

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

	THREE MONTHS ENDED				SIX MONTHS ENDED			
	June 30, 2008	(C) June 30, 2007	Increase (Decrease) Amount	%	June 30, 2008	(C) June 30, 2007	Increase (Decrease) Amount	%
UNDER GAAP:								
Revenues and sales:								
Service revenues	\$ 752.7	\$ 731.7	\$ 21.0	3	\$ 1,512.7	\$ 1,449.0	\$ 63.7	4
Product sales	47.2	95.0	(47.8)	(50)	87.2	161.4	(74.2)	(46)
Total revenues and sales	<u>799.9</u>	<u>826.7</u>	<u>(26.8)</u>	(3)	<u>1,599.9</u>	<u>1,610.4</u>	<u>(10.5)</u>	(1)
Costs and expenses:								
Cost of services	244.5	252.6	(8.1)	(3)	493.3	487.9	5.4	1
Cost of products sold	42.4	50.2	(7.8)	(16)	76.5	94.7	(18.2)	(19)
Selling, general, administrative and other	95.7	102.6	(6.9)	(7)	192.7	207.0	(14.3)	(7)
Depreciation and amortization	123.2	126.9	(3.7)	(3)	244.9	252.0	(7.1)	(3)
Restructuring charges	0.6	-	0.6	-	1.1	3.2	(2.1)	(66)
Merger and integration costs	4.6	1.6	3.0	188	6.2	3.2	3.0	94
Total costs and expenses	<u>511.0</u>	<u>533.9</u>	<u>(22.9)</u>	(4)	<u>1,014.7</u>	<u>1,048.0</u>	<u>(33.3)</u>	(3)
Operating income	288.9	292.8	(3.9)	(1)	585.2	562.4	22.8	4
Other income, net	3.0	6.3	(3.3)	(52)	8.6	11.5	(2.9)	(25)
Interest expense	<u>(103.6)</u>	<u>(108.1)</u>	<u>4.5</u>	4	<u>(208.6)</u>	<u>(222.8)</u>	<u>14.2</u>	6
Income from continuing operations before income taxes	188.3	191.0	(2.7)	(1)	385.2	351.1	34.1	10
Income taxes	<u>70.4</u>	<u>75.1</u>	<u>(4.7)</u>	(6)	<u>145.4</u>	<u>135.3</u>	<u>10.1</u>	7
Income from continuing operations	117.9	115.9	2.0	2	239.8	215.8	24.0	11
Discontinued operations, including tax benefit (A)	<u>(15.9)</u>	<u>-</u>	<u>(15.9)</u>	-	<u>(14.1)</u>	<u>-</u>	<u>(14.1)</u>	-
Net income	<u>\$ 102.0</u>	<u>\$ 115.9</u>	<u>\$ (13.9)</u>	(12)	<u>\$ 225.7</u>	<u>\$ 215.8</u>	<u>\$ 9.9</u>	5
Weighted average common shares:								
Basic	441.3	473.5	(32.2)	(7)	445.4	473.5	(28.1)	(6)
Diluted	442.6	474.8	(32.2)	(7)	446.6	474.7	(28.1)	(6)
Earnings per share:								
Basic								
Income from continuing operations	\$ .27	\$ .24	\$ .03	13	\$ .54	\$ .46	\$ .08	17
Loss from discontinued operations	<u>(.04)</u>	<u>-</u>	<u>(.04)</u>	-	<u>(.03)</u>	<u>-</u>	<u>(.03)</u>	-
Net income	\$ .23	\$ .24	\$ (.01)	(4)	\$ .51	\$ .46	\$ .05	11
Diluted								
Income from continuing operations	\$ .27	\$ .24	\$ .03	13	\$ .54	\$ .45	\$ .09	20
Loss from discontinued operations	<u>(.04)</u>	<u>-</u>	<u>(.04)</u>	-	<u>(.03)</u>	<u>-</u>	<u>(.03)</u>	-
Net income	\$ .23	\$ .24	\$ (.01)	(4)	\$ .51	\$ .45	\$ .06	13
PRO FORMA RESULTS OF OPERATIONS FROM CURRENT BUSINESSES (B)								
Revenues and sales	\$ 799.9	\$ 818.3	\$ (18.4)	(2)	\$ 1,599.9	\$ 1,614.3	\$ (14.4)	(1)
Operating income before depreciation and amortization (OIBDA)	\$ 416.7	\$ 415.3	\$ 1.4	-	\$ 836.3	\$ 818.7	\$ 17.6	2

