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

| | THREE MONTHS ENDED | | | | TWELVE MONTHS ENDED | | | |
|---|---|---|---|---|---|---|---|---|
| | December 31, 2007 | December 31, 2006 | Increase (Decrease) Amount | % | December 31, 2007 | December 31, 2006 | Increase (Decrease) Amount | % |
| UNDER GAAP: | | | | | | | | |
| Revenues and sales: | | | | | | | | |
| Service revenues | $ 762.6 | $ 731.9 | $ 30.7 | 4 | $ 2,959.4 | $ 2,633.6 | $ 325.8 | 12 |
| Product sales | 65.2 | 95.7 | (30.5) | (32) | 301.4 | 399.7 | (98.3) | (25) |
| Total revenues and sales | 827.8 | 827.6 | 0.2 | - | 3,260.8 | 3,033.3 | 227.5 | 8 |
| Costs and expenses: | | | | | | | | |
| Cost of services | 256.8 | 237.8 | 19.0 | 8 | 992.0 | 858.4 | 133.6 | 16 |
| Cost of products sold | 40.8 | 47.1 | (6.3) | (13) | 184.2 | 281.8 | (97.6) | (35) |
| Selling, general, administrative and other | 102.9 | 106.6 | (3.7) | (3) | 412.1 | 365.7 | 46.4 | 13 |
| Depreciation and amortization | 122.8 | 124.0 | (1.2) | (1) | 507.5 | 449.6 | 57.9 | 13 |
| Royalty expense to Alltel | - | - | - | - | - | 129.6 | (129.6) | (100) |
| Restructuring charges | 1.1 | 10.6 | (9.5) | (90) | 4.6 | 10.6 | (6.0) | (57) |
| Merger and integration costs | 3.3 | 15.9 | (12.6) | (79) | 9.3 | 38.8 | (29.5) | (76) |
| Total costs and expenses | 527.7 | 542.0 | (14.3) | (3) | 2,109.7 | 2,134.5 | (24.8) | (1) |
| Operating income | 300.1 | 285.6 | 14.5 | 5 | 1,151.1 | 898.8 | 252.3 | 28 |
| Other income, net | (0.6) | 4.9 | (5.5) | (112) | 11.1 | 8.7 | 2.4 | 28 |
| Gain on sale of publishing business | 451.3 | - | 451.3 | - | 451.3 | - | 451.3 | - |
| Loss on extinguishment of debt | - | - | - | - | - | (7.9) | 7.9 | 100 |
| Intercompany interest income from Alltel | - | - | - | - | - | 31.9 | (31.9) | (100) |
| Interest expense | (112.0) | (109.7) | (2.3) | (2) | (444.4) | (209.6) | (234.8) | (112) |
| Income before income taxes and extraordinary item | 638.8 | 180.8 | 458.0 | 253 | 1,169.1 | 721.9 | 447.2 | 62 |
| Income taxes | 55.2 | 63.1 | (7.9) | (13) | 252.0 | 276.3 | (24.3) | (9) |
| Income before extraordinary item | 583.6 | 117.7 | 465.9 | 396 | 917.1 | 445.6 | 471.5 | 106 |
| Extraordinary item, net of income taxes | - | - | - | - | - | 99.7 | (99.7) | (100) |
| Net income | $ 583.6 | $ 117.7 | $ 465.9 | 396 | $ 917.1 | $ 545.3 | $ 371.8 | 68 |
| Weighted average common shares: | | | | | | | | |
| Basic | 466.6 | 473.5 | (6.9) | (1) | 471.9 | 435.2 | 36.7 | 8 |
| Diluted | 467.6 | 474.1 | (6.5) | (1) | 473.0 | 435.4 | 37.6 | 9 |
| Earnings per share: | | | | | | | | |
| Basic: | | | | | | | | |
| Income before extraordinary item | $1.25 | $.25 | $1.00 | 400 | $1.94 | $1.02 | $.92 | 90 |
| Extraordinary item | - | - | - | - | - | .23 | (.23) | (100) |
| Net income | $1.25 | $.25 | $1.00 | 400 | $1.94 | $1.25 | $.69 | 55 |
| Diluted: | | | | | | | | |
| Income before extraordinary item | $1.25 | $.25 | $1.00 | 400 | $1.94 | $1.02 | $.92 | 90 |
| Extraordinary item | - | - | - | - | - | .23 | (.23) | (100) |
| Net income | $1.25 | $.25 | $1.00 | 400 | $1.94 | $1.25 | $.69 | 55 |
| PRO FORMA RESULTS OF OPERATIONS FROM CURRENT BUSINESSES (A): | | | | | | | | |
| Revenues and sales | $ 804.1 | $ 826.0 | $ (21.9) | (3) | $ 3,261.7 | $ 3,216.4 | $ 45.3 | 1 |
| Operating income before depreciation and amortization (OIBDA) | $ 415.2 | $ 413.7 | $ 1.5 | - | $ 1,657.4 | $ 1,647.6 | $ 9.8 | 1 |

