

**Windstream Corporation**  
**Reconciliations of Non-GAAP Financial Measures**

**Net Debt to OIBDA (net leverage ratio)**

as of March 31, 2009

(Dollars in millions)

	<u>2009</u>
Long-term debt, including current maturities	\$ 5,379.3
Cash and cash equivalents	<u>(312.2)</u>
Net debt	(A) \$ 5,067.1

**Operating Income**

for the twelve months ended March 31, 2009

(Dollars in millions)

Operating income under GAAP	\$ 1,088.7
Pro forma adjustments:	
Impairment loss on assets held for sale	6.5
Merger and integration costs	4.6
Depreciation and amortization	<u>503.1</u>
Pro forma OIBDA from current businesses	(B) \$ 1,602.9
Net debt to OIBDA from current businesses	(A)/(B) <u><u>3.2</u></u>

for the three months ended March 31, 2009 and 2008

(Dollars in millions)

	<u>Three Months Ended March 31, 2009</u>	<u>Three Months Ended March 31, 2008</u>	<u>Change</u>	<u>%</u>
Operating income under GAAP	\$ 252.6	\$ 296.3		
Pro forma adjustments:				
Merger and integration costs	-	1.6		
Depreciation and amortization	<u>132.0</u>	<u>121.6</u>		
Pro forma OIBDA from current businesses	\$ 384.6	\$ 419.5	\$ (34.9)	<u>(8)</u>

**Free Cash Flow**

(Dollars in millions)

for the three months ended March 31, 2009

	<u>Three Months Ended March 31, 2009</u>
Net cash provided from operations	\$ 215.0
Additions to property, plant and equipment	<u>(62.8)</u>
Free cash flow	<u>\$ 152.2</u>

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**Expected Dividend Payout Ratio**

(Dollars in millions)

	2009	
	<u>Guidance Range</u>	
Consolidated operating income under GAAP	\$ 991	\$ 1,056
Depreciation and amortization	494	494
Pro forma OIBDA from current businesses	<u>\$ 1,485</u>	<u>\$ 1,550</u>
Add:		
Expected stock based compensation	18	18
Incremental non-cash pension expense	90	90
Pro forma OIBDA from current businesses adjusted for non-cash pension expense and expected restricted stock compensation	\$ 1,593	\$ 1,658
Subtract:		
Expected cash paid for interest expense	393	393
Expected cash taxes	175	200
Expected capital expenditures	320	290
Expected free cash flow	(C) <u>\$ 705</u>	<u>\$ 775</u>
Expected dividends paid on common shares	(D) 441	441
Expected dividend payout ratio	(D)/(C) 63%	57%

Notes:

OIBDA is operating income before depreciation and amortization.