



October 19, 2015

Windstream to Sell Data Center Business for \$575 Million

Windstream Remains Committed to Providing Data Center Services for Enterprise Customers Through Strategic Partnerships

LITTLE ROCK, Ark., Oct. 19, 2015 (GLOBE NEWSWIRE) -- Windstream (NASDAQ:WIN), a leading provider of advanced network communications, today announced that it has entered into a definitive agreement with TierPoint, a leading national provider of cloud, colocation and managed services, to sell Windstream's data center business in an all cash transaction for \$575 million.

As part of the transaction, Windstream will establish an ongoing reciprocal strategic partnership with TierPoint, allowing both companies to sell their respective products and services to each other's prospective customers through referrals. This structure will allow Windstream to focus capital on its core telecom offerings while continuing to offer traditional data center services to enterprise customers across a broader data center footprint.

"Data center services will remain an integral component of our enterprise service offering," said Tony Thomas, president and CEO. "We expect the divested data center business to continue its significant growth under the leadership of TierPoint, and we look forward to partnering closely with them to provide advanced data center services to our enterprise customers."

"This is a great strategic fit for TierPoint and our customers," said Jerry Kent, Chairman and CEO for TierPoint. "Windstream Hosted Solutions and its employees have earned a reputation for providing excellent customer service and innovative enterprise-class solutions. We value these team members as a key asset in the acquisition and their expertise adds to our strength and focus on providing a superior level of customer care. We're also very pleased to enter into a long-term strategic partnership with Windstream, allowing both companies to leverage the expertise and respective strengths of our organizations."

The boards of both companies have approved the transaction, which is expected to close within the next 2-4 months, subject to customary conditions and approvals.

Financial Information

The data centers being divested generated the following financial results:

<i>(Dollars in millions)</i>	<u>3 Months Ended June 30, 2015</u>	<u>Second Quarter 2015 Annualized</u>
Revenue	\$30.5	\$122.0
Adjusted OIBDA	\$10.2	\$40.8

Non-GAAP Financial Measures

This press release references the non-GAAP financial measure Adjusted OIBDA for the divested data centers. A reconciliation of this measure to the most directly comparable GAAP measure is presented below:

<i>(Dollars in Millions)</i>	<u>3 Months Ended June 30, 2015</u>	<u>Second Quarter 2015 Annualized</u>
Operating loss under GAAP	\$(2.0)	\$(8.0)
Depreciation and amortization	12.0	48.0
Stock-based compensation	0.2	0.8
Adjusted OIBDA	\$10.2	\$40.8

Additional Information

RBC Capital Markets served as financial advisor and Bryan Cave LP served as legal advisor to Windstream. Paul Hastings LLP served as legal advisor to TierPoint.

About Windstream

Windstream, a FORTUNE 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).

About TierPoint

TierPoint is a leading national provider of cloud, colocation and managed services designed to help organizations improve business performance and manage risk. With corporate headquarters in St. Louis, MO, TierPoint operates highly-redundant, carrier-neutral data centers in the states of Washington, Texas, Oklahoma, Pennsylvania, Maryland, New York, Massachusetts, Connecticut and Florida.

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 transaction, expected benefits of the transaction, the ongoing relationship between the two parties after any closing of the transaction, and the growth potential of the business after any closing are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. 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:

- risks related to the anticipated timing of the closing of the proposed transaction;
- the ability to receive, or delays in obtaining, the necessary regulatory approvals or third party consents required to complete the transaction;
- risks that other conditions to the closing of the transaction may not be satisfied;
- the risk that the financing required to fund the transaction is not obtained; and
- 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 December 31, 2014, and in subsequent filings with the Securities and Exchange Commission at www.sec.gov.

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 other filings by Windstream with the Securities and Exchange Commission at www.sec.gov.

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