

	THREE MONTHS ENDED				SIX MONTHS ENDED			
	June 30, 2010	June 30, 2009	Increase (Decrease) Amount	%	June 30, 2010	June 30, 2009	Increase (Decrease) Amount	%
UNDER GAAP:								
Revenues and sales:								
Service revenues	\$ 898.0	\$ 714.5	\$ 183.5	26	\$ 1,726.4	\$ 1,435.3	\$ 291.1	20
Product sales	19.3	38.4	(19.1)	(50)	38.8	72.6	(33.8)	(47)
Total revenues and sales	<u>917.3</u>	<u>752.9</u>	<u>164.4</u>	22	<u>1,765.2</u>	<u>1,507.9</u>	<u>257.3</u>	17
Costs and expenses:								
Cost of services	330.4	249.7	80.7	32	625.2	500.9	124.3	25
Cost of products sold	17.9	33.6	(15.7)	(47)	34.2	63.9	(29.7)	(46)
Selling, general, administrative and other	129.8	90.4	39.4	44	241.2	179.4	61.8	34
Depreciation and amortization	167.7	133.3	34.4	26	323.1	265.3	57.8	22
Restructuring charges	0.5	0.1	0.4	400	0.5	-	0.5	100
Merger and integration costs	16.8	1.4	15.4	1,100	40.0	1.4	38.6	2,757
Total costs and expenses	<u>663.1</u>	<u>508.5</u>	<u>154.6</u>	30	<u>1,264.2</u>	<u>1,010.9</u>	<u>253.3</u>	25
Operating income	254.2	244.4	9.8	4	501.0	497.0	4.0	1
Other income (expense), net	(0.9)	0.6	(1.5)	(250)	(1.2)	1.4	(2.6)	(186)
Interest expense	<u>(123.6)</u>	<u>(97.8)</u>	<u>25.8</u>	26	<u>(246.6)</u>	<u>(197.5)</u>	<u>49.1</u>	25
Income before income taxes	129.7	147.2	(17.5)	(12)	253.2	300.9	(47.7)	(16)
Income taxes	50.7	56.4	(5.7)	(10)	100.1	121.9	(21.8)	(18)
Net income	<u>\$ 79.0</u>	<u>\$ 90.8</u>	<u>\$ (11.8)</u>	(13)	<u>\$ 153.1</u>	<u>\$ 179.0</u>	<u>\$ (25.9)</u>	(14)
Weighted average common shares	462.1	432.4	29.7	7	453.4	434.2	19.2	4
Basic and diluted earnings per share:								
Net income	\$ 0.17	\$ 0.21	\$ (0.04)	(19)	\$ 0.33	\$ 0.41	\$ (0.08)	(20)
PRO FORMA RESULTS OF OPERATIONS (A):								
Revenues and sales	\$ 959.6	\$ 989.4	\$ (29.8)	(3)	\$ 1,931.7	\$ 1,991.4	\$ (59.7)	(3)
OIBDA (B)	\$ 459.3	\$ 452.5	\$ 6.8	2	\$ 928.0	\$ 922.3	\$ 5.7	1
Adjusted OIBDA (C)	\$ 479.9	\$ 483.0	\$ (3.1)	(1)	\$ 969.1	\$ 982.3	\$ (13.2)	(1)

- (A) Pro forma results adjusts results of operations under GAAP to include the acquisitions of D&E Communications, Inc. ("D&E"), Lexcom Inc. ("Lexcom"), NuVox Inc. ("NuVox") and Iowa Telecommunications Services, Inc. ("Iowa Telecom"), and to exclude the results of the disposed out-of-territory product distribution operations and all merger and integration costs related to strategic transactions. For further details on these adjustments, see the Notes to Unaudited Reconciliation of Revenues and Sales and Operating Income Under GAAP to Pro Forma Revenues and Sales and Pro Forma Adjusted OIBDA.
- (B) OIBDA is operating income before depreciation and amortization.
- (C) Adjusted OIBDA adjusts OIBDA for the impact of restructuring charges, pension expense and stock based compensation. For further details on these adjustments, see the Notes to Unaudited Reconciliation of Revenues and Sales and Operating Income Under GAAP to Pro Forma Revenues and Sales and Pro Forma Adjusted OIBDA.

