MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to the Q1 2010 Windstream Communications Earnings Conference Call. My name is Peggy and I will be your conference operator for today. At this time, all participants are in listen-only mode. Later, we will conduct a question-and-answer session. [Operator Instructions] As a reminder, this conference is being recorded for replay purposes.

I would now like to turn the conference over to your host for today, Mr. Robert Clancy, Senior Vice President and Treasurer. Please proceed.

Rob Clancy, Senior Vice President and Treasurer

Thank you, Peggy, and good afternoon, everyone. Thank you for joining us today. Today's conference call was preceded by our first quarter 2010 earnings release, which has been distributed on the news wires and is available from the Investor Relations section of our website. Today's conference call should be considered together with our earnings release and related financial information.

Today's discussion will include certain forward-looking statements particularly as they pertain to guidance and other outlooks on our business. Please review the Safe Harbor language found in our press release and in our SEC filings which describe factors that could cause our actual results to differ materially from those projected by us in our forward-looking statements.

Today's discussion will also include certain non-GAAP financial measures. Again we refer you to the IR section of our website, where we have posted our earnings release and supplemental materials which contain information and reconciliations for any non-GAAP financial measure.

On February 8, Windstream completed the acquisition of NuVox. To assist investors, we have revised our pro forma results to include the results of NuVox for all periods shown. These supplemental financials also include D&E Communications and Lexcom and exclude our former non-affiliate product distribution business.

As part of the integration process we've reviewed and updated our methodology for counting and reporting key customer metrics. As a result we are now providing several new operating metrics which align to the specific revenue categories by type and provide better transparency into our operations.

Specifically, we are now disclosing voice access lines, special access circuits and advanced data and integrated solutions, which are generally connections that provide integrated voice and data services. The connections aggregated together will be reported as total access lines, which is consistent with our historical presentation as well as our peer group reporting.

We also updated our supplemental schedules to enhance the revenue and operating metric transparency by channel and customer type. Finally, we are providing pro forma adjusted free cash flow defined as adjusted OIBDA excluding non-cash pension expense, non-cash stock compensation expense and restructuring expense, which is the framework used to provide our annual free cash flow guidance in February of this year. We will make references to these pro forma results including the year-over-year comparisons during our call.

Participating in our call this morning are Jeff Gardner, Windstream President and Chief Executive Officer; Brent Whittington, Windstream Executive Vice President and Chief Operating Officer; and Tony Thomas, Windstream Chief Financial Officer. At the end of the call, we will take a few questions.

With that, here is Jeff Gardner.

Jeff Gardner, President and Chief Executive Officer

Thank you, Rob, and good afternoon, everyone. This afternoon, I will make a few comments about our performance and provide an update on our strategic initiatives. Brent will then discuss our operating results, and Tony will review our financial performance.

First, I am very pleased with our results for the first quarter. We continued to make improvements in many key operating metrics and delivered very solid financial results with improving revenue trends, which is very important to sustaining cash flows over the long-term. Additionally, our teams are progressing extremely well with our integration efforts, which all remain on track and in line with our expectations.

During the first quarter we completed the NuVox acquisition, acquiring approximately 104,000 business connections in complementary markets in 16 states. NuVox is a great strategic fit for Windstream as this transaction bolsters our strategy to focus more on the business segment, which offers better growth prospects going forward. We are have excited to have the NuVox team on board and look forward to the future opportunities that this transaction creates for our combined company.

Additionally, we are progressing nicely with the approvals required to close the acquisition of Iowa Telecom. During the quarter, the Iowa Telecom shareholders approved the transaction and just last week, we obtained the remaining state approvals necessary to proceed with the closing. Thus at this point we are only waiting for FCC approval. It is our expectation that this transaction will close by the end of the second quarter.

Turning to the regulatory front, we were encouraged by the FCC's national broadband plan released in March and believe the plan appears to be focused on the right issues, while acknowledging reforms need to be manageable with appropriate time to transition. The plan was a positive first step, and now the challenge will be working through the rule making process to ultimately implement the recommendation.

