

Windstream Holdings, Inc.
Attachment to Internal Revenue Service Form 8937

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”). The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Code. Holders should consult their own tax advisors regarding the particular tax consequences of the Exchange (as defined below) to them, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.

Form 8937, Part I, Line 10 - CUSIP Numbers

Exchange	Old Notes	New Notes
2021 Exchange	97381WAR5, 97381WAT1, U9700PAK1	97381LAD0, U9701LAE3
2022 Exchange	97381WAX2	97381LAD0, U9701LAE3

Form 8937, Part II, Line 14

1. 2021 Exchange

On December 13, 2017 (“**Settlement Date**”), Windstream Services, LLC (the “**Issuer**”), an entity disregarded as separate from Windstream Holdings, Inc. for U.S. federal income tax purposes, and Windstream Finance Corp. (“**Co-Issuer**,” and together with the Issuer, the “**Issuers**”) issued approximately \$583.19 million aggregate principal amount of new 8.75% senior notes due 2024 (“**New 8.75% Notes**”) in exchange (“**2021 Exchange**”) for approximately \$537.64 million principal amount of existing 7.75% notes due 2021 (“**Existing 2021 Notes**”) at early settlement. The Issuers also paid in cash accrued and unpaid interest on the Existing 2021 Notes from the applicable latest interest payment date to, but not including, the Settlement Date.

2. 2022 Exchange

On the Settlement Date, the Issuers issued approximately \$249.42 million aggregate principal amount of New 8.75% Notes in exchange (“**2022 Exchange**”) for approximately \$232.09 million principal amount of existing 7.50% senior notes due 2022 (“**Existing 2022 Notes**”) at early settlement. The Issuer also paid in cash accrued and unpaid interest on the Existing 2022 Notes from the applicable latest interest payment date to, but not including, the Settlement Date.

In later paragraphs, the 2021 Exchange and 2022 Exchange will be together referred to as the “Exchange.” The New 8.75% Notes will be referred to as the “New Notes.” The Existing 2021 Notes and Existing 2022 Notes will be together referred to as the “Old Notes.”

Form 8937, Part II, Line 15

The Issuers have determined that, although the issue is not free from doubt, the Exchange will be treated as a significant modification under Treas. Reg. §1.1001-3 to holders for U.S. federal income tax purposes if such holder participates in the Exchange.

Although the issue is not free from doubt, the Issuers intend to take the position that all of the Old Notes and New Notes will be treated as securities for U.S. federal income tax purposes, and that the Exchange will thus be treated as a recapitalization. If the Exchange is treated as a recapitalization, then a U.S. holder generally will not recognize gain or loss with respect to the Exchange, subject to certain exceptions. Under the rules applicable to recapitalizations, a holder recognizes gain equal to the lesser of (i) the gain realized by the holder and (ii) the cash amount received, if any (not including any amounts attributable to accrued and unpaid interest on the Old Notes) plus the fair market value of the excess of (a) the principal amount of the New Notes over (b) the principal amount of the Old Notes exchanged therefor (such excess, the “excess principal amount”). The amount described in the foregoing clause (ii) shall hereinafter be referred to as the “boot.” In general, a U.S. holder would obtain a tax basis for the portion of its New Notes received that corresponds to any boot received equal to the fair market value of such boot and a tax basis for the remainder of the New Notes received that is equal to such holder’s adjusted tax basis in the Old Notes surrendered, increased by any gain recognized on the Exchange and decreased by the amount of any boot received (including the excess principal amount, but excluding any amounts attributable to accrued and unpaid interest on the Old Notes). In addition, any accrued market discount on such Old Notes that was not previously included in income will generally carry over to the New Notes, as applicable, and such the New Notes would also be treated as acquired at a market discount if the stated principal amount of the New Notes, as applicable, exceeds the U.S. holder’s initial tax basis for such notes by more than a de minimis amount.

If the Exchange fails to qualify as a recapitalization, a U.S. holder will generally recognize gain or loss equal to the difference, if any, between the amount realized on the Exchange and the U.S. holder’s adjusted tax basis in the Old Notes. The amount realized will be equal to the issue price of the New Notes. For these purposes, the amount realized does not include any amount attributable to accrued interest on the Old Notes that has not previously been included in income.

