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BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION

MAY 01 2013

PUBLIC SERVICE
COMMISSION

Application of :
 :
 Windstream Kentucky East, LLC, :
 Windstream Kentucky West, LLC, : Case No. 2013-_____
 and :
 Windstream Corporation :
 :
 For Authority to Complete A Certain *Pro* :
Forma Intra-Corporate Transaction :

APPLICATION

1. Windstream Kentucky East, LLC, Windstream Kentucky West (collectively, “Windstream Licensees”) and Windstream Corporation (“Windstream”) (Windstream and Windstream Licensees, collectively, “Applicants”), by their undersigned counsel and pursuant to Ky. Rev. Stat. §§ 278.020(5) and 278.020(6), and the rules of the Kentucky Public Service Commission (“Commission”), respectfully request authority from the Commission, to the extent required, for Applicants to undertake a *pro forma* intra-corporate transaction (the “Transaction”) that will insert a new holding corporation, Windstream Holdings, Inc. (“WHI”), into the ownership chain above Windstream (the current parent holding company of the Windstream Licensees).¹

¹ In Kentucky, certain other Windstream operating entities are regulated as interexchange or competitive local exchange providers, and as such, are subject to the prior notification requirements pursuant to Case Nos. 359 and 370. These entities are Network Telephone Corp., Paetec Communications, Inc., Talk America, Inc., The Other Phone Company, US LEC of Tennessee, LLC, Windstream Communications, Inc., Windstream KDL, Inc., Windstream Norlight, Inc., Windstream NTI, Inc., Windstream NuVox, Inc. As such, Windstream, on behalf of those entities, hereby provides notice to the Commission of the Transaction contemplated by this Application.

2. Under the proposed Transaction, the current parent company, Windstream, will become a wholly owned subsidiary of WHI, a new corporate holding company. The Applicants emphasize that the Windstream Licensees and their customers will not be impacted by these changes since the only difference is that the Windstream Licensees will be held through a slightly-modified corporate ownership structure, and they will ultimately be indirectly owned by the same shareholders as before the Transaction. Organization charts illustrating the proposed *pro forma* intracorporate Transaction insofar as it relates to the Windstream Licensees are appended hereto as **Exhibit A**. As described more fully below, the Transaction will establish a revised holding company structure that will provide the Windstream family of companies with a number of benefits including a more efficient capital structure and more efficient access to capital markets. In support of this filing, the Applicants provide the following information:

- I. **DESCRIPTION OF THE APPLICANTS**

3. Windstream Corporation, a Delaware corporation headquartered at 4001 Rodney Parham Road, Little Rock, Arkansas 72212, (501) 748-7000, is a publicly traded (Nasdaq: WIN) S&P 500 diversified communications and entertainment company. Windstream's subsidiaries provide local and long distance telephone services, data hosting services, broadband and high-speed data services and video services to customers throughout the United States. Together, Windstream's operations currently have approximately 3.4 million connections (*i.e.*, voice lines, high-speed Internet lines, digital television customers) and approximately \$6 billion in annual revenues. More information about Windstream and its operations can be found at www.windstream.com/about.

4. Windstream does not provide telecommunications services in its own right. It owns and operates a number of licensed telecommunications providers in all states and the District of Columbia, except Alaska, many of which also hold authority from the Federal Communications Commission (“FCC”) to provide domestic interstate and international telecommunications services. In Kentucky, Windstream’s regulated subsidiaries hold the following authorizations:

1. Network Telephone Corp. is authorized to provide local exchange services pursuant to Utility ID 5007600 and interexchange services pursuant to Utility ID 22250076.
2. Paetec Communications, Inc. is authorized to provide local exchange services pursuant to Utility ID 22251445 and interexchange services pursuant to Utility ID 5144500.
3. Talk America, Inc. is authorized to provide local exchange services pursuant to Utility ID 5051890, interexchange services pursuant to Utility ID 5100700, and operator services pursuant to Utility ID 22251007.
4. The Other Phone Company is authorized to provide local exchange services pursuant to Utility ID 5010600 and interexchange services pursuant to Utility ID 22250106.
5. US LEC of Tennessee, LLC is authorized to provide local exchange services pursuant to Utility ID 5050370, interexchange services pursuant to Utility ID 22205037, and operator services pursuant to Utility ID 33305037.
6. Windstream Communications, Inc. is authorized to provide local exchange services pursuant to Utility ID 33351184, interexchange services pursuant to Utility ID 5118400, and operator services pursuant to Utility ID 22251184.
7. Windstream KDL, Inc. is authorized to provide local exchange services pursuant to Utility ID 22251009 and interexchange services pursuant to Utility ID 5100900.
8. Windstream Kentucky East, LLC is authorized to provide incumbent local exchange services pursuant to Utility ID 5022700.
9. Windstream Kentucky West, LLC is authorized to provide incumbent local exchange services pursuant to Utility ID 11000.

10. Windstream Norlight, Inc. is authorized to provide local exchange services pursuant to Utility ID 22213700, interexchange services pursuant to Utility ID 13700, and operator services pursuant to Utility ID 33313700.
 11. Windstream NTI, Inc. is authorized to provide local exchange services pursuant to Utility ID 5056180 and interexchange services pursuant to Utility ID 5177600.
 12. Windstream NuVox, Inc. is authorized to provide local exchange services pursuant to Utility ID 5005500 and interexchange services pursuant to Utility ID 22250055.
5. Network Telephone Corp., Paetec Communications, Inc., Talk America, Inc., The Other Phone Company, US LEC of Tennessee, LLC, Windstream Communications, Inc., Windstream KDL, Inc., Windstream Norlight, Inc., Windstream NTI, Inc., Windstream NuVox, Inc. each only provide competitive local exchange and/or interexchange services, and as such, are subject to the prior notification requirements of Case Nos. 359 and 370.
6. Exhibit A illustrates the current and post-transaction corporate structure of Windstream's regulated subsidiaries in Kentucky. A copy of Windstream's consolidated financial statements is attached hereto as **Exhibit B**.² After the Transaction is undertaken, the Applicants will remain well-qualified to provide service to their customers, and their operations will continue to be overseen by the same well-qualified Windstream management team with substantial telecommunications experience and technical expertise. Management biographies for Windstream's executive team are attached hereto as **Exhibit C**.

² For the Commission's convenience, an electronic version of the 8-K is available on the SEC's website at:
<http://www.sec.gov/Archives/edgar/data/1282266/000128226613000017/0001282266-13-000017-index.htm>.

II. DESIGNATED CONTACTS

7. Inquiries or copies of any correspondence, orders, or other materials pertaining to this

Application should be directed to:

Mark R. Overstreet
Ben Crittenden
Stites & Harbison, PLLC
421 West Main Street, P.O. Box 634
Frankfort, KY 40602-0634
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jean.kiddoo@bingham.com
russell.blau@bingham.com
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with a copy to:

Cesar Caballero
Windstream Communications
4001 Rodney Parham Rd.
Mailstop: 1170-B1F03-53A
Little Rock, AR 72212
501-748-7142 (Tel)
501-748-7996 (Fax)
cesar.caballero@windstream.com

III. DESCRIPTION OF THE PRO FORMA TRANSACTION

8. The *pro forma* Transaction will involve the insertion of a new holding corporation, Windstream Holdings, Inc., in the ownership chain above Windstream (the current parent holding company of the Windstream Licensees) (the “Transaction”).
9. In order to effectuate the Transaction, three steps are necessary. In Step 1 Windstream will form a wholly owned subsidiary, Windstream Holdings Inc., which will be a Delaware corporation; in Step 2, Windstream Holdings, Inc. will form a wholly owned subsidiary, Mergerco, which will be a Delaware corporation; in Step 3 Mergerco will

merge with and into Windstream, with Windstream as the surviving corporation and a wholly owned subsidiary of Windstream Holdings, Inc. (See Exhibit A for a chart illustrating the Transaction).

10. As a result of the Transaction, Windstream will effectuate the insertion of a new publicly traded holding company at the top of the ownership chain. At the time of the Transaction, the existing shares of Windstream stock (which are publicly traded) will be converted into shares of WHI stock on a one-for-one basis. Thus, the existing shareholders of Windstream will continue to be the shareholders of WHI after the Transaction takes place, in the same amounts and percentages as they hold prior to the Transaction. The Transaction will not result in any change in the ultimate beneficial ownership of the Windstream Licensees; current Windstream shareholders will continue to hold the same level of indirect ownership in the Windstream Licensees as they did prior to the Transaction, albeit through a new holding company. As such, the Transaction is purely *pro forma* in nature.
11. In addition, the “shared” corporate operations and other service functions currently handled by Windstream Communications Inc. (“WCI”) on behalf of other Windstream operating subsidiaries, including the Windstream Licensees, such as shared service corporate employees (including accounting, treasury, finance, tax, regulatory, legal, human resources, and marketing support functions), shared contracting functions, centralized procurement, will be transferred and migrated from WCI to Windstream and as a result will be more appropriately performed by the corporate parent of the operating companies instead of by a “sister” operating company as they are today. (As shown on Exhibit A, WCI is currently a direct subsidiary of Windstream, and therefore a “sister” entity

to the Windstream Licensees.) In addition to serving as the shared service entity that employs shared service corporate employees and performs shared services on behalf of other operating companies, WCI holds licenses and provides certain interexchange and other services. Only the shared corporate services will be assigned to Windstream; the telecommunications operations and licenses currently held by WCI, including those in Kentucky, and the assets used to perform telecommunications services pursuant to those licenses, will remain with WCI following the *pro forma* Transaction.

12. WHI has not yet been formed as a corporate entity. Windstream will undertake the necessary steps to form WHI prior to the consummation of the Transaction. Once the Transaction is completed, WHI will have the same public shareholders as Windstream and the same officers and directors, and therefore will have the same financial, managerial and technical expertise of the current publicly-traded corporate parent of the Windstream Licensees.

IV. PUBLIC INTEREST CONSIDERATIONS

13. In Kentucky, the standard for approval of applications filed with the Commission pursuant to Ky Rev. Stat. § 278.020(5) is whether “the person acquiring the utility has the financial, technical, and managerial abilities to provide reasonable service.”³ The standard for approval of applications filed with the Commission pursuant to Ky Rev. Stat. § 278.020(6) is whether the proposed transaction “is to be made in accordance

³ Ky. Rev. Stat. § 278.020(5).

with law, for a proper purpose and is consistent with the public interest.” As set forth below, the Transaction meets these standards.⁴

14. The net effect of the Transaction will be that the stock of the Windstream Licensees, which is today held by Windstream Corporation as the parent and a publicly-traded entity, will instead be held by Windstream as a first-tier subsidiary of WHI, the new publicly-traded entity. The stockholders of Windstream Corporation at the time of the Transaction will become stockholders of WHI; current officers and employees of Windstream Corporation will become the officers and employees of WHI; and WHI will be the sole holder of equity interests in Windstream. Thus, WHI will have the power to control the voting of stock in the Windstream Licensees, just as Windstream does today. There will be no change in actual working control of any of the Windstream Licensees, no change in the membership of their boards of directors or in the management of their operations, and no change in their capital structure. The Windstream Licensees will continue to have the financial, technical and managerial capabilities to provide service to their customers, and their operations will continue to be overseen by their existing management teams. The retail and wholesale services provided by the Windstream Licensees and the rates, terms and conditions of those services will not change as a result of the Transaction, and the Kentucky customers of the Windstream Licensees will not be affected in any way by the Transaction.
15. Moreover, the Transaction will not impact any collective bargaining arrangements with any organized labor group. With the exception of the transfer of certain shared opera-

⁴ Because the Transaction involves a transfer of control between commonly-owned affiliated companies, the Applicants respectfully submit that Ky. Rev. Stat. § 278.020(6) is inapplicable to this Application pursuant to the exemption set forth in Ky. Rev. Stat. § 278.020(7)(b).

tions and corporate employees, none of whom are collective bargaining employees, from WCI to Windstream, the Transaction will be undertaken solely at the holding company level of the Windstream organization above the Windstream Licensees. The Transaction will not affect employee headcount in the Windstream family of companies.

