CS&L

The Communications REIT

Investor Presentation

November, 2015

Safe Harbor

Certain statements in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward-looking statements include all statements that are not historical statements of fact and those regarding our intent, belief or expectations, including, but not limited to, expectations regarding CS&L's ability to access capital markets, CS&L's growth opportunities and potential transactions, CS&L's ability to make regular dividend payments and the stability of CS&L's cash flows.

Words such as "anticipate(s)," "expect(s)," "intend(s)," "plan(s)," "believe(s)," "may," "will," "would," "could," "should," "seek(s)" and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we can give no assurance that our expectations will be attained. Factors which could have a material adverse effect on our operations and future prospects or which could cause actual results to differ materially from our expectations include, but are not limited to: our ability to achieve some or all the benefits that we expect to achieve from the Spin-Off from Windstream Holdings, Inc.; the ability and willingness of customers to meet and/or perform their obligations under any contractual arrangements that are entered into with us, including master lease arrangements; the ability of customers to comply with laws, rules and regulations in the operation of the assets we lease to them; the availability of and our ability to identify suitable acquisition opportunities and our ability to acquire and lease the respective properties on favorable terms; our ability to generate sufficient cash flows to service our outstanding indebtedness; access to debt and equity capital markets; fluctuating interest rates; our ability to retain key management personnel; our ability to qualify or maintain our status as a real estate investment trust ("REIT"); changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs; other risks inherent in ownership of communications distribution systems, including potential liability relating to environmental matters and illiquidity of real estate investments; and additional factors discussed in the Risk Factors section of our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, as well as those described from time to time in our reports filed with the SEC. CS&L expressly disclaims any obligation to release publicly any updates or revisions to any of the forward looking statements set forth in this presentation to reflect any change in its expectations or any change in events, conditions or circumstances on which any statement is based.

This presentation contains certain supplemental measures of performance that are not required by, or presented in accordance with, U.S. GAAP. Such measures should not be considered as alternatives to GAAP. Further information with respect to and reconciliations of such measures to the nearest GAAP measure can be found in the appendix hereto.

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Company Overview

- **First Net Lease REIT Primarily Focused on Mission Critical Communication Distribution Systems**
  - **Private Letter Ruling received in July 2014**
  - **First mover advantage**
- **Long Term Triple-Net Lease with Large Scale Anchor Customer Providing Predictable Cash Flows**
  - **Over $10 billion in contractual revenues**
  - **15 year initial lease term with potential to extend for 20 additional years**
- **Substantial Liquidity and Capital Markets Access**
  - **Over $700 million of available liquidity**
- **Substantial Growth Potential**
  - **Growing and Robust Pipeline of Opportunities**
  - **Strong Industry Relationships**
  - **Sizable Addressable Market**

Focused on Diversification and Growth

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Management Team

Kenny Gunderman

President & Chief Executive Officer

- 17 years of telecom sector investment banking experience at Stephens, Inc. and Lehman Brothers
- Developed extensive relationships with both large and small telecom service providers
- Substantial capital markets and M&A experience with private and public companies

Mark Wallace

Senior Vice President, Chief Financial Officer & Treasurer

- Former EVP-CFO and Treasurer of HCP, Inc., an S&P 500 REIT, Managing Director at Fortress Investment Group, and 10 years at Arthur Andersen
- Structured over $15 billion of mergers and acquisitions, joint ventures and capital markets transactions in real estate and industrial companies

Daniel Heard

Senior Vice President & General Counsel

- Former Partner in the Little Rock offices of Kutak Rock LLP
- More than 15 years of experience in negotiating, structuring and consummating mergers and acquisitions, public offerings of debt and equity securities and other corporate finance transactions

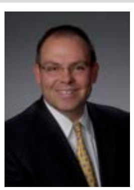
Jeff Small

Senior Vice President of Operations

- Responsible for lease administration and the consumer CLEC operations of Talk America
- More than 15 years of experience including most recently as VP of Procurement and Carrier Service Delivery at Windstream

Rob Clancy

Assistant Treasurer & Vice President of Investor Relations



- 27 years of telecom expertise including as SVP Finance at Cbeyond & SVP Treasurer at Windstream
- Substantial experience in capital markets, M&A, and investor relations

Extensive Telecom, REIT, Capital Markets and M&A Experience

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Strategic Rationale for Spin Off

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- Yield-oriented REIT with attractive dividend
- Master lease provides reliable and predictable free cash flow
- Opportunities to partner with customers on new investments
- Substantial investment opportunities with other telecom service providers to accretively grow cash flows

Geographically diverse, high-quality communication distribution assets

First Mover Advantage

Focused on Growth and Diversification

Windstream

- Enhances financial and strategic flexibility
- Positions Windstream to accelerate broadband and other network investments
- Better positions Windstream to pursue organic and inorganic growth opportunities
- Unlocks shareholder value and improves long term competitiveness

