Windstream Holdings, Inc. ("Windstream", "we", "us", "our") has presented in this package unaudited pro forma results, which includes the results of operations of EarthLink Holdings Corp. ("EarthLink") as if the merger with EarthLink had been completed as of January 1, 2015. The pro forma results are based upon the historical financial information of Windstream and EarthLink adjusted to exclude the operating results of Windstream's disposed data center and consumer CLEC businesses and directory publishing operations and EarthLink's disposed information technology services business for all periods presented. In addition to these adjustments, the pro forma results also exclude pension costs, restructuring charges, share-based compensation expense, and all merger and integration costs resulting from strategic transactions. We have made certain reclassifications to the historical financial information of EarthLink to conform to our presentation. We have presented certain measures of our operating performance, on a pro forma basis, that adjusts for the impact of the annual cash rent payment due under the master lease agreement with Communications Sales & Leasing ("CS&L"). Effective February 27, 2017, CS&L changed its name to Uniti Group Inc.

The pro forma results are presented for informational purposes only and are not intended to represent nor necessarily be indicative of what the combined company's results of operations would have been had the merger been completed on January 1, 2015. The unaudited pro forma results do not reflect any incremental costs incurred in integrating the two companies or any cost savings from operating efficiencies, synergies or other restructurings that could result from the merger. We use adjusted OIBDA, adjusted OIBDAR, adjusted free cash flow, and adjusted capital expenditures as key measures of the operational performance of our business. Our management, including the chief operating decision-maker, consistently uses these measures for internal reporting and the evaluation of business objectives, opportunities and performance, and the determination of management compensation. Adjusted OIBDAR is also used by rating agencies and lenders to evaluate our operating performance and credit worthiness. Management believes that adjusted free cash flow provides investors with useful information about the ability of our core operations to generate cash flow.

We claim the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for this Annual Report on Form 10-K. 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 regarding the anticipated benefits of the merger with EarthLink, including future financial and operating results, projected synergies in operating and capital expenditures and the timing of achieving the synergies reduction in net leverage, and improvement in our ability to compete; our expectation to return a portion of our cash flow to shareholders through our dividend; expectations regarding our network investments to improve financial performance and increase market share; expectations regarding revenue trends, sales opportunities, improving margins in, and the directional outlook of, our business segments; network cost optimization; stability and growth in adjusted OIBDA; expected levels of support from universal service funds or other government programs; expected rates of loss of consumer households served or inter-carrier compensation; expected increases in high-speed Internet and business data connections, including increasing availability of higher Internet speeds and services utilizing next generation technology for customers; expectations regarding expanding enhanced services related to Internet speeds, IPTV and 1 Gbps services to more locations and expanding our fiber network; our expected ability to fund operations; expected required contributions to our pension plan and our ability to make contributions utilizing our common stock; the completion and benefits from network investments related to the Connect America Fund to fund the deployment of broadband services and capital expenditure amounts related to these investments; anticipated benefits of Project Excel to improve network capabilities and offer premium Internet speeds; anticipated capital expenditures and certain debt maturities from cash flows from operations; improving our debt profile and reducing interest costs; and expected effective federal income tax rates. These and other forward-looking 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: the cost savings and expected synergies from the merger with EarthLink may not be fully realized or may take longer to realize than expected; the integration of Windstream and EarthLink may not be successful, may cause disruption in relationships with customers, vendors and suppliers and may divert attention of management and key personnel; changes to our current dividend practice which is subject to our capital allocation policy and may be changed at any time at the discretion of our board of directors; further adverse changes in economic conditions in the markets served by us; the extent, timing and overall effects of competition in the communications business; our election to accept state-wide offers under the Federal Communications Commission ("FCC") Connect America Fund, Phase 2, and the impact of such election on our future receipt of federal universal service funds and capital expenditures, and any return of support received pursuant to the program; the potential for incumbent carriers to impose monetary penalties for failure to meet specific volume and term commitments under their special access pricing and tariff plans, which Windstream uses to lease last-mile connections to serve its retail business data service customers, without FCC action; the impact of new, emerging or competing technologies and our ability to utilize these technologies to provide services to our customers; 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; unfavorable rulings by state public service commissions in current and further proceedings regarding universal service funds, inter-carrier compensation or other matters that could reduce revenues or increase expenses; material changes in the communications industry that could adversely affect vendor relationships with equipment and network suppliers and customer relationships with wholesale customers; our ability to make rent payments under the master lease to CS&L, which may be affected by results of operations, changes in our cash requirements, cash tax payment obligations, or overall financial position; unanticipated increases or other changes in our future cash requirements, whether caused by unanticipated increases in capital expenditures, increases in pension funding requirements, or otherwise; 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; 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 or other actuarial assumptions; unfavorable results of litigation or intellectual property infringement claims asserted against us; the risks associated with 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, or non-compliance by us, our partners, or our subcontractors with any terms of our government contracts; the effects of federal and state legislation, and rules and regulations, and changes thereto, governing the communications industry; continued loss of consumer households served and consumer high-speed Internet customers; the impact of equipment failure, natural disasters or terrorist acts; the effects of work stoppages by our employees or employees of other communications companies on whom we rely for service; and those additional factors under the caption "Risk Factors" in our Form 10-K for the year ended December 31, 2016, 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.