- (A) During the second quarter of 2008, the Company entered negotiations for the sale of its wireless business and 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.
- (B) 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.
- (C) 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				SIX MONTHS ENDED			
	June 30, 2008	June 30, 2007	Increase (Decrease) Amount	%	June 30, 2008	June 30, 2007	Increase (Decrease) Amount	%
<b>UNDER GAAP</b>								
<b>Wireline:</b>								
Revenues and sales	\$ 783.9	\$ 780.9	\$ 3.0	-	\$ 1,571.8	\$ 1,531.3	\$ 40.5	3
Access lines	3,124.2	3,154.2	(30.0)	(1)				
Net access line losses:								
Internal	(37.1)	(35.2)	(1.9)	(5)	(79.0)	(65.1)	(13.9)	(21)
Acquired	-	-	-	-	-	-	-	-
Net access line losses	<u>(37.1)</u>	<u>(35.2)</u>	<u>(1.9)</u>	<u>(5)</u>	<u>(79.0)</u>	<u>(65.1)</u>	<u>(13.9)</u>	<u>(21)</u>
Average access lines	3,140.7	3,173.0	(32.3)	(1)	3,161.7	3,187.2	(25.5)	(1)
Average revenue per customer per month (A)	\$83.20	\$82.04	\$1.16	1	\$82.86	\$80.08	\$2.78	3
High-speed Internet customers	934.3	752.6	181.7	24				
Net high-speed Internet additions:								
Internal	23.3	37.2	(13.9)	(37)	62.9	96.5	(33.6)	(35)
Acquired	-	-	-	-	-	-	-	-
Net high-speed Internet additions	<u>23.3</u>	<u>37.2</u>	<u>(13.9)</u>	<u>(37)</u>	<u>62.9</u>	<u>96.5</u>	<u>(33.6)</u>	<u>(35)</u>
Digital satellite television customers	231.1	150.2	80.9	54				
Net digital satellite television additions:								
Internal	20.7	28.0	(7.3)	(26)	35.5	62.5	(27.0)	(43)
Acquired	-	-	-	-	-	-	-	-
Net digital satellite television additions	<u>20.7</u>	<u>28.0</u>	<u>(7.3)</u>	<u>(26)</u>	<u>35.5</u>	<u>62.5</u>	<u>(27.0)</u>	<u>(43)</u>
Long distance customers	2,049.7	1,941.0	108.7	6				
Net long distance customer losses:								
Internal	(19.6)	(6.7)	(12.9)	(193)	(16.9)	(16.1)	(0.8)	(5)
Acquired	-	-	-	-	-	-	-	-
Net long distance customer losses	<u>(19.6)</u>	<u>(6.7)</u>	<u>(12.9)</u>	<u>(193)</u>	<u>(16.9)</u>	<u>(16.1)</u>	<u>(0.8)</u>	<u>(5)</u>
<b>Consolidated:</b>								
Capital expenditures	\$ 77.5	\$ 98.0	\$ (20.5)	(21)	\$ 133.3	\$ 178.0	\$ (44.7)	(25)
<b>FROM PRO FORMA RESULTS (B)</b>								
<b>Wireline:</b>								
Revenues and sales	\$ 783.9	\$ 799.9	\$ (16.0)	(2)	\$ 1,571.8	\$ 1,579.3	\$ (7.5)	-
Access lines	3,124.2	3,287.6	(163.4)	(5)				
Net access line losses:								
Internal	(37.1)	(37.7)	0.6	2	(79.0)	(69.9)	(9.1)	(13)
Acquired	-	-	-	-	-	-	-	-
Net access line losses	<u>(37.1)</u>	<u>(37.7)</u>	<u>0.6</u>	<u>2</u>	<u>(79.0)</u>	<u>(69.9)</u>	<u>(9.1)</u>	<u>(13)</u>
Average access lines	3,140.7	3,307.3	(166.6)	(5)	3,161.7	3,323.0	(161.3)	(5)
High-speed Internet customers	934.3	782.1	152.2	19				
Net high-speed Internet additions	23.3	38.0	(14.7)	(39)	62.9	99.5	(36.6)	(37)
Average revenue per customer per month (A)	\$83.20	\$80.62	\$2.58	3	\$82.86	\$79.21	\$3.65	5
Digital satellite television customers	231.1	150.2	80.9	54				
Long distance customers	2,049.7	2,062.1	(12.4)	(1)				
<b>Consolidated:</b>								
Capital expenditures	\$ 77.4	\$ 108.5	\$ (31.1)	(29)	\$ 133.2	\$ 199.0	\$ (65.8)	(33)