Consumer Customers – 3.1 million

Enterprise / SMB Customers – 350k+

Pro Forma Total Revenues – $5.8 billion (1)

Windstream's rationale is replicable across the telecom industry

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Source: Windstream Company filings, presentations and public information

(1) Based upon Windstream public filings, 2014 Pro Forma Total Revenues and Sales include $5.6 billion in Services Revenues and $181.9 million in Product Sales

Triple-Net Lease … Same Structure, New Sector

Attractive Net Lease Structure

Predictable Cash Flows + **High Operating Margins** + **Growth Opportunities**

Selected Public Net Lease REITs

Retail	Healthcare	Entertainment	Infrastructure	Telecommunications
National Retail Properties NYSE:NNN Realty Income New York Stock Exchange Symbol "O"	HCP NYSE: HCP Omega Healthcare Investors, Inc. NYSE: OHI	Gaming & Leisure Properties, Inc. NASDAQ: GLPI EPR Properties Return on Insight NYSE: EPR	InfraREIT NYSE: HIFR CorEnergy Infrastructure Trust, Inc. NYSE: CORR	CS&L The Communications REIT NASDAQ: CSAL

First Triple-Net Lease REIT Primarily Focused on Communication Distribution Assets

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Favorable Comparison to Triple-Net REITs

	Average Triple-Net REIT [(1)]	CS&L
Lease Term	12 Years	15 Years
Contractual Revenue Backlog [(2)]	~$4B	~$10B
Net Leverage Ratio	5.2x	5.2x
Enterprise Value	~$5.1B	~$7.0B
EBITDA Margin	87%	93% [(3)]
Floating Rate Debt as a % of Total Debt	21%	0% [(4)]
Debt Maturity (FY15-17) as a % of Total Debt	16%	0%
Available Liquidity	~$510M	~$710M [(5)]
G&A / Enterprise Value	66bps	37bps
Dividend Yield	5.8%	11.9%

(1) Average of triple-net REITs as of 7/6/15 which include: O, OHI, NNN, GLPI, MPW, EPR, LXP, NHI, SBRA, LTC, CTRE, GTY, STOR and SRC

(2) Figure calculated as the average of each REIT's weighted average remaining lease term multiplied by each REIT's FY14 rental revenue (pro forma revenue in CS&L's case)

(3) Margin represents EBITDA less estimated general & administrative costs associated with being an independent, publicly traded company divided by revenue

(4) On April 27, 2015, we entered into a swap agreement to fix the interest rate on the entire $2.14B variable rate debt associated with the Term Loan B

(5) Available Liquidity defined as available draw on revolver plus available cash; for CSAL, there is $500M available draw on revolver in addition to ~$210M in available cash as of 9/30/15

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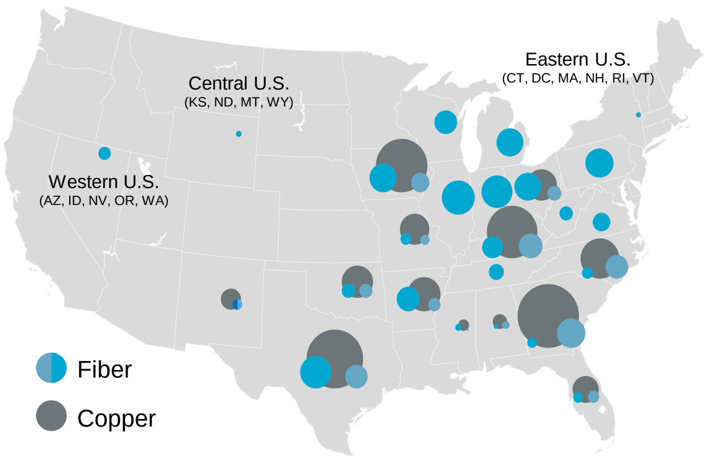
Asset Overview

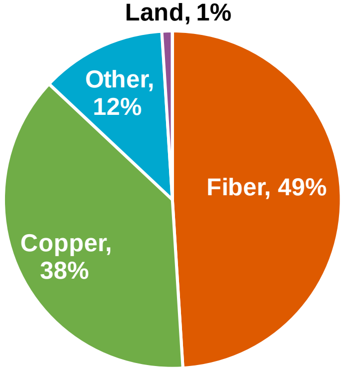
Key Metrics

- **3.5 million strand miles of fiber**
- **235,200 route miles of copper**
- **Other Assets:**
  - **Land**
  - **Buildings**
- **Lean, scalable operating business**
- **<50 Employees**

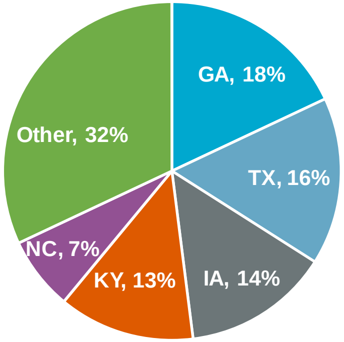
Network Map



Composition of Assets (1)