Windstream shares the core goal of making robust broadband available to everyone and the national broadband plans recognition that this goal cannot be achieved without effective reform of universal service and intercarrier compensation.

In March, we applied for $238 million in federal stimulus grants to expand broadband availability and offer faster broadband speeds to more than 500,000 homes and 80,000 businesses in the rural areas of 16 states. The federal grants offered by the RUS cover up to 75% of the costs and greatly improve the economics for deploying broadband to the areas addressed in our stimulus applications.

If granted, Windstream would provide $80 million in funding, which would affect our capital spending in 2011 and 2012. Windstream has already invested hundreds of millions of dollars to deploy broadband services across our markets, covering approximately 89% of our footprint. And we believe that our networks offer the most reliable and the best alternative for expanding high-speed Internet access to unserved rural communities, given both our experience and track record.

Looking forward, I am confident in our business and the sustainability of our cash flows. Given the shift in our revenue mix with now over 53%, our revenues coming from broadband and business services, the improvement in our consumer operating metrics and the acquisitions and the related synergy benefits, we are delivering on our strategy to build a next generation telecom company focused on creating shareholder value for years to come.

We believe that we will have further opportunities to continue to grow through M&A, and our acquisition strategy remains consistent. We will pursue well run businesses that are free cash flow accretive and do not significantly change the risk profile of Windstream.

Now let me turn the call over to Brent to discuss our operational results.

Brent Whittington, Chief Operating Officer

Thanks, Jeff, and good afternoon everyone. On a pro forma basis, we added approximately 36,000 new high-speed Internet customers this quarter, bringing our total customer base to 1,168,000, an increase of 10% year-over-year. Our overall broadband penetration is now at 40% of voice lines.

In the consumer channel, residential high-speed Internet customers grew almost 11% year-over-year and penetration is now approximately 57% of the primary residential lines.

During the quarter, we continued to see success with our Price for Life initiative, which bundles high-speed Internet, unlimited local and long distance voice and other features for a fixed price for the customer's life. In addition, we continue to focus on selling complementary Internet services such as a security suite, identity protection, home networking and online data backup to improve both customer ARPU and retention.

In the business channel, high-speed Internet customers grew by 4% year-over-year. Additionally, advance data and integrated solutions, which are largely connections providing both voice and data services, was up almost 2%, largely a result of the continued growth we've seen in the former NuVox markets.

This quarter we added over 12,000 digital TV customers, bringing our total customer base to approximately 382,000 or 21% penetration of our primary residential customers. And during the quarter we announced a multi-year extension to our agreement with Dish to resell their digital TV service. Dish continues to be an important business partner for Windstream, enabling us to deliver a triple-play bundle, which provides value to our customers and lowest churn.

Total access lines declined by approximately 23,000 during the quarter resulting in a year-over-year decline in access lines of 3.9%. This year-over-year loss rate improved by 50 basis points sequentially and was the lowest percentage loss that we've reported at Windstream. More specifically residential voice access lines declined 3.7% year-over-year, an improvement of 90 basis points sequentially and a result of our Price for Life program, improved service levels, expanding sales distribution channels and a stable competitive environment.

Business voice lines declined 5.1% year-over-year, an improvement of 20 basis points sequentially. And importantly, special access circuits and advanced data and integrated solutions each grew approximately 2% year-over-year.

As we have mentioned before, we are managing the business channel from a revenue and profitability perspective, and we were encouraged with the growth in higher ARPU services which is helping to offset the revenue from the declining business voice lines.

From an integration perspective, all of our efforts are progressing as expected. And as a reminder, D&E has been fully integrated. For the remaining acquisitions, we expect to have all systems integrated, including Iowa Telecom, by the end of 2010.

Our teams have a great deal of experience integrating companies, and I remain confident that we will successfully integrate these businesses according to our expectations. As a result of the NuVox integration, a major re-branding and repackaging of Windstream's business products is underway, which will result in improved business product portfolio, including advanced data and integrated solutions, which will be available throughout the Windstream footprint.