(A) Pro forma results from current businesses adjusts results of operations under Generally Accepted Accounting Principles ("GAAP") for the effects of the Company's spin off from Alltel Corporation ("Alltel") and merger with Valor Communications Group, Inc. ("Valor"), the discontinuance of the application of Statement of Financial Accounting Standard ("SFAS") No. 71, the split off of the directory publishing business, and the acquisition of CT Communications, Inc. ("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.

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WINDSTREAM CORPORATION

UNAUDITED SUPPLEMENTAL OPERATING INFORMATION-Page 2

(Dollars in millions, customers in thousands)

| | THREE MONTHS ENDED | | | | TWELVE MONTHS ENDED | | | |
|---|---|---|---|---|---|---|---|---|
| | December 31, 2007 | December 31, 2006 | Increase (Decrease) Amount | % | December 31, 2007 | December 31, 2006 | Increase (Decrease) Amount | % |
| UNDER GAAP: | | | | | | | | |
| **Wireline:** | | | | | | | | |
| Revenues and sales | $ 794.6 | $ 780.7 | $ 13.9 | 2 | $ 3,112.5 | $ 2,758.6 | $ 353.9 | 13 |
| Access lines | 3,203.2 | 3,219.3 | (16.1) | (1) | | | | |
| Net access line additions/(losses) (A) | | | | | | | | |
| Internal | (38.2) | (44.0) | 5.8 | 13 | (148.3) | (136.9) | (11.4) | (8) |
| Acquired | - | - | - | - | 132.2 | 500.9 | (368.7) | (74) |
| Net access line additions/(losses) | (38.2) | (44.0) | 5.8 | 13 | (16.1) | 364.0 | (380.1) | (104) |
| Average access lines | 3,221.5 | 3,240.5 | (19.0) | (1) | 3,188.4 | 3,022.9 | 165.5 | 5 |
| High-speed Internet customers | 871.4 | 656.1 | 215.3 | 33 | | | | |
| Net high-speed Internet additions | | | | | | | | |
| Internal | 41.2 | 53.0 | (11.8) | (22) | 184.4 | 191.4 | (7.0) | (4) |
| Acquired | - | - | - | - | 30.9 | 67.0 | (36.1) | (54) |
| Net high-speed Internet additions | 41.2 | 53.0 | (11.8) | (22) | 215.3 | 258.4 | (43.1) | (17) |
| Average revenue per customer per month (B) | $82.22 | $80.31 | $1.91 | 2 | $81.35 | $76.05 | $5.30 | 7 |
| Digital satellite television customers | 195.6 | 87.7 | 107.9 | 123 | | | | |
| Net digital satellite television additions | | | | | | | | |
| Internal | 18.1 | 26.2 | (8.1) | (31) | 107.9 | 78.5 | 29.4 | 37 |
| Acquired | - | - | - | - | - | - | - | - |
| Net digital satellite television additions | 18.1 | 26.2 | (8.1) | (31) | 107.9 | 78.5 | 29.4 | 37 |
| Long distance customers | 2,066.6 | 1,957.1 | 109.5 | 6 | | | | |
| Net long distance customer additions/(losses) (A) | | | | | | | | |
| Internal | 1.1 | (15.9) | 17.0 | 107 | (12.4) | 0.5 | (12.9) | |
| Acquired | - | - | - | - | 121.9 | 239.7 | (117.8) | (49) |
| Net long distance customer additions/(losses) | 1.1 | (15.9) | 17.0 | 107 | 109.5 | 240.2 | (130.7) | (54) |
| **Wireless:** | | | | | | | | |
| Wireless customers | 51.5 | - | 51.5 | | 51.5 | - | 51.5 | |
| Net wireless customer additions | | | | | | | | |
| Internal | 0.4 | - | 0.4 | | 0.4 | - | 0.4 | |
| Acquired | - | - | - | | 51.1 | - | 51.1 | |
| Net wireless customer additions | 0.4 | - | 0.4 | | 51.5 | - | 51.5 | |
| **Consolidated:** | | | | | | | | |
| Capital expenditures | $ 97.4 | $ 129.6 | $ (32.2) | (25) | $ 365.7 | $ 373.8 | $ (8.1) | (2) |
| FROM PRO FORMA RESULTS (C): | | | | | | | | |
| **Wireline:** | | | | | | | | |
| Revenues and sales | $ 781.4 | $ 793.4 | $ (12.0) | (2) | $ 3,159.3 | $ 3,111.6 | $ 47.7 | 2 |
| Access lines | 3,203.2 | 3,357.5 | (154.3) | (5) | | | | |
| Net access line losses | (38.2) | (45.5) | 7.3 | 16 | (154.3) | (148.4) | (5.9) | (4) |
| Average access lines | 3,221.5 | 3,379.4 | (157.9) | (5) | 3,281.9 | 3,437.1 | (155.2) | (5) |
| High-speed Internet customers | 871.4 | 682.6 | 188.8 | 28 | | | | |
| Net high-speed Internet additions | 41.2 | 54.1 | (12.9) | (24) | 188.8 | 212.0 | (23.2) | (11) |
| Average revenue per customer per month (B) | $80.85 | $78.26 | $2.59 | 3 | $80.22 | $75.44 | $4.78 | 6 |
| Digital satellite television customers | 195.6 | 87.7 | 107.9 | 123 | | | | |
| Long distance customers | 2,066.6 | 2,077.5 | (10.9) | (1) | | | | |
| **Wireless:** | | | | | | | | |
| Wireless customers | 51.5 | 49.2 | 2.3 | 5 | | | | |
| **Consolidated:** | | | | | | | | |
| Capital expenditures | $ 97.4 | $ 147.9 | $ (50.5) | (34) | $ 396.6 | $ 443.3 | $ (46.7) | (11) |