Assets by State (2)



Geographically Diverse, High Quality Asset Base

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(1) Based on Net Book Value at 12/31/2014

(2) Based on route miles

An Illustration of our Assets

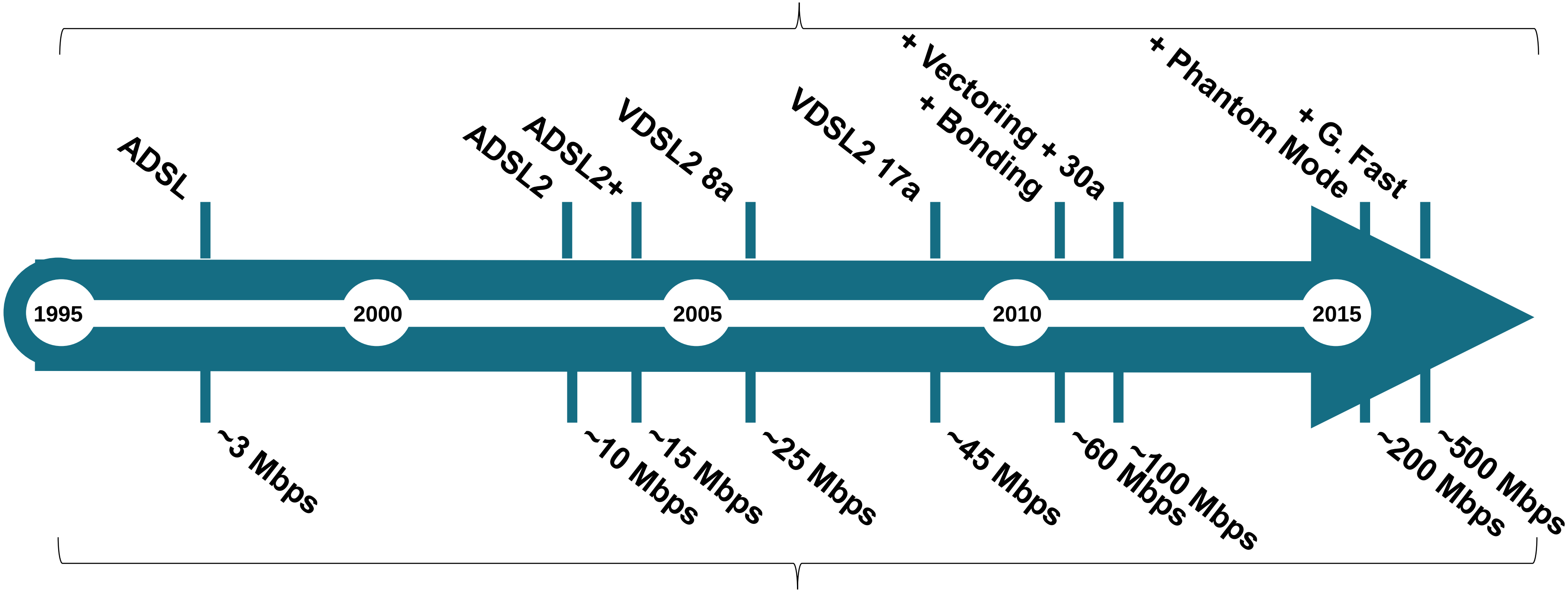
- **87% of CS&L's total assets are fiber and copper**
  - **Long-lasting, durable, permanent real estate**
- **Triple net lease structure requires tenant to perform required maintenance on communication distribution assets**
- **Fiber and copper assets have long useful life and telecom equipment upgrades have increased the bandwidth capacity of copper**

Long-lasting, Durable Real Estate

Significant Increases in Broadband Capacity and Speeds Driven by Advances in Electronics

Investments by electronics manufacturers and service providers, along with fiber deployment, have significantly increased the capacity of copper networks.

Technological Developments



Peak U.S. Broadband Speeds

Copper Speed Continually Enhanced by New Technologies

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Source: JDSU, “How Enhanced DSL Technologies Optimize the Last Copper Mile”.

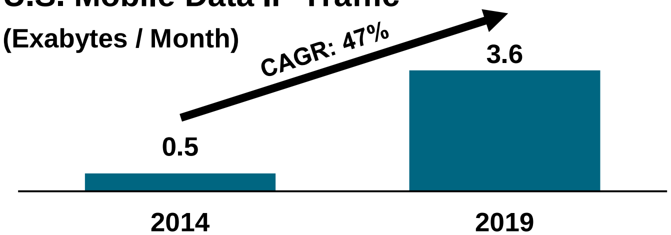
CS&L Communications Network Assets Benefit From Increasing Bandwidth Demand

CS&L's fiber and copper network assets represent the infrastructure supporting explosive internet traffic growth driven by major secular trends.