WINDSTREAM HOLDINGS, INC. (INCLUDES EARTHLINK)
UNAUDITED PRO FORMA RESULTS OF OPERATIONS (NON-GAAP) (A)
QUARTERLY SUPPLEMENTAL INFORMATION
for the quarterly periods in the year 2016
(In millions)

	2016				
PRO FORMA RESULTS OF OPERATIONS:	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Revenues and sales:					
Total service revenues	$ 6,261.6	$ 1,524.7	$ 1,560.3	$ 1,578.0	$ 1,598.6
Product sales	107.7	20.2	26.1	28.5	32.9
Total revenues and sales	6,369.3	1,544.9	1,586.4	1,606.5	1,631.5
Costs and expenses:					
Cost of services	3,169.9	754.3	809.3	798.5	807.8
Cost of products sold	99.9	24.2	21.9	24.6	29.2
Selling, general and administrative	972.8	239.4	240.1	244.8	248.5
Costs and expenses excluding pension and share-based compensation expense	4,242.6	1,017.9	1,071.3	1,067.9	1,085.5
Adjusted OIBDAR (B)	2,126.7	527.0	515.1	538.6	546.0
Master lease rent payment	653.6	163.4	163.3	163.4	163.5
Adjusted OIBDA (C)	$ 1,473.1	$ 363.6	$ 351.8	$ 375.2	$ 382.5
Margins (D):					
Adjusted OIBDAR margin	33.4%	34.1%	32.5%	33.5%	33.5%
Adjusted OIBDA margin	23.1%	23.5%	22.2%	23.4%	23.4%
CAPITAL EXPENDITURES:					
Capital expenditures under GAAP	$ 1,073.9	$ 264.9	$ 263.5	$ 263.1	$ 282.4
Project Excel capital expenditures	(173.8)	(53.3)	(49.9)	(36.9)	(33.7)
Adjusted capital expenditures (E)	$ 900.1	$ 211.6	$ 213.6	$ 226.2	$ 248.7

PRO FORMA DEBT LEVERAGE RATIO:	As of 12/31/2016
Long-term debt, including current maturities	$ 5,293.0
Capital lease obligations	66.8
Total long-term debt and capital lease obligations	5,359.8
Cash and cash equivalents	110.6
Net debt	$ 5,249.2

	Twelve Months Ended 12/31/2016
Adjusted OIBDA	$ 1,473.1
Net leverage ratio	3.56

(A) Pro forma results of operations are based upon the historical financial information of Windstream and EarthLink adjusted to exclude the operating results of Windstream's disposed data center and consumer CLEC businesses and directory publishing operations and EarthLink's disposed information technology services business for all periods presented. The pro forma results assume the merger was completed on January 1, 2015.

(B) Adjusted OIBDAR is adjusted OIBDA before the annual cash rent payment due under the master lease agreement with CS&L assuming the lease payments began on January 1, 2015.

