

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

	THREE MONTHS ENDED				NINE MONTHS ENDED			
	September 30, 2008	(D) September 30, 2007	Increase (Decrease) Amount	%	September 30, 2008	(D) September 30, 2007	Increase (Decrease) Amount	%
UNDER GAAP:								
Revenues and sales:								
Service revenues	\$ 742.0	\$ 742.2	\$ (0.2)	-	\$ 2,254.7	\$ 2,191.2	\$ 63.5	3
Product sales	52.1	76.6	(24.5)	(32)	139.3	238.0	(98.7)	(41)
Total revenues and sales	<u>794.1</u>	<u>818.8</u>	<u>(24.7)</u>	(3)	<u>2,394.0</u>	<u>2,429.2</u>	<u>(35.2)</u>	(1)
Costs and expenses:								
Cost of services	249.8	245.0	4.8	2	743.1	732.9	10.2	1
Cost of products sold	48.4	45.4	3.0	7	124.9	140.1	(15.2)	(11)
Selling, general, administrative and other	94.0	105.1	(11.1)	(11)	286.7	312.1	(25.4)	(8)
Depreciation and amortization	123.8	132.4	(8.6)	(6)	368.7	384.4	(15.7)	(4)
Restructuring charges	1.0	0.3	0.7	233	2.1	3.5	(1.4)	(40)
Merger and integration costs	-	2.4	(2.4)	(100)	6.2	5.6	0.6	11
Impairment loss on assets held for sale (A)	6.5	-	6.5	-	6.5	-	6.5	-
Total costs and expenses	<u>523.5</u>	<u>530.6</u>	<u>(7.1)</u>	(1)	<u>1,538.2</u>	<u>1,578.6</u>	<u>(40.4)</u>	(3)
Operating income	270.6	288.2	(17.6)	(6)	855.8	850.6	5.2	1
Other income, net	0.5	0.2	0.3	150	9.1	11.7	(2.6)	(22)
Interest expense	<u>(103.3)</u>	<u>(109.6)</u>	<u>6.3</u>	6	<u>(311.9)</u>	<u>(332.4)</u>	<u>20.5</u>	6
Income from continuing operations before income taxes	167.8	178.8	(11.0)	(6)	553.0	529.9	23.1	4
Income taxes	<u>63.5</u>	<u>61.3</u>	<u>2.2</u>	4	<u>208.9</u>	<u>196.6</u>	<u>12.3</u>	6
Income from continuing operations	104.3	117.5	(13.2)	(11)	344.1	333.3	10.8	3
Discontinued operations, net of tax expense (B)	<u>1.6</u>	<u>0.2</u>	<u>1.4</u>	700	<u>(12.5)</u>	<u>0.2</u>	<u>(12.7)</u>	-
Net income	<u>\$ 105.9</u>	<u>\$ 117.7</u>	<u>\$ (11.8)</u>	(10)	<u>\$ 331.6</u>	<u>\$ 333.5</u>	<u>\$ (1.9)</u>	(1)
Weighted average common shares:								
Basic	435.9	473.8	(37.9)	(8)	442.3	473.6	(31.3)	(7)
Diluted	437.2	474.9	(37.7)	(8)	443.5	474.8	(31.3)	(7)
Earnings per share:								
Basic								
Income from continuing operations	\$.24	\$.25	\$(.01)	(4)	\$.78	\$.70	\$.08	11
Income (loss) from discontinued operations	-	-	-	-	(.03)	-	(.03)	-
Net income	<u>\$.24</u>	<u>\$.25</u>	<u>\$(.01)</u>	(4)	<u>\$.75</u>	<u>\$.70</u>	<u>\$.05</u>	7
Diluted								
Income from continuing operations	\$.24	\$.25	\$(.01)	(4)	\$.78	\$.70	\$.08	11
Income (loss) from discontinued operations	-	-	-	-	(.03)	-	(.03)	-
Net income	<u>\$.24</u>	<u>\$.25</u>	<u>\$(.01)</u>	(4)	<u>\$.75</u>	<u>\$.70</u>	<u>\$.05</u>	7
PRO FORMA RESULTS OF OPERATIONS FROM CURRENT BUSINESSES (C)								
Revenues and sales	\$ 794.1	\$ 811.6	\$ (17.5)	(2)	\$ 2,394.0	\$ 2,425.9	\$ (31.9)	(1)
Operating income before depreciation and amortization (OIBDA)	\$ 400.9	\$ 418.0	\$ (17.1)	(4)	\$ 1,237.2	\$ 1,236.7	\$ 0.5	-

(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.

(B) On August 7, 2008, Windstream entered into a definitive agreement to sell its wireless business. Accordingly, we have classified the corresponding assets and liabilities as held for sale. The operating results of the wireless business have been presented as discontinued operations. For further details of these adjustments, see the Notes to Unaudited Reconciliations of Results of Operations Under GAAP to Pro Forma Results.