+ Wireless

- Proliferation of mobile data as consumers demand full mobile device connectivity requires fixed network data transportation

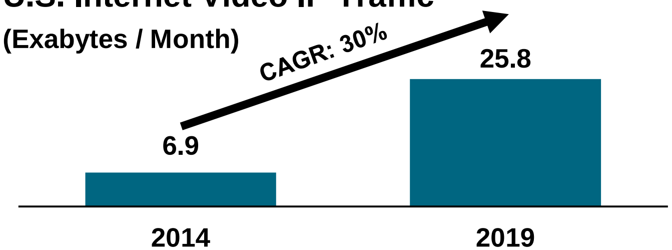
U.S. Mobile Data IP Traffic
(Exabytes / Month)



+ Internet Video

- Internet video is expected to represent 85% of IP Traffic in 2019 driven by rapid growth in OTT video from Netflix, YouTube, Hulu, and other platforms

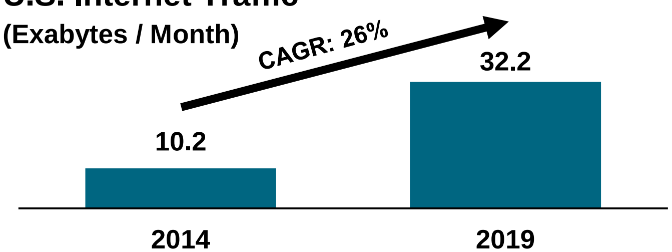
U.S. Internet Video IP Traffic
(Exabytes / Month)



= U.S. Internet Traffic

- Internet traffic in 2019 will be equivalent to 96x the volume of the entire U.S. Internet in 2005

U.S. Internet Traffic
(Exabytes / Month)



Requires Corresponding Investment in Physical Internet Infrastructure / Connectivity

- Current 42.5% fiber penetration in commercial buildings up from 11% in 2004 according to the Vertical Systems Group
- There will be 11.7 networked devices per capita in 2019, up from 6.2 per capita in 2014
- Average fixed broadband speed will grow 2.0-fold from 2014 to 2019, from 22.2 Mbps to 45 Mbps

Fiber and Copper Assets are Critical to Support Explosive Growth

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Source: Cisco VNI.

Business Strategy & Growth Opportunities

Business Strategy

- Own high quality, critical Communications Assets
  - Last mile enterprise and consumer fiber
  - Metro and long haul fiber
  - Regulated customer connections
- Structure creative, durable, long-term customer lease agreements
  - Custom-tailored solutions to meet customers' capital needs
  - Superior lease coverage
- Create diversified portfolio of assets and customers
  - High quality, creditworthy customers
- Maintain triple-net lease REIT focus
  - Lean and focused organization

Growth Opportunities

- Acquire other communication distribution systems
  - Exclusive use and multi-use
- Facilitate M&A in a highly fragmented market
  - Strategic acquisition partner
  - Whole company acquisitions
  - $1.5B+ TRS (Taxable REIT Subsidiary) capacity
- Finance greenfield fiber builds
- Acquire other REITable assets
- Ongoing capex for existing customers
  - 100% success-based capex
- Contractual escalators in lease agreements

Strategic Capital Partner to the Communications Industry

Transaction Structures

Range of Available Transaction Structures

Capital Investment Financing

- Telcos invest billions every year in building / upgrading networks
- CS&L can offer a cost efficient method of raising capital for success based customer investments
- Opportunity to finance greenfield fiber builds

Sale Leaseback / Lease Leaseback

- CS&L can provide liquidity to partner who continues to run operations and maintains all regulatory obligations
- Extensively used in other sectors, such as wireless towers
- Custom-tailor solutions for customers' capital needs
  - Exclusive use
  - Multi-use

Mergers & Acquisitions Rollup

- CS&L can facilitate M&A transactions as a capital partner
- Target-rich acquisition environment given highly fragmented sector
- $71B [1] in LTM telecom-focused M&A transaction volume

WholeCo Acquisition

- CS&L has the flexibility to acquire entire companies, including operations ($1B+ TRS basket)
- Operations can be sold or retained in a TRS

