

**LTD HOLDING COMPANY
ADJUSTED HISTORICAL CONSOLIDATED STATEMENT OF OPERATIONS (unaudited)**
(millions)

Year Ended December 31, 2004	Historical LTD Holding Company	Adj. No. 1 Capital Structure	Adj. No. 2 Dividend Policy	Adj. No. 3 Long Distance	Adjusted Historical LTD Holding Company
Net Operating Revenues					
Operating Expenses					
Costs of services and products					
Selling, general and administrative					
Depreciation					
Restructuring and asset impairments					
Total operating expenses					
Operating Income					
Interest expense					
Other income (expense), net					
Income from continuing operations before income taxes					
Income tax expense					
Net Income					

Note: Adjustments are presented as if the separation transaction occurred on January 1, 2004.

**LTD HOLDING COMPANY
ADJUSTED HISTORICAL CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)**
(millions)

	Historical LTD Holding Company	Adj. No. 1 Capital Structure	Adj. No. 2 Dividend Policy	Adj. No. 3 Long Distance	Adjusted Historical LTD Holding Company
December 31, 2004					
Assets					
Current assets					
Cash and equivalents					
Other					
Total current assets					
Gross property, plant and equipment					
Accumulated depreciation					
Net property, plant and equipment					
Other assets					
Total					
Liabilities and Shareholders' Equity					
Current liabilities					
Current maturities of long-term debt					
Other					
Total current liabilities					
Noncurrent liabilities					
Long-term debt and capital lease obligations					7,250
Long-term intercompany debt					
Deferred income taxes					
Postretirement and other benefit obligations					
Other					
Total noncurrent liabilities					
Total shareholders' equity (accumulated deficit)					
Total					

Note: Adjustments are presented as if the separation transaction occurred on January 1, 2004.

LTD HOLDING COMPANY
ADJUSTED HISTORICAL CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)
 (millions)

Year Ended December 31, 2004	Historical LTD Holding Company	Adj. No. 1 Capital Structure	Adj. No. 2 Dividend Policy	Adj. No. 3 Long Distance	Adjusted Historical LTD Holding Company
Operating Activities					
Net Income (Loss)					
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization					
Deferred income taxes					
Accounts receivable, net inventories and other current assets					
Accounts payable and other current liabilities					
Noncurrent assets and liabilities, net					
Other, net					
Net cash provided by operating activities of continuing operations					
Investing Activities					
Capital expenditures					
Other, net					
Net cash used by investing activities of continuing operations					
Financing Activities					
Payments on long-term debt					
Dividends paid					(300)
Other, net					
Net cash used by financing activities of continuing operations					
Increase in Cash and Equivalents					
Cash and Equivalents at Beginning of Period					
Cash and Equivalents at End of Period					

Note: Adjustments are presented as if the separation transaction occurred on January 1, 2004.

LTD Holding Company
Adjustment No. 1, Capital Structure
(millions)

Exhibit _____(RGP-8)

Interest Expense Calculation for Adjustment No.1, Capital Structure

Description	Interest		
	Amount	Rate	Amount
<u>New debt Issuance:</u>			
Floating rate debt (3 - 5 yr. maturity)			
Fixed rate debt (7 - 30 yr. maturity)			
Less: Settlement of intercompany debt			
Interest Expense Adjustment No. 1			
Tax Benefit			
Net Increase to Expense			