WINDSTREAM CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME-Page 1
(In millions, except per share amounts)

| | THREE MONTHS ENDED | | | | TWELVE MONTHS ENDED | | | |
|---|---|---|---|---|---|---|---|---|
| | December 31, 2008 | (D) December 31, 2007 | Increase (Decrease) Amount | % | December 31, 2008 | (D) December 31, 2007 | Increase (Decrease) Amount | % |
| UNDER GAAP: | | | | | | | | |
| Revenues and sales: | | | | | | | | |
| Service revenues | $ 734.1 | $ 751.3 | $ (17.2) | (2) | $ 2,988.8 | $ 2,942.5 | $ 46.3 | 2 |
| Product sales | 43.4 | 65.4 | (22.0) | (34) | 182.7 | 303.4 | (120.7) | (40) |
| Total revenues and sales | 777.5 | 816.7 | (39.2) | (5) | 3,171.5 | 3,245.9 | (74.4) | (2) |
| Costs and expenses: | | | | | | | | |
| Cost of services | 235.6 | 251.8 | (16.2) | (6) | 978.7 | 984.6 | (5.9) | (1) |
| Cost of products sold | 40.6 | 38.6 | 2.0 | 5 | 165.5 | 178.7 | (13.2) | (7) |
| Selling, general, administrative and other | 94.3 | 101.8 | (7.5) | (7) | 381.0 | 413.9 | (32.9) | (8) |
| Depreciation and amortization | 124.0 | 121.5 | 2.5 | 2 | 492.7 | 506.0 | (13.3) | (3) |
| Restructuring charges | 6.4 | 1.1 | 5.3 | 482 | 8.5 | 4.6 | 3.9 | 85 |
| Merger and integration costs | - | 2.6 | (2.6) | (100) | 6.2 | 8.2 | (2.0) | (24) |
| Impairment loss on assets held for sale (A) | - | - | - | - | 6.5 | - | 6.5 | - |
| Total costs and expenses | 500.9 | 517.4 | (16.5) | (3) | 2,039.1 | 2,096.0 | (56.9) | (3) |
| Operating income | 276.6 | 299.3 | (22.7) | (8) | 1,132.4 | 1,149.9 | (17.5) | (2) |
| Other income, net | (7.0) | (0.6) | (6.4) | (1,067) | 2.1 | 11.1 | (9.0) | (81) |
| Gain on sale of publishing business | - | 451.3 | - | - | - | 451.3 | - | - |
| Interest expense | (104.5) | (112.0) | 7.5 | 7 | (416.4) | (444.4) | 28.0 | 6 |
| Income from continuing operations before income taxes | 165.1 | 638.0 | (472.9) | (74) | 718.1 | 1,167.9 | (449.8) | (39) |
| Income taxes | 74.2 | 54.9 | 19.3 | 35 | 283.2 | 251.5 | 31.7 | 13 |
| Income from continuing operations | 90.9 | 583.1 | (492.2) | (84) | 434.9 | 916.4 | (481.5) | (53) |
| Discontinued operations, including tax expense (B) | (9.7) | 0.5 | (10.2) | (2,040) | (22.2) | 0.7 | (22.9) | (3,271) |
| Net income | $ 81.2 | $ 583.6 | $ (502.4) | (86) | $ 412.7 | $ 917.1 | $ (504.4) | (55) |
| Weighted average common shares: | | | | | | | | |
| Basic | 436.1 | 466.6 | (30.5) | (7) | 440.7 | 471.9 | (31.2) | (7) |
| Diluted | 437.1 | 467.6 | (30.5) | (7) | 441.9 | 473.0 | (31.1) | (7) |
| Earnings per share: | | | | | | | | |
| Basic: | | | | | | | | |
| Income from continuing operations | $.21 | $1.25 | $(1.04) | (83) | $.99 | $1.94 | $(.95) | (49) |
| Income (loss) from discontinued operations | (.02) | - | (.02) | - | (.05) | - | (.05) | - |
| Net income | $.19 | $1.25 | $(1.06) | (86) | $.94 | $1.94 | $(1.00) | (52) |
| Diluted: | | | | | | | | |
| Income from continuing operations | $.21 | $1.25 | $(1.04) | (83) | $.98 | $1.94 | $(.96) | (49) |
| Income (loss) from discontinued operations | (.02) | - | (.02) | - | (.05) | - | (.05) | - |
| Net income | $.19 | $1.25 | $(1.06) | (85) | $.93 | $1.94 | $(1.01) | (52) |
| PRO FORMA RESULTS OF OPERATIONS FROM CURRENT BUSINESSES (C) | | | | | | | | |
| Revenues and sales | $ 777.5 | $ 793.0 | $ (15.5) | (2) | $ 3,171.5 | $ 3,218.9 | $ (47.4) | (1) |
| Operating income before depreciation and amortization (OIBDA) | $ 400.6 | $ 412.6 | $ (12.0) | (3) | $ 1,637.8 | $ 1,649.3 | $ (11.5) | (1) |

