



Windstream Changes Pension Accounting Method

New Methodology Improves Transparency in Financial Results

LITTLE ROCK, Ark., Jan. 25, 2012 (GLOBE NEWSWIRE) -- Windstream Corp. (Nasdaq:WIN) is changing its method of recognizing actuarial gains and losses for its pension plan, effective during the fourth quarter of 2011. The gains and losses now will be recognized in the year in which they occur, rather than amortized over a period of years, and will be recorded on the income statement in the fourth quarter of each year.

Windstream will book service costs, interest costs and expected return on assets on a quarterly basis, with an annual adjustment taken each fourth quarter to reflect actual return on plan assets, changes in discount rates and other actuarial assumptions.

This change will improve transparency in Windstream's financial results by more quickly recognizing the effects of economic and interest rate trends on plan investments and assumptions.

There is no impact on Windstream's cash flow or pension funding requirements as a result of this change. Given Windstream's pension contribution in September 2011, the company does not expect to make a contribution to its pension plan in 2012.

Based on preliminary estimates, Windstream expects to incur a pre-tax, non-cash charge of approximately \$163 million during the fourth-quarter of 2011 as a result of the accounting change, after consideration of the retrospective adjustment of financial results for the first three quarters of 2011. The charge is due to a decrease in the discount rate from 5.31 percent to 4.64 percent, as well as lower than expected returns on plan assets.

Additionally, Windstream has retrospectively adjusted certain prior year financial results to conform to the new methodology.

About Windstream

Windstream Corp. (Nasdaq:WIN) is a leading provider of advanced network communications, 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. Windstream has more than \$6 billion in annual revenues and is listed on the S&P 500 index. For more information, visit www.windstream.com.

The Windstream Corporation logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=8314>

Cautionary Statement Regarding Forward-Looking Statements

Windstream claims the protection of the safe-harbor contained in the Private Securities Litigation Reform Act of 1995 for forward-looking statements set forth in this press release. Forward-looking statements, including the statement that Windstream does not expect to make a contribution to the pension plan in 2012, 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 in Windstream's forward-looking statement include, among others:

- earnings on pension plan investments significantly different than Windstream's expected long term rate of return for plan assets, or significant changes in actuarial estimates impacting our pension liability, such as discount rates;
- further adverse changes in economic conditions in the markets served by Windstream;
- the extent, timing and overall effects of competition in the communications business;
- the risks associated with the integration of acquired businesses or the ability to realize anticipated synergies, cost savings and growth opportunities;
- continued access line loss;
- the impact of new, emerging or competing technologies;
- the adoption of inter-carrier compensation and/or universal service reform proposals by the Federal Communications

- Commission or Congress that results in a significant loss of revenue to Windstream;
- for Windstream's competitive local exchange carrier operations, adverse effects on the availability, quality of service and price of facilities and services provided by other incumbent local exchange carriers on which Windstream's competitive local exchange carrier services depend;
 - the availability and cost of financing in the corporate debt markets;
 - the potential for adverse changes in the ratings given to Windstream's debt securities by nationally accredited ratings organizations;
 - the effects of federal and state legislation, and rules and regulations governing the communications industry;
 - material changes in the communications industry that could adversely affect vendor relationships with equipment and network suppliers and customer relationships with wholesale customers;
 - unfavorable results of litigation;
 - unfavorable rulings by state public service commissions in proceedings regarding universal service funds, inter-carrier compensation or other matters that could reduce revenues or increase expenses;
 - the effects of work stoppages;
 - the impact of equipment failure, natural disasters or terrorist acts; and
 - those additional factors under the caption "Risk Factors" in Windstream's Form 10-K for the year ended Dec. 31, 2010, and in subsequent filings with the Securities and Exchange Commission.

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.

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