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

	THREE MONTHS ENDED				NINE MONTHS ENDED			
	September 30, 2009	(E) September 30, 2008	Increase (Decrease) Amount	%	September 30, 2009	(E) September 30, 2008	Increase (Decrease) Amount	%
UNDER GAAP:								
Revenues and sales:								
Service revenues	$ 704.9	$ 741.9	$ (37.0)	(5)	$ 2,140.2	$ 2,254.7	$ (114.5)	(5)
Product sales	29.4	52.2	(22.8)	(44)	102.0	139.3	(37.3)	(27)
Total revenues and sales	734.3	794.1	(59.8)	(8)	2,242.2	2,394.0	(151.8)	(6)
Costs and expenses:								
Cost of services	253.0	255.9	(2.9)	(1)	753.9	760.2	(6.3)	(1)
Cost of products sold	26.0	49.5	(23.5)	(47)	89.9	128.0	(38.1)	(30)
Selling, general, administrative and other	87.6	86.8	0.8	1	267.0	266.5	0.5	-
Depreciation and amortization	133.8	123.8	10.0	8	399.1	368.7	30.4	8
Restructuring charges	7.5	1.0	6.5	650	7.5	2.1	5.4	257
Merger and integration costs	1.0	-	1.0	100	2.4	6.2	(3.8)	(61)
Impairment loss on assets held for sale (A)	-	6.5	(6.5)	(100)	-	6.5	(6.5)	(100)
Total costs and expenses	508.9	523.5	(14.6)	(3)	1,519.8	1,538.2	(18.4)	(1)
Operating income	225.4	270.6	(45.2)	(17)	722.4	855.8	(133.4)	(16)
Other income, net	(2.2)	0.5	(2.7)	(540)	(0.8)	9.1	(9.9)	(109)
Interest expense	(97.5)	(103.3)	(5.8)	(6)	(295.0)	(311.9)	(16.9)	(5)
Income from continuing operations before income taxes	125.7	167.8	(42.1)	(25)	426.6	553.0	(126.4)	(23)
Income taxes	45.7	63.5	(17.8)	(28)	167.6	208.9	(41.3)	(20)
Income from continuing operations	80.0	104.3	(24.3)	(23)	259.0	344.1	(85.1)	(25)
Discontinued operations, net of tax expense (B)	-	1.6	(1.6)	(100)	-	(12.5)	12.5	100
Net Income	$ 80.0	$ 105.9	$ (25.9)	(24)	$ 259.0	$ 331.6	$ (72.6)	(22)
Weighted average common shares:	433.0	435.9	(2.9)	(1)	433.8	442.3	(8.5)	(2)
Earnings per share:								
Basic and diluted earnings per share: (C)								
Income from continuing operations	$.18	$.24	$(.06)	(25)	$.59	$.77	$(.18)	(23)
Loss from discontinued operations	-	-	-	-	-	(.03)	.03	100
Net Income	$.18	$.24	$(.06)	(25)	$.59	$.74	$(.15)	(20)
PRO FORMA RESULTS OF OPERATIONS FROM CURRENT BUSINESSES (D):								
Revenues and sales	$ 726.1	$ 772.3	$ (46.2)	(6)	$ 2,203.7	$ 2,335.7	$ (132.0)	(6)
Operating income before depreciation and amortization (OIBDA)	$ 360.3	$ 399.7	$ (39.4)	(10)	$ 1,123.0	$ 1,234.4	$ (111.4)	(9)

(A) In the third quarter of 2008, the Company recognized a non-cash impairment charge to adjust the carrying value of its wireless spectrum holdings classified as acquired assets held for sale to its fair market value.

(B) In the fourth quarter of 2008, Windstream sold its wireless business to AT&T Mobility II, LLC. Accordingly, we have presented the operating results of the wireless business as discontinued operations.

(C) Effective January 1, 2009, the Company adopted the revised authoritative guidance for calculating earnings per share, and commensurate therewith, has retrospectively adjusted prior period earnings per share data, the impac of which was immaterial.