16. The proposed reorganization of Windstream's corporate structure will provide the company with greater flexibility for future equity and debt transactions, which will increase its access to capital and benefit the Windstream Licensees and their customers. After the Transaction, Windstream (as a second tier company) will be the legal successor of the current parent company's existing obligations, including debt.⁵ Moreover, the provision of shared services for the benefit of multiple operating subsidiaries is more appropriately undertaken in an intermediate parent holding company entity below the public company entity and by a "parent" rather than a "sister" operating entity, and the creation of WHI and assignment of shared services functions to Windstream will accomplish that structure. Because WCI is not a guarantor of outstanding Windstream debt, transferring the shared corporate operations functions to Windstream will give the latter entity's creditors additional security for their debt, which the company anticipates will allow it to obtain debt capital in future on more favorable terms. These changes also will give WHI more flexibility to structure future transactions so as to obtain the most favorable tax and accounting treatment.

⁵ The Transaction will neither increase nor decrease any outstanding obligations of the Windstream Licensees.

17. In sum, these corporate structure changes will increase the overall company's efficiency and make it more attractive to potential creditors, which should improve its access to debt and equity capital. This, in turn, will enable both the holding company and its operating subsidiaries to keep their cost of capital low, which is important in a time of declining line counts and decreasing operating revenues in the Windstream Licensees.

V. INFORMATION REQUIRED PURSUANT TO 807 KAR 5:001

18. Pursuant to Section 14 of 807 KAR 5:001, the Application sets forth the following information:
- (a) Applicants' names, mailing address and electronic mail address: *See* Sections I and II above.
 - (b) Facts on which the Application is based: *See* Sections III and IV above.
 - (c) Requests for the Commission order and authorization: *See* Section VI below.
 - (d) The articles of incorporation, including all amendments, for each of the Applicants are set forth as **Exhibit D** hereto.

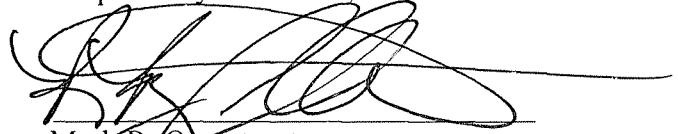
VI. CONCLUSION

WHEREFORE, for the reasons set forth above, Applicants request the Commission enter an Order finding that:

- (1) approval for the Transaction is granted under Ky. Rev. Stat. §§ 278.020(5);
- (2) no approval is required under KRS 278.020(6) because the Applicants fall within the scope of the exemption provided under KRS 278.020(7)(b) or, in the alternative, approval for the Transaction is granted under KRS 278.020(6);
- (3) pursuant to Ky Rev. Stat. § 278.020(5), the entity acquiring the Applicants will have the financial, technical, and managerial abilities to provide reasonable service;

- (4) the proposed Transaction is being made in accordance with law, for a proper purpose and is consistent with the public interest; and
- (5) the Applicants have satisfied all applicable requirements necessary to undertake the Transaction.

Respectfully submitted,



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Stites & Harbison, PLLC
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Frankfort, KY 40602-0634
502-209-1219 (Tel)
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rcrittenden@stites.com

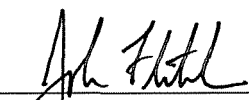
Dated: May 1, 2013

STATE OF ARKANSAS
COUNTY OF PULASKI

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§ ss:
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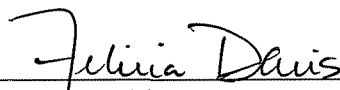
VERIFICATION

I, John Fletcher, state that I am Executive Vice President, General Counsel and Secretary of Windstream Corporation and its applicant subsidiaries (the “Windstream Companies”); that I am authorized to make this Verification on behalf of the Windstream Companies, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



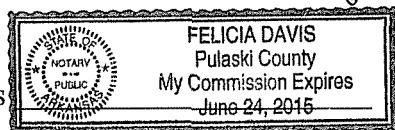
John Fletcher
Executive Vice President & General Counsel
Windstream Corporation

Sworn and subscribed before me this 30 day of April, 2013.



Notary Public

My commission expires



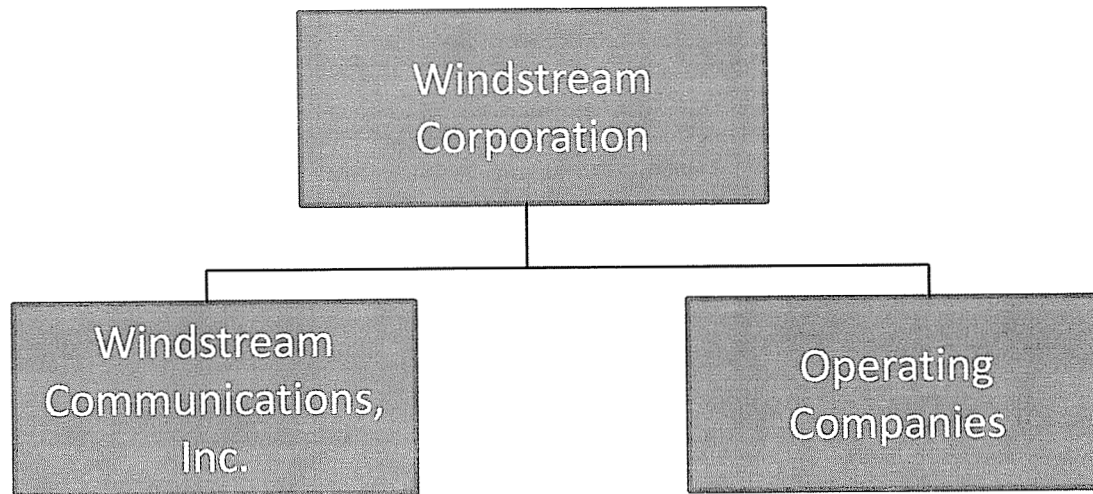


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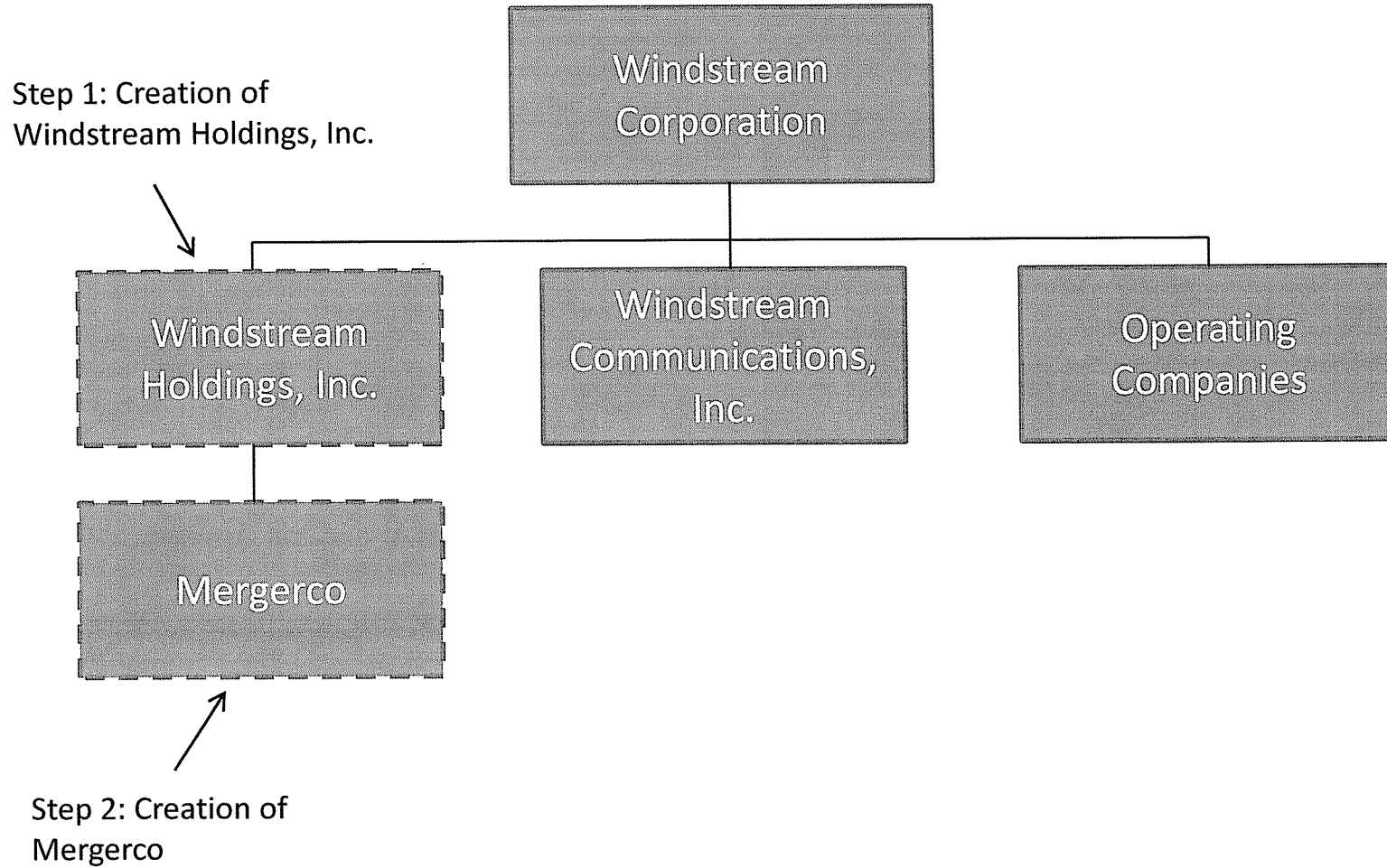
Exhibit A

