

Windstream Corporation
Reconciliations of Non-GAAP Financial Measures

Adjusted Free Cash Flow:

	Three Months Ended June 30, 2010
<i>(Millions, except per share amounts)</i>	
Operating income under GAAP	\$ 254.2
Depreciation and amortization	167.7
OIBDA ⁽¹⁾	421.9
Adjustments:	
Restructuring	0.5
Stock-based compensation	4.0
Pension expense	15.3
Merger and integration expense ("M&I")	16.8
Adjusted OIBDA excluding M&I	458.5
Less:	
Capital expenditures	(98.9)
Cash paid for interest	(81.0)
Cash paid for taxes	(80.5)
Adjusted free cash flow	(A) \$ 198.1
Adjusted OIBDA excluding M&I	\$ 458.5
Other adjustments:	
Merger and integration expense	(16.8)
Non-cash adjustments to net income (excluding depreciation and amortization, stock-based compensation and pension expense)	8.2
Changes in operating assets and liabilities, net	10.9
Restructuring charges	(0.5)
Interest expense	(123.6)
Other expense	(0.9)
Income tax expense	(50.7)
Net cash provided from operations under GAAP	\$ 285.1
Weighted average common shares outstanding	(B) 462.1
Pro forma adjusted free cash flow per share	(A)/(B) \$0.43

(1) OIBDA is operating income before depreciation and amortization.

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Windstream financial guidance for 2010: (Dollars in millions)	2009	2010			Percent	
	Results	Guidance Range			Change	
Pro forma revenues and sales	\$ 3,957	\$ 3,820	-	\$ 3,900	-3.5%	-1.4%
Pro forma OIBDA ⁽¹⁾	\$ 1,831	\$ 1,839	-	\$ 1,879	0.5%	2.6%
Pro forma adjustments:						
Pension expense	93	63		63		
Restructuring expense	9	-		-		
Stock-based compensation	26	18		18		
Pro forma adjusted OIBDA	\$ 1,958	\$ 1,920	-	\$ 1,960	-1.9%	0.1%
Pro forma capital expenditures	\$ 412	\$ 390	-	\$ 410		

Expected Dividend Payout Ratio

(Dollars in millions)	2010		
	Guidance Range		
Pro forma adjusted OIBDA	\$ 1,920	-	\$ 1,960
Adjustments to remove pro forma effects:			
NuVox pre-acquisition adjusted OIBDA	(12)		(12)
Iowa Telecom pre-acquisition adjusted OIBDA	(54)		(54)
Adjusted OIBDA excluding M&I	\$ 1,854	-	\$ 1,894
Subtract:			
Expected capital expenditures ^{(2) (3)}	400	-	380
Expected cash paid for interest expense ⁽²⁾	494	-	494
Expected cash taxes ⁽²⁾	190	-	210
Expected free cash flow ⁽⁴⁾	\$ 770	-	\$ 810
Expected dividends paid on common shares	\$ 465	-	\$ 465
Expected dividend payout ratio	60%	-	57%

Notes:

- (1) OIBDA is operating income before depreciation and amortization.
- (2) Expected cash payments of Windstream include expenditures related to NuVox and Iowa Telecom subsequent to the acquisitions.
- (3) Guidance range excludes any capital expenditures required for broadband stimulus applications.
- (4) Expected free cash flow of Windstream include amounts generated from NuVox and Iowa Telecom subsequent to the acquisitions.