

Windstream Corporation
Reconciliations of Non-GAAP Financial Measures

Net Leverage Ratio:

	As of
	December 31, 2009
<i>(Dollars in millions)</i>	
Long-term debt, including current maturities	\$ 6,295.2
Cash and cash equivalents	(1,062.9)
Net debt	(A) \$ <u>5,232.3</u>

	Twelve
	Months Ended
	December 31, 2009
<i>(Dollars in millions)</i>	
Operating income under GAAP	\$ 956.9
Pro forma adjustments:	
D&E operating income prior to acquisition	23.2
D&E intangible asset impairment	5.5
D&E intangible asset amortization	(3.5)
Lexcom operating income prior to acquisition	13.7
Lexcom intangible asset amortization	(1.5)
Operating income adjustment for the disposition of Windstream Supply LLC	(0.9)
Merger and integration costs	22.3
Pro forma operating income	1,015.7
Depreciation and amortization	575.6
Pro forma OIBDA	1,591.3
Other adjustments:	
Pension expense	91.9
Restructuring charges	9.1
Restricted stock expense	18.4
Pro forma adjusted OIBDA	(B) \$ <u>1,710.7</u>
Pro forma net leverage ratio	(A)/(B) 3.1

OIBDA:

for the three months ended December 31, 2009

<i>(Dollars in millions)</i>	
Operating income under GAAP	\$ 234.5
Depreciation and amortization	138.7
OIBDA	373.2
Adjustments:	
Merger and integration costs	19.9
Restructuring charges	1.8
OIBDA excluding merger and integration and restructuring	\$ <u>394.9</u>

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Free Cash Flow:

for the three months ended December 31,

(Millions, except per share amounts)

	<u>2009</u>	<u>2008</u>	<u>%</u>
Net cash provided from operations	\$ 379.4	\$ 350.6	
Capital expenditures	(91.3)	(98.0)	
Free cash flow	<u>\$ 288.1</u>	<u>\$ 252.6</u>	<u>14%</u>

for the twelve months ended December 31,

(Millions, except per share amounts)

	<u>2009</u>	<u>2008</u>	<u>%</u>
Net cash provided from operations	\$1,120.8	\$1,080.4	
Capital expenditures	(298.1)	(317.5)	
Free cash flow	(C) <u>\$ 822.7</u>	<u>\$ 762.9</u>	<u>8%</u>

Free Cash Flow Return to Shareholders:

for the twelve months ended December 31, 2009

(Dollars in millions)

Dividends paid on common shares	(D) \$ 437.4
Common stock repurchased	<u>121.3</u>
Free cash flow returned to shareholders	(E) <u>\$ 558.7</u>

Dividend Payout Ratio	(D)/(C) 53%
Percent free cash flow returned to shareholders	(E)/(C) 68%

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Windstream financial guidance for 2010: <i>(Dollars in millions)</i>	2009 Results	2010 Guidance Range		Percent Change	
Pro forma revenues and sales from current businesses	\$ 3,121				
NuVox revenues and sales	565				
Total revenue and sales	\$ 3,686	\$ 3,540	-	\$ 3,685	-4% 0%
Pro forma OIBDA from current businesses	\$ 1,591				
NuVox pro forma OIBDA	114				
Total pro forma OIBDA	\$ 1,705	\$ 1,693	-	\$ 1,768	-1% 4%
Pension expense	92	63		63	
Restructuring expense	9	-		-	
Restricted stock expense	18	14		14	
NuVox stock based compensation expense	2	-		-	
Pro forma adjusted OIBDA	\$ 1,826	\$ 1,770	-	\$ 1,845	-3% 1%
Capital expenditures from current businesses	\$ 318				
Capital expenditures from NuVox	68				
Total capital expenditures	\$ 386	\$ 360	-	\$ 390	

Expected Dividend Payout Ratio

<i>(Dollars in millions)</i>	2010 Guidance Range	
Pro forma adjusted OIBDA	\$ 1,770	\$ 1,845
Subtract:		
Expected capital expenditures	390	360
Expected cash paid for interest expense	495	495
Expected cash taxes	195	225
Expected free cash flow	\$ 690	\$ 765
Expected dividends paid on common shares	\$ 451	\$ 451
Expected dividend payout ratio	65%	59%