Corporate Organizational and Transaction Charts

Current Corporate Structure



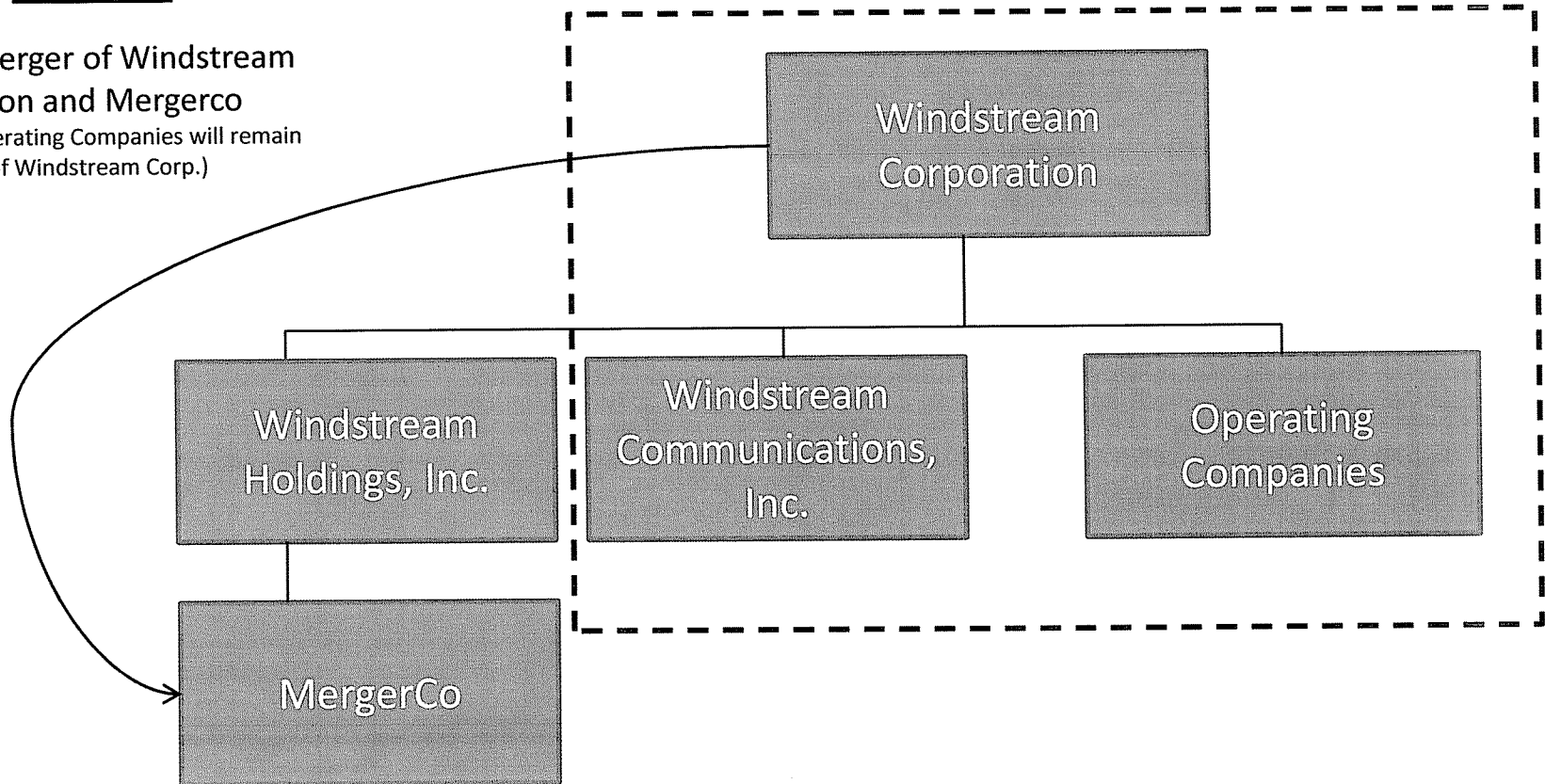
Steps 1 and 2



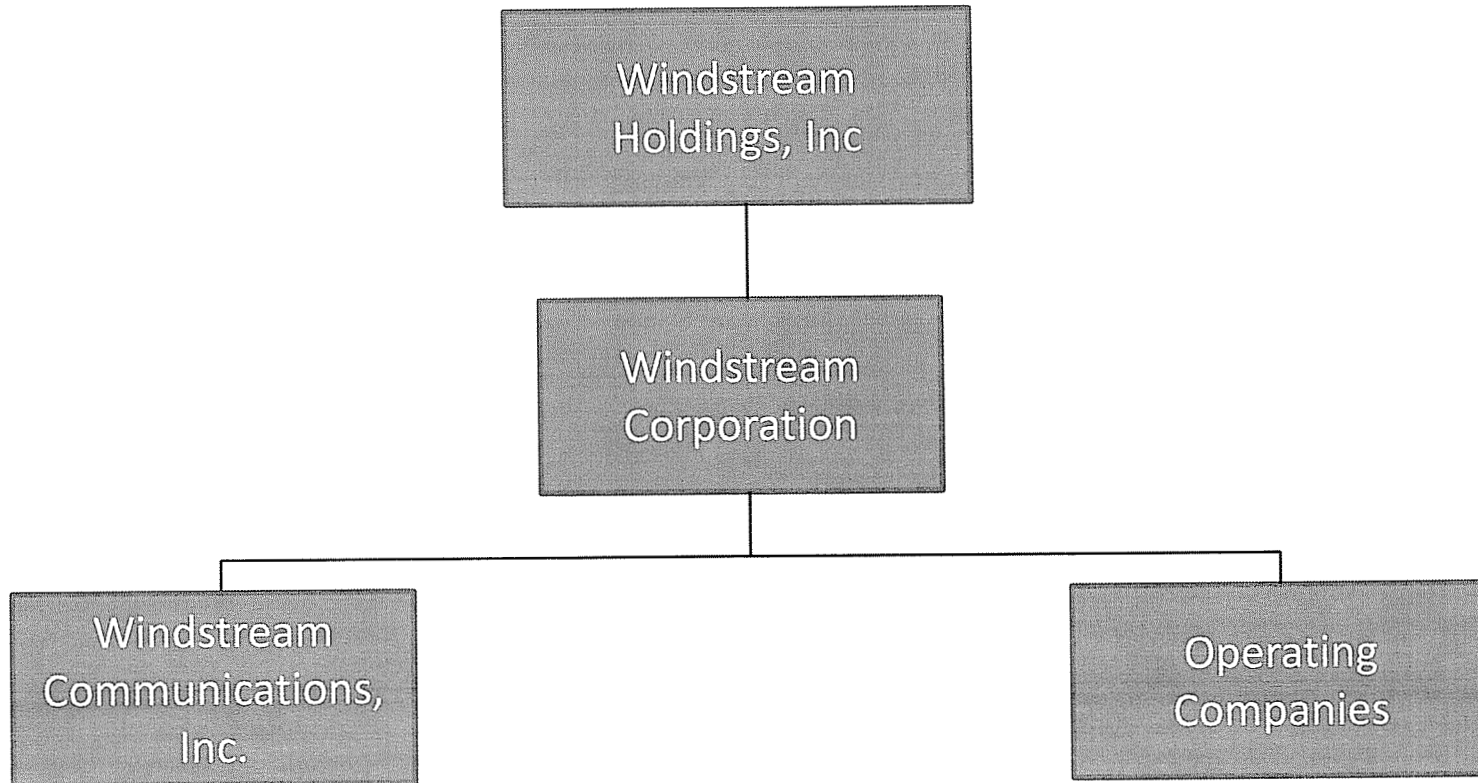
Step 3

Step 3: Merger of Windstream Corporation and Mergerco

(WCI and Operating Companies will remain subsidiaries of Windstream Corp.)



Resulting Corporate Structure





ALL-STATE LEGAL 800-222-0510 EDS11 RECYCLED

Exhibit B

Windstream's Most Recent SEC Form 8-K Financial Information

WINDSTREAM CORP

FORM 8-K (Current report filing)

Filed 02/19/13 for the Period Ending 02/19/13

Address	4001 RODNEY PARHAM RD. LITTLE ROCK, AR 72212
Telephone	5017487000
CIK	0001282266
Symbol	WIN
SIC Code	4813 - Telephone Communications, Except Radiotelephone
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 19, 2013

WINDSTREAM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
**(State or other jurisdiction of
incorporation or organization)**

001-32422
**(Commission
File Number)**

20-0792300
**(I.R.S. Employer
Identification No.)**

4001 Rodney Parham Road,
Little Rock, Arkansas
(Address of principal executive offices)

(501) 748-7000

72212
(Zip Code)

Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 19, 2013, Windstream Corporation ("Windstream" or the "Company") issued a press release announcing the Company's fourth quarter 2012 unaudited consolidated results of operations. The press release presents the Company's unaudited consolidated results of operations measured under generally accepted accounting principles in the United States ("GAAP") and certain unaudited pro forma results of operations from current businesses, which are not calculated in accordance with GAAP. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in the Company's financial statements. The non-GAAP financial measures used by the Company may not be comparable to similarly titled measures used by other companies and should not be considered in isolation or as a substitute for measures of performance or liquidity prepared in accordance with GAAP.

On November 30, 2011, Windstream completed the acquisition of PAETEC Holding Corp ("PAETEC"). This transaction may cause results reported under GAAP to be not necessarily indicative of future results.

The unaudited consolidated results from current businesses presented on a pro forma basis include preacquisition results of operations of acquired businesses for completed acquisitions and exclude merger and integration costs associated with the transaction when compared to measures prepared in accordance with GAAP.

Windstream's purpose for including the preacquisition results of PAETEC and for excluding merger and integration costs is to improve the comparability of results of operations for periods in 2011 to the results of operations for the same periods of 2012 in order to focus on the true earnings capacity associated with providing telecommunication services.

The Company uses pro forma results from current businesses as a key measure of its operational performance. Windstream management, including the chief operating decision-maker, uses these measures consistently for all purposes, including internal reporting, the evaluation of business objectives, opportunities and performance, and the determination of management compensation.

The Company's press release, and other communications from time to time, include a non-GAAP measure titled operating income before depreciation and amortization, or OIBDA. OIBDA can be calculated directly from the Company's financial statements by taking operating income and adding back depreciation and amortization expense. The Company will also at times make reference to pro forma OIBDA from current businesses, which is also a non-GAAP measure. Pro forma OIBDA from current businesses adjusts OIBDA for the items that are either included or excluded from pro forma results from current businesses. Management considers OIBDA to be useful to investors because OIBDA provides information specific to the Company's operating performance.

In addition, from time to time the Company's communications will also include the following non-GAAP measures:

- Pro forma adjusted OIBDA, defined as pro forma OIBDA from current businesses adjusted to exclude the impacts of pension expense, restructuring charges and restricted stock expense. Pro forma adjusted OIBDA is included to provide investors with useful information about the Company's operating performance before the impacts of certain non-cash items and to enhance the comparability of operating results for the periods presented.
- Adjusted free cash flow, defined as operating income plus depreciation and amortization, merger and integration costs, pension expense, share-based compensation, and restructuring charges, less adjusted capital expenditures, interest paid, and income taxes paid, net of refunds. Management believes that adjusted free cash flow provides investors with useful information about the ability of the Company's core operations to generate cash flow. Adjusted capital expenditures are defined as capital expenditures, less integration capital expenditures.
- Dividend payout ratio, defined as dividends paid on common shares divided by adjusted free cash flow. The Company believes the dividend payout ratio provides the investor useful information about the Company's operating performance after the payment of dividends to shareholders.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

Exhibit

Number

Description

Exhibit 99(a)

Windstream Press Release dated February 19, 2013

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

WINDSTREAM CORPORATION

By: /s/ Anthony W. Thomas
Name: Anthony W. Thomas
Title: Chief Financial Officer and Treasurer

February 19, 2013

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 99(a)	Windstream Press Release dated February 19, 2013

Windstream reports fourth-quarter results, reaffirms commitment to \$1 annual dividend

- Business service revenues were \$917 million, a 3 percent increase year-over-year
- Consumer broadband service revenues were \$116 million, a 5 percent increase year-over-year
- Total business and consumer broadband revenues now represent 70 percent of total revenues
- Total revenues and sales were \$1.54 billion, a decline of 2 percent year-over-year
- Adjusted OIBDA was \$619 million, an increase of 2 percent year-over-year

Release date: Feb. 19, 2013

LITTLE ROCK, Ark. - Windstream Corp. (Nasdaq: WIN) grew total business and consumer broadband revenues while delivering improved profitability in the fourth quarter. Total business and consumer broadband revenues now represent 70 percent of the company's total revenues.

"Windstream continues to produce substantial free cash flow that enables us to invest in our business and reduce our debt while continuing to pay our \$1 annual dividend," said Jeff Gardner, president and CEO. "Our management team and the board of directors unanimously support continuing the dividend at its current rate because we believe it is the best way to create value for our shareholders.

"We made significant progress on key initiatives in 2012 that will further strengthen our business going forward. I am particularly proud of our team's accomplishments in navigating the multi-year impact of regulatory reform and evolving consumer preferences while maintaining solid operating cash flow."

2012 Accomplishments

Windstream accomplished important objectives in 2012 as it continued its transformation to an enterprise-focused provider of communications and technology services. During the year, the company achieved significant milestones in integrating PAETEC, strengthening its balance sheet and improving its cost structure while investing in strategic capital initiatives and growing strategic revenue.

Reflecting the successful shift in Windstream's focus, business service revenues were \$917 million in the fourth quarter on a pro forma basis and \$3.6 billion for the year, an increase of 3 percent year-over-year for both the fourth quarter and the year.

Total enterprise customers, who generate \$750 or more in revenue per month, grew 6 percent in the fourth quarter year-over-year. Average service revenue per business customer per month was approximately \$390, a 7 percent increase from the same period a year ago, underscoring Windstream's ability to build profitable relationships with clients who have complex communications and information technology needs.

2013 Priorities

Windstream's goal remains to produce substantial and sustainable free cash flow to provide long-term support for its dividend. To that end, in 2013, the company is focused on investing in the business channel to increase revenue and profitability, completing the fiber-to-the-tower and broadband stimulus initiatives and further deleveraging the balance sheet.

"We plan to make targeted investments in the business channel this year to drive sales, profitability and improve the customer experience," Gardner said. "We expect to substantially complete our capital investments related to our fiber-to-the-tower projects and broadband stimulus initiatives. We also expect to further improve our balance sheet by directing excess free cash flow - after our dividend - to debt repayment."

2012 Accounting Revision

The company has revised its accounting treatment for a consumer promotion credit that was designed to help residential customers with the upfront cost of switching their service to Windstream. The company initially had amortized the credit over the two-year commitment period obtained from the customer. During management's year-end audit process, the company concluded the entire credit should be recognized when it occurs. The effect was to accelerate the full amount of the promotional credits given to customers, resulting in a \$17 million reduction in consumer revenue, mostly in product sales, and a \$23 million reduction in Adjusted OIBDA for the nine month period ended Sept. 30, 2012. During the fourth quarter, this revision resulted in a \$2 million reduction of previously estimated consumer revenue and a \$5 million reduction of Adjusted OIBDA. The change has no effect on the company's GAAP cash flows.