We are very excited about the strides we're making in the business channel, which has certainly been accelerated by the best practices and advanced operating gains through the NuVox transaction.

Business is now our largest channel representing 43% of total revenues. And we believe that we are well-positioned organizationally as well as from a network and product perspective to capitalize on future business growth opportunities.

In summary, I'm very pleased with our results this quarter. Our focus on execution, successful marketing programs, and exceptional customer service continues to produce improvements in many of our key customer metrics.

We believe that these improvements coupled with our strategy to focus on broadband in business will better position the company for the future. I really want to thank the entire Windstream team for delivering another exceptional quarter of operational results.

Now, let me turn the call over to Tony to discuss our financial results.

Tony Thomas, Chief Financial Officer

Thank you, Brent, and good afternoon everyone. For first quarter, on a GAAP basis, Windstream achieved consolidated revenue of 848 million, operating income of 247 million, and $0.17 of diluted earnings per share. Our GAAP results include 14 million in after tax merger and integration costs, which lowered EPS by roughly $0.03 this quarter.

Turning to pro forma results, Windstream achieved revenues of 905 million, a decrease of 2.8% year-over-year. Looking at revenue by channel, consumer revenue, which includes the residential portion of voice, long distance, high-speed Internet and other miscellaneous, revenues declined by 18 million or 5% driven primarily by fewer voice customers and lower feature revenues resulting from our bundled pricing strategy.

Business revenue, which is comprised of business related voice, long distance, data and integrated solutions, special access, and product sales revenues, declined 3 million or less than 1%, driven by fewer access lines, offset by growth in data, integrated solutions and special access.

Wholesale revenue, which primarily includes switched access and USF revenues, was down 3 million or 2% year-over-year, primarily the result of fewer access lines. Specifically, by category, voice and long distance revenues declined by 34 million year-over-year or 9%, driven by fewer access lines and the pricing programs I just mentioned.

Data and integrated solutions increased 11 million or 4% due to the growth in high-speed Internet customers and next-generation data products as well as growth in integrated solutions largely driven by the former NuVox markets. Special access revenues were up by 4 million or 5% due primarily to circuit growth.

Switched access and USF revenues declined 2 million year-over-year or 1% driven by a number of factors. Within switched access, revenues declined by 7 million year-over-year related to fewer access lines and decreased usage.

Within USF revenue improved by 5 million year-over-year, a result of flat USF receipts and higher end user surcharges due to an increased federal contribution factor which is open on neutral. Miscellaneous revenues declined by 3 million year-over-year. Total product sales down $2 million year-over-year driven by fewer business sales, which partially offset an increase in consumer home networking sales.

Sequentially, revenue declined by 13 million, largely due to lower voice and long distance and switched access revenues. Additionally, our fourth quarter results included a favorable USF cost study true up. Importantly, we are seeing improving sequential consumer revenue trends as our marketing programs have driven better voice and long distance trends and continued growth in consumer broadband, which increased 3 million sequentially.

Let me turn to expenses, which exclude depreciation and amortization. This quarter, expenses were lower by 27 million year-over-year, excluding the non-cash pension expense which declined by 7 million, expenses were lower by 20 million or 4% year-over-year.

Specifically, cost of services was down 16 million due to 8 million lower pension and benefits expense, lower costs associated with our recent reduction in force, and lower bad debt expense. Cost of products sold improved by 3 million year-over-year due to fewer business product sales, offset somewhat by higher consumer home networking sales.

Within SG&A, expenses decreased 8 million or 6% year-over-year due to the realization of synergies with our recent transactions, the reduction in force I just mentioned and lower pension expense. Sequentially, total expenses decreased by approximately 15 million due to 9 million lower pension and benefits expense, incremental synergies largely from D&E and lower restructuring expense.

For the quarter OIBDA was 438 million, flat year-over-year, largely the result of lower non-cash pension expense. Adjusted OIBDA was 457 million, lower by 2% year-over-year. Our adjusted OIBDA margin improved 60 basis pointed year-over-year to 50.5%.