Flexibility to Create Tax-Advantaged, Tailored Solutions

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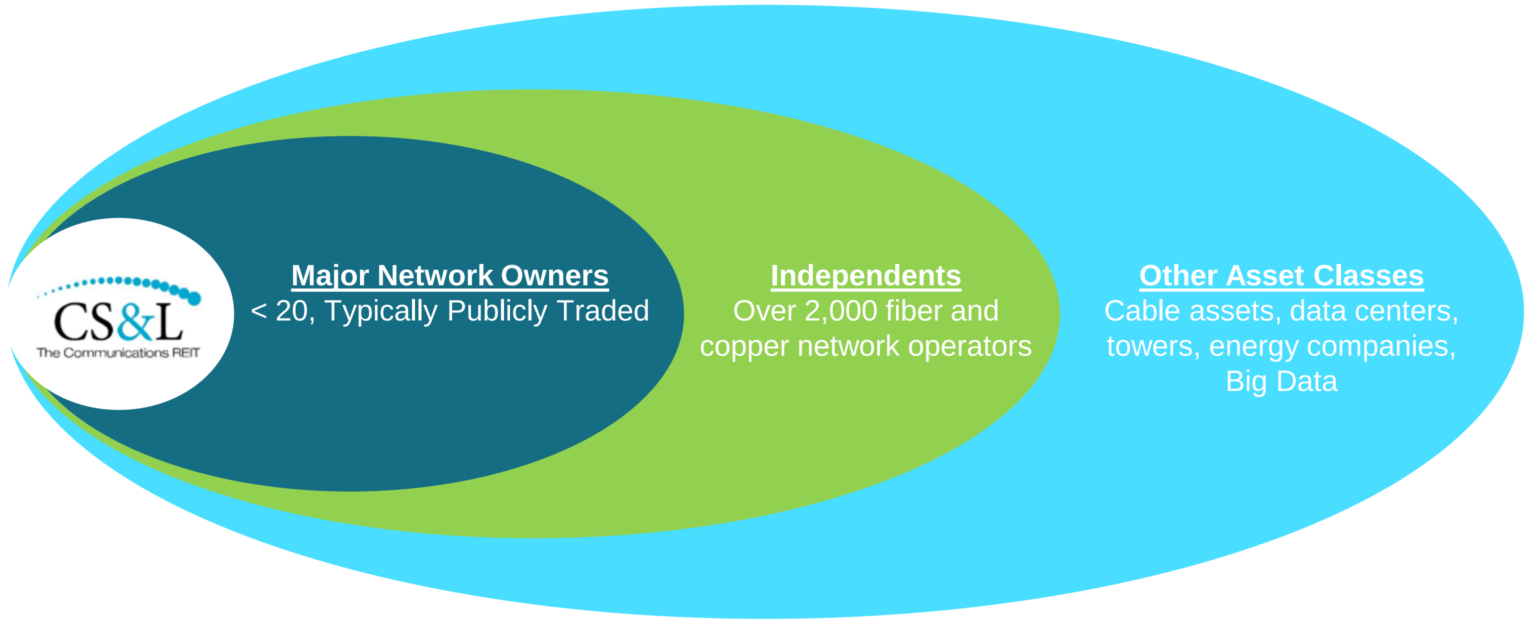
(1) Market source is ThomsonOne and represents LTM May 2015.

Universe of Potential Partners



Potential Partners in Fragmented Telecom Industry

Fiber / Competitive

- Numerous small companies building fiber networks to capitalize on wireless backhaul and broadband demand

ILEC / RLEC

- Incumbent wireline provider copper (access lines) network that needs to be upgraded

Cable

- Investing in coax network to deliver broadband speeds and pursue enterprise / SMB opportunities

Other

- Many non-traditional buyers and consumers of communications networks, especially with data explosion

Deep Familiarity with Sale Leaseback Transactions

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Sizable Addressable Market

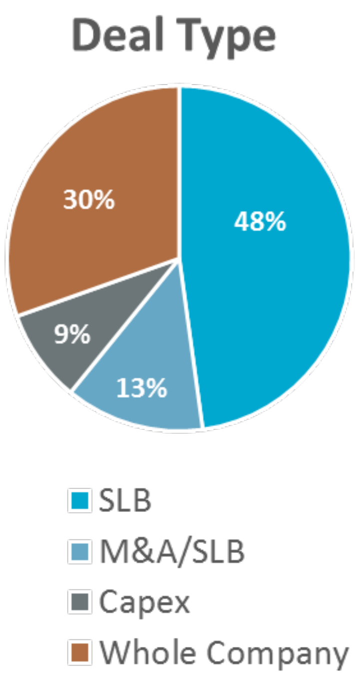
	Estimated Market Size	CS&L	% of Market
Copper / Coaxial Connections (1)	**133M** (United States)	**1.6M**	**<2%**
Fiber Route Miles	**186M** (Worldwide)	**64K**	**<1%**
Annual Fiber Investment (2)	**$15B**	**$50M**	**<2%**

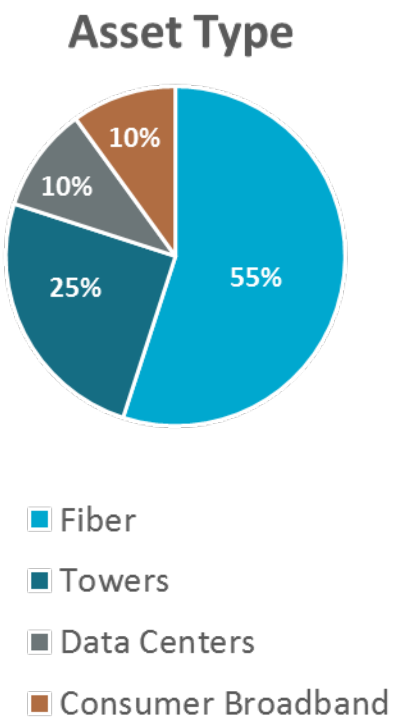
Public Telco Aggregate Capex Spend for 2014 (3): $62B

