

**ANNUAL FUNDING NOTICE
FOR
WINDSTREAM PENSION PLAN**
(For Plan Year ended December 31, 2011)

Introduction

This notice includes important funding information about the Windstream Pension Plan (the "Plan"). This notice also provides a summary of federal rules governing the termination of single-employer defined benefit pension plans and of benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. The summary of plan termination rules is provided to you as required by law. There is no current intention to terminate the Plan. This notice is for the plan year beginning January 1, 2011 and ending December 31, 2011 (the "2011 Plan Year").

Funding Target Attainment Percentage

The funding target attainment percentage of a plan is a measure of how well the plan is funded on a particular date. This percentage for a plan year is obtained by dividing the Plan's Net Plan Assets by Plan Liabilities on the Valuation

Date. In general, the higher the percentage, the better funded the plan. The Plan's funding target attainment percentage for the 2011 Plan Year and 2 preceding plan years is shown in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period. The chart is based on certain actuarial assumptions.

	2011	2010	2009
1. Valuation Date	1/1/2011	1/1/2010	1/1/2009
2. Plan Assets			
a. Total Plan Assets	\$859,268,441	\$859,112,165	\$722,071,304
b. Funding Standard Carryover Balance	\$22,208,257	\$86,644,056	\$86,967,246
c. Prefunding Balance	\$2,884,098	\$1,764,356	\$0
d. Net Plan Assets (a) - (b) - (c) = (d)	\$834,176,086	\$770,703,753	\$635,104,058
3. Plan Liabilities	\$1,042,720,107	\$962,903,088	\$755,133,065
4. At-Risk Liabilities	N/A	N/A	N/A
5. Funding Target Attainment Percentage (2d)/(3)	80.00%	80.03%	84.10%

Credit Balances

Credit balances were subtracted from the Plan's assets before calculating the funding target attainment percentage in the chart above. While pension plans are permitted to maintain credit balances (called "funding standard carryover balance" or "prefunding balance") for funding purposes, such credits may not be taken into account when calculating a plan's funding target attainment percentage. A plan might have a credit balance, for example, if in a prior year an employer made contributions at a level in excess of the minimum level required by law. Generally, the excess payments are counted as "credits" and may be applied in future years toward the minimum level of contributions a plan sponsor is required by law to make to the plan in those years.

approximately \$1,250,611,071. Note: The foregoing assets and liabilities are based on unaudited financial information and certain actuarial assumptions.

Participant Information

The total number of participants in the plan as of the Plan's valuation date (January 1, 2011) was 15,388. Of this number, 4,940 were active participants, 5,700 were retired or separated from service and receiving benefits, and 4,748 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for promised benefits. The funding policy of the Plan is that Windstream Corporation intends to make contributions to the pension fund sufficient to comply with the minimum funding standards imposed by the Internal Revenue Code. Windstream's contributions are determined at least annually. Each contribution made to the Plan is made on the condition that it is currently deductible under section 404 of the Internal Revenue Code for the year.

Fair Market Value of Assets

Asset values in the chart above are actuarial values, which are permitted to differ from fair market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of December 31, 2011, the fair market value of the Plan's assets was \$948,925,568. On this same date, the Plan's liabilities were

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are

made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to prudently invest pension assets in order to meet benefit obligations over the life of the Plan, while considering asset class diversification, cost and risk tolerance. Asset classes (such as stocks, bonds and real estate) and benefit payment projections are reviewed to set the percentage of total assets to invest in each asset class (i.e., the "policy asset mix"). Assets can be shifted away from the policy asset mix, due to market related events, within defined limits. Assets and benefit payments are reviewed regularly and the policy asset mix is adjusted as appropriate.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the 2011 Plan Year (December 31, 2011). These allocations are percentages of total assets of the Plan (and are unaudited):

	<u>Asset Allocations</u>	<u>Percentage</u>
1.	Interest-bearing cash	8%
2.	U.S. Government securities	8%
3.	Corporate debt instruments (other than employer securities):	
	Preferred	0%
	All other	25%
4.	Corporate stocks (other than employer securities):	
	Preferred	0%
	All other	52%
5.	Partnership / joint venture interests	0%
6.	Real estate (other than employer real property)	3%
7.	Loans (other than to participants)	0%
8.	Participant loans	0%
9.	Value of interest in common/collective trusts ¹	0%
10.	Value of interest in pooled separate accounts	3%
11.	Value of interest in master trust investment accounts	0%
12.	Value of interest in 103-12 investment entities	0%
13.	Value of interest in registered investment companies (e.g. mutual funds) ²	0%
14.	Value of funds held in insurance co. general account (unallocated contracts)	0%
15.	Employer-related investments:	
	Employer securities	0%
	Employer real property	0%

¹ Investments are reflected in the specific asset type (e.g., governments, corporate stocks, etc) rather than in this category to more accurately reflect the asset allocation.

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16.	Buildings and other property used in plan operation	0%
17.	Other	1%

For more information about the Plan's investment in any of the following types of investments as described in the chart above (such as - common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities) contact the Windstream Investment Committee, at 4001 Rodney Parham Road, Little Rock, Arkansas 72212.

