

On July 17, 2006, Alltel Corporation (“Alltel”) completed the spin-off of its wireline telecommunications business to its stockholders and the merger of that wireline business with Valor Communications Group, Inc. (“Valor”). The resulting company was renamed Windstream Corporation (“Windstream” or the “Company”). As disclosed in the Windstream Form 8-K filed on November 9, 2006, the Company has presented in its earnings release unaudited pro forma results from current businesses, which include results from Valor's businesses for periods prior to the merger, additional amortization for the Valor customer list, and interest expense on newly issued debt. It excludes costs associated with Hurricane Katrina, an impairment charge from Valor's cellular partnership investment, the losses on the extinguishment of debt, the adjustments related to the discontinuation of Statement of Financial Accounting Standards ("SFAS") No. 71, "Accounting for the Effects of Certain Types of Regulation", royalty expense charged by Alltel for the use of the Alltel brand, intercompany interest income on interim financing from Alltel and restructuring and other charges. Windstream's purpose for including the results of Valor's businesses, and excluding Alltel royalty expense and the adjustments related to the discontinuance of SFAS No. 71, for periods prior to the merger is to improve comparability of results of operations for prior periods (which exclude Valor results and include Alltel royalty expenses under GAAP measures) to the results of operations for periods beginning with the third quarter of 2006 (which will include Valor results under GAAP measures, and will no longer reflect Alltel royalty expenses as those were discontinued as a result of the Merger, nor the effects of applying SFAS No. 71). Windstream's purpose for its other adjustments is to focus on Windstream's true earnings capacity associated with providing telecommunication services. Management believes the items either included or excluded from the 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. For these reasons, management believes that presenting the 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 core earnings capacity of the businesses. The Company uses pro forma results from current businesses as management's primary measure of the 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.

Windstream claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. These forward-looking statements are based on estimates, projections, beliefs, and assumptions and are not guarantees of future events and results. Actual future events and results may differ materially from those expressed in these forward-looking statements as a result of a number of important factors. Representative examples of these factors include (without limitation) adverse changes in economic conditions in the regions in which Windstream operates; the extent, timing and overall effects of competition in the communications business; material changes in the communications industry generally that could adversely affect vendor relationships with equipment and network suppliers and customer relationships with wholesale customers; changes in communications technology; the risks associated with the integration of acquired businesses; the potential for adverse changes in the ratings given to Windstream's debt securities by nationally accredited ratings organizations; the availability and cost of financing in the corporate debt markets; the uncertainties related to Windstream's strategic investments; the effects of work stoppages; the effects of litigation; potential outcome of income tax audits; the effects of federal and state legislation, rules and regulations governing the communications industry; product liability and other claims asserted against Windstream; and the risks that are described in the sections entitled “risk factors” and “special note concerning forward-looking statements” in the company's proxy statement/prospectus-information statement dated May 26, 2006, and in Windstream's other filings with the SEC. In addition to these factors, actual future performance, outcomes, and results may differ materially because of other, more general, factors including (without limitation) general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes. Forward-looking statements speak only as of the date they are made, and Windstream has no obligation to update or revise any forward-looking statements in light of new information or future events. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this press release.

WINDSTREAM CORPORATION  
 UNAUDITED PRO FORMA CONSOLIDATED RESULTS FROM CURRENT BUSINESSES (NON-GAAP) (A)  
 QUARTERLY SUPPLEMENTAL BUSINESS SEGMENT INFORMATION  
 for the quarterly periods in the years 2006 and 2005  
 (In thousands)