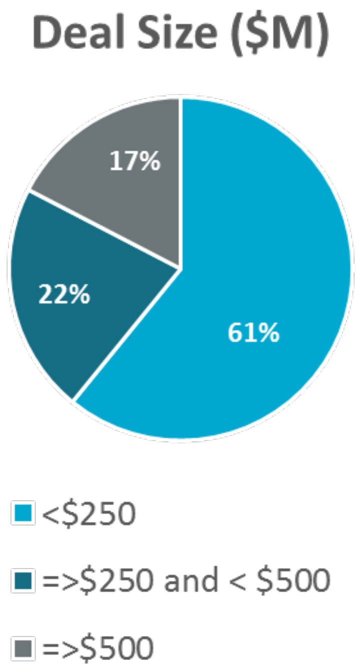
LTM U.S. Telecom M&A Transaction Value (4): $71B

(1) Market source is FCC Local Telephone Competition report for 2013 and excludes mobile voice subscriptions.
(2) Market source is average spend from 2006-2011 developed by CRU Group as republished in the Wall Street Journal on 4/3/2012.
(3) Market source is Capital IQ.
(4) Market source is ThomsonOne and represents LTM May 2015.

Pipeline Summary







Growing and Robust Pipeline

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This is a summary of the transactions we are actively pursuing. We have not signed a purchase agreement and are not otherwise committed to consummating any of these transactions and there can be no assurances that any of these transactions will be completed

Financial Profile

	Actual		Pro Forma for
	Quarter Ending September 30, 2015	April 24 to September 30, 2015	Year Ending December 31, 2014
Revenue	$174 million[(1)]	$302 million[(2)]	$703 million[(3)]
EBITDA	$163 million	$285 million	$653 million[(4)]
FFO	$95 million	$167 million	$385 million[(4)]
AFFO	$97 million	$169 million	$387 million[(4)]
Annual Dividend / Share	$2.40		
Net Leverage Ratio	5.3x	5.2x	5.4x

Conservative Financial Profile with Reliable Cash Flows

(1) $167.0 million of leasing and rental revenue (including straight line amortization) and $6.7 million of Consumer CLEC revenue
(2) $291.2 million of leasing and rental revenue (including straight line amortization) and $11.3 million of Consumer CLEC revenue
(3) $667.2 million of leasing and rental revenue (including straight line amortization) and $36.0 million of Consumer CLEC revenue
(4) Represents Net EBITDA, FFO, net of estimate G&A and AFFO, net of G&A, which reflects an estimated $25 million of general & administrative (G&A) expenses associated with being an independent, publicly traded company

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Windstream Relationship

- Windstream retained a 19.6% stake in CS&L in the spin-off
- Windstream has indicated they will pursue the monetization opportunistically during the 18 – 24 month period post the spin-off (April 27th)
- CS&L filed an S-11 on June 25th that is required prior to a potential monetization by Windstream, though the ultimate timing will be driven mainly by market conditions
- CS&L entered into the Master Lease (among other agreements) with Windstream post the spin-off
  - $650 million of annual contractual rental payments, with escalator commencing in the 4th year
    - 15 year initial term, with four five year renewal options
  - Windstream can request CS&L to fund $50 million of capital expenditures per year for five years increasing the annual lease payments, if we fully fund such payments
  - Windstream has requested CS&L to fund $50 million of capital expenditures in 2015 (separate from the above option)
    - This grows our annual revenue by $4.06 million on an annualized basis

Corporate Governance Structure

- **Management incentive compensation directly linked to stockholder value creation**
- **Roles of Chairman and Chief Executive Officer performed by separate individuals**
- **Fully independent audit committee, compensation and nominating and corporate governance committees**
- **Non Classified board with each director subject to re-election annually**
- **Opted out of the Maryland business combination and control share acquisition statutes**
- **No stockholder rights plan**
- **Independent directors will meet regularly in executive sessions without the presence of corporate officers or non-independent directors**
- **Voting standard in director elections is a majority of votes cast, with a resignation policy for any director not receiving the requisite vote**

Shareholder Friendly Corporate Governance Structure

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Note: CS&L's organizational documents provide that it will not classify its board in the future or opt into the Maryland business combination and control share acquisition statutes without shareholder approval.

