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## Windstream Corporation Q2 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Tudor Jones - Bank of America.

#### Tudor Jones - Bank of America

Good morning, guys. This is Tudor for David. I was wondering if you guys could talk a more about the pension expense and about the size of future strategic opportunities.

#### Jeff Gardner

What was the second part?

#### Tudor Jones - Bank of America

The size of future strategic opportunities.

#### Jeff Gardner

I'll talk about strategic opportunities and ask Brent to talk about the pension expense. In terms of our acquisition policy, we continue to stay focused on what we have been from the beginning. In terms of focusing on markets that are rule on deals that are free cash flow accretive in year one, in markets where we can generate significant synergies. I think that fix the profiles of our business in terms of being less risky acquisitions.

We still although there's been quite a bit of consolidation obviously this year, we think we're going to have opportunities in the coming months and years to continue to grow our business through acquisition and I think the D&E transaction is a great example of the kind of deals that we really like. 100% broadband penetration, very straightforward synergies, a very well run business. That should integrate into Windstream very nicely.

#### Brent Whittington

With regard a pension, really it's the same thing this quarter as you saw last quarter. We've got some accelerated pension recognition because of large losses in our pension assets in 2008. We've got quite a bit of detail on that in both our K and or Q, but it's a similar issue to what we saw last quarter.

#### Operator

Your next question comes from Chris King - Stifel Nicolaus.

**Chris King - Stifel Nicolaus**

One just wanted to get your broader sense to follow up on the M&A question of your outlook for the [Orlac] industry going forward over the next couple of years. I know there's been some speculation out there, certainly that there aren't a whole lot of publicly traded Orlac of any size that would really fit your profile that would move the needle from a consolidated standpoint. Just wanted to get your impression on that argument, I guess.

Secondly, just a follow up on the broadband stimulus question. Frontier was, I guess fairly straightforward in their comments on their call that they see a lot of issues, particularly with respect to the reporting of requirements and the mandates that would be associated in taking some of the stimulus money, and that if anything they were learning towards shying away from at least applying for a large amount of stimulus money.

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