(C) Adjusted OIBDA is operating income before depreciation and amortization, excluding merger and integration costs related to strategic transactions, restructuring charges, pension costs and share-based compensation expense.

(D) Margins are calculated by dividing the respective profitability measures by total revenues and sales.

(E) Adjusted capital expenditures exclude expenditures related to Project Excel, a capital program funded entirely using a portion of the proceeds from the sale of Windstream's data center business completed on December 18, 2015.

Note: Effective February 27, 2017, CS&L changed its name to Uniti Group Inc.

WINDSTREAM HOLDINGS, INC. (INCLUDES EARTHLINK)
UNAUDITED PRO FORMA SEGMENT RESULTS (NON-GAAP) (A)
QUARTERLY SUPPLEMENTAL INFORMATION
for the quarterly periods in the year 2016 and for the annual period of 2015
(In millions)

	2016					2015
	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	Total
Consumer and Small Business - ILEC						
Revenues and sales:						
Service revenues	$ 1,243.6	$ 309.5	$ 311.6	$ 310.8	$ 311.7	$ 1,251.1
Product sales	1.1	0.2	0.3	0.2	0.4	2.9
Total consumer	1,244.7	309.7	311.9	311.0	312.1	1,254.0
Small business - ILEC	335.0	82.0	83.7	84.2	85.1	351.5
Total revenues and sales	1,579.7	391.7	395.6	395.2	397.2	1,605.5
Costs and expenses	680.7	158.3	183.5	169.8	169.1	671.0
Consumer and Small Business - ILEC contribution margin	$ 899.0	$ 233.4	$ 212.1	$ 225.4	$ 228.1	$ 934.5
Consumer and Small Business - ILEC contribution margin %	56.9%	59.6%	53.6%	57.0%	57.4%	58.2%
Wholesale						
Service revenues	$ 757.4	$ 183.7	$ 187.1	$ 191.0	$ 195.6	$ 808.0
Costs and expenses	263.8	65.2	65.7	66.7	66.2	266.0
Wholesale contribution margin	$ 493.6	$ 118.5	$ 121.4	$ 124.3	$ 129.4	$ 542.0
Wholesale contribution margin %	65.2%	64.5%	64.9%	65.1%	66.2%	67.1%
Enterprise						
Revenues and sales:						
Service revenues	$ 2,359.6	$ 583.7	$ 593.0	$ 588.9	$ 594.0	$ 2,365.9
Product sales	54.4	8.6	13.2	14.5	18.1	107.3
Total revenues and sales	2,414.0	592.3	606.2	603.4	612.1	2,473.2
Costs and expenses	2,042.0	495.0	511.7	509.8	525.5	2,176.5
Enterprise contribution margin	$ 372.0	$ 97.3	$ 94.5	$ 93.6	$ 86.6	$ 296.7
Enterprise contribution margin %	15.4%	16.4%	15.6%	15.5%	14.1%	12.0%
Consumer and Small Business - CLEC						
Revenues and sales:						
Service revenues	$ 207.2	$ 49.6	$ 50.5	$ 53.0	$ 54.1	$ 230.9
Product sales	0.6	0.2	0.1	0.2	0.1	0.8
Total consumer	207.8	49.8	50.6	53.2	54.2	231.7
Service revenues	695.5	159.1	169.7	179.8	186.9	830.1
Product sales	12.8	2.7	3.0	3.5	3.6	12.8
Total small business - CLEC	708.3	161.8	172.7	183.3	190.5	842.9
Total revenues and sales	916.1	211.6	223.3	236.5	244.7	1,074.6
Costs and expenses	564.3	130.9	138.7	144.2	150.5	655.4
Consumer and Small Business - CLEC contribution margin	$ 351.8	$ 80.7	$ 84.6	$ 92.3	$ 94.2	$ 419.2
Consumer and Small Business - CLEC contribution margin %	38.4%	38.1%	37.9%	39.0%	38.5%	39.0%
Total segment revenues and expenses						
Revenues and sales:						
Service revenues	$ 5,598.3	$ 1,367.6	$ 1,395.6	$ 1,407.7	$ 1,427.4	$ 5,837.5
Product sales	68.9	11.7	16.6	18.4	22.2	123.8
Total segment revenues and sales	5,667.2	1,379.3	1,412.2	1,426.1	1,449.6	5,961.3
Total segment costs and expenses	3,550.8	849.4	899.6	890.5	911.3	3,768.9
Segment contribution margin	$ 2,116.4	$ 529.9	$ 512.6	$ 535.6	$ 538.3	$ 2,192.4
Segment contribution margin %	37.3%	38.4%	36.3%	37.6%	37.1%	36.8%