Key Investment Highlights

First Net Lease REIT Primarily Focused on Mission Critical Communication Distribution Systems

Long Term Triple-Net Lease with Predictable Cash Flows

Substantial Liquidity and Capital Markets Access

Substantial Growth Potential

Shareholder Friendly Corporate Governance

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Appendix

Anchor Customer – Windstream

Financial Profile	
Pro Forma Total Revenues and Sales (1)	$5.8 Billion
Adjusted OIBDA after Rental Payment	$1.5 Billion
Contractual Rent (2)	$650 Million
Rent Coverage Ratio (Adj. OIBDA to Rental Payment)	3.3x
Leverage (Total Debt to Adj. OIBDA after Rental Payment) (3)	3.6x

Investing for Growth

- Expanding long-haul express network
- Deploying fiber to bring more traffic on-net
- Rolling out new technology, VDSL2+, to enable faster speeds to residential and SMB customers
- Offering new services to meet customer needs – Kinetic (IPTV) launch

Financially Stable Customer with Superior Rent Coverage

Source: Windstream filings, CS&L filings, presentations and public information
Note: Represents FY 2014 pro forma financial results after giving effect to the spin

(1) Based upon Windstream's Current Report on Form 8-K filed on April 30, 2015, 2014 Pro Forma Total Revenues and Sales include $5.6 billion in Services Revenues and $181.9 million in Product Sales
(2) Lease payment for Year One through Year Three; escalator commences in the 4th year (does not include any capex escalators)
(3) Excludes any benefit from monetization of the 19.6% interest Windstream continues to own in CS&L

Non-GAAP Financial Measures

We refer to EBITDA, Net EBITDA, Funds From Operations, or "FFO" (as defined by the National Association of Real Estate Investment Trusts ("NAREIT")), and Adjusted Funds From Operations, or "AFFO," in this presentation, which are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). While we believe that net income, as defined by GAAP, is the most appropriate earnings measure, we also believe that EBITDA, Net EBITDA, FFO and AFFO are important non-GAAP supplemental measures of operating performance for a real estate investment trust ("REIT").

We define "EBITDA" as net income, as defined by GAAP, before interest expense, provision for income taxes and depreciation and amortization.

We define "Net EBITDA" as EBITDA less an amount of estimated general and administrative expenses that we expect to incur following the Spin-Off.

We believe EBITDA and Net EBITDA are important supplemental measures to net income because they provide additional information to evaluate our operating performance on an unleveraged basis. Since EBITDA and Net EBITDA are not measures calculated in accordance with GAAP, they should not be considered as an alternative to net income determined in accordance with GAAP.

Non-GAAP Financial Measures

Because the historical cost accounting convention used for real estate assets requires the recognition of depreciation expense except on land, such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that uses historical cost accounting for depreciation could be less informative. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP.

FFO is defined by NAREIT as net income computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization and impairment charges. We compute FFO in accordance with NAREIT's definition.

We define AFFO as FFO excluding (i) noncash revenues and expenses such as stock-based compensation expense, amortization of debt discounts, amortization of deferred financing costs, amortization of intangible assets, straight-line rental revenue and revenue associated with the amortization of tenant funded capital improvements and (ii) the impact, which may be recurring in nature, of the following items: acquisition and transaction related expenses, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, changes in the fair value of contingent consideration and financial instruments, and other similar items.

We believe that the use of FFO and AFFO, combined with the required GAAP presentations, improves the understanding of operating results of REITs among investors and makes comparisons of operating results among such companies more meaningful. We consider FFO and AFFO to be useful measures for reviewing comparative operating and financial performance. In particular, we believe AFFO, by excluding certain revenue and expense items, can help investors compare our operating performance between periods and to other REITs on a consistent basis without having to account for differences caused by unanticipated items and events, such as acquisition and transaction related costs.

While FFO and AFFO are relevant and widely used measures of operating performance of REITs, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance. FFO and AFFO do not purport to be indicative of cash available to fund our future cash requirements.

Further, our computations of EBITDA, Net EBITDA, FFO and AFFO may not be comparable to that reported by other REITs or companies that do not define FFO in accordance with the current NAREIT definition or that interpret the current NAREIT definition or define EBITDA, Net EBITDA and AFFO differently than we do.

Reconciliation of Non-GAAP Historical Financials

(Unaudited; $ in millions)

CS&L	Quarter Ending September 30, 2015	April 24 to September 30, 2015
Net Income	**$9.4**	**$17.7**
Interest Expense	66.5	115.3
Income Tax	0.3	0.5
Depreciation	86.3	150.1
Amortization	1.0	1.6
EBITDA (1)	**$163.5**	**$285.2**
Net Income Attributable to Common Shareholders	**$9.0**	**$16.9**
Real Estate Depreciation & Amortization	86.3	150.1
FFO (1)	**$195.3**	**$167.0**
Amortization of debt discounts and deferred financing costs	3.7	6.3
Stock Based Compensation	0.8	1.1
Acquisition and transaction related costs	0.8	0.9
Amortization of customer list intangibles	1.0	1.6
Straight-line rental revenue	(4.3)	(7.5)
Amortization of tenant funded capital improvements and other	(0.2)	(0.2)
AFFO (1)	**$97.0**	**$169.3**

