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Windstream Receives State Regulatory Approvals for REIT Spinoff

LITTLE ROCK, Ark., Jan. 21, 2015 (GLOBE NEWSWIRE) -- Windstream (Nasdaq:WIN) today announced it has received all regulatory approvals from state public service commissions required for its planned real estate investment trust (REIT) spinoff, which will be named Communications Sales & Leasing, Inc. (CS&L). Windstream earlier received a favorable private letter ruling from the Internal Revenue Service relating to the transaction.

"Securing these regulatory approvals is an important milestone in our work and affirms the compelling benefits of the transaction to consumers and businesses," said Windstream Director Francis X. "Skip" Frantz, who will serve as chairman of CS&L's board. "The spinoff remains a strategic priority for Windstream and with the state regulatory approval process complete, we are focused on executing the final steps of the transaction."

Frantz is leading the process to select a president and CEO of CS&L. The transaction is expected to close in the first half of 2015, pending the satisfaction of customary conditions, including the effectiveness of CS&L's Form 10 registration statement and final approval by Windstream's board of directors.

Windstream announced on July 29 plans to spin off certain telecommunications network assets into an independent publicly traded REIT in order to accelerate network investments, significantly reduce debt and maximize shareholder value. The REIT will lease use of the assets to Windstream through a long-term triple-net exclusive lease. Windstream will operate and maintain the assets to deliver advanced communications and technology services to consumers and businesses. The REIT will focus on expanding and diversifying its assets and tenants through future acquisitions.

Windstream will hold a special meeting of stockholders on Feb. 20 in conjunction with the REIT spinoff to approve a 1-for-6 reverse stock split and an amendment to the certificate of incorporation for Windstream Corporation, a subsidiary of Windstream Holdings, that will facilitate the conversion of Windstream Corporation into a limited liability company. Windstream's Board of Directors unanimously recommends that stockholders vote "FOR" each of the two proposals. For assistance in voting shares, stockholders can call Windstream's proxy solicitor, Innisfree M&A Incorporated, toll-free at 1-877-750-5836.

About Windstream

Windstream, a FORTUNE 500 and S&P 500 company, is a leading provider of advanced network communications and technology solutions, including cloud computing and managed services, to businesses nationwide. The company also offers broadband, phone and digital TV services to consumers primarily in rural areas. For more information, visit the company's online newsroom at news.windstream.com or follow on Twitter at [@WindstreamNews](https://twitter.com/WindstreamNews).

Windstream claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding the completion of the transaction, the expected benefits of the transaction, the expected financial attributes of the new Windstream and the REIT including the initial rent amount, the pro forma dividend and leverage ratio for each company, and the illustrative trading multiples and values for each company. Such statements are based on estimates, projections, beliefs, and assumptions that Windstream believes are reasonable but are not guarantees of future events and results. Actual future events and results of Windstream may differ materially from those expressed in these forward-looking statements as a result of a number of important factors.

Factors that could cause actual results to differ materially from those contemplated in Windstream's forward-looking statements include, among others: (i) risks related to the anticipated timing of the proposed separation, the expected tax treatment of the proposed transaction, the ability of each of Windstream (post-spin) and the new REIT to conduct and expand their respective businesses following the proposed spinoff, the ability of Windstream to reduce its debt by the currently-anticipated amounts, and the diversion of management's attention from regular business concerns; (ii) the risk that Windstream's board of directors could abandon the spinoff or modify or change the terms of the spinoff at any time and for any reason until the spinoff is complete; and (iii) Windstream's ability to obtain stockholder approval of an amendment to a subsidiary's certificate of incorporation that will facilitate the REIT spinoff without incurring a large tax liability; (iv) those additional factors under "Risk Factors" in Item 1A of Part I of Windstream's Annual Report on Form 10-K for the year ended Dec. 31, 2013, and in subsequent filings with the Securities and Exchange Commission (SEC) at www.sec.gov.

In connection with the proposed transaction Windstream Holdings has filed with the SEC and mailed to stockholders a definitive proxy statement dated Jan. 9, 2015. Such proxy statement includes information about Windstream's directors and executive officers and their ownership of Windstream's common stock who may be deemed to be participants in the solicitation of proxies from Windstream's stockholders with respect to the proposals for which stockholder approval is being sought in advance of the REIT spinoff. Investors are urged to read the definitive proxy statement (including any amendments and supplements) and any other relevant documents filed with the SEC because they contain important information about Windstream and the proposed transaction. The definitive proxy statement and other documents relating to the proposed transaction can be obtained free of charge from the SEC's website at www.sec.gov and Windstream's website at www.windstream.com. In addition, these documents can also be obtained free of charge from Windstream Holdings upon written request to the Corporate Secretary at 4001 Rodney Parham Road, Little Rock, Arkansas 72212.

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