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(Units in thousands, dollars in millions)

	THREE MONTHS ENDED				SIX MONTHS ENDED			
	June 30, 2010	June 30, 2009	Increase (Decrease) Amount	%	June 30, 2010	June 30, 2009	Increase (Decrease) Amount	%
UNDER GAAP:								
Voice lines	3,098.5	2,807.4	291.1	10				
Net voice line losses:								
Internal	(32.8)	(40.2)	7.4	18	(56.7)	(83.4)	26.7	32
Acquired	239.6	-	239.6	100	239.6	-	239.6	100
Net voice line additions (losses)	206.8	(40.2)	247.0	614	182.9	(83.4)	266.3	319
High-speed Internet customers	1,274.8	1,024.6	250.2	24				
Advanced data and integrated solutions	145.3	39.6	105.7	267				
Total data and integrated solutions	1,420.1	1,064.2	355.9	33				
Net high-speed Internet additions:								
Internal	14.7	14.9	(0.2)	(1)	50.5	45.8	4.7	10
Acquired	96.3	-	96.3	100	96.3	-	96.3	100
Net high-speed Internet additions	111.0	14.9	96.1	645	146.8	45.8	101.0	221
Net advanced data and integrated solution additions (losses):								
Internal	(0.5)	(0.5)	-	-	(0.8)	1.2	(2.0)	(167)
Acquired	3.0	-	3.0	100	106.6	-	106.6	100
Net advanced data and integrated solution additions (losses)	2.5	(0.5)	3.0	600	105.8	1.2	104.6	8,717
Special access circuits	87.4	78.1	9.3	12				
Access lines (A)	3,331.2	2,925.1	406.1	14				
Digital television customers	420.1	334.8	85.3	25				
Total connections	5,026.1	4,284.5	741.6	17				
Capital expenditures	\$ 98.9	\$ 76.7	\$ 22.2	29	\$ 159.4	\$ 139.5	\$ 19.9	14
FROM PRO FORMA RESULTS (B):								
Voice lines	3,098.5	3,232.3	(133.8)	(4)				
Net voice line losses	(35.2)	(46.5)	(11.3)	(24)	(62.9)	(96.6)	(33.7)	(35)
High-speed Internet customers	1,274.8	1,167.7	107.1	9				
Advanced data and integrated solutions	145.3	143.7	1.6	1				
Total data and integrated solutions	1,420.1	1,311.4	108.7	8				
Net high-speed Internet additions	14.8	16.6	(1.8)	(11)	51.2	51.2	-	-
Net advanced data and integrated solution additions (losses)	(0.4)	0.3	(0.7)	(233)	(0.4)	3.4	(3.8)	(112)
Special access circuits	87.4	84.3	3.1	4				
Access lines (A)	3,331.2	3,460.3	(129.1)	(4)				
Digital television customers	420.1	377.5	42.6	11				
Total connections	5,026.1	5,005.5	20.6	-				
Capital expenditures	\$ 104.3	\$ 103.2	\$ 1.1	1	\$ 171.6	\$ 203.7	\$ (32.1)	(16)

(A) Access lines include voice lines, special access circuits and advanced data and integrated solutions.

(B) Pro forma results adjusts results of operations under GAAP to include the acquisitions of D&E, Lexcom, NuVox and Iowa Telecom, and to exclude the results of the disposed out-of-territory product distribution operations, and all merger and integration costs related to strategic transactions. For further details on these adjustments, see the Notes to Unaudited Reconciliations of Revenues and Sales and Operating Income Under GAAP to Pro Forma Revenues and Sales and Pro Forma Adjusted OIBDA.

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

ASSETS

	June 30, 2010	December 31, 2009
CURRENT ASSETS:		
Cash and cash equivalents	\$ 53.5	\$ 1,062.9
Accounts receivable (less allowance for doubtful accounts of \$21.8 and \$18.5, respectively)	343.0	291.7
Inventories	35.1	26.1
Deferred income taxes	29.5	21.7
Prepaid expenses and other	69.4	53.6
Assets held for sale	47.6	-
Total current assets	578.1	1,456.0
Goodwill	3,208.3	2,344.4
Other intangibles, net	1,724.3	1,253.3
Net property, plant and equipment	4,468.4	3,992.6
Other assets	108.1	99.1
TOTAL ASSETS	\$ 10,087.2	\$ 9,145.4