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(1) Amounts may not subtotal due to rounding

Reconciliation of Non-GAAP Historical Financials (Cont'd)

Pro Forma Year Ended December 31, 2014
(Unaudited; $ in millions)

CS&L	
Net Income	**$67.0**
Interest Expense	259.9
Income Tax	3.1
Depreciation	343.1
Amortization	4.6
EBITDA	**$677.7**
Estimated General & Administrative	(25.0)
Net EBITDA [1]	**$652.7**
Net Income	**$67.0**
Real Estate Depreciation & Amortization	343.1
FFO	**$410.1**
Estimated General & Administrative	(25.0)
FFO, Net of Estimated G&A	**$385.1**
Stock Based Compensation	-
Amortization of customer list intangibles	4.6
Amortization of debt discounts and deferred financing costs	14.7
Straight-line rental revenue	(17.2)
AFFO, Net of Estimated G&A	**$387.2**

Windstream	
Operating Income	**$495.3**
Depreciation & Amortization	1,401.0
Merger & Integration Costs	25
Restructuring Charges	35.9
Pension Expense	128.3
Stock-based compensation	41.8
Adjusted OIBDA	**$2,127.3**
Rental Payment	(650.0)
Adj. OIBDA after Rental Payment	**$1,477.3**

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(1) Net EBITDA is EBITDA less an amount for estimated general & administrative (G&A) expenses associated with being an independent, publicly traded company. Estimated G&A expenses will be approximately $20.0 million to $25.0 million to account for estimated G&A expense, although a precise estimate is not available. EBITDA has been adjusted by $25 million, although actual costs could vary materially from that estimate

CS&L Leverage Reconciliation

September 30, 2015
(Unaudited; $ in millions)

Capitalization ($ in Millions)

	Actual	xEBITDA
Cash & Cash Equivalents	$210	
New $500M Revolver	–	
New Term Loan B	2,135	
New Senior Secured Notes	400	
Total Secured Debt	**$2,535**	**3.9x**
New Senior Notes	1,110	
Total Debt	**$3,645**	**5.6x**
Total Net Debt	**$3,435**	**5.2x**
Annualized Adjusted EBITDA [(1)]	**$655**	

(1) Adjusted EBITDA is EBITDA plus stock-based compensation expense of $1.1 million and acquisition and transaction related costs of $0.9 million. Annualized adjusted EBITDA is Adjusted EBITDA divided by 160 days and multiplied by 365 days.

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CS&L Leverage Reconciliation (Cont'd)

Pro Forma Year Ended December 31, 2014
(Unaudited; $ in millions)

Capitalization ($ in Millions)

	PF	xEBITDA
Cash & Cash Equivalents	$62	
New $500M Revolver	–	
New Term Loan B	2,140	
New Senior Secured Notes	400	
Total Secured Debt	**$2,540**	**3.9x**
New Senior Notes	1,110	
(Less) Discount	(76)	
Total Debt	**$3,575**	**5.5x**
Total Net Debt	**$3,513**	**5.4x**
12/31/14PF Net EBITDA [(1)]	**$653**	

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(1) Net EBITDA is EBITDA less an amount for estimated general & administrative (G&A) expenses associated with being an independent, publicly traded company. Estimated G&A expenses will be approximately $20.0 million to $25.0 million to account for estimated G&A expense, although a precise estimate is not available. EBITDA has been adjusted by $25 million, although actual costs could vary materially from that estimate

Other Reporting Definitions

- **Adjusted OIBDA:** Adjusted OIBDA is a non-GAAP measure used by Windstream that is calculated as operating income before depreciation and amortization (OIBDA) and before restructuring charges, pension (benefit) expense and share-based compensation. Windstream believes that Adjusted OIBDA is a measure that provides investors with insight into the core earnings capacity of providing communications and technology services to its customers before the impacts of certain non-cash items and to enhance the comparability of operating results
- **Available Liquidity:** Includes cash on-hand and unused borrowings under our Revolving Credit Facility
- **Contractual Revenue Backlog:** Calculated as weighted average remaining lease term multiplied by FY14 rental revenue
- **Enterprise Value:** Net Debt plus market value of outstanding common stock
- **G&A:** General & Administrative expenses
- **Net Book Value:** Property, plant and equipment less accumulated depreciation
- **Net Debt:** Carrying amount of debt outstanding, net of discounts, less unrestricted cash and cash equivalents
- **Net EBITDA Margin:** Net EBITDA divided by consolidated revenue. Net EBITDA margin is a supplemental measure of our operating margin that should be considered along with, but not as an alternative to our operating margins
- **Net Leverage Ratio:** Net debt divided by Net EBITDA as of December 31, 2014