	2006				2005				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
<b>Wireline</b>									
Revenues and sales:									
Service revenues	\$ 2,216,124	\$ 740,432	\$ 741,675	\$ 734,017	\$ 3,010,206	\$ 758,046	\$ 752,695	\$ 752,461	\$ 747,004
Product sales	33,547	11,728	11,392	10,427	46,433	10,825	13,362	11,759	10,487
Total revenues and sales	<u>2,249,671</u>	<u>752,160</u>	<u>753,067</u>	<u>744,444</u>	<u>3,056,639</u>	<u>768,871</u>	<u>766,057</u>	<u>764,220</u>	<u>757,491</u>
Costs and expenses:									
Cost of services	730,078	253,021	238,282	238,775	979,568	230,597	246,751	254,474	247,746
Cost of products sold	26,835	8,589	9,867	8,379	34,929	7,659	10,636	9,677	6,957
Selling, general, administrative and other	274,171	85,936	96,934	91,301	393,137	98,207	95,675	94,672	104,583
Total cash expenses	1,031,084	347,546	345,083	338,455	1,407,634	336,463	353,062	358,823	359,286
Wireline OIBDA (D)	1,218,587	404,614	407,984	405,989	1,649,005	432,408	412,995	405,397	398,205
Depreciation and amortization	391,083	129,733	129,195	132,155	592,909	137,637	148,382	152,572	154,318
Segment income	<u>\$ 827,504</u>	<u>\$ 274,881</u>	<u>\$ 278,789</u>	<u>\$ 273,834</u>	<u>\$ 1,056,096</u>	<u>\$ 294,771</u>	<u>\$ 264,613</u>	<u>\$ 252,825</u>	<u>\$ 243,887</u>
<b>Other</b>									
Revenues and sales:									
Service revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Product sales	340,600	113,339	131,698	95,563	462,634	130,448	108,563	128,511	95,112
Total revenues and sales	<u>340,600</u>	<u>113,339</u>	<u>131,698</u>	<u>95,563</u>	<u>462,634</u>	<u>130,448</u>	<u>108,563</u>	<u>128,511</u>	<u>95,112</u>
Costs and expenses:									
Cost of services	202	812	153	(763)	687	22	(61)	1,211	(485)
Cost of products sold	295,244	98,112	112,949	84,183	404,154	111,492	95,369	111,531	85,762
Selling, general, administrative and other	31,692	12,620	8,864	10,208	38,050	10,132	9,772	10,232	7,914
Total cash expenses	327,138	111,544	121,966	93,628	442,891	121,646	105,080	122,974	93,191
Other OIBDA (D)	13,462	1,795	9,732	1,935	19,743	8,802	3,483	5,537	1,921
Depreciation and amortization	2,505	586	948	971	3,952	922	923	1,053	1,054
Segment income	<u>\$ 10,957</u>	<u>\$ 1,209</u>	<u>\$ 8,784</u>	<u>\$ 964</u>	<u>\$ 15,791</u>	<u>\$ 7,880</u>	<u>\$ 2,560</u>	<u>\$ 4,484</u>	<u>\$ 867</u>
<b>Intercompany eliminations:</b>									
Revenues and sales									
Service revenues	\$ (90,933)	\$ (23,783)	\$ (38,483)	\$ (28,667)	\$ (142,831)	\$ (44,557)	\$ (33,675)	\$ (36,035)	\$ (28,564)
Product sales	(133,673)	(46,950)	(49,543)	(37,180)	(187,140)	(51,939)	(43,953)	(50,121)	(41,127)
Total revenues and sales	<u>(224,606)</u>	<u>(70,733)</u>	<u>(88,026)</u>	<u>(65,847)</u>	<u>(329,971)</u>	<u>(96,496)</u>	<u>(77,628)</u>	<u>(86,156)</u>	<u>(69,691)</u>
Costs and expenses:									
Cost of services	(61,226)	(12,683)	(27,006)	(21,537)	(103,646)	(30,441)	(24,234)	(28,173)	(20,798)
Cost of products sold	(163,380)	(58,050)	(61,020)	(44,310)	(226,325)	(66,055)	(53,394)	(57,983)	(48,893)
Selling, general, administrative and other	-	-	-	-	-	-	-	-	-
Total cash expenses	<u>(224,606)</u>	<u>(70,733)</u>	<u>(88,026)</u>	<u>(65,847)</u>	<u>(329,971)</u>	<u>(96,496)</u>	<u>(77,628)</u>	<u>(86,156)</u>	<u>(69,691)</u>
OIBDA (D)	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-