(A) As part of the integration of CTC, the Company reviewed its access line and long distance customer counting methodology. As a result of this review, the Company changed its methodology and access lines and long distance customers reported in historical periods have been revised to conform to the revised approach. This change resulted in a reduction of Windstream's reported access lines of approximately 25,000 access lines and 34,000 long distance customers.

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

(C) Pro forma results from current businesses adjusts results of operations under GAAP for the effects of the Company's spin off from Alltel and merger with Valor, the discontinuance of the application of SFAS No. 71, the 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, 2007 | December 31, 2006 |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash and short-term investments | $ 72.0 | $ 386.8 |
| Accounts receivable (less allowance for doubtful accounts of $13.3 and $10.4, respectively) | 327.1 | 337.2 |
| Inventories | 30.1 | 43.5 |
| Prepaid expenses and other | 42.0 | 29.2 |
| Assets held for sale | | |
| Acquired assets held for sale | 26.6 | - |
| Directory publishing assets held for sale | - | 80.0 |
| Total current assets | 497.8 | 876.7 |
| Goodwill | 2,276.4 | 1,965.0 |
| Other intangibles | 1,198.5 | 1,100.4 |
| Net property, plant and equipment | 4,042.3 | 3,939.8 |
| Other assets | 195.7 | 148.8 |
| TOTAL ASSETS | $ 8,210.7 | $ 8,030.7 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | December 31, 2007 | December 31, 2006 |
|---|---|---|
| CURRENT LIABILITIES: | | |
| Current maturities of long-term debt | $ 24.3 | $ 32.2 |
| Accounts payable | 161.9 | 169.5 |
| Advance payments and customer deposits | 91.4 | 82.8 |
| Accrued dividends | 113.6 | 119.2 |
| Accrued taxes | 52.6 | 31.9 |
| Accrued interest | 139.6 | 148.2 |
| Other current liabilities | 57.7 | 68.4 |
| Liabilities related to directory publishing assets held for sale | - | 32.4 |
| Total current liabilities | 641.1 | 684.6 |
| Long-term debt | 5,331.2 | 5,456.2 |
| Deferred income taxes | 1,106.1 | 990.8 |
| Other liabilities | 432.5 | 429.3 |
| SHAREHOLDERS' EQUITY: | | |
| Common stock | - | - |
| Additional paid-in capital | 286.8 | 550.5 |
| Accumulated other comprehensive income (loss) | (103.0) | (150.8) |
| Retained earnings | 516.0 | 70.1 |
| Total shareholders' equity | 699.8 | 469.8 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $ 8,210.7 | $ 8,030.7 |