(A) In the third quarter of 2008, the Company recognized a non-cash impairment charge to adjust the carrying value of its wireless spectrum holdings classified as acquired assets held for sale.
(B) During the fourth quarter of 2008, Windstream sold its wireless business to AT&T mobility II, LLC. Accordingly, we have presented the operating results of the wireless business and related loss on sale as discontinued operations. For further details of these adjustments, see the Notes to Unaudited Reconciliations of Results of Operations Under GAAP to Pro Forma Results.
(C) Pro forma results from current businesses adjusts results of operations under Generally Accepted Accounting Principles ("GAAP") for the effects of the Company's split off of the directory publishing business and the acquisition of CTC. For further details of these adjustments, see the Notes to Unaudited Reconciliations of Results of Operations Under GAAP to Pro Forma Results from Current Businesses.
(D) Certain amounts previously reported have been reclassified to conform to the current year presentation of the consolidated financial statements. These reclassifications did not impact net income.

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WINDSTREAM CORPORATION

UNAUDITED SUPPLEMENTAL OPERATING INFORMATION-Page 2

(Dollars in millions, except per customer amounts)

| | THREE MONTHS ENDED | | | | TWELVE MONTHS ENDED | | | |
|---|---|---|---|---|---|---|---|---|
| | December 31, 2008 | December 31, 2007 | Increase (Decrease) Amount | % | December 31, 2008 | December 31, 2007 | Increase (Decrease) Amount | % |
| UNDER GAAP | | | | | | | | |
| **Wireline:** | | | | | | | | |
| Revenues and sales | $ 764.3 | $ 794.6 | $ (30.3) | (4) | $ 3,110.9 | $ 3,112.5 | $ (1.6) | - |
| Access lines | 3,037.8 | 3,203.2 | (165.4) | (5) | | | | |
| Net access line losses: | | | | | | | | |
| Internal | (48.5) | (38.2) | (10.3) | (27) | (165.4) | (148.3) | (17.1) | (12) |
| Acquired | - | - | - | - | - | 132.2 | (132.2) | (100) |
| Net access line losses | (48.5) | (38.2) | (10.3) | (27) | (165.4) | (16.1) | (149.3) | (927) |
| Average access lines | 3,061.3 | 3,221.5 | (160.2) | (5) | 3,122.7 | 3,188.4 | (65.7) | (2) |
| Average revenue per customer per month (A) | $83.22 | $82.22 | $1.00 | 1 | $83.02 | $81.35 | $1.67 | 2 |
| High-speed Internet customers | 978.8 | 871.4 | 107.4 | 12 | | | | |
| Net high-speed Internet additions: | | | | | | | | |
| Internal | 16.2 | 41.2 | (25.0) | (61) | 107.4 | 184.4 | (77.0) | (42) |
| Acquired | - | - | - | - | - | 30.9 | (30.9) | (100) |
| Net high-speed Internet additions | 16.2 | 41.2 | (25.0) | (61) | 107.4 | 215.3 | (107.9) | (50) |
| Digital satellite television customers | 274.2 | 195.6 | 78.6 | 40 | | | | |
| Net digital satellite television additions: | | | | | | | | |
| Internal | 22.5 | 18.1 | 4.4 | 24 | 78.6 | 107.9 | (29.3) | (27) |
| Acquired | - | - | - | - | - | - | - | - |
| Net digital satellite television additions | 22.5 | 18.1 | 4.4 | 24 | 78.6 | 107.9 | (29.3) | (27) |
| Long distance customers | 2,006.7 | 2,066.6 | (59.9) | (3) | | | | |
| Net long distance customer losses: | | | | | | | | |
| Internal | (32.4) | 1.1 | (33.5) | | (59.9) | (12.4) | (47.5) | |
| Acquired | - | - | - | | - | 121.9 | (121.9) | |
| Net long distance customer losses | (32.4) | 1.1 | (33.5) | | (59.9) | 109.5 | (169.4) | |
| **Consolidated:** | | | | | | | | |
| Capital expenditures | $ 98.0 | $ 97.4 | $ 0.6 | 1 | $ 317.5 | $ 365.7 | $ (48.2) | (13) |
| FROM PRO FORMA RESULTS (B) | | | | | | | | |
| **Wireline:** | | | | | | | | |
| Revenues and sales | $ 764.3 | $ 781.4 | $ (17.1) | (2) | $ 3,110.9 | $ 3,159.3 | $ (48.4) | (2) |
| Access lines | 3,037.8 | 3,203.2 | (165.4) | (5) | | | | |
| Net access line losses | (48.5) | (38.2) | (10.3) | (27) | (165.4) | (154.3) | (11.1) | (7) |
| Average access lines | 3,061.3 | 3,221.5 | (160.2) | (5) | 3,122.7 | 3,281.9 | (159.2) | (5) |
| High-speed Internet customers | 978.8 | 871.4 | 107.4 | 12 | | | | |
| Net high-speed Internet additions | 16.2 | 41.2 | (25.0) | (61) | 107.4 | 188.8 | (81.4) | (43) |
| Average revenue per customer per month (A) | $83.22 | $80.85 | $2.37 | 3 | $83.02 | $80.22 | $2.80 | 3 |
| Digital satellite television customers | 274.2 | 195.6 | 78.6 | 40 | | | | |
| Long distance customers | 2,006.7 | 2,066.6 | (59.9) | (3) | | | | |
| **Consolidated:** | | | | | | | | |
| Capital expenditures | $ 98.0 | $ 97.4 | $ 0.6 | 1 | $ 317.3 | $ 388.2 | $ (70.9) | (18) |