LIABILITIES AND SHAREHOLDERS' EQUITY

	June 30, 2010	December 31, 2009
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 28.1	\$ 23.8
Current portion of interest rate swaps	43.0	45.8
Accounts payable	182.3	158.5
Advance payments and customer deposits	122.1	95.2
Accrued dividends	121.0	109.2
Accrued taxes	81.3	60.6
Accrued interest	149.7	156.0
Other current liabilities	59.1	60.2
Total current liabilities	786.6	709.3
Long-term debt	6,564.0	6,271.4
Deferred income taxes	1,541.3	1,372.0
Other liabilities	553.5	532.0
Total liabilities	9,445.4	8,884.7
SHAREHOLDERS' EQUITY:		
Common stock	0.1	-
Additional paid-in capital	550.9	83.6
Accumulated other comprehensive loss	(212.7)	(208.3)
Retained earnings	303.5	385.4
Total shareholders' equity	641.8	260.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 10,087.2	\$ 9,145.4

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

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Cash Provided from Operations:				
Net income	\$ 79.0	\$ 90.8	\$ 153.1	\$ 179.0
Adjustments to reconcile net income to net cash provided from operations:				
Depreciation and amortization	167.7	133.3	323.1	265.3
Provision for doubtful accounts	11.3	11.7	19.9	21.0
Stock-based compensation expense	4.0	5.4	7.5	10.6
Pension expense	15.3	23.0	31.0	45.8
Deferred taxes	(6.3)	(9.2)	0.8	27.2
Other, net	3.2	0.8	5.7	4.0
Changes in operating assets and liabilities, net:				
Accounts receivable	(9.2)	(20.0)	(7.5)	(0.6)
Accounts payable	(11.1)	2.9	(28.3)	(14.2)
Other current liabilities	2.8	4.7	(13.4)	(24.8)
Other liabilities	(1.5)	(2.1)	(23.5)	(6.8)
Other, net	29.9	42.9	(9.8)	(7.3)
Net cash provided from operations	<u>285.1</u>	<u>284.2</u>	<u>458.6</u>	<u>499.2</u>
Cash Flows from Investing Activities:				
Additions to property, plant and equipment	(98.9)	(76.7)	(159.4)	(139.5)
Acquisition of NuVox, net of cash acquired	-	-	(198.4)	-
Acquisition of Iowa Telecom, net of cash acquired	(253.6)	-	(253.6)	-
Other, net	2.5	0.3	3.1	0.3
Net cash used in investing activities	<u>(350.0)</u>	<u>(76.4)</u>	<u>(608.3)</u>	<u>(139.2)</u>
Cash Flows from Financing Activities:				
Dividends paid on common shares	(114.0)	(109.5)	(223.2)	(219.4)
Stock repurchase	-	(12.1)	-	(32.8)
Repayment of debt	(707.6)	(153.5)	(992.1)	(157.1)
Proceeds of debt issuance, net	375.0	-	375.0	-
Other, net	(15.1)	0.5	(19.4)	(1.9)
Net cash used in financing activities	<u>(461.7)</u>	<u>(274.6)</u>	<u>(859.7)</u>	<u>(411.2)</u>
Decrease in cash and cash equivalents	(526.6)	(66.8)	(1,009.4)	(51.2)
Cash and Cash Equivalents:				
Beginning of period	580.1	312.2	1,062.9	296.6
End of period	<u>\$ 53.5</u>	<u>\$ 245.4</u>	<u>\$ 53.5</u>	<u>\$ 245.4</u>

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WINDSTREAM CORPORATION

UNAUDITED RECONCILIATION OF REVENUES AND SALES AND OPERATING INCOME UNDER GAAP TO PRO FORMA (A)