Operating income was 273 million, up 1% year-over-year. For the quarter, we spent 64 million in capital expenditures. From a balance sheet perspective we ended the quarter with 580 million in cash, down from the end of the year, due to the payment of roughly 480 million in cash to close the NuVox transaction, $26 million in merger and integration costs, and $21 million in previously scheduled deferred compensation payments.

We ended the quarter with almost 500 million of revolver capacity, and pro forma net leverage ratio was 3.1 times.

As Jeff mentioned, we expect to close the Iowa transaction by the end of the second quarter and at this time plan to use existing cash and our revolver to complete the overall cash required for this transaction. For the quarter, pro forma adjusted free cash flow was 216 million resulting in a dividend payout ratio with 51%.

In summary, we are very pleased with our results for the first quarter, our strategy to deliver industry leading operational results coupled with expanding our business and broadband presence is leading to improving revenue trends. When combined with our selective acquisition strategy, we believe Windstream is well positioned to continue delivering solid and sustainable free cash flows into the future.

With that we will now take a few of your questions. Peggy, please review the instructions and open the call to questions. Thank you.

QUESTION AND ANSWER SECTION

Operator: Yes, thank you. [Operator Instructions] And our first question comes from the line of Simon Flannery with Morgan Stanley. Please proceed.

<Q – Simon Flannery>: Okay. Thanks very much, good afternoon. The line loss numbers continue to really impress. Can you talk a little bit about your obviously the promotional and the bundling is helping a lot. But dive down a little bit more into things like the economic impact particularly on the business side, the impact of sort of cable competition. Are you seeing the improvement on the ads or is it on the churn side? Any more color you could give around that, and is it realistic to see significant improvement from here, or do you think it's going to start to level out at these sort of levels over the next several quarters? Thanks.

<A – Brent Whittington>: Simon, this is Brent, and I'll take that. And, yes, we've been real pleased with the improvement that we've seen, and the Price for Life initiatives that I referenced is definitely making a difference. And we've really hit on something that for customers has been an irritant in terms of increasing price. And if you couple that with the improvements we've made in service, we just think it's working for us at the right time. And that's a big factor for us.

If you look under just the trends overall in terms of what's going on in the residential side, we are predominantly seeing fewer competitive disconnects. Sales and gross adds have remained strong but we are seeing declines from competitive disconnects. And hard to chalk all that up to any kind of economic activity, but we do think it's a successful promotion for us that working well. So that's the biggest thing.

There has really been no new entrants in terms of competition as well, so as I indicated, the competitive environment over really the last couple of quarters has been pretty stable. Where things can go from here on residential, I don't want to get into predicting the future but I like where we are positioned right now and the momentum we've had. Our challenge this year is to keep that promotion fresh and keep driving and improve results and that's what we are going to try and do.

As it pertains to the business side, I would say that section of the business is probably where we're still seeing some economic softness. Specifically as it pertains to gross adds and sales and new business startups remains soft, however you did see some improvements sequentially in our access line loss there, most of which we chalk up to reductions in disconnects. I think businesses are through the cycle of trimming payrolls and as a result lines on our side, so that's probably the biggest thing that's driving results on the business side. Encouraged with what we are seeing right now though operationally.

<Q – Simon Flannery>: That's great color. Thanks.

Operator: Our next question comes from the line of Michael Rollins with Citi Investment Research. Please proceed.

<Q – Michael Rollins>: Hi, good afternoon. Thanks for taking the question. I was wondering if you could give us an update as wireless becomes more capable on the broadband side, have you been revisiting your options on that front to give your customers a more complete bundle with that option?

<A – Jeff Gardner>: Michael, this is Jeff. How are you? Thanks for the question. As it relates to wireless, it's pretty clear that it's always been our view that the wireless broadband out there today is a complementary product for our broadband product. And that it's incumbent upon us to continue to improve the value proposition to our customers. That's why we've been working so hard on looking at increasing our speeds and with making investments in our network. We did that with

ADSL2+ and we have future plans with VDSL that will allow us to continue to take advantage of that natural advantage that landlines will always have.