(D) Pro forma results from current businesses adjusts results of operations under Generally Accepted Accounting Principles in the United States ("GAAP") to exclude the results of the disposed out of territory product distributic operations as well as merger and integration costs related to the pending acquisitions of D&E Communications, Inc. ("D&E") and Lexcom, Inc. ("Lexcom"), the acquisition of CT Communications, Inc. ("CTC") and the nor cash impairment charge for acquired assets held for sale. For further details on these adjustments, see the Notes to Unaudited Reconciliation of Operating Income Under GAAP to Pro Forma OIBDA from Current Businesse:

(E) In the first quarter of 2009, the Company reorganized its operations to integrate the sales and administrative functions of the product distribution segment into its wireline operations. As a result of this change, the chief operating decision maker no longer reviews the financial statements of the product distribution operations on a stand alone basis, and the Company operates as a single reporting segment. Segment results of operations have been retrospectively adjusted to reflect a single segment presentation for all periods presented. As such, separate segment reporting is no longer required, and thus not included. Additionally, certain amounts previously reported have been reclassified to conform to the current year presentation of the consolidated financial statements. These changes and reclassifications did not impact operating or net income.

WINDSTREAM CORPORATION

UNAUDITED SUPPLEMENTAL OPERATING INFORMATION-Page 2

(Dollars in millions, except per customer amounts)

	THREE MONTHS ENDED				NINE MONTHS ENDED			
	September 30, 2009	(B) September 30, 2008	Increase (Decrease) Amount	%	September 30, 2009	(B) September 30, 2008	Increase (Decrease) Amount	%
UNDER GAAP:								
Service revenues	$ 704.9	$ 741.9	$ (37.0)	(5)	$ 2,140.2	$ 2,254.7	$ (114.5)	(5)
Access lines	2,925.9	3,086.2	(160.3)	(5)				
Net access line losses	(26.8)	(37.9)	11.1	29	(111.9)	(116.9)	5.0	4
Average access lines	2,937.4	3,105.8	(168.4)	(5)	2,975.4	3,143.0	(167.6)	(5)
Average service revenue per customer per month (A)	$79.99	$79.63	$.36	-	$79.92	$79.71	$.21	-
High-speed Internet customers	1,050.5	962.7	87.8	9				
Net high-speed Internet additions	25.9	28.3	(2.4)	(8)	71.7	91.2	(19.5)	(21)
Digital satellite television customers	322.7	251.7	71.0	28				
Net digital satellite television additions	11.1	20.6	(9.5)	(46)	48.5	56.1	(7.6)	(14)
Long distance customers	1,918.7	2,039.0	(120.3)	(6)				
Net long distance customer losses	(17.9)	(10.6)	(7.3)	(69)	(88.0)	(27.5)	(60.5)	(220)
Capital expenditures	$ 67.3	$ 86.2	$ (18.9)	(22)	$ 206.8	$ 219.5	$ (12.7)	(6)

(A) Average service revenue per customer per month is calculated by dividing monthly average service revenues by average access lines for the period.

(B) In the first quarter of 2009, the Company reorganized its operations to integrate the sales and administrative functions of the product distribution segment into its wireline operations. As a result of this change, the chief operating decision maker no longer reviews the financial statements of the product distribution operations on a stand alone basis, and the Company operates as a single reporting segment. Segment results of operations have been retrospectively adjusted to reflect a single segment presentation for all periods presented. As such, separate segment reporting is no longer required, and thus not included. Additionally, certain amounts previously reported have been reclassified to conform to the current year presentation of the consolidated financial statements. These changes and reclassifications did not impact operating or net income.

