



Communications Sales & Leasing, Inc. Formed Through Spinoff

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Creates First REIT Focused on Communication Distribution Systems

LITTLE ROCK, Ark., April 24, 2015 (GLOBE NEWSWIRE) – Communications Sales & Leasing, Inc., or CS&L, (Nasdaq: CSAL) today announced its formation as a public company with the completion of its spinoff from Windstream Holdings, Inc. ("Windstream"), creating what we believe to be the first real estate investment trust ("REIT") focused on acquiring and leasing communication distribution systems. CS&L's stock begins trading Monday, April 27, 2015, on the Nasdaq exchange under the symbol "CSAL." The company will be a member of the S&P 400 Midcap Index and expects to pay an annual dividend of \$2.40 per share.

"We are excited today to launch our new company, Communications Sales & Leasing," said Kenny Gunderman, president and chief executive officer of CS&L. "We have assembled a leadership team with deep experience in telecommunications, REITs, capital markets and mergers and acquisitions. We look forward to growing our company and generating solid returns for shareholders."

Under the terms of the previously announced deal, Windstream today distributed approximately 80.1 percent of CS&L shares to Windstream shareholders of record as of 5 p.m. EDT on April 10, 2015. An ex-date of April 27, 2015, has been established by Nasdaq, so all trades through the close of business on April 24, 2015 carry the right to receive this distribution.

Windstream shareholders retained their Windstream shares and received one share of CS&L for every five shares of Windstream held. The spinoff is expected to be a tax-free distribution to Windstream shareholders and requires no action on their part. The two companies expect CS&L shares to be deposited into shareholders' accounts by April 30. Windstream shareholders will receive cash in lieu of fractional shares for amounts of less than one CS&L share.

In connection with the spinoff, CS&L completed its previously announced issuances of \$400 million aggregate principal amount of 6.00% Senior Secured Notes due 2023 (the "Secured Notes") and \$1.11 billion aggregate principal amount of the 8.25% Senior Notes due 2023 (the "Senior Notes" and, together with the Secured Notes, the "Notes"). CS&L initially issued all of the Notes to Windstream's subsidiary, Windstream Services, LLC ("Windstream Services"), which Windstream Services used to exchange for, and retire, certain of its outstanding indebtedness. Additionally, CS&L entered into a senior secured credit agreement consisting of a \$2.14 billion term loan B facility with a maturity of seven and a half years and a \$500 million revolving credit facility with a maturity of five years. A portion of the term loan facility was funded in cash and a portion was issued to Windstream Services, both of which CS&L used to acquire the communication distribution system assets from Windstream. The term facility bears interest at a rate equal to, at the company's option, either a base rate plus an applicable margin equal to 3.00% or a eurodollar rate plus an applicable margin equal to 4.00%. The Notes and the new credit facilities are guaranteed by certain of CS&L's subsidiaries. All obligations under the Secured Notes and the new credit facilities, and the guarantees of those obligations, are secured by certain of the assets of CS&L and the guarantors.

Real estate investment trusts are used for real property assets that produce rental income. In 2014, Windstream obtained a private letter ruling from the Internal Revenue Service confirming that certain telecommunications network assets constitute real estate assets under applicable REIT rules. With the close of the transaction, CS&L now owns 64,000 route miles of fiber, 235,000 route miles of copper, central office land and buildings across 29 states. CS&L will lease those assets back to Windstream through a 15-year, triple-net lease.

"We expect to diversify our tenant base by acquiring additional assets and leasing them to other local, regional and national telecommunications providers," Gunderman said. "This is a great day for Communications Sales & Leasing, and we look forward to a bright future."

About CS&L

CS&L (Nasdaq:CSAL), an S&P 400 Midcap Index company headquartered in Little Rock, Ark., is an internally managed triple-net-lease real estate investment trust. To our knowledge, CS&L is the first REIT primarily engaged in the acquisition and leasing of communication distribution systems. CS&L currently owns 64,000 route miles of fiber, 235,000 route miles of copper and central office land and buildings across 29 states which it leases to a single tenant. Additional information about CS&L can be found on its website at www.csreit.com.

Forward Looking Statements

Certain statements in this press release 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, statements regarding: tax treatment of the spinoff, growth prospects and expectations regarding the payment of dividends.

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: the ability to achieve some or all the benefits that we expect to achieve from the spinoff; the ability and willingness of Windstream to meet and/or perform its obligations under any contractual arrangements that are entered into with us in connection with the spinoff; the availability of and the ability to identify suitable acquisition opportunities and the ability to acquire and lease the respective properties on favorable terms; the ability to generate sufficient cash flows to service our outstanding indebtedness; access to debt and equity capital markets; fluctuating interest rates; the ability to retain our key management personnel; the ability to qualify or maintain our status as a REIT; changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs; covenants in our debt agreements that may limit our operational flexibility; risks inherent in the telecommunications industry; other risks inherent in the ownership of communication 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 Information Statement filed on Form 8-K with the SEC on March 26, 2015, and in our

subsequent filings 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 press release to reflect any change in its expectations or any change in events, conditions or circumstances on which any statement is based.

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