Holders should consult their own tax advisers regarding the particular tax consequences of the Exchange to them.

Form 8937, Part II, Line 16

As discussed in Line 15, for New Notes received in the Exchange (and assuming the Exchange is treated as a recapitalization), a holder's initial tax basis in the New Notes received shall be determined as follows:

- A holder's initial tax basis in the portion of the New Notes received that corresponds to any "boot" received (as defined in Line 15, above) will be the fair market value of such "boot" (i.e., the cash amount received if any (not including any amounts attributable to accrued and unpaid interest on the Old Notes), plus the fair market value of the "excess principal amount," as defined in Line 15, above).
- A holder's initial tax basis in its remaining portion of New Notes received will be the same as the holder's tax basis in the Old Notes surrendered, increased by the amount of gain recognized by the holder in the Exchange, if any, and decreased by the amount of "boot" (as defined in Line 15, above) that is received by the holder.

The following simplified examples illustrate a hypothetical U.S. holder's calculation of its adjusted tax basis in the New Notes received. The examples below use simplified numbers and assumptions, are for illustrative purposes only, and do not purport to fully describe the actual facts or tax consequences that may apply to a particular holder. Holders should consult their own tax advisers regarding the particular tax consequences of the Exchange to them.

Example for 2021 Exchange:

Investor A exchanged \$1,000 principal amount of Old Notes for New Notes with a principal amount of \$1,085. Investor A had a tax basis in the Old Notes equal to the principal amount of the Old Notes immediately before the Exchange.

The New Notes were issued at an issue price of 70.00% of face, or \$700 per face amount of \$1,000.

Old Notes Principal Amount (par): \$1,000 Assumed Old Notes Tax Basis (tb): \$1,000 Excess Principal (ep): \$85								
Exchanged For	Exchange Terms			Gain on the Exchange			New Notes Received	
	Principal Amount (A)	Issue Price (B)	Cash Amount (C)	Boot (D)=(C)+FMV of (ep)	Gain Realized (E)	Gain Recognized (F)=Lesser of (D) or (E)	Tax Basis (portion not boot) (G)=(tb)+(F)-(D)	Tax Basis (boot portion) (H)=FMV of (ep)
New Notes of \$1,085	\$1,085	\$759.5	0	\$59.5	0	0	\$940.5	\$59.5

Example for 2022 Exchange:

Investor B exchanged \$1,000 principal amount of Old Notes for New Notes with a principal amount of \$1,075. Investor B had a tax basis in the Old Notes equal to the principal amount of the Old Notes immediately before the Exchange.

The New Notes were issued at an issue price of 70.00% of face, or \$700 per face amount of \$1,000.

Old Notes Principal Amount (par): \$1,000 Assumed Old Notes Tax Basis (tb): \$1,000 Excess Principal (ep): \$75								
Exchanged For	Exchange Terms			Gain on the Exchange			New Notes Received	
	Principal Amount (A)	Issue Price (B)	Cash Amount (C)	Boot (D)=(C)+FMV of (ep)	Gain Realized (E)	Gain Recognized (F)=Lesser of (D) or (E)	Tax Basis (portion not boot) (G)=(tb)+(F)-(D)	Tax Basis (boot portion) (H)=FMV of (ep)
New Notes of \$1,075	\$1,075	\$752.5	0	\$52.5	0	0	\$947.5	\$52.5

Form 8937, Part II, Line 17

Sections 354, 358, 368, 1001, and 1012 of the Code.

Form 8937, Part II, Line 18

The Exchange generally should not result in a loss to holders to the extent the Exchange is a recapitalization. If the Exchange does not qualify as a recapitalization for U.S. federal income tax purposes, the Exchange may result in a loss to a holder to the extent such holder's tax basis in the Old Notes exceeds the fair market value of the New Notes.

Form 8937, Part II, Line 19

The Issuer has determined that the New 8.75% Notes are "traded on an established market", and the issue price of the New 8.75% Notes is 70.00% of par.

The reportable tax year is 2017 with respect to calendar year taxpayers.