(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

	June 30, 2008	December 31, 2007
<b>CURRENT ASSETS:</b>		
Cash and short-term investments	\$ 59.6	\$ 72.0
Accounts receivable (less allowance for doubtful accounts of \$12.9 and \$13.1, respectively)	322.2	320.7
Inventories	29.6	29.6
Deferred income taxes	28.5	32.0
Prepaid expenses and other	39.2	40.3
Assets held for sale:		
Acquired assets held for sale	9.1	26.6
Assets of discontinued operations	11.5	7.2
<b>Total current assets</b>	<b>499.7</b>	<b>528.4</b>
Goodwill	2,224.2	2,224.2
Other intangibles	1,157.2	1,184.1
Net property, plant and equipment	3,935.2	4,030.3
Other assets	168.4	195.7
Non-current assets of discontinued operations	55.8	78.5
<b>TOTAL ASSETS</b>	<b>\$ 8,040.5</b>	<b>\$ 8,241.2</b>

LIABILITIES AND SHAREHOLDERS' EQUITY

	June 30, 2008	December 31, 2007
<b>CURRENT LIABILITIES:</b>		
Current maturities of long-term debt	\$ 24.3	\$ 24.3
Current portion of interest rate swaps	34.5	16.2
Accounts payable	140.0	158.1
Advance payments and customer deposits	94.7	91.1
Accrued dividends	109.9	113.6
Accrued taxes	29.3	53.2
Accrued interest	137.5	139.6
Other current liabilities	63.3	75.1
Liabilities of discontinued operations	6.0	7.1
<b>Total current liabilities</b>	<b>639.5</b>	<b>678.3</b>
Long-term debt	5,344.7	5,331.2
Deferred income taxes	1,177.6	1,133.4
Other liabilities	376.4	398.5
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock	-	-
Additional paid-in capital	94.5	286.8
Accumulated other comprehensive loss	(112.3)	(103.0)
Retained earnings	520.1	516.0
<b>Total shareholders' equity</b>	<b>502.3</b>	<b>699.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 8,040.5</b>	<b>\$ 8,241.2</b>

