

Windstream Corporation

Windstream financial guidance for 2011:

(Dollars in millions)

	2010 Results	2011 Guidance Range			Percent Change	
Pro forma revenues and sales	\$ 4,139	\$ 4,015	-	\$ 4,140	-3%	0%
Pro forma OIBDA ⁽¹⁾	\$ 1,975	\$ 1,985	-	\$ 2,045	1%	4%
Pension expense	62	41		41		
Restructuring expense	8	-		-		
Stock-based compensation expense	19	19		19		
Pro forma adjusted OIBDA	<u>\$ 2,064</u>	<u>\$ 2,045</u>	-	<u>\$ 2,105</u>	-1%	2%
Capital expenditures	\$ 490	\$ 520	-	\$ 580	6%	18%

Expected Dividend Payout Ratio

(Dollars in millions)

	2011 Guidance Range		
Pro forma adjusted OIBDA	\$ 2,045		\$ 2,105
Subtract:			
Expected capital expenditures	580	-	520
Expected cash paid for interest expense	552	-	552
Expected cash taxes	50	-	60
Expected adjusted free cash flow	<u>\$ 863</u>	-	<u>\$ 973</u>
Expected dividends paid on common shares	\$ 509	-	\$ 509
Expected dividend payout ratio	59%	-	52%

Notes:

(1) OIBDA is operating income before depreciation and amortization.