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

ASSETS

	September 30, 2009	December 31, 2008
CURRENT ASSETS:		
Cash and cash equivalents	$ 290.0	$ 296.6
Accounts receivable (less allowance for doubtful accounts of $16.5 and $16.3, respectively)	294.7	316.6
Inventories	23.5	30.8
Deferred income taxes	16.5	30.8
Prepaid expenses and other	53.9	33.9
Total current assets	678.6	708.7
Goodwill	2,198.2	2,198.2
Other intangibles	1,072.8	1,132.2
Net property, plant and equipment	3,751.8	3,897.1
Other assets	66.7	73.1
TOTAL ASSETS	$ 7,768.1	$ 8,009.3

LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30, 2009	December 31, 2008
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 24.1	$ 24.3
Current portion of interest rate swaps	47.3	40.5
Accounts payable	131.9	134.0
Advance payments and customer deposits	92.0	94.0
Accrued dividends	108.8	109.9
Accrued taxes	43.1	48.0
Accrued interest	64.1	138.4
Other current liabilities	60.8	76.2
Total current liabilities	572.1	665.3
Long-term debt	5,199.0	5,358.2
Deferred income taxes	1,177.7	1,070.6
Other liabilities	629.5	662.9
Total liabilities	7,578.3	7,757.0
SHAREHOLDERS' EQUITY:		
Common stock	-	-
Additional paid-in capital	63.6	101.5
Accumulated other comprehensive loss	(292.8)	(336.6)
Retained earnings	419.0	487.4
Total shareholders' equity	189.8	252.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 7,768.1	$ 8,009.3

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

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Cash Provided from Operations:				
Net income	$ 80.0	$ 105.9	$ 259.0	$ 331.6
Adjustments to reconcile net income to net cash provided from operations:				
Loss on net assets held for sale	-	-	-	16.4
Depreciation and amortization	133.8	123.8	399.1	370.9
Provision for doubtful accounts	11.4	8.3	32.4	25.1
Stock-based compensation expense	3.7	4.3	14.3	13.5
Pension and post retirement benefits expense	24.4	3.5	72.8	12.3
Deferred taxes	65.2	12.6	92.4	74.3
Other, net	2.8	8.9	4.2	8.8
Changes in operating assets and liabilities, net:				
Accounts receivable	(9.9)	(13.6)	(10.5)	(27.9)
Prepaid expenses and other	(17.1)	(15.6)	(20.9)	(15.6)
Accounts payable	12.1	8.6	(2.1)	(8.7)
Accrued interest	(68.0)	(67.7)	(74.3)	(69.8)
Accrued taxes	(11.3)	40.6	(4.9)	17.5
Other current liabilities	10.9	3.0	(13.9)	(12.5)
Other, net	4.2	0.3	(6.2)	(6.1)
Net cash provided from operations	242.2	222.9	741.4	729.8
Cash Flows from Investing Activities:				
Additions to property, plant and equipment	(67.3)	(86.2)	(206.8)	(219.5)
Disposition of acquired assets held for sale	-	-	-	17.3
Other, net	-	1.0	0.3	11.6
Net cash used in investing activities	(67.3)	(85.2)	(206.5)	(190.6)
Cash Flows from Financing Activities:				
Dividends paid on common shares	(109.2)	(109.9)	(328.6)	(335.3)
Stock repurchase	(10.7)	-	(43.5)	(200.3)
Repayment of debt	(3.6)	(133.6)	(160.7)	(340.7)
Debt issued, net of issuance costs	-	160.0	-	380.0
Other, net	(6.8)	(2.2)	(8.7)	(3.3)
Net cash used in financing activities	(130.3)	(85.7)	(541.5)	(499.6)
Increase (decrease) increase in cash and cash equivalents	44.6	52.0	(6.6)	39.6
Cash and Cash Equivalents:				
Beginning of the period	245.4	59.6	296.6	72.0
End of the period	$ 290.0	$ 111.6	$ 290.0	$ 111.6

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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 FROMA OIBDA FROM CURRENT BUSINESSES (NON-GAAP)-Page 5
(In millions)