	2006				2005				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Operating income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consolidated:									
Revenues and sales									
Service revenues	2,125,191	716,649	703,192	705,350	2,867,375	713,489	719,020	716,426	718,440
Product sales	240,474	78,117	93,547	68,810	321,927	89,334	77,972	90,149	64,472
Total revenues and sales	\$ 2,365,665	\$ 794,766	\$ 796,739	\$ 774,160	\$ 3,189,302	\$ 802,823	\$ 796,992	\$ 806,575	\$ 782,912
Costs and expenses:									
Cost of services	669,054	241,150	211,429	216,475	876,609	200,178	222,456	227,512	226,463
Cost of products sold	158,699	48,651	61,796	48,252	212,758	53,096	52,611	63,225	43,826
Selling, general, administrative and other	305,863	98,556	105,798	101,509	431,187	108,339	105,447	104,904	112,497
Total cash expenses	1,133,616	388,357	379,023	366,236	1,520,554	361,613	380,514	395,641	382,786
OIBDA (D)	1,232,049	406,409	417,716	407,924	1,668,748	441,210	416,478	410,934	400,126
Depreciation and amortization	393,588	130,319	130,143	133,126	596,861	138,559	149,305	153,625	155,372
Operating income	\$ 838,461	\$ 276,090	\$ 287,573	\$ 274,798	\$ 1,071,887	\$ 302,651	\$ 267,173	\$ 257,309	\$ 244,754
Operating Income Margin: (B)									
Wireline	36.8%	36.5%	37.0%	36.8%	34.6%	38.3%	34.5%	33.1%	32.2%
Other	3.2%	1.1%	6.7%	1.0%	3.4%	6.0%	2.4%	3.5%	0.9%
Consolidated	35.4%	34.7%	36.1%	35.5%	33.6%	37.7%	33.5%	31.9%	31.3%
OIBDA Margin (C)									
Wireline	54.2%	53.8%	54.2%	54.5%	53.9%	56.2%	53.9%	53.0%	52.6%
Other	4.0%	1.6%	7.4%	2.0%	4.3%	6.7%	3.2%	4.4%	2.0%
Consolidated	52.1%	51.1%	52.4%	52.7%	52.3%	55.0%	52.3%	50.9%	51.1%
SUPPLEMENTAL REVENUE INFORMATION:									
Wireline:									
Revenues and sales:									
Local service	\$ 886,750	\$ 291,821	\$ 294,307	\$ 300,622	\$ 1,233,027	\$ 300,642	\$ 309,708	\$ 310,943	\$ 311,734
Network access and interconnection	954,074	317,487	318,852	317,735	1,300,667	328,566	323,816	322,531	325,754
Long distance	174,160	59,454	58,225	56,481	221,451	55,756	58,940	52,986	53,769
Miscellaneous	234,687	83,398	81,683	69,606	301,494	83,907	73,593	77,760	66,234
Total revenues and sales	\$ 2,249,671	\$ 752,160	\$ 753,067	\$ 744,444	\$ 3,056,639	\$ 768,871	\$ 766,057	\$ 764,220	\$ 757,491
Other									
Revenues and sales:									
Product distribution	\$ 233,146	\$ 81,040	\$ 83,021	\$ 69,085	\$ 307,908	\$ 81,761	\$ 76,146	\$ 81,215	\$ 68,786
Directory publishing	107,454	32,299	48,677	26,478	154,726	48,687	32,417	47,296	26,326
Total revenues and sales	\$ 340,600	\$ 113,339	\$ 131,698	\$ 95,563	\$ 462,634	\$ 130,448	\$ 108,563	\$ 128,511	\$ 95,112

(A) Pro forma results from current businesses adjusts results of operations under Generally Accepted Accounting Principles ("GAAP") for the effects of the spin-off of the Alltel Corporation ("Alltel") wireline division and merger with Valor Communications Group, Inc. (Valor") and discontinuance of SFAS No. 71, as of January 1, 2005.

(B) Operating margin is calculated by dividing segment income by the corresponding amount of segment revenues and sales before intercompany eliminations.

(C) OIBDA margin is calculated by dividing segment income before depreciation and amortization expense by the corresponding amount of segment revenues and sales before intercompany eliminations.

(D) OIBDA is segment income before depreciation and amortization.

WINDSTREAM CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED RESULTS FROM CURRENT BUSINESSES (NON-GAAP) (A)

QUARTERLY SUPPLEMENTAL BUSINESS SEGMENT INFORMATION

for the quarterly periods in the years 2006 and 2005

(Dollars in thousands, except per customer amounts)