Pro Forma Financial Results

Total revenues and sales were \$1.54 billion in the fourth quarter, a decline of 2 percent from the same period a year ago, and \$6.16 billion for the year, a decline of 1 percent year-over-year.

Adjusted OIBDA was \$619 million in the fourth quarter, an increase of 2 percent year-over-year. Adjusted OIBDA improved sequentially by \$27 million as a result of cost management initiatives. For the full year, Adjusted OIBDA was \$2.389 billion, a decrease of 2 percent year-over-year. Excluding the non-cash accounting revision related to the consumer promotional credits, Adjusted OIBDA would have been \$2.417 billion. Adjusted OIBDA removes the impact of restructuring charges, pension expense and stock-based compensation.

Business demand for IP, next-generation data and data-center services continued to drive growth in business service revenue. Data and integrated services revenues were \$398 million in the fourth quarter, an increase of 9.5 percent from the same period a year ago. For the year, data and integrated services revenues were \$1.54 billion, up 9 percent year-over-year.

Carrier service revenues in the fourth quarter were \$165 million, an increase of 2 percent year-over-year, and \$653 million for the year, up 4 percent year-over-year, largely related to fiber-to-the-tower installations.

Consumer broadband service revenues in the fourth quarter were \$116 million, up 5 percent from the same period in 2011, and \$457 million for the year, up 4 percent year-over-year.

Overall consumer service revenues in the fourth quarter were \$334 million, a decrease of 1.5 percent from the same period a year ago, and \$1.34 billion for the year, a decrease of 3 percent year-over-year.

Total business and consumer broadband revenues represented approximately 70 percent of Windstream's total revenues and sales in the fourth quarter and collectively grew 2 percent year-over-year.

Wholesale revenues in the fourth quarter were \$169 million, a decline of 17 percent from the same period a year ago due to lower intrastate access rates as part of intercarrier compensation reform implemented in July 2012 and lower switched access revenue from declining consumer voice lines. For the year, wholesale revenues were \$708 million, a decrease of 14 percent year-over-year.

Adjusted capital expenditures were \$270 million in the fourth quarter, excluding \$21 million in integration capital related to PAETEC network optimization opportunities. For the year, adjusted capital expenditures were \$1.05 billion, excluding \$51 million in integration capital related to PAETEC.

GAAP Financial Results

In the fourth quarter under Generally Accepted Accounting Principles (GAAP), Windstream reported total revenues and sales of \$1.54 billion, operating income of \$172 million and net income of \$10 million, or 2 cents per share.

That compares to total revenues and sales of \$1.21 billion, operating income of \$96 million and a net loss of \$35 million, or 7 cents per share, during the same period in 2011.

GAAP results include a non-cash charge of 7 cents per share related to the company's pension plan. The charge is primarily due to a reduction in the plan's discount rate from 4.5 percent last year to 3.9 percent this year. In addition, GAAP results include approximately 2 cents in after-tax merger and integration and restructuring expense. Excluding all of these items, adjusted earnings per share would have been 11 cents for the fourth quarter.

For all of 2012 under GAAP, Windstream reported net income of \$168 million, or 28 cents per share, on total revenues of \$6.16 billion. That compares to net income of \$170 million, or 32 cents per share, on total revenues of \$4.28 billion during the same period in 2011. For the full year, adjusted earnings per share would have been 45 cents.

Adjusted Free Cash Flow

Adjusted free cash flow was \$122 million during the fourth quarter. Windstream generated \$768 million in adjusted free cash flow in 2012 and paid out \$588 million in dividends, representing a dividend payout ratio of 77 percent. Adjusted free cash flow is adjusted OIBDA, excluding merger and integration expense, minus cash interest, cash taxes and adjusted capital expenditures.

Financial outlook for 2013

Lower capital spending and improved dividend payout ratio expected

Windstream expects growth in business revenue and consistent trends in consumer revenue to largely offset declines in wholesale revenue such that total revenue in 2013 is within a range of a 2 percent decline to a 1 percent increase as compared to 2012 total revenue.

The company expects Adjusted OIBDA to be within a range of a 3 percent decline to a 1 percent increase versus 2012 Adjusted OIBDA.

Capital expenditures are expected to decline by more than \$200 million in 2013 and be between \$800 million and \$850 million.

The company expects cash tax payments between \$37 million and \$42 million, which reflects the extension of bonus depreciation by the American Taxpayer Relief Act of 2012 and other tax saving initiatives implemented last year. Guidance also assumes net cash interest of \$608 million.

Windstream expects adjusted free cash flow to increase between 13 percent and 25 percent from 2012, resulting in a dividend payout ratio ranging from 61 percent to 68 percent.

Conference call:

Windstream will hold a conference call at 7:30 a.m. CST today to review the company's fourth-quarter and full-year 2012 results and financial guidance for 2013.

To access the call:

Interested parties can access the call by dialing 1-877-374-3977, conference ID 86395871, ten minutes prior to the start time.

To access the call replay:

A replay of the call will be available beginning at 10:30 a.m. CST today and ending at midnight on March 5. The replay can be accessed by dialing 1-855-859-2056, conference ID 86395871

Webcast information:

The conference call also will be streamed live over the company's website at www.windstream.com/investors. Financial, statistical and other information related to the call will be posted on the site. A replay of the webcast will be available on the website beginning at 10:30 a.m. CST today.

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.

Pro forma results adjust results of operations under GAAP to include the acquisition of PAETEC Holding Corp., and to exclude all merger and integration costs related to strategic transactions. A reconciliation of pro forma results to the comparable GAAP measures is available on the company's Web site at www.windstream.com/investors.

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 to return a significant portion of its cash flow to shareholders through its dividend, the expectation to maintain its current dividend practice at the current rate of dividend, expected levels of support from universal service funds or other government programs, expected rates of loss of voice lines or intercarrier compensation, expected increases in high-speed Internet and business data connections, expected ability to fund operations, expected required contributions to its pension plan, capital expenditures and certain debt maturities from cash flows from operations, expected synergies and other benefits from completed acquisitions, expected effective federal income tax rates, expected annualized savings from the management restructuring, the amounts expected to be received from the Rural Utilities Service to fund a portion of its broadband stimulus projects and the expected benefits of those projects and forecasted capital expenditure amounts. These and other 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 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 and 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 rules on intercarrier compensation adopted in 2011, 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, intercarrier 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 the caption "Risk Factors" in Windstream's Form 10-K for the year ended December 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 filings by Windstream with the Securities and Exchange Commission at www.sec.gov.

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WINDSTREAM CORPORATION
 UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
 (In millions, except per share amounts)

	THREE MONTHS ENDED				TWELVE MONTHS ENDED			
	December 31, 2012	December 31, 2011	Increase (Decrease)		December 31, 2012	December 31, 2011	Increase (Decrease)	
			Amount	%			Amount	%
UNDER GAAP (A):								
Revenues and sales:								
Service revenues	\$ 1,483.8	\$ 1,161.8	\$ 322.0	28	\$ 5,925.1	\$ 4,154.6	\$ 1,770.5	43
Product sales	54.4	43.5	10.9	25	231.2	126.6	104.6	83
Total revenues and sales	<u>1,538.2</u>	<u>1,205.3</u>	<u>332.9</u>	<u>28</u>	<u>6,156.3</u>	<u>4,281.2</u>	<u>1,875.1</u>	<u>44</u>
Costs and expenses:								
Cost of services (exclusive of depreciation and amortization included below)	705.1	589.7	115.4	20	2,692.4	1,691.1	1,001.3	59
Cost of products sold	50.8	36.7	14.1	38	210.0	105.3	104.7	99
Selling, general and administrative	256.4	204.8	51.6	25	976.0	602.7	373.3	62
Depreciation and amortization	339.1	241.7	97.4	40	1,297.6	847.5	450.1	53
Merger and integration costs	11.0	35.9	(24.9)	(69)	65.4	69.8	(4.4)	(6)
Restructuring charges	4.1	0.6	3.5	*	27.4	1.3	26.1	*
Total costs and expenses	<u>1,366.5</u>	<u>1,109.4</u>	<u>257.1</u>	<u>23</u>	<u>5,268.8</u>	<u>3,317.7</u>	<u>1,951.1</u>	<u>59</u>
Operating income	171.7	95.9	75.8	79	887.5	963.5	(76.0)	(8)
Other income (expense), net	0.2	2.0	(1.8)	(90)	4.6	(0.1)	4.7	*
(Loss) gain on early extinguishment of debt	—	(11.7)	11.7	*	1.9	(136.1)	138.0	*
Interest expense	(159.7)	(141.2)	(18.5)	(13)	(625.1)	(558.3)	(66.8)	(12)
Income (loss) from continuing operations before income taxes	12.2	(55.0)	67.2	*	268.9	269.0	(0.1)	—
Income taxes	2.1	(20.4)	22.5	*	100.2	99.4	0.8	1
Income (loss) from continuing operations	10.1	(34.6)	44.7	*	168.7	169.6	(0.9)	(1)
Discontinued operations, net of tax	—	(0.1)	0.1	*	(0.7)	(0.1)	(0.6)	*
Net income (loss)	<u>\$ 10.1</u>	<u>\$ (34.7)</u>	<u>\$ 44.8</u>	<u>*</u>	<u>\$ 168.0</u>	<u>\$ 169.5</u>	<u>\$ (1.5)</u>	<u>(1)</u>
Weighted average common shares	585.1	534.9	50.2	9	584.5	512.7	71.8	14
Common stock outstanding	588.2	586.3	1.9	—				
Basic and diluted earnings per share:								
Net income (loss)	\$ 0.2	(\$ 0.7)	\$ 0.9	*	\$ 0.28	\$ 0.32	(\$ 0.4)	(13)
PRO FORMA RESULTS OF OPERATIONS (B):								
Revenues and sales	\$ 1,538.2	\$ 1,564.4	\$ (26.2)	(2)	\$ 6,156.3	\$ 6,239.1	\$ (82.8)	(1)
OIBDA (C)	\$ 521.8	\$ 431.9	\$ 89.9	21	\$ 2,250.5	\$ 2,222.3	\$ 28.2	1
Adjusted OIBDA (D)	\$ 618.5	\$ 607.3	\$ 11.2	2	\$ 2,388.5	\$ 2,429.8	\$ (41.3)	(2)
Capital expenditures	\$ 291.8	\$ 238.9	\$ 52.9	22	\$ 1,101.2	\$ 892.0	\$ 209.2	23

* Not meaningful

- (A) We have revised the fourth quarter of 2011 and the first three quarters of 2012 to reflect a change in the accounting for certain promotional credits for new consumer customers. Previously, these credits were deferred and amortized as a reduction of revenue over the length of the contract with the customer, whereas they should have been recognized in the month the credits were issued. We have determined these corrections were not material to the periods affected.
- (B) Pro forma results adjust results of operations under GAAP to include the acquisition of PAETEC Holding Corp ("PAETEC"), and to exclude all merger and integration costs ("M&I") related to strategic transactions. PAETEC results include results from companies acquired by PAETEC for periods prior to those acquisitions and excludes the results of operations of the energy business as part of PAETEC, which is presented as discontinued operations. For further details on these adjustments, see the Notes to Unaudited Reconciliation of Revenues and Sales, Operating Income and Capital Expenditures Under GAAP to Pro Forma Revenues and Sales, Pro Forma Adjusted OIBDA and Pro Forma Capital Expenditures.
- (C) OIBDA is operating income before depreciation and amortization and merger and integration costs.
- (D) Adjusted OIBDA adjusts OIBDA for the impact of restructuring charges, pension expense and share-based compensation. For further details on these adjustments, see the Notes to Unaudited Reconciliation of Revenues and Sales, Operating Income and Capital Expenditures Under GAAP to Pro Forma Revenues and Sales, Pro Forma Adjusted OIBDA and Pro Forma Capital Expenditures.

