \$11,000.00

Step 4: Taxable Gain or Loss Recognized on Fractional Share

Cash Paid in Lieu of Fractional Share (0.80 x \$7.27) \$ 5.82

Less Basis Attributable to Fractional Share [(0.80/899.80) x \$11,000.00] (9.78)

Taxable Loss on Fractional Share \$ (3.96)

Step 5: Total Basis in the Remaining Windstream Common Shares

Basis in New Windstream Common Shares (899.80 shares) \$11,000.00

Less Basis Attributable to Fractional Share (from Step 4) (9.78)

Basis in Remaining Windstream Common Shares (899 shares) \$10,990.22

Per Share Basis (\$10,990.22/899 shares) \$12.22

In this example, you would report a total taxable loss of \$3.96 from the merger, and you would have a tax basis of \$10,990.22 in the 899 shares of Windstream common stock that you received.

This calculation is for illustrative purposes only and should not be considered tax advice. Specific questions about your unique situation should be discussed with your tax advisor.