FROM PRO FORMA RESULTS (A)	2006				2005				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Wireline:									
Access lines	3,287,553	3,287,553	3,328,232	3,366,144	3,391,007	3,391,007	3,431,453	3,470,200	3,507,242
<i>YOY change in access lines</i>	-4.19%	-4.19%	-4.09%	-4.02%	-4.13%	-4.13%	-4.05%	-3.81%	-3.53%
Net access line losses	(103,460)	(40,684)	(37,912)	(24,864)	(145,718)	(40,446)	(38,747)	(37,042)	(29,483)
Average access lines	3,310,892	3,308,008	3,348,099	3,376,908	3,467,107	3,409,783	3,451,630	3,488,624	3,520,286
Broadband customers	603,114	603,114	547,846	502,355	450,375	450,375	407,198	359,346	314,178
Net broadband additions	152,739	55,268	45,491	51,980	184,166	43,177	47,852	45,168	47,969
<i>YOY change in broadband customers</i>	48.11%	48.11%	52.42%	59.84%	69.21%	69.21%	74.50%	74.02%	70.36%
Average revenue per customer per month (B)	\$75.50	\$75.79	\$75.94	\$73.48	\$73.47	\$75.16	\$73.98	\$73.02	\$71.73
Long-distance customers	2,006,899	2,006,899	2,001,714	1,987,596	1,982,793	1,982,793	1,986,599	2,007,160	2,015,943
Consolidated:									
Capital expenditures	\$270,194	\$90,372	\$106,739	\$73,083	\$409,258	\$131,159	\$92,335	\$96,679	\$89,085
<u>Reconciliation of Operating Income under GAAP to Pro Forma OIBDA from Current Businesses:</u>									
Operating income under GAAP									
Windstream Corporation	\$ 613,163	\$ 254,015	\$ 185,273	\$ 173,875	\$ 633,808	\$ 168,206	\$ 162,172	\$ 151,176	\$ 152,254
Pro forma adjustments									
Valor Communications Group, Inc.									
operating income	80,901	(6,884)	43,512	44,273	167,044	43,200	41,330	44,881	37,633
Customer list amortization	(24,049)	(2,049)	(11,000)	(11,000)	(44,000)	(11,000)	(11,000)	(11,000)	(11,000)
Royalty expense	129,598	-	62,449	67,149	268,785	66,498	67,429	67,429	67,429
Restructuring and other charges	38,476	31,008	4,964	2,504	37,655	32,092	5,563	-	-
Discontinuance of SFAS No. 71									
Cost of removal	3,697	-	1,686	2,011	9,239	472	2,690	3,031	3,046
Asset retirement obligation	(865)	-	(437)	(428)	(1,618)	(418)	(408)	(400)	(392)
Directory publication revenues	(3,440)	-	636	(4,076)	(986)	3,111	(1,093)	1,702	(4,706)
Regulatory asset for depreciation difference	980	-	490	490	1,960	490	490	490	490
Adjusted operating income	838,461	276,090	287,573	274,798	1,071,887	302,651	267,173	257,309	244,754
Depreciation and amortization expense	393,588	130,319	130,143	133,126	596,861	138,559	149,305	153,625	155,372
Pro forma OIBDA from current businesses (C)	<u>\$ 1,232,049</u>	<u>\$ 406,409</u>	<u>\$ 417,716</u>	<u>\$ 407,924</u>	<u>\$ 1,668,748</u>	<u>\$ 441,210</u>	<u>\$ 416,478</u>	<u>\$ 410,934</u>	<u>\$ 400,126</u>

(A) Pro forma results from current businesses adjusts results of operations under Generally Accepted Accounting Principles ("GAAP") for the effects of the spin-off of the Alltel Corporation ("Alltel") wireline division and merger with Valor Communications Group, Inc. (Valor) and discontinuance of SFAS No. 71, as of January 1, 2005.

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

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

**Windstream Corporation**  
**Unaudited Pro Forma Results From Current Businesses**  
**Reconciliations of Non-GAAP Financial Measures**

Net Debt to Operating Income

for the twelve months ended September 30:

(Dollars in millions)

	<u>2006</u>
Long-term debt, including current maturities	\$ 5,498.6
Cash and short-term investments	<u>(373.0)</u>
Net debt	(A) \$ 5,125.6
Operating income under GAAP	(B) \$ 781.4
Net debt to operating income	(A) / (B) <u><u>6.56</u></u>

Net Debt to Pro Forma OIBDA From Current Businesses

for the twelve months ended September 30:

(Dollars in millions)

Net debt	(A) \$ 5,125.6
Operating income under GAAP	\$ 781.4
Pro forma adjustments:	
Valor operating income	124.1
Customer list amortization	(35.0)
Royalty expense	196.1
Restructuring and other charges	70.6
Discontinuance of SFAS No. 71	
Cost of removal	4.2
Asset retirement obligation	(1.3)
Directory publishing revenues	(0.3)
Regulatory asset	1.5
Depreciation and amortization	<u>532.1</u>
Pro forma OIBDA from current businesses	(B) \$ <u>1,673.4</u>
	(A) / (B) <u><u>3.06</u></u>