

WINDSTREAM CORP  
Form 10-Q  
November 08, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended September 30, 2012

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

Commission file number 1-32422

WINDSTREAM CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or  
organization)

20-0792300

(I.R.S. Employer Identification No.)

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

72212

(Zip Code)

Registrant's telephone number, including area code (501) 748-7000

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act).

YES  NO

Number of common shares outstanding as of October 31, 2012 - 588,127,475

The Exhibit Index is located on page 70

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\*No reportable information under this item.

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PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

## CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Millions, except per share amounts)	Three Months Ended		Nine Months Ended		
	September 30,		September 30,		
	2012	2011	2012	2011	
Revenues and sales:					
Service revenues:					
Business	\$906.4	\$491.8	\$2,694.8	\$1,468.0	
Consumer	335.4	344.9	1,010.0	1,038.7	
Wholesale	219.8	147.6	658.9	452.8	
Other	26.1	10.3	82.4	33.3	
Total service revenues	1,487.7	994.6	4,446.1	2,992.8	
Product sales	64.7	28.6	189.3	83.1	
Total revenues and sales	1,552.4	1,023.2	4,635.4	3,075.9	
Costs and expenses:					
Cost of services (exclusive of depreciation and amortization included below)	671.3	366.3	1,987.3	1,101.5	
Cost of products sold	56.8	24.5	159.3	68.6	
Selling, general, and administrative	225.4	130.9	713.4	397.8	
Depreciation and amortization	326.4	203.8	958.5	605.8	
Merger and integration costs	12.7	19.9	54.4	33.9	
Restructuring charges	12.1	0.5	23.3	0.7	
Total costs and expenses	1,304.7	745.9	3,896.2	2,208.3	
Operating income	247.7	277.3	739.2	867.6	
Other (expense) income, net	(5.3	) (1.5	) 4.6	(2.1	)
(Loss) gain on early extinguishment of debt	—	(20.5	) 1.9	(124.4	)
Interest expense	(155.4	) (134.2	) (465.4	) (417.1	)
Income from continuing operations before income taxes	87.0	121.1	280.3	324.0	
Income taxes	33.3	43.0	107.1	119.8	
Income from continuing operations	53.7	78.1	173.2	204.2	
Discontinued operations, net of tax	—	—	(0.7	) —	
Net income	\$53.7	\$78.1	\$172.5	\$204.2	
Basic and diluted earnings per share:					
From continuing operations	\$.09	\$.15	\$.29	\$.40	
From discontinued operations	—	—			