WINDSTREAM HOLDINGS, INC. (INCLUDES EARTHLINK)
UNAUDITED PRO FORMA SEGMENT RESULTS (NON-GAAP) (A)
QUARTERLY SUPPLEMENTAL INFORMATION
for the quarterly periods in the year 2016 and for the annual period of 2015
(In millions)

	2016					2015
	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	Total
Consolidated revenues and expenses						
Revenues and sales:						
Segment revenues and sales						
Service revenues	$ 5,598.3	$ 1,367.6	$ 1,395.6	$ 1,407.7	$ 1,427.4	$ 5,837.5
Product sales	68.9	11.7	16.6	18.4	22.2	123.8
Segment revenues and sales	5,667.2	1,379.3	1,412.2	1,426.1	1,449.6	5,961.3
Regulatory and other revenues and sales (B)						
Service revenues	663.3	157.1	164.7	170.3	171.2	713.7
Product sales	38.8	8.5	9.5	10.1	10.7	43.7
Regulatory and other revenues and sales	702.1	165.6	174.2	180.4	181.9	757.4
Consolidated revenues and sales						
Service revenues	6,261.6	1,524.7	1,560.3	1,578.0	1,598.6	6,551.2
Product sales	107.7	20.2	26.1	28.5	32.9	167.5
Consolidated revenues and sales	$ 6,369.3	$ 1,544.9	$ 1,586.4	$ 1,606.5	$ 1,631.5	$ 6,718.7
Consolidated costs and expenses						
Segment costs and expenses	$ 3,550.8	$ 849.4	$ 899.6	$ 890.5	$ 911.3	$ 3,768.9
Regulatory and other expenses (C)	236.6	54.9	59.0	60.9	61.8	240.8
Shared expenses (D)	455.2	113.6	112.7	116.5	112.4	466.0
Consolidated costs and expenses	$ 4,242.6	$ 1,017.9	$ 1,071.3	$ 1,067.9	$ 1,085.5	$ 4,475.7
Consolidated						
Adjusted OIBDAR	$ 2,126.7	$ 527.0	$ 515.1	$ 538.6	$ 546.0	$ 2,243.0
Adjusted OIBDAR margin	33.4%	34.1%	32.5%	33.5%	33.5%	33.4%

(A) Pro forma results of operations are based upon the historical financial information of Windstream and EarthLink adjusted to exclude the operating results of Windstream's disposed data center and consumer CLEC businesses and directory publishing operations, EarthLink's disposed information technology services business, merger, integration and other costs related to strategic transactions, restructuring charges, pension costs, and share-based compensation expense for all periods presented. The pro forma results assume the merger was completed on January 1, 2015.

(B) These revenues are not allocated to the business segments and include revenue from federal and state universal service funds, CAF Phase II support, funds received from federal access recovery mechanisms, revenues from providing switched access services, and certain surcharges assessed to our customers, including billings for our required contributions to federal and state USF programs. These revenues also include product sales to contractors and consumer revenues generated in markets where we lease the connection to the customer premise.

(C) These expenses are not allocated to the business segments and primarily consist of various regulatory fees, cost of products sold to contractors, and interconnection costs in consumer markets where we lease the connection to the customer premise.

(D) Shared expenses are not allocated to the segments and primarily consist of accounting and finance, information technology, engineering, legal, human resources, and investor relations, that are centrally managed and are not monitored by management at a segment level.