REVENUES AND SALES AND PRO FORMA ADJUSTED OIBDA (NON-GAAP)-Page 5

(In millions)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Revenues and sales under GAAP	\$ 917.3	\$ 752.9	\$ 1,765.2	\$ 1,507.9
Pro forma adjustments:				
D&E revenues and sales prior to acquisition	(B) -	35.8	-	71.7
Lexcom revenues and sales prior to acquisition	(B) -	11.1	-	22.0
Out-of-territory product distribution operations revenues and sales	(C) -	(17.6)	-	(30.3)
NuVox revenues and sales prior to acquisition	(B) -	141.0	57.3	283.6
Iowa Telecom revenues and sales prior to acquisition	(B) 42.3	66.2	109.2	136.5
Pro forma revenues and sales	\$ 959.6	\$ 989.4	\$ 1,931.7	\$ 1,991.4
Operating income from continuing operations under GAAP	\$ 254.2	\$ 244.4	\$ 501.0	\$ 497.0
Pro forma adjustments:				
D&E pre-acquisition operating income, excluding M&I costs	(B) -	2.6	-	11.4
D&E intangible asset impairment	(D) -	5.5	-	5.5
D&E intangible asset amortization adjustment	(E) -	(1.0)	-	(2.0)
Lexcom pre-acquisition operating income, excluding M&I costs	(B) -	4.1	-	7.8
Lexcom intangible asset amortization adjustment	(E) -	(0.4)	-	(0.8)
Operating income from disposed out-of-territory product distribution operations	(C) -	(0.8)	-	(1.0)
NuVox pre-acquisition operating income, excluding M&I costs	(B) -	3.5	4.1	13.9
NuVox intangible asset amortization adjustment	(E) -	(3.6)	(1.5)	(7.5)
Iowa Telecom pre-acquisition operating income, excluding M&I costs	(B) 9.8	12.8	23.9	29.9
Iowa Telecom intangible asset amortization adjustment	(E) (4.7)	(7.3)	(11.2)	(14.7)
M&I costs	(F) 16.8	1.4	40.0	1.4
Pro forma operating income	276.1	261.2	556.3	540.9
Depreciation and amortization expense	(F) 167.7	133.3	323.1	265.3
D&E pre-acquisition depreciation and amortization expense	(G) -	8.4	-	16.4
Lexcom pre-acquisition depreciation and amortization expense	(G) -	2.4	-	5.0
NuVox pre-acquisition depreciation and amortization expense	(G) -	23.6	9.5	47.8
Iowa Telecom pre-acquisition depreciation and amortization expense	(G) 15.5	23.6	39.1	46.9
Pro forma OIBDA	459.3	452.5	928.0	922.3
Other adjustments:				
Pension expense	(F) 15.3	22.7	31.0	45.3
Pension expense of Iowa Telecom prior to acquisition	(B) 0.1	0.1	0.2	0.3
Restructuring charges	(F) 0.5	(0.1)	0.5	(0.2)
Stock-based compensation	(F) 4.0	5.4	7.5	10.6
Stock-based compensation of D&E prior to acquisition	(B) -	0.3	-	0.4
Stock-based compensation of NuVox prior to acquisition	(B) -	0.4	0.1	0.8
Stock-based compensation of Iowa Telecom prior to acquisition	(B) 0.7	1.7	1.8	2.8
Pro forma adjusted OIBDA	\$ 479.9	\$ 483.0	\$ 969.1	\$ 982.3
Capital expenditures under GAAP	\$ 98.9	\$ 76.7	\$ 159.4	\$ 139.5
Pro forma adjustments:				
D&E capital expenditures prior to acquisition	(B) -	5.2	-	10.9
Lexcom capital expenditures prior to acquisition	(B) -	0.8	-	1.7
NuVox capital expenditures prior to acquisition	(B) -	12.9	3.8	40.0
Iowa Telecom capital expenditures prior to acquisition	(B) 5.4	7.6	8.4	11.6
Pro forma capital expenditures	\$ 104.3	\$ 103.2	\$ 171.6	\$ 203.7

NOTES TO UNAUDITED RECONCILIATIONS OF REVENUES AND SALES AND OPERATING INCOME UNDER GAAP TO PRO FORMA REVENUES AND SALES AND PRO FORMA ADJUSTED OIBDA

Windstream Corporation has entered into various transactions that may cause results reported under Generally Accepted Accounting Principles in the United States ("GAAP") to be not necessarily indicative of future results.

Completed Acquisitions:

- On June 1, 2010, the Company completed the acquisition of Iowa Telecommunications Services, Inc. ("Iowa Telecom"). The Iowa Telecom acquisition added approximately 208,000 incumbent local exchange carrier access lines, 39,000 competitive local exchange carrier access lines, 96,000 high-speed Internet customers and 25,000 digital television customers in Iowa and Minnesota.
- On February 8, 2010, Windstream completed the acquisition of NuVox, Inc. ("NuVox"). The NuVox acquisition added approximately 104,000 data and integrated solution connections in complementary markets in 16 states.
- On December 1, 2009, Windstream completed the acquisition of Lexcom, Inc. ("Lexcom"). The Lexcom acquisition added approximately 22,000 access lines, 9,000 high-speed Internet customers and 12,000 digital television customers in North Carolina.
- On November 10, 2009, Windstream completed the acquisition of D&E Communications, Inc. ("D&E"). The D&E acquisition added approximately 145,000 access lines, 45,000 high-speed Internet customers and 9,000 digital television customers in central Pennsylvania.

