

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name <u>Windstream Holdings, Inc.</u>		2 Issuer's employer identification number (EIN) <u>46-2847717</u>	
3 Name of contact for additional information <u>Okapi Partners</u>	4 Telephone No. of contact <u>(877) 259-6290</u>	5 Email address of contact <u>windstream@okapipartners.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>4001 N. Rodney Parham Rd.</u>		7 City, town, or post office, state, and ZIP code of contact <u>Little Rock, AR 72212</u>	
8 Date of action <u>May 29, 2018</u>		9 Classification and description <u>Common Stock</u>	
10 CUSIP number <u>(NEW CUSIP) 97382A309</u>	11 Serial number(s) <u>N/A</u>	12 Ticker symbol <u>WIN</u>	13 Account number(s) <u>N/A</u>

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 ▶ Effective as of the end of the trading day on May 25, 2018, Windstream Holdings, Inc. (WHI) completed a 1-for-5 stock split of its issued and outstanding shares of Common Stock, par value \$0.0001. Cash was paid in lieu of fractional shares.

The CUSIP number changed from 97382A200 to 97382A309. The ticker symbol did not change.

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 ▶ See Attachment 1

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 ▶ In instances involving no fractional shares, the total aggregate basis in each WHI common shareholder's investment remains unchanged; however, the amount of basis per share is impacted. The per share basis of the new WHI common shares will equal the per share basis of the old WHI common shares multiplied by 5. See Example 1 of Attachment 2.

In instances involving fractional shares, the per share basis of the new WHI common shares will equal the per share basis of the old WHI common shares multiplied by 5; however, shareholders received cash in lieu of receiving fractional shares. Shareholders who received cash in lieu of fractional shares will be treated as having received such fractional shares in the transaction and then exchanging such fractional shares for cash. Gain or loss will be recognized as a result of such exchange and will be equal to the difference between the amount of cash received and the portion of the shareholder's basis in the shares of WHI common stock exchanged pursuant to the stock split which is allocable to such fractional shares. In this instance, the shareholder's aggregate basis in its investment will be impacted due to the portion attributed to the fractional shares having been deemed sold. See Example 2 of Attachment 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 ▶ 368(a)(1)(E), 302(a), 305(a), 307(a), 354(a)(1), and 358(b)(1)

18 Can any resulting loss be recognized? ▶ In general, no gain or loss is recognized as a result of the reverse stock split except for instances where cash was received in exchange for fractional shares. Shareholders should consult with their Tax Advisors to determine the impact of this reverse stock split (and the receipt of cash in lieu of fractional shares, if any) with respect to their individual circumstances.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The change being reported here occurred during the calendar year 2018; consequently, the reportable year is 2018.

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 ▶ 6/12/18

Print your name ▶ Clay Robinson Title ▶ Vice President-Tax

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Windstream Holdings, Inc.

46-2847717

Form 8937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

Attachment 1

Form 8937, Part II, Line 15

The 1-for-5 reverse stock split (“stock split”) of Windstream Holdings, Inc. (“WHI”) qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as amended. As a result, except for the fractional shares exchanged for cash below, no gain or loss is expected to be recognized by WHI shareholders on the exchange of their old WHI common shares for their new WHI common shares.

In general, WHI shareholders’ aggregate basis in their new WHI common shares received in the stock split, which for this purpose includes both the actual shares received as well as the fractional shares that are deemed received, is equal to the aggregate basis of the old WHI common shares surrendered in the stock split. In calculating their basis, WHI shareholders should include reductions for the quarterly distributions received during 2012, 2013, 2014 and 2016 that would constitute a return of capital as previously reported on Form 8937 for those distributions by WHI.

A shareholder that received cash in lieu of a fractional share of new WHI common stock will be treated as having received such fractional share and then having received cash in exchange for the fractional share. Gain or loss will be recognized based on the difference between the amount of cash received and the portion of the shareholder’s basis in the shares of WHI common stock exchanged pursuant to the stock split which is allocable to such fractional share.

Windstream Holdings, Inc.

46-2847717

Form 8937

**REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES
Attachment 2**

Form 8937, Part II, Line 16

Example 1: Involving no fractional shares:

Before the stock split: A WHI shareholder owns 100 common shares with a per share basis of \$10 and a total investment of \$1,000.

After the stock split: The WHI shareholder will receive 20 common shares with a per share basis of \$50 and a total investment of \$1,000.

Example 2: Involving fractional shares:

Before the stock split: A WHI shareholder owns 133 common shares with a per share basis of \$10 and a total investment of \$1,330.

After the stock split: The WHI shareholder will be entitled to receive 26.6 shares with a per share basis of \$50 and a total investment of \$1,330; however, the shareholder will receive cash in lieu of the fractional shares. The amount of basis allocated to the fractional shares will be \$30 (0.6 x \$50). By receiving cash in lieu of receiving these fractional shares, gain or loss will be recognized to the extent the cash received differs from the \$30 basis in the fractional shares.

The shareholder will be left with 26 full common shares with a per share basis of \$50 and a total investment of \$1,300.