		THREE MONTHS ENDED		NINE MONTHS ENDED	
		September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Revenues and sales under GAAP		$ 734.3	$ 794.1	$ 2,242.2	$ 2,394.0
Pro forma adjustments:					
Windstream Supply LLC revenue and sales	(A)	(8.2)	(21.8)	(38.5)	(58.3)
Pro forma revenues and sales from current businesses		$ 726.1	$ 772.3	$ 2,203.7	$ 2,335.7
Operating income from continuing operations under GAAP		$ 225.4	$ 270.6	$ 722.4	$ 855.8
Pro forma adjustments:					
Operating income adjustment for the disposition of Windstream Supply LLC	(A)	0.1	(1.2)	(0.9)	(2.8)
Merger and integration costs	(B)	1.0	-	2.4	6.2
Impairment loss on assets held for sale	(C)	-	6.5	-	6.5
Adjusted operating income		226.5	275.9	723.9	865.7
Depreciation and amortization	(D)	133.8	123.8	399.1	368.7
Pro forma OIBDA from current businesses		$ 360.3	$ 399.7	$ 1,123.0	$ 1,234.4

NOTES TO UNAUDITED RECONCILIATIONS OF RESULTS OF OPERATIONS UNDER GAAP TO PRO FORMA RESULTS FROM CURRENT BUSINESSES

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. 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. On September 8, 2009, the Company entered into a definitive agreement to acquire Lexcom, Inc. ("Lexcom") based in Lexington, North Carolina, for approximately $141.0 million in cash, net of working capital to be acquired. The acquisition is expected to close in the fourth quarter of 2009, subject to certain conditions including the necessary approvals from federal regulators. On May 10, 2009 the Company entered into a definitive agreement to acquire all of the outstanding shares of common stock of D&E Communications, Inc ("D&E"). Under the terms of the agreement, D&E shareholders will receive 0.650 shares of Windstream common stock and $5.00 in cash per each share of D&E common stock. The acquisition is expected to close on November 10, 2009. In the third quarter of 2008, the Company recognized a non-cash impairment charge of $6.5 million to reduce the carrying value of certain wireless spectrum licenses designated as held for sale, and not used in operations, to their fair market value. The fair market value of these holdings has been reduced to a nominal amount due to an impairment resulting from general market conditions and limited interest on this bandwidth of spectrum. On August 31, 2007, Windstream completed the acquisition of CT Communications, Inc. ("CTC"). Subsequently, on November 21, 2008, the Company completed the sale of the wireless business acquired from CTC. The completion of this transaction resulted in the divestiture of approximately 52,000 wireless customers, spectrum licenses and cell sites covering a four-county area in North Carolina with a population of 450,000, and six retail locations. Accordingly, we reported the operating results of the wireless business as discontinued operations. As disclosed in the Windstream Form 8-K filed on November 9, 2009, the Company has presented in this earnings release unaudited pro forma results from current businesses, which excludes (1) results from the out of territory product distribution operations prior to the disposition, (2) all merger and integration costs resulting from the transactions discussed above, and (3) the $6.5 million non-cash impairment charge for acquired assets held for sale.

Windstream’s purpose for excluding non-recurring items is to improve the comparability of results of operations for the three and nine month periods ended September 30, 2009, to the results of operations for the same period of 2008. Windstream's purpose for these adjustments is to focus on the true earnings capacity associated with providing telecommunication services. Management believes the items excluded from pro forma results from current businesses are related to strategic activities or other events, specific to the time and opportunity available, and should be treated accordingly when evaluating the Company's operations. 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 from current businesses, including pro forma revenues and sales and pro forma OIBDA from current businesses, as a key measure of its operational performance. Windstream management, including the chief operating decision-maker, uses these measures consistently for all purposes including: internal reporting, the evaluation of business objectives, opportunities and performance, and the determination of management compensation.

(A) To reflect the Company's disposition of the out of territory product distribution operations.
(B) In 2009, the Company incurred consulting fees associated with the pending acquisitions of D&E and Lexcom. In 2008, the Company incurred system conversion costs relative to the acquisition of CTC.
(C) To reflect the non-cash impairment loss of assets held for sale.
(D) Represents depreciation and amortization expense under GAAP.

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