

WINDSTREAM HOLDINGS, INC.

Form 8-K

November 05, 2015

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): November 5, 2015

| Exact name of registrant<br>as specified in its charter | State or other<br>jurisdiction of<br>incorporation or<br>organization | Commission<br>File Number | I.R.S. Employer<br>Identification No. |
|---|---|---------------------------|---------------------------------------|
| Windstream Holdings,<br>Inc.                            | Delaware  | 001-32422                 | 46-2847717                            |

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

72212  
(Zip Code)

(501) 748-7000

(Registrants' 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 November 5, 2015, Windstream Holdings, Inc (“Windstream”, the “Company”, “we”, “us”, or “our”) issued a press release announcing the Company’s third quarter 2015 consolidated results of operations. The press release presents our unaudited consolidated results of operations measured under generally accepted accounting principles in the United States (“GAAP”) and certain unaudited pro forma results of operations, 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 a company’s financial statements. The non-GAAP financial measures used by us 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.

The unaudited consolidated results presented on a pro forma basis exclude merger and integration costs associated with strategic transactions and results of operations of disposed non-strategic businesses when compared to measures prepared in accordance with GAAP. Windstream's purpose for excluding merger and integration costs and the operating results of disposed non-strategic businesses is to improve the comparability of results of operations in order to focus on the true earnings capacity associated with providing telecommunication services.

We use pro forma results 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.

Our press release, and other communications from time to time, include a non-GAAP measure titled operating income before depreciation and amortization (“OIBDA”). OIBDA can be calculated directly from the Company’s financial statements by taking operating income and adding back depreciation and amortization expense. Management considers OIBDA to be useful to investors because OIBDA provides information specific to the Company’s operating performance.

We will also at times make reference to pro forma OIBDA, pro forma adjusted OIBDA, pro forma adjusted OIBDAR, and adjusted free cash flow, which are also non-GAAP measures. In addition to excluding merger and integration costs and the operating results of disposed non-strategic businesses, these non-GAAP measures also adjust for the impact of the annual cash rent payment due under the master lease agreement with Communications Sales & Leasing, Inc. (“CS&L”). Pro forma OIBDA, pro forma adjusted OIBDA, pro forma adjusted OIBDAR are included to provide investors with useful information about our operating performance before the impacts of certain non-cash items and to enhance the comparability of operating results for the periods presented.

Pro forma OIBDA adjusts OIBDA by excluding merger and integration costs related to strategic transactions and the operating results of disposed non-strategic businesses and including the annual cash rent payment due under the master lease agreement with CS&L.

Pro forma adjusted OIBDA, defined as pro forma OIBDA adjusted to exclude the impacts of pension (benefit) expense, restructuring charges and share-based compensation.

- Pro forma adjusted OIBDAR, defined as pro forma adjusted OIBDA adjusted to exclude the impact of the annual cash payment due under the master lease agreement with CS&L.

Adjusted free cash flow, defined as operating income plus depreciation and amortization, merger and integration costs, pension (benefit) expense, share-based compensation, restructuring charges, and the annual cash rent payment due under the master lease agreement with CS&L, less capital expenditures, interest paid, income taxes paid, net of refunds plus cash dividends received on our investment in CS&L common stock. 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.



Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit<br>Number | Description                                     |
|-------------------|---|
| Exhibit 99(a)     | Windstream Press Release dated November 5, 2015 |

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 HOLDINGS, INC.

By: /s/ Robert E. Gunderman  
Name: Robert E. Gunderman  
Title: Chief Financial Officer

November 5, 2015

EXHIBIT INDEX

| Exhibit<br>Number | Description                                     |
|-------------------|---|
| Exhibit 99(a)     | Windstream Press Release dated November 5, 2015 |