(A) Average revenue per customer per month is calculated by dividing total wireline revenues by average customers for the period.

(B) Pro forma results from current businesses adjusts results of operations under GAAP for the effects of the Company's split off of the directory publishing business and the acquisition of CTC. For further details of these adjustments, see the Notes to Unaudited Reconciliations of Results of Operations Under GAAP to Pro Forma Results from Current Businesses.

WINDSTREAM CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEETS UNDER GAAP-Page 3
(In millions)

ASSETS

| | December 31, 2008 | December 31, 2007 |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 296.6 | $ 72.0 |
| Accounts receivable (less allowance for doubtful accounts of $16.3 and $13.1, respectively) | 316.6 | 320.7 |
| Inventories | 30.8 | 29.6 |
| Deferred income taxes | 30.8 | 32.0 |
| Prepaid expenses and other | 33.9 | 40.3 |
| Assets held for sale: | | |
| Acquired assets held for sale | - | 26.6 |
| Assets of discontinued operations | - | 7.2 |
| Total current assets | 708.7 | 528.4 |
| Goodwill | 2,198.2 | 2,224.2 |
| Other intangibles | 1,132.2 | 1,184.1 |
| Net property, plant and equipment | 3,897.1 | 4,030.3 |
| Other assets | 73.1 | 195.7 |
| Non-current assets of discontinued operations | - | 78.5 |
| TOTAL ASSETS | $ 8,009.3 | $ 8,241.2 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | December 31, 2008 | December 31, 2007 |
|---|---|---|
| CURRENT LIABILITIES: | | |
| Current maturities of long-term debt | $ 24.3 | $ 24.3 |
| Current portion of interest rate swaps | 40.5 | 16.2 |
| Accounts payable | 134.0 | 158.1 |
| Advance payments and customer deposits | 94.0 | 91.1 |
| Accrued dividends | 109.9 | 113.6 |
| Accrued taxes | 48.0 | 53.2 |
| Accrued interest | 138.4 | 139.6 |
| Other current liabilities | 76.2 | 75.1 |
| Liabilities of discontinued operations | - | 7.1 |
| Total current liabilities | 665.3 | 678.3 |
| Long-term debt | 5,358.2 | 5,331.2 |
| Deferred income taxes | 1,070.6 | 1,133.4 |
| Other liabilities | 662.9 | 398.5 |
| SHAREHOLDERS' EQUITY: | | |
| Common stock | - | - |
| Additional paid-in capital | 101.5 | 286.8 |
| Accumulated other comprehensive income (loss) | (336.6) | (103.0) |
| Retained earnings | 487.4 | 516.0 |
| Total shareholders' equity | 252.3 | 699.8 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $ 8,009.3 | $ 8,241.2 |