Dispositions:

- On August 21, 2009, Windstream completed the sale of its out-of-territory product distribution operations to Walker and Associates of North Carolina, Inc. ("Walker") for approximately \$5.3 million in total consideration. These operations were not central to the Company's strategic goals in its core communications business.

As disclosed in the Windstream Form 8-K filed on August 5, 2010, the Company has presented in this earnings release unaudited pro forma results, which includes results from D&E, Lexcom, NuVox and Iowa Telecom for periods prior to the acquisitions and excludes results from the out-of-territory product distribution operations prior to the disposition and all merger and integration ("M&I") costs resulting from the completed transactions discussed above. In addition to pro forma adjustments, the Company presented certain measures of its operating performance, excluding the impact of restructuring charges, pension and stock-based compensation.

Windstream's purpose for including the results of acquired businesses and for excluding non-recurring items, the results of disposed operations, restructuring charges, pension and stock-based compensation is to improve the comparability of results of operations for the six month period ended June 30, 2010, to the results of operations for the same period of 2009 in order to focus on the true earnings capacity associated with providing telecommunication services. Additionally, 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, including pro forma revenues and sales, pro forma OIBDA and pro forma adjusted OIBDA as key measures of its operational performance. Windstream management, including the chief operating decision-maker, consistently use these measures for internal reporting and the evaluation of business objectives, opportunities and performance.

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 that Windstream believes are reasonable but are not guarantees of future events and results. Actual future events and results of Windstream may differ materially from those expressed in these forward-looking statements as a result of a number of important factors. Factors that could cause actual results to differ materially from those contemplated above include, among others: further adverse changes in economic conditions in the markets served by Windstream; the extent, timing and overall effects of competition in the communications business; continued voice line loss; the impact of new, emerging or competing technologies; the adoption of intercarrier compensation and/or universal service reforms by the Federal Communications Commission or Congress that results in a significant loss of revenue to Windstream; the risks associated with the integration of acquired businesses or the ability to realize anticipated synergies, cost savings and growth opportunities; the availability and cost of financing in the corporate debt markets; the potential for adverse changes in the ratings given to Windstream's debt securities by nationally accredited ratings organizations; the effects of federal and state legislation, rules and regulations governing the communications industry; material changes in the communications industry generally that could adversely affect vendor relationships with equipment and network suppliers and customer relationships with wholesale customers; unfavorable results of litigation; unfavorable rulings by state public service commissions in proceedings regarding universal service funds, inter-carrier compensation or other matters that could reduce revenues or increase expenses; the effects of work stoppages; the impact of equipment failure, natural disasters or terrorist acts; earnings on pension plan investments significantly below our expected long term rate of return for plan assets; changes in federal, state and local tax laws and rates; and those additional factors under the caption "Risk Factors" in Windstream's Form 10-K for the year ended December 31, 2009. In addition to these factors, actual future performance, outcomes and results may differ materially because of more general factors including, among others, general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes. Windstream undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause Windstream's actual results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties that may affect Windstream's future results included in Windstream's filings with the Securities and Exchange Commission at www.sec.gov.

- (A) Pro forma results adjusts results of operations under GAAP to include the acquisitions of D&E, Lexcom, NuVox and Iowa Telecom, and to exclude the results of the disposed out-of-territory product distribution operations and M&I costs related to strategic transactions.
- (B) To reflect the pre-acquisition operating results of D&E, Lexcom, NuVox and Iowa Telecom, adjusted to exclude M&I costs.
- (C) To reflect the Company's disposition of the out-of-territory product distribution operations.
- (D) To remove the effects of an intangible asset impairment recognized by D&E during the pre-acquisition period.
- (E) To reflect intangible asset amortization of D&E, Lexcom, NuVox and Iowa Telecom as if the acquisitions had been consummated at the beginning of the periods presented.
- (F) Represents applicable expense as reported under GAAP.
- (G) Represents depreciation and amortization of D&E, Lexcom, NuVox and Iowa Telecom as adjusted in note (E).

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