With respect, at this time we continue to press on wireless technologies. We still haven't seen anything that's terribly interesting to us. But we're very focused on the fact that we have a competitor there that's becoming more and more viable. But even with that if you look at our churn and this is why the bundling that Brent talked about is so important. We continue to focus on improving our broadband churn and that's getting better all the time. So we were very pleased with our broadband number this quarter. We're obviously very competitive in the markets that we serve and wireless is out there today. So we'll continue to be aggressive there.

<Q – Michael Rollins>: Thanks very much.

<A – Jeff Gardner>: You're welcome.

Operator: Our next question comes from the line of Mike McCormack with JPMorgan. Please proceed.

<Q – Mike McCormack>: Hey guys. Can you just make a quick comment maybe on how important the video bundle is with respect to your improving line loss? And then secondly, we had a little bit of a discussion about M&A. Can you give us a sense, I know you talked characteristics regarding cash flow, but maybe your thoughts on characteristics regarding the demographics of the line? I know your peers obviously have been acquiring more urban markets. Just your updated thoughts on whether or not that's a strategy you might pursue, and maybe attached to that your thoughts on CLEC acquisition as well. Obviously you just finished NuVox.

<A – Jeff Gardner>: Okay. And the first part of the question, Brent, do you want to take that?

<A>: Video bundling.

<A – Brent Whittington>: Mike, my perspective on that, if you look historically at our video penetration, it's been far superior to most all in our industry. There's no question I believe that that definitely helps in terms of one of the contributing factors as to why our line loss looks different from many others. We have continued to make that a primary part of our discussion with all customers in all of our sales in service centers. By having that as part of our focus for darn near five years now, there's no question it's helping and it remains a viable part. We just renewed our agreement with Dish and remained committed to that part of our strategy.

<A – Jeff Gardner>: On M&A, we believe that we will have further opportunities to continue to grow through M&A. Our acquisition strategy remains consistent with what it's always been. We want to acquire well run businesses that our free cash flow accretive and do not significantly change our risk profile. We are doing very well as Brent reported with regard to our integrations. I don't think we have a large amount of risk there.

We've made great progress over the course of the quarter and as Brent said D&E is already complete. At the same time, we've been able to – as we're doing these deals, we've been very focused on not taking any focus off of our core products. And that's why you're seeing operating metrics like 3.9%, 36,000 broadband customers et cetera. Our focus has always been – our preference has always more rural lines.

And on the CLEC side, the reason that NuVox was so attractive to us, it was in second and third tier cities. It fit very well with us, it was a very unique CLEC from that perspective and one that we still feel very good about. As it relates to some of the more urban-based acquisitions that have been announced lately, without mentioning it specifically, I think what it does for us is it further separates Windstream's strategy from our peer group, making us really the largest RLEC.

We are totally focused on the rural space. We have 19 access lines per square mile. We like how we're positioned. In attractive markets with significant exposure to two areas of business that we think are going to grow over the long run, broadband and business, and we continue to generate best-in-class operating metrics. So we like where we're at.

It should be more clear than ever that we have a much different risk profile than the others in our space. And what it's about for us, it's about total shareholder return. And if you look at our total shareholder return from July of 2006 when we separated, we are by far the leader in the industry in that regard. And I think it's because we focused on a very tight knit business strategy, buying well run companies that we're integrating very successfully.

<Q – Mike McCormack>: That's helpful. Thanks, Jeff.

<A – Jeff Gardner>: Thank you.

Operator: Our next question comes from the line of David Barden with Banc of America. Please proceed.

<Q – David Barden>: Hey, guys. Thanks for taking the question. I guess, just because you're the first carrier, we have a chance to speak to, you guys may have seen the articles coming out this evening that tomorrow the FCC will move closer to a Title II classification for Internet regulation. I was wondering if you guys might have some initial thoughts about what you think the ramifications of the issue are for a company like Windstream and the rural carriers generally.