(C) Pro forma results from current businesses adjusts results of operations under Generally Accepted Accounting Principles ("GAAP") for the effects of the Company's split off of the directory publishing business and the acquisition of CTC, excluding the wireless operations. For further details of these adjustments, see the Notes to Unaudited Reconciliations of Results of Operations Under GAAP to Pro Forma Results from Current Businesses.

(D) Certain amounts previously reported have been reclassified to conform to the current year presentation of the consolidated financial statements. These reclassifications did not impact net income.

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WINDSTREAM CORPORATION

UNAUDITED SUPPLEMENTAL OPERATING INFORMATION-Page 2

(Dollars in millions, except per customer amounts)

	THREE MONTHS ENDED				NINE MONTHS ENDED			
	September 30, 2008	September 30, 2007	Increase (Decrease) Amount	%	September 30, 2008	September 30, 2007	Increase (Decrease) Amount	%
UNDER GAAP								
Wireline:								
Revenues and sales	\$ 774.8	\$ 786.6	\$ (11.8)	(2)	\$ 2,346.6	\$ 2,317.9	\$ 28.7	1
Access lines	3,086.2	3,241.4	(155.2)	(5)				
Net access line additions/(losses):								
Internal	(37.9)	(45.0)	7.1	16	(116.9)	(110.1)	(6.8)	(6)
Acquired	-	132.2	(132.2)	(100)	-	132.2	(132.2)	(100)
Net access line additions/(losses)	<u>(37.9)</u>	<u>87.2</u>	<u>(125.1)</u>	(143)	<u>(116.9)</u>	<u>22.1</u>	<u>(139.0)</u>	(629)
Average access lines	3,105.8	3,162.2	(56.4)	(2)	3,143.0	3,180.4	(37.4)	(1)
Average revenue per customer per month (A)	\$83.16	\$82.92	\$.24	-	\$82.96	\$80.98	\$1.98	2
High-speed Internet customers	962.7	830.2	132.5	16				
Net high-speed Internet additions:								
Internal	28.3	46.7	(18.4)	(39)	91.2	143.2	(52.0)	(36)
Acquired	-	30.9	(30.9)	(100)	-	30.9	(30.9)	(100)
Net high-speed Internet additions	<u>28.3</u>	<u>77.6</u>	<u>(49.3)</u>	(64)	<u>91.2</u>	<u>174.1</u>	<u>(82.9)</u>	(48)
Digital satellite television customers	251.7	177.5	74.2	42				
Net digital satellite television additions:								
Internal	20.6	27.3	(6.7)	(25)	56.1	89.8	(33.7)	(38)
Acquired	-	-	-	-	-	-	-	-
Net digital satellite television additions	<u>20.6</u>	<u>27.3</u>	<u>(6.7)</u>	(25)	<u>56.1</u>	<u>89.8</u>	<u>(33.7)</u>	(38)
Long distance customers	2,039.0	2,065.5	(26.5)	(1)				
Net long distance customer additions/(losses):								
Internal	(10.6)	2.6	(13.2)	(508)	(27.5)	(13.5)	(14.0)	(104)
Acquired	-	121.9	(121.9)	(100)	-	121.9	(121.9)	(100)
Net long distance customer additions/(losses)	<u>(10.6)</u>	<u>124.5</u>	<u>(135.1)</u>	(109)	<u>(27.5)</u>	<u>108.4</u>	<u>(135.9)</u>	(125)
Consolidated:								
Capital expenditures	\$ 86.2	\$ 90.3	\$ (4.1)	(5)	\$ 219.5	\$ 268.3	\$ (48.8)	(18)
FROM PRO FORMA RESULTS (B)								
Wireline:								
Revenues and sales	\$ 774.8	\$ 798.6	\$ (23.8)	(3)	\$ 2,346.6	\$ 2,377.9	\$ (31.3)	(1)
Access lines	3,086.2	3,241.4	(155.2)	(5)				
Net access line losses	(37.9)	(46.2)	8.3	18	(116.9)	(116.1)	(0.8)	(1)
Average access lines	3,105.8	3,261.8	(156.0)	(5)	3,143.0	3,302.0	(159.0)	(5)
High-speed Internet customers	962.7	830.2	132.5	16				
Net high-speed Internet additions	28.3	48.1	(19.8)	(41)	91.2	147.6	(56.4)	(38)
Average revenue per customer per month (A)	\$83.16	\$81.61	\$1.55	2	\$82.96	\$80.02	\$2.94	4
Digital satellite television customers	251.7	177.5	74.2	42				
Long distance customers	2,039.0	2,065.5	(26.5)	(1)				
Consolidated:								
Capital expenditures	\$ 86.2	\$ 95.4	\$ (9.2)	(10)	\$ 219.5	\$ 290.8	\$ (71.3)	(25)

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

(B) Pro forma results from current businesses adjusts results of operations under GAAP for the effects of the Company's split off of the directory publishing business and the acquisition of CTC, excluding the wireless operations. For further details of these adjustments, see the Notes to Unaudited Reconciliations of Results of Operations Under GAAP to Pro Forma Results from Current Businesses.