Events with Material Effect on Assets or Liabilities

Federal law requires the Plan administrator to provide in this notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets.

For the plan year beginning on January 1, 2012 and ending on December 31, 2012, no significant events were known as of December 31, 2011 which are expected to have such an effect on the Plan's liabilities or assets during such 2012 plan year.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator at Windstream Benefits Committee, Windstream Corporation, 4001 Rodney Parham Rd., Little Rock, AR 72212.

Summary of Rules Governing Termination of Single-Employer Plans

There is no current intention to terminate the Plan. The following information is provided as required by law.

Employers can end a pension plan through a process called "plan termination." There are two ways an employer can terminate its pension plan. The employer can end the plan in a "standard termination" but only after showing the PBGC that the plan has enough money to pay all benefits owed to participants. The plan must either purchase an annuity from an insurance company (which will provide you with lifetime benefits when you retire) or, if your plan allows, issue one lump-sum payment that covers your entire benefit. Before purchasing your annuity, your plan administrator must give you advance notice that identifies the insurance company (or companies) that your employer may select to provide the annuity. The PBGC's guarantee ends when your employer purchases your annuity or gives you the lump-sum payment.

If the plan is not fully-funded, the employer may apply for a distress termination if the employer is in financial distress. To

do so, however, the employer must prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

Benefit Payments Guaranteed by the PBGC

If a single-employer pension plan terminates without enough money to pay all benefits, the PBGC will take over the plan and pay pension benefits through its insurance program. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The PBGC pays pension benefits up to certain maximum limits. The maximum guaranteed benefit is \$4,653.41 per month, or \$55,840.92 per year, payable in the form of a straight life annuity, for a 65-year-old person in a plan that terminates in 2012. The maximum benefit may be reduced for an individual who is younger than age 65. The maximum benefit will also be reduced when a benefit is provided to a survivor of a plan participant.

The PBGC guarantees "basic benefits" earned before a plan is terminated, which includes:

- pension benefits at normal retirement age;
- most early retirement benefits;
- annuity benefits for survivors of plan participants; and
- disability benefits for a disability that occurred before the date the plan terminated.

The PBGC does not guarantee certain types of benefits:

- The PBGC does not guarantee benefits for which you do not have a vested right when a plan terminates, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements at the time the plan terminates.
- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as death benefits, are not guaranteed.

- The PBGC generally does not pay lump sums exceeding \$5,000.

Even if certain benefits are not guaranteed, participants and beneficiaries still may receive some of those benefits from the PBGC depending on how much money the terminated plan has and how much the PBGC collects from the employer.

Where to Get More Information

For more information about this notice, you may contact Windstream Benefits Committee, at 4001 Rodney Parham Road, Little Rock, Arkansas 72212, or by calling the Participant Service Center at 1-800-228-4015. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 20-0792300. Please refer to your Summary Plan Description for more details concerning the Plan. An additional copy of the Summary Plan Description can be obtained by contacting the Plan administrator as noted above. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

Pension Benefit Statement

You may access your Plan's pension benefit statement, including an estimate of your total benefits accrued and whether you are vested (or, if you are not vested, the earliest date you could become vested), through Merrill Lynch's Benefits OnLine® Web site by logging into www.benefits.ml.com. If it is your first time to log into the Merrill Lynch Benefits OnLine® Web site, you will need to create a User ID to access your information. You may also access pension benefit statement information by calling the Participant Service Center at 1-800-228-4015.

Disclaimer

This notice is intended to comply with the requirements of section 101(f) of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The disclosures provided in this notice are based on information available and believed to be accurate as of the date this notice is provided. Several disclosures are based on estimates, unaudited financial information and certain actuarial assumptions. All computations reflected in these disclosures have been performed based on a good faith interpretation of the applicable statutory and regulatory guidance in effect on the date this notice is provided. Such information and computations include, but are not limited to, the measurement of Plan liabilities, reported values of Plan assets and allocation of assets.

However, actual results for the 2011 Plan Year may change and will not be considered final until filed with the Department of Labor as part of the Annual Report (i.e., the Form 5500). Subsequently, such results will change only by amendment of the Annual Report for the 2011 Plan Year. See the Right to

Request a Copy of the Annual Report section for information about how to obtain a copy of the Annual Report.

Windstream does not undertake any obligation to update or publicly release any revisions to this notice, and no such revisions will be issued to reflect any changes, including, but not limited to, changes in the manner in which particular calculations are performed, changes in expectations, the adoption of Plan amendments or any other events or circumstances occurring after this notice is provided.

Windstream reserves the right to amend or terminate the Plan in any respect at any time. In the event of any discrepancy between this notice and the Plan documents, the Plan documents will control.

Electronic Transmission

This notice and other important Plan information may be delivered to you through electronic means. In this case, you are entitled to request a paper copy, free of charge, from Windstream. The paper version of this notice will contain substantially the same style and format, and the same content, as the electronic version.