And I guess just following on that theme, with the integration of all the businesses now, could you kind of give us an update as to what the exposure is now from intercarrier comp and USF standpoint from a revenue contribution perspective? It would be helpful. Thanks.

<A – Jeff Gardner>: Hi. As it relates to Title I and Title II, I just did – I got that note about 5 minutes before we get on this call. So I'm not clear. Obviously, that's a big issue with respect to regulation of broadband going forward. And I don't know how that's going to play out at this time, David, it's something that we're watching very carefully.

Our thoughts on the issue have always been the same. We believe that less regulation is better than more. And that what ultimately happens we want parity across all technologies. And so we'll continue to push for that. When we look at what happened with the national broadband plan, we're very encouraged that that plan was measured and careful and was taking I think the right look at how that national broadband plan affects our industry, and specifically, mid-sized carriers.

So we were encouraged by that. I think that broadband team worked well with the industry and specifically Windstream we spent a lot of time with Blair Levin and his team. And we do share a core goal ultimately of reforming USF to be more centered on broadband and intercarrier comp to move to a unified rate. So the Title I to Title II stuff is important obviously, but we just don't – I don't have enough information on that to comment on it right now.

<Q – David Barden>: Understood.

<A – Tony Thomas>: And David, this is Tony, in regards to our exposure to intercarrier comp and USF revenues, as you can tell in our investor supplement, we had $151 million of intercarrier comp and USF. And as a reminder 17 million of that is a federal USF pass through end user charge. So obviously, we still have a significant exposure, but as Jeff alluded to in the national broadband plan and other discussions, there's going to be an extended period of implementation, probably a 10-year timeframe on that framework.

<Q – David Barden>: Got you. Could you just break that down for us? Is that possible?

<A – Tony Thomas>: At this point, David, we haven't disclosed any further details. So really 133 million of just aggregate intercarrier comp and USF revenues.

<Q – David Barden>: Got you. Thanks much, guys.

<A – Jeff Gardner>: You're welcome.

Operator: Our next question comes from the line of Jason Armstrong with Goldman Sachs. Please proceed.

<Q – Jason Armstrong>: Hi. Thanks a lot. Couple of questions. Maybe first, Jeff, sort of taking the other side of the M&A logic. When you talk about well run businesses, free cash flow accretive, not changing the risk profile. And if we look at the maybe the big opportunity for your business out there may actually be the poorly run business at this point, where you can get it at a discount and really move the needle from a revenue and cost perspective. So why are you ruling this type of opportunity out? And then maybe secondly on the broadband plan, you talked about supporting and working with them on it. The risk here is, obviously is that it increasingly goes wireless as it relates to USF allocation, so how do you get comfortable that this is a revenue neutral or positive event for you? Thanks.

<A – Jeff Gardner>: Okay. To answer the first question – and I didn't mean to rule anything out specifically. Our strong preference is for rural assets and we are always focused on – I think you raised a good point on where we can make a difference in terms of managing those markets. We've done better in rural markets than we have in urban markets, that's just a fact. And so as we think about these opportunities, we tend to be focused more on the rural assets. And I think it's served us well to date and I think we're going to have plenty of opportunities there. And we're not really excluding anything. And we're just being very disciplined with respect to our acquisition criteria and consistent.

As it relates to the broadband plan, absolutely, we're concerned about wireless and how that's going to impact. But what I said earlier, we really believe, that we have a tremendous opportunity today to continue to build on our advantage there. We're doing very well versus the wireless guys today in terms of viewing their product as a complementary type service. We are continuing to improve the speeds of our network – investing in our network every quarter. And so given that and the fact that we also recently filed for stimulus money to get to that last 9 or 11% of our customers in the most rural areas, we think there's going to be some opportunities out of the broadband plan. But it's incumbent upon us to market aggressively. Brent talked about the Price for Life and what that's doing. Broadband is an important part of that.

<Q – Jason Armstrong>: That's helpful. If I could just ask for one follow-up data point. What percent of your residential base is on Price for Life right now?