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

ASSETS

	September 30, 2008	December 31, 2007
CURRENT ASSETS:		
Cash and cash equivalents	\$ 111.6	\$ 72.0
Accounts receivable (less allowance for doubtful accounts of \$13.6 and \$13.1, respectively)	329.1	320.7
Inventories	31.0	29.6
Deferred income taxes	22.4	32.0
Prepaid expenses and other	55.0	40.3
Assets held for sale:		
Acquired assets held for sale	0.5	26.6
Assets of discontinued operations	10.0	7.2
Total current assets	559.6	528.4
Goodwill	2,224.2	2,224.2
Other intangibles	1,144.5	1,184.1
Net property, plant and equipment	3,911.4	4,030.3
Other assets	164.7	195.7
Non-current assets of discontinued operations	55.8	78.5
TOTAL ASSETS	\$ 8,060.2	\$ 8,241.2

LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30, 2008	December 31, 2007
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 24.3	\$ 24.3
Accounts payable	149.9	158.1
Advance payments and customer deposits	94.3	91.1
Accrued dividends	109.9	113.6
Accrued taxes	69.9	53.2
Accrued interest	69.8	139.6
Other current liabilities	88.3	91.3
Liabilities of discontinued operations	4.9	7.1
Total current liabilities	611.3	678.3
Long-term debt	5,371.4	5,331.2
Deferred income taxes	1,210.6	1,133.4
Other liabilities	326.3	398.5
SHAREHOLDERS' EQUITY:		
Common stock	-	-
Additional paid-in capital	96.6	286.8
Accumulated other comprehensive income (loss)	(72.1)	(103.0)
Retained earnings	516.1	516.0
Total shareholders' equity	540.6	699.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 8,060.2	\$ 8,241.2

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WINDSTREAM CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS UNDER GAAP-Page 4

(In millions)

	<u>NINE MONTHS ENDED</u>	
	September 30, <u>2008</u>	September 30, <u>2007</u>
Cash Provided from Operations:		
Net income	\$ 331.6	\$ 333.5
Adjustments to reconcile net income to net cash provided from operations:		
Loss on net assets held for sale	16.4	-
Depreciation and amortization	370.9	384.7
Provision for doubtful accounts	25.1	19.9
Stock-based compensation expense	13.5	12.1
Pension and post retirement benefits expense	12.3	28.9
Deferred taxes	74.3	9.7
Other, net	8.8	9.4
Changes in operating assets and liabilities, net		
Accounts receivable	(27.9)	(24.8)
Prepaid expenses and other	(15.6)	2.2
Accounts payable	(8.7)	(4.3)
Accrued interest	(69.8)	(74.0)
Accrued taxes	17.5	23.4
Other current liabilities	(12.5)	(45.5)
Other, net	(6.1)	8.6
Net cash provided from operations	<u>729.8</u>	<u>683.8</u>
Cash Flows from Investing Activities:		
Additions to property, plant and equipment	(219.5)	(268.3)
Acquisition of CT Communications, net of cash acquired	-	(547.6)
Disposition of acquired assets held for sale	17.3	-
Other, net	11.6	2.0
Net cash used in investing activities	<u>(190.6)</u>	<u>(813.9)</u>
Cash Flows from Financing Activities:		
Dividends paid on common shares	(335.3)	(357.7)
Stock repurchase	(200.3)	-
Repayment of debt	(340.7)	(577.7)
Debt issued, net of issuance costs	380.0	748.9
Other, net	(3.3)	(2.3)
Net cash used in financing activities	<u>(499.6)</u>	<u>(188.8)</u>
Increase (decrease) in cash and cash equivalents	39.6	(318.9)
Cash and Cash Equivalents		
Beginning of the period	72.0	386.8
End of the period	<u>\$ 111.6</u>	<u>\$ 67.9</u>

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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 FORMA OIBDA FROM CURRENT BUSINESSES (NON-GAAP)-Page 5

