

# 2011 Third Quarter Overview



NASDAQ: WIN • Market Cap: \$6.5B • Dividend (Yield): \$1 (8%)

As of Nov. 3, 2011

## Financial Highlights (Pro Forma)

- Business service revenue was \$498 million, a 2 percent increase year-over-year.
- Consumer broadband revenue was \$118 million, a 7 percent increase from a year ago.
- Revenues were \$1.023 billion, a 1 percent decrease year-over-year.
- Operating income before depreciation and amortization (OIBDA) was \$490 million, a 1 percent decrease year-over-year.
- Adjusted OIBDA, which excludes pension expense, restructuring charges and stock-based compensation expense, was \$508 million, a decrease of 1 percent from a year ago.

*"I am pleased with the improvements in revenue trends we have accomplished this year. Our goal over the past few years was to transform our business to achieve revenue and cash flow growth. Given our shifting revenue mix, success-based capital investments and expected deal synergies, we are on the verge of showing growth in both of these areas."*

– Jeff Gardner, President and CEO

### Business Service Revenue

# \$498M

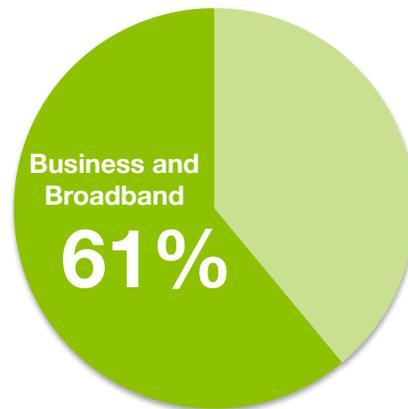
2% YOY Increase

### Consumer Broadband Revenue

# \$118M

7% YOY Increase

### Total Revenue



### Total Revenue

# \$1.023B

1% YOY Decrease

### Adjusted OIBDA

# \$508M

1% YOY Decrease

## 3Q Operating Results (Pro Forma)

In the business channel, advanced data and integrated solutions, which are largely connections providing both voice and data services, increased 1 percent year-over-year. Special access circuits increased 9 percent year-over-year, driven by increased wireless backhaul demand.

The company added approximately 9,300 new high-speed Internet customers during the third quarter, bringing its total customer base to approximately 1.35 million – an increase of more than 4 percent year-over-year. Consumer broadband penetration is now approximately 65 percent of primary residential lines.

The company ended the quarter with approximately 449,000 video customers, representing 4 percent growth from a year ago.

Total access lines declined by approximately 37,000 during the third quarter, or 3.9 percent year-over-year. Total lines at the end of the quarter were 3.22 million.

### Total High-Speed Internet Customers

**1.35M**

4% YOY Increase

### Total Digital TV Customers

**449,000**

4% YOY Increase

### Total Access Lines

**3.2M**

4% YOY Decrease

*“We continue to see nice growth in our business channel accompanied with very steady performance in our consumer business. Additionally, we have made tremendous progress on our capital initiatives, including fiber-to-the-tower and data center expansion, which offer exciting opportunities to continue growing our strategic area of focus and better position the business for future success.”*

*– Brent Whittington, Chief Operating Officer*

Pro forma results adjusts results of operations under GAAP to include the acquisitions of NuVox Inc.; Iowa Telecommunications Services, Inc.; Hosted Solutions Acquisition, LLC, and Q-Comm Corporation, and to exclude all merger and integration costs related to strategic transactions. A reconciliation of pro forma results to the comparable GAAP measures is available on the company's Web site at [www.windstream.com/investors](http://www.windstream.com/investors). Adjusted OIBDA excludes pension expense, stock compensation expense and restructuring charges.