



July 2, 2013

Windstream Stockholders May be Eligible for Income Tax Refunds on 2012 Dividends

LITTLE ROCK, Ark., July 2, 2013 (GLOBE NEWSWIRE) -- Windstream Corp. (Nasdaq:WIN) today announced a change in the tax treatment of dividends paid to stockholders in 2012, which may result in income tax refunds.

Windstream previously reported the 2012 dividends as entirely taxable income. Under the revised reporting, 66.417 percent of the dividend amounts paid in 2012 are to be treated as non-taxable income. As a result of this change, shareholders who have already filed 2012 income tax returns may be eligible for refunds on taxes previously paid on their 2012 dividends.

Revised IRS Forms 1099-DIV reflecting the revised tax reporting of the dividend will be mailed to stockholders beginning on July 15, 2013. Stockholders who hold their shares through a bank or broker should receive revised IRS Forms 1099-DIV from that institution.

The company has posted Form 8937 (Report of Organizational Actions Affecting Basis of Securities) on the Investor Relations section of its website at www.windstream.com/investors to assist investors with cost-basis reporting by identifying activities that could affect the cost basis of their investment.

Stockholders should consult their tax advisor to determine the tax cost basis of their holdings and the appropriate tax treatment of dividends paid in 2012.

Going forward, future dividends paid to stockholders are expected to be treated in part as taxable and non-taxable income. For dividends paid in 2013, Windstream currently estimates 50 percent to 60 percent will be treated as non-taxable income.

This change in tax treatment does not have any impact on Windstream's ability to pay its dividend, and there has been no change to Windstream's net income, free cash flow or other financial results as previously reported under Generally Accepted Accounting Principles (GAAP).

Stockholders with questions about the revised tax reporting can contact Windstream's shareholder services representative, Okapi Partners, by calling 1-877-259-6290 or sending an email to windstream@okapipartners.com.

About Windstream

Windstream Corp. (Nasdaq:WIN), a FORTUNE 500 and S&P 500 company, 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. For more information, visit www.windstream.com.

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

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 about Windstream's expectation regarding the tax treatment of future payments. This and other forward-looking statements, including statements about the company's ability to generate cash flows in future periods and to pay its current dividend, 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:

- 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 impact of new, emerging or competing technologies;
- for certain operations where Windstream leases facilities from other carriers, adverse effects on the availability, quality of

- service, price of facilities and services provided by other carriers on which Windstream's services depend;
- the uncertainty regarding the implementation of the Federal Communications Commission's ("FCC") rules on intercarrier compensation adopted in 2011, and the potential for the adoption of further rules by the FCC or Congress on intercarrier compensation and/or universal service reform proposals that result in a significant loss of revenue to Windstream;
 - 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;
 - material changes in the communications industry that could adversely affect vendor relationships with equipment and network suppliers and customer relationships with wholesale customers;
 - earnings on pension plan investments significantly below Windstream's expected long term rate of return for plan assets or a significant change in the discount rate;
 - 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 risks associated with non-compliance by Windstream with regulations or statutes applicable to government programs under which Windstream receives material amounts of end user revenue and government subsidies, or non-compliance by Windstream, its partners, or its subcontractors with any terms of its government contracts;
 - the risks associated with the integration of acquired businesses or the ability to realize anticipated synergies, cost savings and growth opportunities;
 - unfavorable results of litigation or intellectual property infringement claims asserted against Windstream;
 - the effects of federal and state legislation, and rules and regulations governing the communications industry;
 - continued loss of consumer voice lines;
 - the impact of equipment failure, natural disasters or terrorist acts;
 - the effects of work stoppages by Windstream employees or employees of other communications companies on whom Windstream relies for service; 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 Dec. 31, 2012, 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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