<A – Jeff Gardner>: I'm looking at the other guys.

<A – Tony Thomas>: We just haven't disclosed those numbers.

<A – Jeff Gardner>: We haven't disclosed -

<A – Tony Thomas>: We only started selling that just as a reminder in the third quarter of last year.

<Q – Jason Armstrong>: Thank you.

<A – Tony Thomas>: It's not a huge number.

Operator: Our next question comes from the line of Chris King with Stifel, Nicolaus. Please proceed.

<Q – Christopher King>: Hi, good afternoon. Just a bit of a housekeeping question actually. Looking forward, how do the – and I'm sure you've answered this previously actually, but how do the NOLs that you are acquiring from Iowa Telecom get used? In other words, how should we think about the cash tax rate assuming that the deal does close kind of on or about June 30? How do we think about your cash tax rate for the back half of the year and beyond?

<A – Tony Thomas>: Hey, Chris. This is Tony, I'll take that. Iowa, as you alluded to, has significant tax assets, $130 million of net present value in tax assets. And those tax assets will be subject to an IRS limitation referred to as Section 382. We haven't – at this point, Chris, we haven't given our updated view on guidance with Iowa. We'll evaluate doing that next quarter. But I think, as you alluded to, it's important as you evaluate that Iowa transaction to remember we attributed approximately $130 million of value to those Iowa NOLs. So they'll probably likely be utilized over a 4 to 5 year period generally.

<Q – Christopher King>: Got it. Thank you very much.

<A – Tony Thomas>: You're welcome.

<A – Rob Clancy>: Peggy, we have time for one more question.

Operator: Okay. Our final question comes from the line of Jonathan Levine with Jefferies. Please proceed.

<Q – Jonathan Levine>: Glad I made it in under the wire. I just wanted to follow-up really on the integration of your acquisitions. Could you talk a little bit and give us a little more color in terms of where you stand in terms of the synergies, and what you're expecting for 2010 of those synergies to roll in and how we should think about it rolling in 2011 as well.

<A – Tony Thomas>: Hi, Jonathan, this is Tony. I'll give you a quick update on the synergies. Importantly, we remain on track for our synergies. We realized $8 million in synergies in the first quarter 2010, primarily from D&E. And as we look to, in terms of timing of realizing the other synergies, I think we stated we expect to realize roughly half of the NuVox synergy in 2010 as well as half of Lexcom's synergy in 2010. And the majority of Iowa's $30 million synergy will be realized in 2011. But we will realize a more than insignificant piece in 2010. And we remain well on track to achieve those expected synergies.

<Q – Jonathan Levine>: Okay. And just one question on that. In terms of the break up between the OpEx and the CapEx when you talk half of NuVox in '10 and half of Lexcom in '10, should I just think about that an equal split between kind of the OpEx and the CapEx?

<A – Tony Thomas>: No, Jonathan, it's much more weighted towards OpEx. In D&E, for example, we had $25 million in expected OpEx and $2 million in CapEx. Lexcom was $5 million principally of OpEx. NuVox was 25 million really of OpEx and 3 to 4 million of CapEx. And then on Iowa we had $30 million expected synergies on OpEx and 4 million in CapEx, to give you the granular details there.

<Q – Jonathan Levine>: Yes. I was more referring in terms of the timing of should we assume that half the CapEx is realized this year and half next year?

<A – Tony Thomas>: I think that's...

<Q – Jonathan Levine>: Or this was more heavily weighted.

<A – Tony Thomas>: No, Jonathan, I think that's probably reasonable expectation that it will be half this year and half in the next year on the CapEx.

<Q – Jonathan Levine>: Okay, great. Thank you.

Rob Clancy, Senior Vice President and Treasurer

We'd like to thank you folks for joining us this afternoon. We appreciate your interest and support. Mary Michaels and I will be available this evening for additional questions following the call, so feel free to reach out to us if you'd like. And again, we thank you for joining us.

Operator: Ladies and gentlemen, that concludes today's conference. Thank you for your participation. You may now disconnect. Have a great day.