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WINDSTREAM CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS UNDER GAAP-Page 4
(In millions)

| | TWELVE MONTHS ENDED | |
|---|---|---|
| | December 31, 2008 | December 31, 2007 |
| Cash Provided from Operations: | | |
| Net income | $ 412.7 | $ 917.1 |
| Adjustments to reconcile net income to net cash provided from operations: | | |
| Gain on sale of publishing business | - | (451.3) |
| Loss on sale of wireless business | 21.3 | - |
| Depreciation and amortization | 494.5 | 507.5 |
| Provision for doubtful accounts | 38.7 | 28.5 |
| Stock-based compensation expense | 18.1 | 15.9 |
| Pension and post retirement benefits expense | 13.9 | 39.3 |
| Deferred taxes | 110.0 | 13.0 |
| Other, net | 18.1 | 15.6 |
| Changes in operating assets and liabilities, net | | |
| Accounts receivable | (25.1) | (12.3) |
| Accounts payable | (27.6) | (3.0) |
| Accrued interest | (1.1) | (9.1) |
| Accrued taxes | 5.4 | 27.2 |
| Other current liabilities | (1.3) | (48.7) |
| Other liabilities | (13.0) | (15.5) |
| Other, net | 15.8 | 9.5 |
| Net cash provided from operations | 1,080.4 | 1,033.7 |
| Cash Flows from Investing Activities: | | |
| Additions to property, plant and equipment | (317.5) | (365.7) |
| Acquisition of CT Communications, net of cash acquired | - | (546.8) |
| Disposition of wireless business | 56.7 | - |
| Disposition of publishing business | - | 40.0 |
| Disposition of acquired assets held for sale | 17.8 | - |
| Other, net | 9.9 | 5.4 |
| Net cash used in investing activities | (233.1) | (867.1) |
| Cash Flows from Financing Activities: | | |
| Dividends paid on common shares | (445.2) | (476.8) |
| Stock repurchase | (200.3) | (40.1) |
| Repayment of debt | (354.3) | (811.0) |
| Debt issued, net of issuance costs | 380.0 | 848.9 |
| Other, net | (2.9) | (2.4) |
| Net cash used in financing activities | (622.7) | (481.4) |
| Increase (decrease) in cash and cash equivalents | 224.6 | (314.8) |
| Cash and Cash Equivalents: | | |
| Beginning of the period | 72.0 | 386.8 |
| End of the period | $ 296.6 | $ 72.0 |

WINDSTREAM CORPORATION
UNAUDITED RECONCILIATION OF REVENUES AND SALES AND OPERATING INCOME UNDER GAAP TO PRO FORMA REVENUES AND SALES AND PRO FORMA OIBDA FROM CURRENT BUSINESSES (NON-GAAP)-Page 5
(In millions)

| | | THREE MONTHS ENDED | | TWELVE MONTHS ENDED | |
|---|---|---|---|---|---|
| | | December 31, 2008 | December 31, 2007 | December 31, 2008 | December 31, 2007 |
| Consolidated revenues and sales under GAAP | | $ 777.5 | $ 816.7 | $ 3,171.5 | $ 3,245.9 |
| Pro forma adjustments: | | | | | |
| CTC revenues and sales prior to acquisition | (A) | - | - | - | 93.9 |
| Directory publishing revenues | (B) | - | (23.7) | - | (120.9) |
| Consolidated pro forma revenues and sales from current businesses | | $ 777.5 | $ 793.0 | $ 3,171.5 | $ 3,218.9 |
| Wireline revenues and sales under GAAP | | $ 764.3 | $ 794.6 | $ 3,110.9 | $ 3,112.5 |
| Pro forma adjustments: | | | | | |
| CTC revenues and sales prior to acquisition | (A) | - | - | - | 101.4 |
| Directory publishing revenues | (B) | - | (13.2) | - | (54.6) |
| Wireline pro forma revenues and sales from current businesses | | $ 764.3 | $ 781.4 | $ 3,110.9 | $ 3,159.3 |
| Operating income from continuing operations under GAAP | | $ 276.6 | $ 299.3 | $ 1,132.4 | $ 1,149.9 |
| Pro forma adjustments: | | | | | |
| CTC operating income prior to the acquisition | (A) | - | - | - | 11.5 |
| CTC customer list amortization | (C) | - | - | - | (5.3) |
| CTC merger and integration costs, prior to acquisition | (D) | - | - | - | 2.2 |
| Merger and integration costs | (E) | - | 2.6 | 6.2 | 8.2 |
| Impairment loss on assets held for sale | (F) | - | - | 6.5 | - |
| Operating income adjustment for split off of directory publishing | | | | | |
| Wireline | (B) | - | (10.3) | - | (42.0) |
| Other | (B) | - | (0.5) | - | (5.4) |
| Adjusted operating income | | 276.6 | 291.1 | 1,145.1 | 1,119.1 |
| Depreciation and amortization | (G) | 124.0 | 121.5 | 492.7 | 530.2 |
| Pro forma OIBDA from current businesses | | $ 400.6 | $ 412.6 | $ 1,637.8 | $ 1,649.3 |