(In millions)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
Consolidated revenues and sales under GAAP	\$ 794.1	\$ 818.8	\$ 2,394.0	\$ 2,429.2
Pro forma adjustments:				
CTC revenues and sales prior to acquisition (A)	-	23.3	-	93.9
Directory publishing revenues (B)	-	(30.5)	-	(97.2)
Consolidated pro forma revenues and sales from current businesses	\$ 794.1	\$ 811.6	\$ 2,394.0	\$ 2,425.9
Wireline revenues and sales under GAAP	\$ 774.8	\$ 786.6	\$ 2,346.6	\$ 2,317.9
Pro forma adjustments:				
CTC revenues and sales prior to acquisition (A)	-	25.3	-	101.4
Directory publishing revenues (B)	-	(13.3)	-	(41.4)
Wireline pro forma revenues and sales from current businesses	\$ 774.8	\$ 798.6	\$ 2,346.6	\$ 2,377.9
Operating income from continuing operations under GAAP	\$ 270.6	\$ 288.2	\$ 855.8	\$ 850.6
Pro forma adjustments:				
CTC operating income prior to the acquisition (A)	-	2.8	-	11.5
CTC customer list amortization (C)	-	(1.3)	-	(5.3)
CTC merger and integration costs, prior to acquisition (D)	-	0.4	-	2.2
Merger and integration costs (E)	-	2.4	6.2	5.6
Impairment loss on assets held for sale (F)	6.5	-	6.5	-
Operating income adjustment for split off of directory publishing:				
Wireline (B)	-	(10.7)	-	(31.7)
Other (B)	-	(2.2)	-	(4.9)
Adjusted operating income	277.1	279.6	868.5	828.0
Depreciation and amortization (G)	123.8	138.4	368.7	408.7
Pro forma OIBDA from current businesses	\$ 400.9	\$ 418.0	\$ 1,237.2	\$ 1,236.7

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Windstream Corporation has entered into various transactions over the past two years that may cause results reported under GAAP to be not necessarily indicative of future results. On August 31, 2007, Windstream completed the acquisition of CT Communications, Inc. ("CTC"). Under the terms of the transaction CTC shareholders received \$31.50 in cash for each of their shares of CTC common stock. Subsequently, on August 7, 2008, the Company reached a definitive purchase agreement for the sale of the wireless business acquired from CTC. Upon consummation, we will have no significant continuing involvement in the operations or cash flows of the wireless business. Accordingly, we have classified these operations as held for sale, recognized a pre-tax loss of \$18.0 million to reduce the net carrying value of the assets and liabilities held for sale to the contemplated transaction price less costs to sell, and reported the operating results of the wireless business as discontinued operations. 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 November 30, 2007, Windstream completed the split off its directory publishing business to Welsh, Carson, Anderson, and Stowe ("WCAS"), a private equity investment group and Windstream shareholder. In exchange for Windstream's publishing business, Windstream received a special cash dividend of \$40.0 million, received \$210.5 million in debt relief through a debt-for-debt exchange, and retired approximately 19.6 million shares in Windstream common stock held by WCAS. As a result of completing this transaction, Windstream recorded a gain of \$451.3 million in the fourth quarter of 2007. As disclosed in the Windstream Form 8-K filed on November 7, 2008, the Company has presented in this earnings release unaudited pro forma results from current businesses, which include results from CTC's wireline business for periods prior to the acquisition and excludes (1) results from the directory publishing business, (2) results from the CTC wireless operations, (3) all merger and integration costs resulting from the transactions discussed above, and (4) \$6.5 million non-cash impairment charge for acquired assets held for sale.

Windstream's purpose for including the results of the acquired businesses and for excluding non-recurring items, and the results of the directory publishing and wireless businesses, is to improve the comparability of results of operations for the three and nine month periods ended September 30, 2008, to the results of operations for the same periods of 2007. Windstream's purpose for these adjustments is to focus on the true earnings capacity associated with providing telecommunication services. Management believes the items either included or 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 the operational performance of its business segments. 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 operating results recognized by CTC's wireline operations prior to acquisition.
- (B) To reflect the split off of the Company's directory publishing business.
- (C) To recognize amortization for the acquired CTC wireline customer list prior to the acquisition.
- (D) Prior to the acquisition, CTC incurred \$2.2 million in restructuring charges consisting primarily of transition costs related to the proposed acquisition. Of this amount, \$0.4 million was recorded in the third quarter of 2007.
- (E) The Company incurred \$6.2 million related to the acquisition of CTC during the nine months ended September 30, 2008, primarily related to system conversion costs. The Company incurred \$5.6 million in accounting and legal fees and other expenses related to the anticipated sale of its directory publishing business during the nine months ended September 30, 2007, of which \$2.4 million in fees were recorded in the third quarter of 2007.
- (F) To reflect the non-cash impairment loss of assets held for sale.
- (G) Includes depreciation and amortization expense under GAAP, CTC wireline depreciation and amortization expense incurred prior to the acquisition and other pro forma adjustments to depreciation and amortization expense.