WINDSTREAM CORPORATION
 UNAUDITED SUPPLEMENTAL OPERATING INFORMATION
 (In thousands)

	THREE MONTHS ENDED				TWELVE MONTHS ENDED				
	December 31,	December 31,	Increase		December 31,	December 31,	Increase		
	2012	2011	(Decrease)		2012	2011	(Decrease)		
			Amount	%			Amount	%	
UNDER GAAP:									
Business operating metrics:									
Customers (A)									
Enterprise (B)	177.3	167.2	10.1	6					
Small business (C)	460.8	495.6	(34.8)	(7)					
Total customers	638.1	662.8	(24.7)	(4)					
Net customer (losses) additions	(8.6)	200.0	(208.6)	*	(24.7)	192.2	(216.9)	*	
Carrier special access circuits (D)	107.2	112.0	(4.8)	(4)					
Consumer operating metrics:									
Voice lines	1,841.9	1,927.9	(86.0)	(4)					
Net voice line losses	(23.3)	(23.8)	0.5	2	(86.0)	(84.5)	(1.5)	2	
High-speed Internet	1,214.5	1,207.8	6.7	1					
Net high-speed Internet additions	(1.7)	8.3	(10.0)	*	6.7	48.7	(42.0)	(86)	
Digital television customers	426.1	441.2	(15.1)	(3)					
Total consumer connections	3,482.5	3,576.9	(94.4)	(3)					
FROM PRO FORMA RESULTS (E):									
Business operating metrics:									
Customers (A)									
Enterprise (B)	177.3	167.2	10.1	6					
Small business (C)	460.8	495.6	(34.8)	(7)					
Total customers	638.1	662.8	(24.7)	(4)					
Net customer losses	(8.6)	(0.8)	(7.8)	*	(24.7)	(18.4)	(6.3)	34	
Carrier special access circuits (D)	107.2	112.0	(4.8)	(4)					
Consumer operating metrics:									
Voice lines	1,841.9	1,927.9	(86.0)	(4)					
Net voice line losses	(23.3)	(23.8)	0.5	2	(86.0)	(84.5)	(1.5)	2	
High-speed Internet customers	1,214.5	1,207.8	6.7	1					
Net high-speed Internet additions	(1.7)	8.3	(10.0)	*	6.7	48.7	(42.0)	(86)	
Digital television customers	426.1	441.2	(15.1)	(3)					
Total consumer connections	3,482.5	3,576.9	(94.4)	(3)					

* Not meaningful

(A) Business customers include each individual business customer location to which we provide service and exclude carrier special access circuits.

(B) Enterprise customers generate \$750 or more in revenue per month.

(C) Small business customers generate less than \$750 in revenue per month.

(D) Carrier special access circuits are dedicated circuits purchased by telecommunication carriers to transport traffic from wireless towers, between points on their network or from their network to a customer location.

(E) Pro forma results adjust results of operations under GAAP to include the acquisition of PAETEC Holding Corp ("PAETEC"), and to exclude all merger and integration costs ("M&I") related to strategic transactions. PAETEC results include results from companies acquired by PAETEC for periods prior to those acquisitions and excludes the results of operations of the energy business acquired as part of PAETEC, which is presented as discontinued operations. For further details on these adjustments, see the Notes to Unaudited Reconciliation of Revenues and Sales, Operating Income and Capital Expenditures Under GAAP to Pro Forma Revenues and Sales, Pro Forma Adjusted OIBDA and Pro Forma Capital Expenditures.

WINDSTREAM CORPORATION
 UNAUDITED CONSOLIDATED BALANCE SHEETS UNDER GAAP
 (In millions)

ASSETS

	December 31, 2012	December 31, 2011
CURRENT ASSETS:		
Cash and cash equivalents	\$ 132.0	\$ 227.0
Restricted cash	26.5	21.7
Accounts receivable (less allowance for doubtful accounts of \$42.6 and \$29.9, respectively)	614.1	657.4
Income tax receivable	0.8	124.1
Inventories	75.0	76.5
Deferred income taxes	249.5	232.1
Prepaid income taxes	22.5	15.3
Prepaid expenses and other	179.7	102.9
Assets held for sale	—	61.4
Total current assets	1,300.1	1,518.4
Goodwill	4,340.9	4,301.7
Other intangibles, net	2,311.3	2,685.3
Net property, plant and equipment	5,862.7	5,709.2
Other assets	167.0	177.5
TOTAL ASSETS	\$ 13,982.0	\$ 14,392.1

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 2012	December 31, 2011
CURRENT LIABILITIES:		
Current maturities of long-term debt and capital lease obligations	\$ 881.6	\$ 213.7
Current portion of interest rate swaps	29.0	30.5
Accounts payable	363.7	296.0
Advance payments and customer deposits	223.3	243.9
Accrued dividends	148.9	148.0
Accrued taxes	104.3	117.9
Accrued interest	113.6	161.8
Other current liabilities	304.0	251.2
Total current liabilities	2,168.4	1,463.0
Long-term debt and capital lease obligations	8,114.9	8,936.7
Deferred income taxes	1,896.3	1,849.8
Other liabilities	697.6	647.3
Total liabilities	12,877.2	12,896.8
SHAREHOLDERS' EQUITY:		
Common stock	0.1	0.1
Additional paid-in capital	1,098.3	1,493.3
Accumulated other comprehensive income	6.4	1.9
Retained earnings	—	—
Total shareholders' equity	1,104.8	1,495.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 13,982.0	\$ 14,392.1

WINDSTREAM CORPORATION
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS UNDER GAAP
 (In millions)

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	December 31,	December 31,	December 31,	December 31,
	2012	2011	2012	2011
Cash Provided from Operations:				
Net income	\$ 101	\$ (34.7)	\$ 168.0	\$ 169.5
Adjustments to reconcile net income to net cash provided from operations:				
Depreciation and amortization	339.1	241.7	1,297.6	847.5
Provision for doubtful accounts	17.7	16.2	59.4	48.5
Share-based compensation expense	23.9	6.7	43.2	24.1
Pension expense	68.7	162.9	67.4	166.8
Deferred income taxes	(12.3)	(8.1)	79.6	173.8
Unamortized net discount (premium) on retired debt	—	2.9	(16.2)	21.2
Amortization of unrealized losses on de-designated interest rate swaps	12.4	11.7	45.4	49.0
Plan curtailment	—	—	(9.6)	(14.7)
Other, net	(1.9)	(0.6)	(16.7)	11.6
Changes in operating assets and liabilities, net:				
Accounts receivable	(4.0)	(15.7)	(75.8)	(64.3)
Income tax receivable	1.1	(124.1)	123.3	(124.1)
Prepaid income taxes	0.3	111.4	(7.1)	57.1
Prepaid expenses and other	14.3	1.9	(22.2)	(5.6)
Accounts payable	65.8	(8.4)	63.6	23.5
Accrued interest	(35.3)	(44.4)	(40.8)	(99.1)
Accrued taxes	(0.7)	(6.0)	(10.9)	0.7
Other current liabilities	40.7	(10.5)	36.5	(30.3)
Other liabilities	(6.4)	(0.5)	(5.8)	(3.5)
Other, net	0.5	10.0	(1.3)	(22.9)
Net cash provided from operations	<u>534.0</u>	<u>312.4</u>	<u>1,777.6</u>	<u>1,228.8</u>
Cash Flows from Investing Activities:				
Additions to property, plant and equipment	(291.8)	(195.4)	(1,101.2)	(702.0)
Broadband network expansion funded by stimulus grants	(36.6)	(12.5)	(105.4)	(21.7)
Cash acquired from PAETEC	—	71.4	—	71.4
Changes in restricted cash	13.4	(2.7)	(4.8)	(11.9)
Grant funds received for broadband stimulus projects	19.2	3.5	45.7	4.0
Disposition of wireless assets	—	—	57.0	—
Disposition of energy business	—	—	6.1	—
Other, net	—	6.7	0.9	8.0
Net cash used in investing activities	<u>(295.8)</u>	<u>(129.0)</u>	<u>(1,101.7)</u>	<u>(652.2)</u>
Cash Flows from Financing Activities:				
Dividends paid on common shares	(147.5)	(128.9)	(588.0)	(509.6)
Repayment of debt and swaps	(205.9)	(1,629.5)	(2,054.5)	(4,780.3)
Proceeds of debt issuances	135.0	1,775.0	1,910.0	4,922.0
Debt issuance costs	(0.1)	(9.7)	(19.1)	(30.6)
Payment under capital lease obligations	(4.7)	(0.2)	(20.0)	(0.8)
Other, net	2.2	2.6	0.7	7.4
Net cash (used in) provided from financing activities	<u>(221.0)</u>	<u>9.3</u>	<u>(770.9)</u>	<u>(391.9)</u>
Increase (decrease) in cash and cash equivalents	17.2	192.7	(95.0)	184.7
Cash and Cash Equivalents:				
Beginning of period	114.8	34.3	227.0	42.3
End of period	<u>\$ 132.0</u>	<u>\$ 227.0</u>	<u>\$ 132.0</u>	<u>\$ 227.0</u>

WINDSTREAM CORPORATION

UNAUDITED RECONCILIATION OF REVENUES AND SALES, OPERATING INCOME AND CAPITAL EXPENDITURES UNDER GAAP TO PRO FORMA (A)
REVENUES AND SALES, PRO FORMA ADJUSTED OIBDA AND PRO FORMA CAPITAL EXPENDITURES (NON-GAAP)

(In millions)

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Revenues and sales under GAAP	\$ 1,538.2	\$ 1,205.3	\$ 6,156.3	\$ 4,281.2
Pro forma adjustments:				
PAETEC revenues and sales prior to acquisition	(B) —	359.8	—	1,962.5
Elimination of Windstream revenues from PAETEC prior to acquisition	(C) —	(0.7)	—	(4.6)
Pro forma revenues and sales	\$ 1,538.2	\$ 1,564.4	\$ 6,156.3	\$ 6,239.1
Operating income from continuing operations under GAAP	\$ 171.7	\$ 95.9	\$ 887.5	\$ 963.5
Pro forma adjustments:				
PAETEC pre-acquisition operating income, excluding M&I costs	(B) —	12.8	—	100.2
PAETEC intangible asset amortization adjustment	(D) —	(9.4)	—	(60.4)
M&I costs	(E) 11.0	35.9	65.4	69.8
Pro forma operating income	182.7	135.2	952.9	1,073.1
Depreciation and amortization expense	(E) 339.1	241.7	1,297.6	847.5
PAETEC pre-acquisition depreciation and amortization expense	(F) —	55.0	—	301.7
Pro forma OIBDA	521.8	431.9	2,250.5	2,222.3
Other adjustments:				
Pension expense	(E) 68.7	163.1	67.4	166.3
Restructuring charges	(E) 4.1	0.6	27.4	1.3
Share-based compensation	(E) 23.9	6.7	43.2	24.1
Share-based compensation of PAETEC prior to acquisition	(B) —	5.0	—	15.8
Pro forma adjusted OIBDA	\$ 618.5	\$ 607.3	\$ 2,388.5	\$ 2,429.8
Capital expenditures under GAAP	\$ 291.8	\$ 195.4	\$ 1,101.2	\$ 702.0
Pro forma adjustments:				
PAETEC capital expenditures prior to acquisition	(B) —	43.5	—	190.0
Pro forma capital expenditures	\$ 291.8	\$ 238.9	\$ 1,101.2	\$ 892.0

(A) Pro forma results adjust results of operations under GAAP to exclude PAETEC, and to exclude M&I costs related to strategic transactions

(B) To reflect the pre-acquisition operating results of PAETEC, adjusted to exclude M&I costs

(C) To reflect the pre-acquisition elimination of Windstream revenues from entities acquired from PAETEC

(D) To reflect intangible asset amortization of PAETEC, as if the acquisitions had been consummated at the beginning of the periods presented

(E) Represents applicable expense as reported under GAAP

(F) Represents depreciation and amortization of PAETEC, as adjusted in note (D)

WINDSTREAM CORPORATION
 UNAUDITED RECONCILIATION OF OPERATING INCOME UNDER GAAP TO ADJUSTED FREE CASH FLOW
 (In millions)

	THREE MONTHS ENDED December 31, 2012	TWELVE MONTHS ENDED December 31, 2012
ADJUSTED FREE CASH FLOW:		
Operating income under GAAP	\$ 171.7	\$ 887.5
Depreciation and amortization	339.1	1,297.6
As reported OIBDA	510.8	2,185.1
Merger and integration expense	11.0	65.4
Pension expense	68.7	67.4
Restructuring charges	4.1	27.4
Share-based compensation	23.9	43.2
As reported adjusted OIBDA from continuing operations	618.5	2,388.5
Adjustments:		
Adjusted capital expenditures from continuing operations	(270.4)	(1,049.8)
Cash paid for interest	(222.7)	(671.5)
Cash (paid) refunded for taxes	(3.1)	100.7
Adjusted free cash flow	\$ 122.3	\$ 767.9
Dividends paid	\$ 147.5	\$ 588.0
Payout ratio		77%

WINDSTREAM CORPORATION

NOTES TO UNAUDITED RECONCILIATION OF REVENUES AND SALES, OPERATING INCOME AND CAPITAL EXPENDITURES UNDER GAAP TO PRO FORMA REVENUES AND SALES, PRO FORMA ADJUSTED OIBDA, PRO FORMA CAPITAL EXPENDITURES AND RECONCILIATION OF OPERATING INCOME UNDER GAAP TO ADJUSTED FREE CASH FLOW

Windstream Corporation ("we," "us" or "our") has entered into various transactions, including the acquisition of PAETEC Holding Corp. ("PAETEC"), that may cause results reported under Generally Accepted Accounting Principles in the United States ("GAAP") to be not necessarily indicative of future results. On November 30, 2011, we completed the acquisition of PAETEC in an all-stock transaction valued at approximately \$2.4 billion. PAETEC shareholders received 0.460 shares of our stock for each PAETEC share owned at closing. We issued 70.0 million shares and assumed equity awards shares for a total transaction value of \$842.0 million, based on our closing stock price on November 30, 2011, and the fair value of the equity awards assumed. We also assumed PAETEC's debt, net of cash acquired, of approximately \$1,591.3 million, which includes a net premium of \$113.9 million based on the fair value of the debt on November 30, 2011, and bank debt of \$99.5 million that was repaid on December 1, 2011.