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

| | TWELVE MONTHS ENDED | |
|---|---|---|
| | December 31, 2007 | December 31, 2006 |
| Cash Provided from Operations: | | |
| Net income | $ 917.1 | $ 545.3 |
| Adjustments to reconcile net income to net cash provided from operations: | | |
| Gain on sale of publishing business | (451.3) | - |
| Extraordinary item, net of income taxes | - | (99.7) |
| Depreciation and amortization | 507.5 | 449.6 |
| Provision for doubtful accounts | 28.5 | 18.4 |
| Stock-based compensation expense | 15.9 | 1.9 |
| Pension and post retirement benefits expense | 39.3 | 32.8 |
| Deferred taxes | 13.0 | 30.2 |
| Other, net | 15.6 | 6.8 |
| Changes in operating assets and liabilities, net of effects of acquisitions and dispositions: | | |
| Accounts receivable | (12.3) | (40.9) |
| Accounts payable | (3.0) | 20.5 |
| Accrued interest | (9.1) | 131.0 |
| Accrued taxes | 27.2 | 40.9 |
| Other current liabilities | (49.6) | (2.1) |
| Other liabilities | (14.6) | 35.0 |
| Other, net | 9.5 | (24.0) |
| Net cash provided from operations | 1,033.7 | 1,145.7 |
| | | |
| Cash Flows from Investing Activities: | | |
| Additions to property, plant and equipment | (365.7) | (373.8) |
| Acquisition of CT Communications, net of cash acquired | (546.8) | - |
| Disposition of publishing business | 40.0 | - |
| Cash acquired from Valor | - | 69.0 |
| Other, net | 5.4 | 5.8 |
| Net cash used in investing activities | (867.1) | (299.0) |
| | | |
| Cash Flows from Financing Activities: | | |
| Dividends paid on common shares | (476.8) | (102.2) |
| Dividends paid to Alltel pursuant to spin off | - | (2,275.1) |
| Dividends paid to Alltel prior to spin off | - | (99.0) |
| Repayment of debt | (811.0) | (871.4) |
| Debt issued, net of issuance costs | 848.9 | 3,156.1 |
| Stock repurchase | (40.1) | - |
| Changes in advances to Alltel prior to spin off | - | (310.8) |
| Other, net | (2.4) | 30.6 |
| Net cash used in financing activities | (481.4) | (471.8) |
| | | |
| Increase (decrease) in cash and short-term investments | (314.8) | 374.9 |
| | | |
| Cash and Short-Term Investments: | | |
| Beginning of the period | 386.8 | 11.9 |
| End of the period | $ 72.0 | $ 386.8 |

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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, 2007 | December 31, 2006 | December 31, 2007 | December 31, 2006 |
| Consolidated revenues and sales under GAAP | | $ 827.8 | $ 827.6 | $ 3,260.8 | $ 3,033.3 |
| Pro forma adjustments: | | | | | |
| Valor revenues and sales prior to merger | (A) | - | - | - | 275.2 |
| CTC revenues and sales prior to acquisition | (B) | - | 47.2 | 129.3 | 186.5 |
| Elimination of billings to Valor | (C) | - | - | - | (8.8) |
| Elimination of billings to/from CTC | (D) | - | (2.7) | (7.5) | (10.5) |
| Discontinuance of SFAS No. 71 | (E) | - | - | - | (106.5) |
| Directory publishing revenues | (F) | (23.7) | (46.1) | (120.9) | (152.8) |
| Consolidated pro forma revenues and sales from current businesses | | $ 804.1 | $ 826.0 | $ 3,261.7 | $ 3,216.4 |
| | | | | | |
| Wireline revenues and sales under GAAP | | $ 794.6 | $ 780.7 | $ 3,112.5 | $ 2,758.6 |
| Pro forma adjustments: | | | | | |
| Valor revenues and sales prior to merger | (A) | - | - | - | 275.2 |
| CTC revenues and sales prior to acquisition | (B) | - | 37.0 | 101.4 | 147.8 |
| Discontinuance of SFAS No. 71 | (E) | - | - | - | (3.4) |
| Directory publishing revenues | (F) | (13.2) | (24.3) | (54.6) | (66.6) |
| Wireline pro forma revenues and sales from current businesses | | $ 781.4 | $ 793.4 | $ 3,159.3 | $ 3,111.6 |
| | | | | | |
| Operating income under GAAP | | $ 300.1 | $ 285.6 | $ 1,151.1 | $ 898.8 |
| Pro forma adjustments: | | | | | |
| Valor operating income prior to merger | (A) | - | - | - | 80.9 |
| CTC operating income prior to acquisition | (B) | - | 7.7 | 13.8 | 24.3 |
| Valor merger and integration costs prior to merger | (G) | - | - | - | 15.6 |
| CTC merger and integration costs prior to acquisition | (H) | - | - | 2.2 | - |
| Valor customer list amortization | (I) | - | - | - | (24.1) |
| CTC customer list amortization | (J) | - | (2.3) | (6.1) | (9.2) |
| Discontinuance of SFAS No. 71 | (E) | - | - | - | 0.4 |
| Merger and integration costs | (K) | 3.3 | 15.9 | 9.3 | 38.8 |
| Royalty expense to Alltel | (L) | - | - | - | 129.6 |
| Operating income adjustment for split off of directory publishing: | | | | | |
| Wireline | (F) | (10.5) | (20.5) | (42.2) | (53.9) |
| Other | (F) | (0.5) | (6.3) | (5.4) | (10.6) |
| Adjusted operating income | | 292.4 | 280.1 | 1,122.7 | 1,090.6 |
| Depreciation and amortization | (M) | 122.8 | 133.6 | 534.7 | 557.0 |
| Pro forma OIBDA from current businesses | | $ 415.2 | $ 413.7 | $ 1,657.4 | $ 1,647.6 |