WINDSTREAM HOLDINGS, INC. (INCLUDES EARTHLINK)
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (A)
for the quarterly periods in the year 2016 and for the annual period of 2015
(In millions)

	2016					2015
	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	Total
Reconciliation of Revenues and Sales under GAAP to Pro Forma Revenues and Sales:						
Service revenues under GAAP	$ 5,279.9	$ 1,289.1	$ 1,318.9	$ 1,331.3	$ 1,340.6	$ 5,598.6
Adjustments:						
EarthLink revenues	981.7	235.6	241.4	246.7	258.0	1,083.8
Data center revenues	-	-	-	-	-	(119.4)
Consumer CLEC revenues	-	-	-	-	-	(10.2)
Directory publishing revenues	-	-	-	-	-	(1.6)
Pro forma service revenues	6,261.6	1,524.7	1,560.3	1,578.0	1,598.6	6,551.2
Product sales under GAAP	107.1	20.0	26.0	28.3	32.8	166.7
Adjustments:						
EarthLink product sales	0.6	0.2	0.1	0.2	0.1	0.8
Pro forma product sales	107.7	20.2	26.1	28.5	32.9	167.5
Pro forma revenues and sales:	$ 6,369.3	$ 1,544.9	$ 1,586.4	$ 1,606.5	$ 1,631.5	$ 6,718.7
Reconciliation of Net (Loss) Income under GAAP to Pro Forma Adjusted OIBDA:						
Net (loss) income	$ (383.5)	$ (86.9)	$ (66.2)	$ 1.5	$ (231.9)	$ 27.4
Adjustments:						
Dividend income on CS&L common stock	(17.6)	-	-	-	(17.6)	(48.2)
Other expense (income), net	1.2	(1.3)	(0.6)	1.9	1.2	(9.3)
Loss (gain) on sale of data center business	10.0	10.0	-	-	-	(326.1)
Net (gain) loss on disposal of investment in CS&L common stock	(15.2)	-	2.1	(17.3)	-	-
Net loss (gain) on early extinguishment of debt	18.0	-	20.1	(37.5)	35.4	36.4
Other-than-temporary impairment loss on investment in CS&L common stock	181.9	-	-	-	181.9	-
Interest expense	860.6	207.1	216.4	217.4	219.7	813.2
Income tax (benefit) expense	(140.0)	(55.2)	(42.4)	(11.4)	(31.0)	16.0
Operating income under GAAP	515.4	73.7	129.4	154.6	157.7	509.4
Depreciation and amortization	1,263.5	329.5	321.0	308.2	304.8	1,366.5
Adjustments:						
EarthLink operating income	213.0	45.5	50.4	56.4	60.7	238.7
Data center business operating loss	-	-	-	-	-	(2.6)
Consumer CLEC business operating income	-	-	-	-	-	(3.3)
Directory publishing operating income	-	-	-	-	-	(0.8)
Depreciation and amortization - disposed businesses	-	-	-	-	-	(36.2)
Merger and integration costs	13.8	3.3	2.9	2.6	5.0	95.0
Pension expense (income)	59.1	57.7	(0.3)	2.0	(0.3)	1.2
Restructuring charges	20.3	7.5	2.5	5.9	4.4	20.7
Share-based compensation expense	41.6	9.8	9.2	8.9	13.7	54.4
Pro forma adjusted OIBDAR (B)	2,126.7	527.0	515.1	538.6	546.0	2,243.0
Master lease rent payment	(653.6)	(163.4)	(163.3)	(163.4)	(163.5)	(650.0)
Pro forma adjusted OIBDA (C)	$ 1,473.1	$ 363.6	$ 351.8	$ 375.2	$ 382.5	$ 1,593.0

(A) Pro forma results of operations are based upon the historical financial information of Windstream and EarthLink adjusted to exclude the operating results of Windstream's disposed data center and consumer CLEC businesses and directory publishing operations and EarthLink's disposed information technology services business for all periods presented. The pro forma results assume the merger was completed on January 1, 2015.

(B) Pro forma adjusted OIBDAR is pro forma adjusted OIBDA before the annual cash rent payment due under the master lease agreement with CS&L assuming the lease payments began on January 1, 2015.

(C) Pro forma adjusted OIBDA is operating income before depreciation and amortization, excluding merger and integration costs related to strategic transactions, restructuring charges, pension costs and share-based compensation expense.