As disclosed in our Form 8-K furnished on February 19, 2013, we have presented in this package unaudited pro forma results, which includes results from PAETEC for periods prior to the acquisition and excludes all merger and integration costs resulting from the completed transactions discussed above. PAETEC results include results from companies acquired by PAETEC for periods prior to those acquisitions and excludes the results of operations of the energy business acquired as part of PAETEC, which has been classified as discontinued operations and was sold during the second quarter of 2012. In addition to pro forma adjustments, we have presented certain measures of our operating performance, excluding the impact of restructuring charges, pension and share-based compensation. We have made certain reclassifications and revisions to prior periods to conform with the current presentation.

Our purpose for including the results of the acquired businesses and for excluding *non-recurring items*, the results of the disposed operations, restructuring charges, pension and share-based compensation is to improve the comparability of results of operations for the three and twelve month periods ended December 31, 2012, to the results of operations for the same periods of 2011 in order to focus on the true earnings capacity associated with providing telecommunication services. Additionally, management believes that presenting current business measures assists investors by providing more meaningful comparisons of results from current and prior periods, and by providing information that is a better reflection of the core earnings capacity of our current businesses. We use pro forma results, including pro forma revenues and sales, pro forma OIBDA, pro forma adjusted OIBDA, pro forma capital expenditures and adjusted free cash flow as key measures of the operational performance of our business. Our management, including our chief executive officer, the chief operating decision-maker, consistently uses these measures for internal reporting and the evaluation of business objectives, opportunities and performance.

We claim 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 expected levels of support from universal service funds or other government programs, expected rates of loss of voice lines or intercarrier compensation, expected increases in high-speed Internet and business data connections, our expected ability to fund operations, expected required contributions to our pension plan, capital expenditures and certain debt maturities from cash flows from operations, expected synergies and other benefits from completed acquisitions, expected effective federal income tax rates, expected annualized savings from the management restructuring and forecasted capital expenditure amounts. These and other forward-looking statements include statements about our ability to generate cash flows in future periods and to pay our current dividend, and these statements are based on estimates, projections, beliefs, and assumptions that we believe are reasonable but are not guarantees of future events and results. Actual future events and our results 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 our forward-looking statements include, among others: further adverse changes in economic conditions in the markets served by us; the extent, timing and overall effects of competition in the communications business; the impact of new, emerging or competing technologies; the uncertainty regarding the implementation of the Federal Communications Commission's ("FCC") rules on intercarrier compensation, 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 us; the risks associated with the integration of acquired businesses or the ability to realize anticipated synergies, cost savings and growth opportunities; for certain operations where we lease facilities from other carriers, adverse effects on the availability, quality of service and price of facilities and services provided by other carriers on which our services depend; the risks associated with any non-compliance by us with regulations or statutes applicable to government programs under which we receive material amounts of end user revenue and government subsidies, leading to possible suspension or debarment from future participation in the programs for a significant period of time; or non-compliance by us, our partners, or our subcontractors with any terms of our government contracts, potentially harming to our reputation with government agencies and resulting in possible restriction in future government activities; the availability and cost of financing in the corporate debt markets; the potential for adverse changes in the ratings given to our 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 or intellectual property infringement claims asserted against us; continued access line loss; 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 by our employees or employees of other communications companies on whom we rely for service; the impact of equipment failure, natural disasters or terrorist acts; earnings on pension plan investments significantly below our expected long term rate of return for plan assets or a significant change in the discount rate; and those additional factors under the caption "Risk Factors" in our Form 10-K for the year ended December 31, 2011, 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. We undertake 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 our 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 our future results included in our other filings with the Securities and Exchange Commission at www.sec.gov.

Exhibit C

Windstream Management Biographies

Jeff Gardner President & CEO

Jeff Gardner is president and chief executive officer for Windstream. Gardner has worked in the telecommunications industry for more than 25 years and is executing a focused strategy to transform Windstream and create value for shareholders. Windstream has completed nine acquisitions since its 2006 spinoff from Alltel Corp., adding more than \$4 billion in revenue and creating approximately \$300 million in operating and capital synergies. The company completed four acquisitions in 2010 totaling \$2.2 billion. In 2011, Windstream acquired PAETEC, a leading communications firm for \$2.3 billion.

Gardner was appointed to the position in December 2005. He previously served as executive vice president and chief financial officer of Alltel Corp. He joined Alltel in 1998 when the company merged with 360° Communications.

Gardner is a member of the Business Roundtable, an association of chief executive officers of leading U.S. companies. He also is chairman of the United States Telecom Association.

Gardner earned a degree in finance from Purdue University and an MBA from William and Mary. He is a certified public accountant. He serves on the board of directors of RF Micro Devices, Inc., Arkansas Children's Hospital, Darlington School and Loras College. He serves as chairman of the Arkansas Research Alliance and is chairman of the advisory board for the University of Arkansas for Medical Sciences (UAMS) Center for Distance Health. He also serves on the foundation board at UAMS. Gardner was named a national finalist for the Ernst & Young LLP Entrepreneur of the Year 2010® Award in telecommunications.

Brent Whittington Chief Operating Officer

Brent Whittington is chief operating officer for Windstream. Whittington oversees the company's business sales and service, network operations, engineering, information technology and enterprise marketing. He previously served as executive vice president and chief financial officer for Windstream.

Whittington was senior vice president of operations for Alltel prior to joining Windstream in December 2005. He joined Alltel in 2002 as vice president of finance and accounting. Before joining Alltel, Whittington worked for Arthur Andersen LLP for eight years, where he held a variety of positions, including audit manager. He serves on the board of directors of Rignet and the board of trustees of The Nature Conservancy of Arkansas.

He holds a degree in accounting from the University of Arkansas at Little Rock.

Tony Thomas
Chief Financial Officer

Tony Thomas is chief financial officer and treasurer for Windstream. Thomas oversees the company's financial, tax, procurement, audit, treasury, risk management and investor relations teams. He previously served as controller for Windstream.

Thomas was vice president of investor relations for Alltel prior to joining Windstream in June 2006. He joined Alltel as director of revenue accounting when it merged with 360 Communications in 1998. He served in various management roles at Alltel including: vice president of corporate financial planning, vice president of finance for the southeast region, vice president of process development and vice president of wireless wholesale roaming. He served as a senior auditor with Ernst & Young before entering the communications industry in 1997.

Thomas holds a master's degree in business administration from Wake Forest University and a bachelor's degree in accountancy from the University of Illinois. He is a licensed certified public accountant.

John Fletcher
Executive Vice President & General Counsel

John Fletcher is executive vice president, general counsel and secretary for Windstream. Fletcher is responsible for the company's legal affairs, corporate governance, regulatory reporting and compliance. He was appointed to the position in January 2006.

Fletcher previously was a partner in the law offices of Kutak Rock LLP in Little Rock, Ark., where he specialized in corporate and securities law from 1998 to 2006. He worked at the Rose Law Firm of Little Rock from 1993 to 1998.

He is a graduate of the Southern Methodist University School of Law, where he served on the law journal and was elected to the Order of the Coif. He also is an honors graduate of Duke University.

David Works
Executive Vice President and Chief Human Resources Officer

David Works is executive vice president and chief human resources officer for Windstream. He is responsible for the company's human capital strategy, talent acquisition, talent management, employee and labor relations, compensation and benefits. He was appointed to the position in February 2012.

Works previously served as the chief human resources officer for Sears Holdings in Chicago. Prior to joining Sears, Works was a partner at ghSMART, which specializes in the assessment and coaching of executives at Fortune 500 companies. He also held positions with McKinsey & Company and Motorola. Works spent the first seven years of his career as an officer in the U.S. Navy, where he served on a fast-attack nuclear submarine.

Works holds an MBA from the Kellogg School of Management at Northwestern University and a master's degree in mechanical engineering from the University of Connecticut. He has bachelor's degrees in finance and mechanical engineering from the University of Pennsylvania.

Eric Einhorn

Senior Vice President of Government Affairs & Strategy

Eric Einhorn is senior vice president of government affairs & strategy for Windstream. Einhorn is responsible for managing the company's regulatory and legislative initiatives and strategies at the federal and state levels. He previously served as vice president of federal government affairs.

Prior to joining Windstream in 2006, Einhorn held positions at AT&T, SBC, and in private legal practice in New York City and Washington, D.C. He also worked at the Federal Communications Commission where he served in several roles, including chief of the telecommunications access policy division in the wireline competition bureau, and clerked for Judge Roger Strand in federal district court in Phoenix, Ariz.

Einhorn holds a law degree from Boston College Law School, cum laude, where he also served as executive editor of the Boston College Law Review, and an MBA, with distinction, from Cornell University's Johnson Graduate School of Management. He also has a bachelor's degree in industrial and labor relations from Cornell University.

David Redmond

Senior Vice President – Consumer Services

David Redmond is senior vice president of consumer services for Windstream. Redmond oversees all consumer sales and service functions, including marketing, call centers and business development. He previously served as vice president of consumer marketing for Windstream.

Redmond joined Windstream as vice president of distribution support in 2008. Previously, he had been sales and marketing director for Charter Communications and director of segment marketing for Alltel after holding a variety of positions with GTE Wireless. He is a member of the governing body of the CMO Collective.

He holds a bachelor's degree in management from the University of South Florida.

Bob Gunderman

Senior Vice President of Financial Planning and Treasury

Bob Gunderman is senior vice president of financial planning and treasury for Windstream. Gunderman is responsible for all capital budgeting, forecasting, treasury and capital market functions, debt management, investor relations and risk management. He previously served as vice president of financial planning for Windstream.

Gunderman was vice president of internal audit for Alltel prior to joining Windstream in 2008. He served in various management roles at Alltel including vice president of revenue accounting and revenue assurance, director of financial planning and director of mergers and acquisitions. He was a senior accountant with Deloitte and Touche LLP before entering the communications industry in 1996.

Gunderman holds a degree in accounting from the University of Arkansas and is a Certified Public Accountant. He serves on the board of directors of Ronald McDonald House Charities Of Arkansas.

John Eichler
Vice President and Controller

John Eichler is vice president and controller for Windstream. Eichler is responsible for the company's accounting, external reporting and retail billing departments. He previously served as vice president of internal audit for Windstream.

Eichler was vice president of internal audit for Alltel's wireline business prior to joining Windstream in July 2006. Before joining Alltel, Eichler served as a consultant for companies in the communications industry and is a former audit manager for Arthur Andersen LLP.

Eichler holds a degree in accounting and finance from the University of Arkansas. He is a licensed certified public accountant and a certified internal auditor. He serves on the board of directors of Junior Achievement of Arkansas.

Doug Derstine
President – Integrated Solutions Group

Doug Derstine is president of the Integrated Solutions Group for Windstream. Derstine leads the company's communications product sales and service business.

Derstine has more than 20 years of telecommunications executive level experience. He came to Windstream from PAETEC, where he was a senior vice president and president of the wholesale business unit and Integrated Solutions Group Prior to joining PAETEC, he was president, CEO and founder of ALL Acquisition Corp., DBA American Long Lines, Inc., a northeast-based integrated communications provider that merged with PAETEC in 2005. He also had executive roles with U S WATS, Inc., and Teligent.