Windstream Corporation has entered into various transactions over the last two years that may cause results reported under GAAP to be not necessarily indicative of future results. On July 17, 2006, Windstream Corporation was formed through the spin off of Alltel Corporation's ("Alltel") wireline telecommunications business to its shareholders, and the subsequent merger of that wireline business with Valor Communications Group, Inc. (“Valor”). 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. 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, gain of $451.3 million in the fourth quarter of 2007. As disclosed in the Windstream Form 8-K filed on February 8, 2008, the Company has presented in this earnings release unaudited pro forma results from current businesses, which include results from Valor and CTC for periods prior to their acquisitions and excludes (1) results from the directory publishing business, (2) the impact of discontinuing SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation," and (3) all merger and integration costs resulting from the transactions discussed above.

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 months ended December 31, 2007 to the results of operations for the same periods of 2006. 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, accordingly, should be excluded when evaluating the Company's operations. In the second quarter of 2007, the Company revised its presentation of historical pro forma results to include severance expenses. These expenses had been excluded in prior quarters, but should not necessarily be viewed as non-recurring. 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 refle 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 purposes, the evaluation of business objectives, opportunities and performance, and the determination of management compensation.

(A) To reflect operating results recognized by Valor prior to the merger.

(B) To reflect operating results recognized by CTC prior to acquisition.

(C) To eliminate the intercompany revenues and related expenses associated with customer billing services provided by Alltel to Valor for periods prior to the merger.

(D) To eliminate the intercompany revenues and related expenses primarily associated with carrier access billings between Windstream and CTC for periods prior to the acquisition.

(E) These adjustments are related to the discontinuance of SFAS No. 71 during the third quarter of 2006.

(F) To reflect the split off of the Company's directory publishing business.

(G) Prior to the merger, Valor incurred $15.6 million in merger and integration costs during 2006, related primarily to the acceleration of restricted stock that vested immediately upon the closing of the transaction.

(H) Prior to the acquisition, CTC incurred $2.2 million in merger and integration costs during 2007, consisting primarily of transaction costs related to the proposed acquisition.

(I) To recognize amortization for the acquired Valor customer list prior to the merger.

(J) To recognize amortization for the acquired CTC customer list prior to the acquisition.

(K) The Company incurred $3.7 million in costs related to the sale of its directory publishing business and $5.6 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 $2.9 million in costs were recorded in the fourth quarter of 2007 related to signage and rebranding, system conversion, and administrative costs for the CTC acquisition. During the twelve months ended December 31, 2006, in connection with the spin off from Alltel and merger with Valor, the Company incurred $38.8 million of incremental costs, primarily consisting of consulting and legal fees. Of the expenses incurred relating to the spin off transaction, $15.9 million in fees were recorded in the fourth quarter of

(L) Royalty expense charged by Alltel to the Company for the use of the Alltel brand name was eliminated due to the spin off of the wireline telecommunications business from Alltel and the cessation of these charges.

(M) Includes depreciation and amortization expense under GAAP, Valor depreciation expense incurred prior to the merger, CTC depreciation and amortizaiton expense incurred prior to the acquisition, depreciation expense for directory publishing prior to the sale, and other pro forma adjustments to depreciation and amortization expense.

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