Windstream Corporation has entered into various transactions over the past two years that may cause results reported under GAAP to be not necessarily indicative of future results. On August 31, 2007, Windstream completed the acquisition of CT Communications, Inc. ("CTC"). Under the terms of the transaction CTC shareholders received $31.50 in cash for each of their shares of CTC common stock. Subsequently, on November 21, 2008, the Company completed the sale of the wireless business acquired from CTC. As a result of completing this transaction, we will have no significant continuing involvement in the operations or cash flows of the wireless business. Accordingly, we have recognized a pre-tax loss of $21.3 million to reduce the net carrying value of the assets and liabilities sold to the transaction price less costs to sell, and reported the operating results of the wireless business as discontinued operations. In the third quarter of 2008, the Company recognized a non-cash impairment charge of $6.5 million to reduce the carrying value of certain wireless spectrum licenses designated as held for sale, and not used in operations, to their fair market value. The fair market value of these holdings has been reduced to a nominal amount due to an impairment resulting from general market conditions and limited interest on this bandwidth of spectrum. On November 30, 2007, Windstream completed the split off its directory publishing business to Welsh, Carson, Anderson, and Stowe ("WCAS"), a private equity investment group and Windstream shareholder. In exchange for Windstream's publishing business, Windstream received a special cash dividend of $40.0 million, received $210.5 million in debt relief through a debt-for-debt exchange, and retired approximately 19.6 million shares in Windstream common stock held by WCAS. As a result of completing this transaction, Windstream recorded a gain of $451.3 million in the fourth quarter of 2007. As disclosed in the Windstream Form 8-K filed on February 4, 2009, the Company has presented in this earnings release unaudited pro forma results from current businesses, which include results from CTC's wireline business for periods prior to the acquisition and excludes (1) results from the directory publishing business, (2) all merger and integration costs resulting from the transactions discussed above, and (3) $6.5 million non-cash impairment charge for acquired assets held for sale.

Windstream’s purpose for including the results of the acquired businesses and for excluding non-recurring items and the results of the directory publishing business is to improve the comparability of results of operations for the three and twelve month periods ended December 31, 2008 to the results of operations for the same periods of 2007. Windstream's purpose for these adjustments is to focus on the true earnings capacity associated with providing telecommunication services. Management believes the items either included or excluded from pro forma results from current businesses are related to strategic activities or other events, specific to the time and opportunity available, and should be treated accordingly when evaluating the Company's operations. Management believes that presenting current business measures assists investors by providing more meaningful comparisons of results from current and prior periods, and by providing information that is a better reflection of the core earnings capacity of the businesses. The Company uses pro forma results from current businesses, including pro forma revenues and sales and pro forma OIBDA from current businesses, as a key measure of the operational performance of its business segments. Windstream management, including the chief operating decision-maker, uses these measures consistently for all purposes including: internal reporting, the evaluation of business objectives, opportunities and performance, and the determination of management compensation.

(A) To reflect operating results recognized by CTC's wireline operations prior to acquisition.
(B) To reflect the split off of the Company's directory publishing business.
(C) To recognize amortization for the acquired CTC wireline customer list.
(D) Prior to the acquisition, CTC incurred $2.2 million in restructuring charges consisting primarily of transition costs related to the proposed acquisition.
(E) The Company incurred merger and integration costs of $6.2 million related to the acquisition of CTC during the twelve months ended December 31, 2008, primarily related to system conversion costs. The Company incurred $3.7 million in costs related to the sale of its directory publishing business and $4.5 million in costs related to the acquisition of CTC during the twelve months ended December 31, 2007. Of these amounts, $0.4 million in costs were recorded in the fourth quarter of 2007 related to the sale of the directory publishing business, and $2.2 million in costs were related to signage and rebranding, system conversion, and administrative costs for the CTC acquisition.
(F) To reflect the non-cash impairment loss on wireless licenses held for sale.
(G) Includes depreciation and amortization expense under GAAP, CTC wireline depreciation and amortization expense incurred prior to the acquisition and other pro forma adjustments to depreciation and amortization expense.

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