Derstine holds a bachelor's degree in business management from Moravian College. He serves on the boards of the Ronald McDonald House of Southern New Jersey and sits on the Moravian College Leadership Council.

John Leach
Senior Vice President - Business Sales

John Leach is executive vice president of business sales and marketing for Windstream. Leach is responsible for the company's business sales, marketing and sales support organizations. He has more than 20 years of telecommunications and sales experience and was appointed to the position in September 2009.

Leach previously served as South region president for PAETEC Communications. Prior to joining PAETEC in 2007, he was president and chief executive officer of Covista Communications. He also has worked for BellSouth, BTI Communications and Telco Communications Group.

Leach earned a bachelor's degree in business administration from Old Dominion University in Norfolk, Va. He serves on the board of directors of the Little Rock Regional Chamber of Commerce.

Joe Marano
Executive Vice President – Operations

Joe Marano is executive vice president of operations for Windstream. Marano is responsible for all field operations and service delivery. Previously, he was senior vice president of business and financial services for Windstream, and before that he directed installation and repair service operations as well as Business Sales for Windstream's North and South Carolina markets as the vice president-general manager.

Marano came to Windstream when Alltel spun off its local telephone operations in July 2006. He began his communications career with Alltel in 1995 and served as a wireless retail operations manager and area manager for local telephone services in Matthews, N.C. After 10 years on active duty in the U.S. Marine Corps, Marano retired from the Marine Corps Reserve as a lieutenant colonel in 2007.

He earned a bachelor's degree in business administration from Villanova University.

Cindy Nash
Chief Information Officer

Cindy Nash is chief information officer for Windstream. Nash is responsible for the management and delivery of information technology services, including application and infrastructure support and production services. She previously served as senior vice president of customer service for Windstream.

Nash served as chief information officer for VALOR Telecom prior to joining Windstream in July 2006. She has worked in the telecommunications industry since 1986 and served in a variety of executive management roles, including vice president of information systems for CenturyTel.

Nash holds a bachelor's degree in business administration from Northeast Louisiana University and an executive MBA from the University of Texas at Dallas. She serves on the board of directors of Easter Seals Arkansas and on the University of Arkansas at Little Rock's Management Information Systems Advisory Board.

Chris Nicolini
Senior Vice President - Data Center Operations

Chris Nicolini is senior vice president for data center operations for Windstream. Nicolini oversees the company's data center, managed hosting and cloud computing properties. Before joining Windstream, he was senior director of data center operations for Sungard Availability Services. He previously served as an officer in the U.S. Army.

Nicolini holds a Bachelor of Science from West Point and a Master of Business Administration from Emory University.

Don Perkins
Senior Vice President - Business Marketing

Don Perkins is senior vice president of business marketing for Windstream. In his role, Perkins has responsibility for business pricing, product development and marketing, strategic marketing, advertising and channel marketing, as well as Pinnacle software sales and operations.

Prior to joining Windstream in 2006, Don served as vice president of marketing for Valor Telecom. He is a 22-year telecom veteran and started his career as a customer service supervisor with Contel in June 1990.

Perkins holds a bachelor of business administration degree with an emphasis in marketing from the University of Texas at Austin.

Exhibit D

Articles of Incorporation for the Applicants

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS FILED FROM AND INCLUDING THE RESTATED CERTIFICATE OR A MERGER WITH A RESTATED CERTIFICATE ATTACHED OF "WINDSTREAM CORPORATION" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

RESTATED CERTIFICATE, FILED THE SEVENTEENTH DAY OF JULY, A.D. 2006, AT 10:54 O'CLOCK A.M.

CERTIFICATE OF CHANGE OF REGISTERED AGENT, FILED THE SEVENTEENTH DAY OF JULY, A.D. 2006, AT 10:55 O'CLOCK A.M.



3771081 8100X

060810202

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 5011131

DATE: 08-30-06

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:52 AM 07/17/2006
FILED 10:54 AM 07/17/2006
SRV 060671840 - 3771081 FILE

**RESTATED CERTIFICATE OF INCORPORATION
OF
WINDSTREAM CORPORATION**

Windstream Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

- (1) The name of the Corporation is Windstream Corporation.
- (2) The name under which the Corporation was originally incorporated was Valor Communications Group, Inc., and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on March 1, 2004.
- (3) This Restated Certificate of Incorporation was duly adopted in accordance with the provisions of Section 245 of the General Corporation Law of the State of Delaware.

The text of the Restated Certificate of Incorporation of the Corporation as amended hereby is restated to read in its entirety, as follows:

ARTICLE

One

The name of the Corporation is Windstream Corporation (the "Corporation").

ARTICLE

Two

The address of the Corporation's registered office in the state of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

ARTICLE

Three

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE

Four

SECTION 1. Authorized Shares. The total number of shares of capital stock which the Corporation has authority to issue is 1,200,000,000 shares, consisting of:

- (a) 200,000,000 shares of Preferred Stock, par value \$.0001 per share ("Preferred Stock"); and
- (b) 1,000,000,000 shares of Common Stock, par value \$.0001 per share ("Common Stock").

The Preferred Stock and the Common Stock shall have the rights, preferences and limitations set forth below.

SECTION 2. Preferred Stock. The Preferred Stock may be issued from time to time and in one or more series. The Board of Directors of the Corporation is authorized to determine or alter the powers, preferences and rights (including voting rights), and the qualifications, limitations and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock, and within the limitations or restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series of Preferred Stock, to increase or decrease (but not below the number of shares of any such series of Preferred Stock then outstanding) the number of shares of any such series of Preferred Stock, and to fix the number of shares of any series of Preferred Stock. In the event that the number of shares of any series of Preferred Stock shall be so decreased, the shares constituting such decrease shall resume the status which such shares had prior to the adoption of the resolution originally fixing the number of shares of such series of Preferred Stock subject to the requirements of applicable law.

SECTION 3. Common Stock.

(a) Dividends. Except as otherwise provided by the Delaware General Corporation Law or this Restated Certificate of Incorporation (this "Certificate of Incorporation"), the holders of Common Stock: (i) subject to the rights of holders of any series of Preferred Stock, shall share ratably, on a per share basis, in all dividends and other distributions payable in cash, securities or other property of the Corporation as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor; and (ii) are subject to all the powers, rights, privileges, preferences and priorities of any series of Preferred Stock as provided herein or in any resolution or resolutions adopted by the Board of Directors pursuant to authority expressly vested in it by the provisions of Section 2 of this ARTICLE FOUR.

(b) Conversion Rights. The Common Stock shall not be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same class of the Corporation's capital stock.

(c) Preemptive Rights. No holder of Common Stock shall have any preemptive rights with respect to the Common Stock or any other securities of the Corporation, or to any obligations convertible (directly or indirectly) into securities of the Corporation whether now or hereafter authorized.

(d) Voting Rights. Except as otherwise provided by the Delaware General Corporation Law or this Certificate of Incorporation and subject to the rights of holders of any series of Preferred Stock, all of the voting power of the stockholders of the Corporation shall be vested in the holders of the Common Stock, and each holder of Common Stock shall have one vote for each share held by such holder on all matters voted upon by the stockholders of the Corporation.

(e) Liquidation Rights. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the Corporation's debts and subject to the rights of the holders of shares of Preferred Stock upon such dissolution, liquidation or winding up, the remaining net assets of the Corporation shall be distributed among holders of shares of Common Stock ratably on a per share basis. A merger or consolidation of the Corporation with or into any other corporation or other entity, or a sale or conveyance of all or any part of the assets of the Corporation (which shall not in fact result in the liquidation of the Corporation and the distribution of assets to its stockholders) shall not be deemed to be a voluntary or involuntary liquidation or dissolution or winding up of the Corporation within the meaning of this Section 3(e).

(f) Registration or Transfer. The Corporation shall keep or cause to be kept at its principal office (or such other place as the Corporation reasonably designates) a register for the registration of Common Stock. To the greatest extent permitted by applicable Delaware law, the shares of the Corporation's Common Stock shall be uncertificated and transfer of such shares shall be reflected by book entry. Upon the surrender of any certificate representing shares of any class of Common Stock, the Corporation shall forthwith cancel such certificate and the holder thereof shall no longer be entitled to a certificate or certificates representing the shares of such class represented by the surrendered certificate. Any shares represented by a surrendered certificate cancelled as provided above shall be registered in the name and will represent such number of shares of such class as is requested by the holder of the surrendered certificate. Such book entry shall be made without charge to the holders of the surrendered certificates for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such issuance.

(g) Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder will be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing one or more shares of any class of Common Stock that is represented by a certificate, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that

if the holder is a financial institution or other institutional investor, its own agreement will be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

(h) Notices. All notices referred to herein shall be in writing, shall be delivered personally or by first class mail, postage prepaid, and shall be deemed to have been given when so delivered or mailed to the Corporation at its principal executive offices and to any stockholder at such holder's address as it appears in the stock records of the Corporation (unless otherwise specified in a written notice to the Corporation by such holder).

(i) Fractional Shares. In no event will holders of fractional shares be required to accept any consideration in exchange for such shares other than consideration which all holders of Common Stock are required to accept.

ARTICLE

Five

The Corporation is to have perpetual existence.

ARTICLE

Six

SECTION 1. Number, Election and Term of Office of Directors.

(a) The Board of Directors shall consist of not less than three nor more than fifteen members, the exact number of which shall be fixed from time to time by the affirmative vote of a majority of the entire Board of Directors.

(b) Except as expressly provided herein, the manner of election and removal of such directors and the term such directors shall hold office shall be designated in the Bylaws of the Corporation. Each director shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal. Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

(c) Subject to the rights, if any, of holders of any series of Preferred Stock, any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor. Subject to the rights, if any, of the holders of any series of Preferred Stock, any or all of the directors of the Corporation may

be removed from office at any time, with or without cause by the affirmative vote of the holders of at least a majority of the voting power of the Corporation's then outstanding capital stock entitled to vote generally in the election of directors. Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Restated Certificate applicable thereto.

ARTICLE

Seven

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to amend, alter, change or repeal the Bylaws of the Corporation. Any amendment, alteration, change or repeal of the Corporation's Bylaws by the stockholders of the Corporation shall require the affirmative vote of a majority of the outstanding shares of the Corporation entitled to vote on such amendment, alteration, change or repeal; provided, however, that Section 11 of ARTICLE TWO and Sections 2, 3, and 4 of ARTICLE THREE and ARTICLE SEVEN of the Corporation's Bylaws shall not be amended, altered, changed or repealed and no provision inconsistent therewith shall be adopted without the affirmative vote of the holders of at least two thirds of the combined voting power of all of the then outstanding shares of the Corporation entitled to vote on such amendment, alteration, change or repeal.

ARTICLE

Eight

SECTION 1. Limitation of Liability.

(a) To the fullest extent permitted by the Delaware General Corporation Law as it now exists or may hereafter be amended, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or its stockholders.

(b) Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

SECTION 2. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including involvement as a witness) in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director, officer or other employee of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an

employee benefit plan (an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that, except as provided in Section 3 of this ARTICLE EIGHT with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section 2 of this ARTICLE EIGHT shall be a contract right. In addition, the Corporation shall pay the expenses incurred in defending any such proceeding in advance of its final disposition (an "advance of expenses"); provided, however, that, if and to the extent that the Delaware General Corporation Law requires, an advance of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation with the same or lesser scope and effect as the foregoing indemnification of directors and officers.

SECTION 3. Procedure for Indemnification. Any indemnification of a director or officer of the Corporation or advance of expenses under Section 2 of this ARTICLE EIGHT shall be made promptly, and in any event within forty-five days (or, in the case of an advance of expenses, twenty days), upon the written request of the director or officer. If a determination by the Corporation that the director or officer is entitled to indemnification pursuant to this ARTICLE EIGHT is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request. If the Corporation denies a written request for indemnification or advance of expenses, in whole or in part, or if payment in full pursuant to such request is not made within forty-five days (or, in the case of an advance of expenses, twenty days), the right to indemnification or advances as granted by this ARTICLE EIGHT shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses where the undertaking required pursuant to Section 2 of this ARTICLE EIGHT, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation.

Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. The procedure for indemnification of other employees and agents for whom indemnification is provided pursuant to Section 2 of this ARTICLE EIGHT shall be the same procedure set forth in this Section 3 for directors or officers, unless otherwise set forth in the action of the Board of Directors providing indemnification for such employee or agent.

SECTION 4. Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee or agent of the Corporation or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the Delaware General Corporation Law.

SECTION 5. Service for Subsidiaries. Any person serving as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture or other enterprise, at least 50% of whose equity interests are owned by the Corporation (a "subsidiary" for this ARTICLE EIGHT) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

SECTION 6. Reliance. Persons who after the date of the adoption of this provision become or remain directors or officers of the Corporation or who, while a director, officer or other employee of the Corporation, become or remain a director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this ARTICLE EIGHT in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this ARTICLE EIGHT shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

SECTION 7. Non-Exclusivity of Rights. The rights to indemnification and to the advance of expenses conferred in this ARTICLE EIGHT shall not be exclusive of any other right which any person may have or hereafter acquire under this Restated Certificate or under any statute, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 8. Merger or Consolidation. For purposes of this ARTICLE EIGHT, references to the "Corporation" shall include, in addition to the resulting Corporation, any constituent Corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a

director, officer, employee or agent of such constituent Corporation, or is or was serving at the request of such constituent Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this ARTICLE EIGHT with respect to the resulting or surviving Corporation as he or she would have with respect to such constituent Corporation if its separate existence had continued.

SECTION 9. Savings Clause. If this ARTICLE EIGHT or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person entitled to indemnification under Section 2 of this ARTICLE EIGHT as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, ERISA excise taxes and penalties, penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this ARTICLE EIGHT to the full extent permitted by any applicable portion of this ARTICLE EIGHT that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE

Nine

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside of the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE

Ten

For so long as any security of the Company is registered under Section 12 of the Securities Exchange Act of 1934: (i) the stockholders of the Corporation may not take any action by written consent in lieu of a meeting, and must take any actions at a duly called annual or special meeting of stockholders and the power of stockholders to consent in writing without a meeting is specifically denied; and (ii) special meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution adopted by the affirmative vote of the majority of the total number of directors then in office.

ARTICLE

Eleven

Notwithstanding any other provisions of this Restated Certificate or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of the capital stock required by law or this Restated Certificate, the affirmative vote of the holders of at least two-thirds of the combined voting power of all of the then outstanding shares of the Corporation eligible to be cast in the election of directors shall be required to

amend, alter, change or repeal ARTICLES EIGHT, TEN or THIRTEEN hereof, or this ARTICLE ELEVEN, or any provision thereof or hereof.

ARTICLE

Twelve

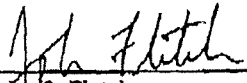
The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE

Thirteen

The Corporation expressly elects to be governed by Section 203 of the Delaware General Corporation Law.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be signed by its authorized officer and caused the corporate seal of the Corporation to be hereunto affixed this 17th day of July 2006.

By: 
Name: John P. Fletcher
Title: Executive Vice President and General Counsel

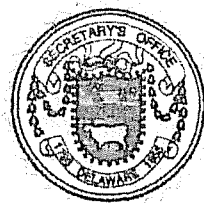
Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "WINDSTREAM CORPORATION", FILED IN THIS OFFICE ON THE NINTH DAY OF MARCH, A.D. 2006, AT 3:08 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



4122979 8100

060232926

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State
AUTHENTICATION: 4580291

DATE: 03-09-06

CERTIFICATE OF INCORPORATION

OF

WINDSTREAM CORPORATION

1. The name of the corporation is Windstream Corporation.
2. The address of its registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware. The name of its registered agent at such address is The Corporation Trust Company.
3. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.
4. The amount of total stock of this corporation is authorized to issue is 1,000 shares with a par value of \$.0001 per share.
5. The name and mailing address of the incorporator are as follows:

Michael K. Bydalek
1650 Farnam Street
Omaha, Nebraska 68102

I, the undersigned, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand this 9th day of March, 2006.

/s/ Michael K. Bydalek
Michael K. Bydalek, Incorporator

**ARTICLES OF ORGANIZATION
OF
WINDSTREAM KENTUCKY WEST, LLC**

0183453.06

AMcRay
LAOO

Trey Grayson
Secretary of State
Received and Filed
12/03/2007 1:13:14 PM
Fee Receipt: \$40.00

For the purpose of forming a limited liability company in the State of Kentucky pursuant to Chapter 275 of the Kentucky Limited Liability Company Act, the undersigned organizer hereby submits the following Articles of Organization to the Secretary of State of the State of Kentucky for filing:

ARTICLE I: The name of the limited liability company is Windstream Kentucky West, LLC .

ARTICLE II: The street address of the limited liability company's initial registered office in the State of Kentucky is Kentucky Home Life Building, Louisville, Kentucky 40202 and the name of the initial registered agent at that office is CT Corporation System..

ARTICLE III: The mailing address of the limited liability company's initial principal office is, 4001 Rodney Parham Road, Little Rock, Arkansas 72212.

ARTICLE IV: The limited liability company is to be managed by managers.

ARTICLE V: This limited liability company was previously organized as a corporation. It has been converted to a limited liability company pursuant to Chapter 275 of the Kentucky Limited Liability Company Act.

ARTICLE VI: The previous name of this limited liability company was Windstream Kentucky West, Inc. (the "Corporation").

ARTICLE VII: Any assumed name held by the Corporation has been cancelled.

ARTICLE VIII: Upon conversion the Corporation had 7674 shares outstanding. 7674 shares were voted in favor of the conversion. The number of votes cast in favor of the conversion was sufficient for approval.

Executed by the Organizer on October 31, 2007.

By: John P. Fletcher
Name: John P. Fletcher

CT Corporation System hereby consents to serve as the registered agent on behalf of the company.

By: J.L. Ariles
Name: J.L. Ariles
Title: Asst Secy.

State of Delaware
Office of the Secretary of State PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "ALLTEL NEWCO NO.1, INC.", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF OCTOBER, A.D. 2001, AT 1:30 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

3448612 8100

010527354

AUTHENTICATION: 1404755

DATE: 10-23-01

CERTIFICATE OF INCORPORATION

OF

ALLTEL NEWCO NO. 1, INC.

1.

The name of the Corporation is ALLTEL Newco No. 1, Inc.

2.

The address of the registered office of the Corporation in Delaware is 1209 Orange Street, Wilmington, Newcastle County, Delaware 19801. The registered agent of the Corporation at such address is The Corporation Trust Company.

3.

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4.

The Corporation is authorized to issue 1,000 shares, \$1.00 par value per share, of stock, designated as "Common Stock." Each share of Common Stock shall have one vote on each matter submitted to a vote of the stockholders of the Corporation. The holders of shares of Common Stock shall be entitled to receive, in proportion to the number of shares of Common Stock held, the net assets of the Corporation upon dissolution.

5.

The name of the Incorporator is Karl J DeDonato, and the mailing address for the Incorporator is 1209 Orange Street, Wilmington, Delaware 19801.

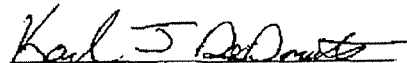
6.

The name of the initial Director of the Corporation is Francis X. Frantz, and the mailing address for the initial Director is One Allied Drive, Little Rock, Arkansas 72202.

7.

No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; provided that this Article shall not eliminate or limit the liability of a director: (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the General Corporation Law of Delaware; or (iv) for any transaction from which the director derived an improper personal benefit.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Incorporation this 22nd day of October, 2001.


Incorporator Karl J DeDoanto

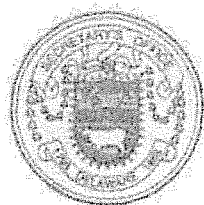
Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "KENTUCKY ALLTEL, INC.", CHANGING ITS NAME FROM "KENTUCKY ALLTEL, INC." TO "WINDSTREAM KENTUCKY EAST, INC.", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF JUNE, A.D. 2006, AT 12:39 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



3448612 8100

060620904

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 4863708

DATE: 06-28-06

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
KENTUCKY ALLTEL, INC.**

Kentucky Alltel, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, (the "Corporation") DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Corporation, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable an amendment to the Certificate of Incorporation of the Corporation to change the name of the Corporation to "Windstream Kentucky East, Inc."

SECOND: That in lieu of a meeting and vote of the stockholder, the sole stockholder has given its unanimous written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware by adopting the following resolutions:

"RESOLVED, that Article FIRST of the Certificate of Incorporation be amended to read as follows:

FIRST: The name of the Corporation is Windstream Kentucky East, Inc."

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Section 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this certificate of amendment to be signed by John P. Fletcher, its Executive Vice President, this 28th day of June, 2006.

By: /s/ John P. Fletcher
Name: John P. Fletcher
Title: Executive Vice President

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF A DELAWARE CORPORATION UNDER THE NAME OF "WINDSTREAM KENTUCKY EAST, INC." TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM "WINDSTREAM KENTUCKY EAST, INC." TO "WINDSTREAM KENTUCKY EAST, LLC", FILED IN THIS OFFICE ON THE TWENTY-NINTH DAY OF NOVEMBER, A.D. 2007, AT 11:29 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



3448612 8100V

071265995

You may verify this certificate online
at corp.delaware.gov/authver.shtml

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6195040

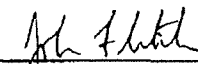
DATE: 11-29-07

**STATE OF DELAWARE
CERTIFICATE OF CONVERSION
FROM A CORPORATION TO A
LIMITED LIABILITY COMPANY PURSUANT TO
SECTION 18-214 OF THE LIMITED LIABILITY ACT**

- First.** The jurisdiction where the Corporation was first formed is Delaware.
- Second.** The jurisdiction immediately prior to filing this Certificate is Delaware.
- Third.** The date the Corporation was first formed is October 22, 2001.
- Fourth.** The name of the Corporation immediately prior to filing this Certificate is Windstream Kentucky East, Inc.
- Fifth.** The name of the Limited Liability Company as set forth in the Certificate of Formation is Windstream Kentucky East, LLC.

IN WITNESS WHEREOF, the undersigned, being duly authorized to sign on behalf of the converting Corporation, has executed this Certificate on the 31st day of October, 2007.

WINDSTREAM KENTUCKY EAST, INC.

By: 
Name: John P. Fletcher
Title: Executive Vice President and
General Counsel

P
4

State of Delaware
Office of the Secretary of State

PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ALLTEL NEWCO NO.1, INC.", CHANGING ITS NAME FROM "ALLTEL NEWCO NO.1, INC." TO "KENTUCKY ALLTEL, INC.", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF NOVEMBER, A.D. 2001, AT 2 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

3448612 8100

AUTHENTICATION: 1469817

010603480

DATE: 11-29-01

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION**

ALLTEL Newco No. 1, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of Delaware, does hereby certify:

FIRST: That the Board of Directors of ALLTEL Newco No. 1, Inc. duly adopted resolutions setting forth a proposed amendment to the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the First Article thereof so that, as amended said Article shall be and read as follows:

"The name of the Corporation is Kentucky ALLTEL, Inc."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held, at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of Delaware.

IN WITNESS WHEREOF, ALLTEL Newco No. 1, Inc. has caused this certificate to be signed by Scott T. Ford, its President, this 27th day of November, 2001.

ALLTEL Newco No. 1, Inc.

By: 

Scott T. Ford
President

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:47 AM 11/29/2007
FILED 11:29 AM 11/29/2007
SRV 071265995 - 3448612 FILE

**STATE OF DELAWARE
CERTIFICATE OF FORMATION
OF
WINDSTREAM KENTUCKY EAST, LLC**

First. The name of the limited liability company is Windstream Kentucky East, LLC.

Second. The address of its registered office in the State of Delaware is 1209 Orange Street in the City of Wilmington, Delaware 19801. The name of its Registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation this 31st day of October, 2007.

WINDSTREAM KENTUCKY EAST, INC.

By: _____

Name: John P. Fletcher

Title: Executive Vice President and
General Counsel

Delaware

PAGE 2

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF CERTIFICATE OF FORMATION OF "WINDSTREAM KENTUCKY EAST, LLC" FILED IN THIS OFFICE ON THE TWENTY-NINTH DAY OF NOVEMBER, A.D. 2007, AT 11:29 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



3448612 8100V

071265995

You may verify this certificate online
at corp.delaware.gov/authver.shtml

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6195040

DATE: 11-29-07