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

	<u>SIX MONTHS ENDED</u>	
	June 30, <u>2008</u>	June 30, <u>2007</u>
Cash Provided from Operations:		
Net income	\$ 225.7	\$ 215.8
Adjustments to reconcile net income to net cash provided from operations:		
Loss on net assets held for sale	16.4	-
Depreciation and amortization	247.1	252.0
Provision for doubtful accounts	16.8	11.2
Stock-based compensation expense	9.2	8.3
Pension and post retirement benefits expense	8.8	19.1
Deferred taxes	61.7	1.0
Other, net	(0.1)	6.3
Changes in operating assets and liabilities, net		
Accounts receivable	(14.3)	2.5
Accounts payable	(17.3)	(4.9)
Accrued interest	(2.1)	(4.9)
Accrued taxes	(23.1)	18.5
Other current liabilities	(15.5)	(27.3)
Other, net	(6.4)	15.9
Net cash provided from operations	<u>506.9</u>	<u>513.5</u>
Cash Flows from Investing Activities:		
Additions to property, plant and equipment	(133.3)	(178.0)
Disposition of acquired assets held for sale	17.3	-
Other, net	10.6	1.2
Net cash used in investing activities	<u>(105.4)</u>	<u>(176.8)</u>
Cash Flows from Financing Activities:		
Dividends paid on common shares	(225.4)	(238.5)
Stock repurchase	(200.3)	-
Repayment of debt	(207.1)	(500.1)
Debt issued, net of issuance costs	220.0	498.9
Other, net	(1.1)	-
Net cash used in financing activities	<u>(413.9)</u>	<u>(239.7)</u>
Increase (decrease) in cash and short-term investments	(12.4)	97.0
Cash and Short-Term Investments:		
Beginning of the period	72.0	386.8
End of the period	<u>\$ 59.6</u>	<u>\$ 483.8</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		SIX MONTHS ENDED	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Consolidated revenues and sales under GAAP	\$ 799.9	\$ 826.7	\$ 1,599.9	\$ 1,610.4
Pro forma adjustments:				
CTC revenues and sales prior to acquisition (A)	-	35.4	-	70.6
Directory publishing revenues (B)	-	(43.8)	-	(66.7)
Consolidated pro forma revenues and sales from current businesses	\$ 799.9	\$ 818.3	\$ 1,599.9	\$ 1,614.3
Wireline revenues and sales under GAAP	\$ 783.9	\$ 780.9	\$ 1,571.8	\$ 1,531.3
Pro forma adjustments:				
CTC revenues and sales prior to acquisition (A)	-	38.1	-	76.1
Directory publishing revenues (B)	-	(19.1)	-	(28.1)
Wireline pro forma revenues and sales from current businesses	\$ 783.9	\$ 799.9	\$ 1,571.8	\$ 1,579.3
Operating income from continuing operations under GAAP	\$ 288.9	\$ 292.8	\$ 585.2	\$ 562.4
Pro forma adjustments:				
CTC operating income prior to the acquisition (A)	-	3.4	-	8.7
CTC customer list amortization (C)	-	(2.0)	-	(4.0)
CTC merger and integration costs, prior to acquisition (D)	-	1.8	-	1.8
Merger and integration costs (E)	4.6	1.6	6.2	3.2
Operating income adjustment for split off of directory publishing				
Wireline (B)	-	(14.1)	-	(21.0)
Other (B)	-	(4.7)	-	(2.7)
Adjusted operating income	293.5	278.8	591.4	548.4
Depreciation and amortization (F)	123.2	136.5	244.9	270.3
Pro forma OIBDA from current businesses	\$ 416.7	\$ 415.3	\$ 836.3	\$ 818.7

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WINDSTREAM CORPORATION

NOTES TO UNAUDITED RECONCILIATIONS OF RESULTS OF OPERATIONS UNDER GAAP TO PRO FORMA RESULTS FROM CURRENT BUSINESSES-Page 6

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, during the second quarter of 2008, the Company entered negotiations, and on August 7, 2008, 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. 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 August 8, 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, and (3) all merger and integration costs resulting from the transactions discussed above.

Windstream's purpose for including the results of the acquired businesses and for excluding non-recurring items, the results of the directory publishing and wireless businesses, is to improve the comparability of results of operations for the three and six month periods ended June 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 \$1.8 million in merger and integration costs in the second quarter of 2007, consisting primarily of transaction costs related to the proposed acquisition.
- (E) The Company incurred \$6.2 million related to the acquisition of CTC during the six months ended June 30, 2008, primarily related to system conversion costs, of which \$4.6 million was recorded in the second quarter of 2008. The Company incurred \$3.2 million in accounting and legal fees and other expenses related to the anticipated sale of its directory publishing business during the six months ended June 30, 2007, of which \$1.6 million in fees were recorded in the second quarter of 2007.
- (F) 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.