



Windstream to Acquire Lexcom, Inc.

LITTLE ROCK, Ark.--(BUSINESS WIRE)-- Windstream Corporation (NYSE: WIN) today announced it has entered into a definitive agreement to acquire Lexcom, Inc., based in Lexington, N.C., for approximately \$141 million in cash.

"Lexcom has a proud history providing reliable communications and entertainment services to residents and businesses in Davidson County," said Jeff Gardner, president and CEO. "The transaction expands our North Carolina operations into neighboring properties served by a quality voice, data and video network."

Richard Reese, Lexcom's chairman of the board and chief executive officer, said, "Throughout the years Lexcom has always provided state-of-the-art services to our customers. The telecommunications industry continues to grow rapidly due to increased technological capabilities and ever-changing habits of users. However, whereby size and scope have become much more important in the industry, the Board of Directors feels that Windstream, especially considering its size and its presence within North Carolina, is positioned to continue providing state-of-the-art services to Lexcom's customers."

Windstream will add approximately 23,000 access lines, 9,000 high-speed Internet customers and 12,000 cable TV customers in the transaction.

The acquisition is expected to close in the fourth quarter of 2009, subject to certain conditions, including necessary approvals from federal and state regulators and Lexcom shareholders. The company intends to finance the acquisition with existing cash and current capacity on its revolving credit agreement.

Lexcom generated approximately \$44 million in revenue, \$16 million in operating income and \$24 million in operating income before depreciation and amortization (OIBDA) in 2008.

Windstream expects the transaction will be accretive to free cash flow in the first year following the closing of the transaction after expected annual synergies of approximately \$5 million in operating and capital expenditure savings.

Additional Information

Stephens Inc. acted as financial adviser and Kutak Rock LLP acted as legal adviser to Windstream on the transaction. Mazer Telecom Advisors and Robinson, Bradshaw & Hinson, P.A. acted as financial and legal advisers to Lexcom.

Non-GAAP Financial Measures

A reconciliation of OIBDA to the most directly comparable GAAP measure for Lexcom for 2008 is presented below:

Operating income under GAAP:	\$ 16 million
Depreciation and amortization:	+ \$ 8 million
OIBDA:	\$ 24 million

About Windstream

Windstream Corporation is an S&P 500 company that provides phone, high-speed Internet and high-definition digital TV services to customers in 16 states. The company also offers a wide range of IP-based voice and data services and advanced phone systems and equipment to businesses and government agencies. The company has approximately 3 million access lines and about \$3.1 billion in annual revenues. Windstream is ranked 4th in the 2009 BusinessWeek 50 ranking of the best performing U.S. companies. For more information about Windstream, visit www.windstream.com.

About Lexcom

Lexcom Communications is a provider of integrated telecommunications and video services, as well as services in local and

long-distance telephone, Internet and data, and digital wireless, to business and residential customers located primarily in Davidson County.

In 1998, the parent company name changed to Lexcom, Inc. and continued the tradition of service and technological advancement as it became the parent company to its subsidiaries: Lexcom Telephone, Lexcom Wireless LLC, Lexcom Cable Services LLC and Lexcom Long Distance LLC.

Cautionary Statement Regarding Forward-Looking Statements

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, including statements regarding the completion of the acquisition and expected benefits of the acquisition, are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. These forward-looking 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 above include, among others: receipt of required approvals of regulatory agencies and Lexcom's shareholders; the possibility that the anticipated benefits from the acquisition cannot be fully realized or may take longer to realize than expected; the possibility that costs or difficulties related to the integration of Lexcom's operations into Windstream will be greater than expected; the ability of the combined company to retain and hire key personnel; and those additional factors under the caption "Risk Factors" in Windstream's Form 10-K for the year ended Dec. 31, 2008. In addition to these factors, actual future performance, outcomes and results may differ materially because of more general factors including, among others, general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes. Windstream undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause Windstream's actual results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties that may affect Windstream's future results included in Windstream's filings with the Securities and Exchange Commission at www.sec.gov.