

WINDSTREAM CORP  
Form 424B3  
August 19, 2009  
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Filed pursuant to Rule 424(b)(3)  
SEC File No. 333-159742

Dear Shareholders:

We are pleased to invite you to attend a special meeting of the shareholders of D&E Communications, Inc., which will be held at the Brossman Business Complex, 124 East Main Street, Ephrata, Pennsylvania 17522, on September 24, 2009, at 10:30 a.m., local time.

At the special meeting, you will be asked to consider and vote on the proposal to approve and adopt the Agreement and Plan of Merger dated as of May 10, 2009, among D&E Communications, Inc. ( "D&E Communications" ), Windstream Corporation ( "Windstream" ) and Delta Merger Sub, a wholly-owned subsidiary of Windstream ( "Merger Sub" ), pursuant to which D&E Communications will merge with and into Merger Sub. As a result of the merger, Windstream will acquire D&E Communications. We are sending you the accompanying proxy statement/prospectus to ask you to attend this meeting or vote your shares by proxy on the proposal to approve and adopt the merger agreement.

At the effective time of the merger, each outstanding share of D&E Communications common stock will be converted into the right to receive \$5.00 in cash, without interest, and 0.650 shares of Windstream common stock. Shares of Windstream common stock are listed on the New York Stock Exchange under the symbol WIN. In connection with the merger, Windstream expects to issue approximately 9,551,750 shares of its common stock (the terms of which are described beginning on page 81). Based on the closing price of Windstream common stock on the New York Stock Exchange on May 8, 2009, the last trading day prior to the public announcement of the execution of the merger agreement, the merger consideration represented approximately \$10.88 in value for each share of D&E Communications common stock. Based on the closing price of Windstream common stock on August 14, 2009 of \$8.55 per share, the merger consideration payable to holders of D&E Communications common stock would have an aggregate value of \$10.56 per share. D&E Communications common stock is listed on The NASDAQ Global Select Market under the trading symbol DECC. On August 14, 2009, the closing price of a share of D&E Communications common stock was \$10.42. Because the exchange ratio of the stock component of the merger consideration will not be adjusted for changes in the market price of Windstream common stock, the value of the merger consideration at the time of the merger may be significantly different.

**Before deciding how to vote, you should consider the Risk Factors beginning on page 18 of the proxy statement/prospectus.**

**Your board of directors has unanimously determined that the merger agreement is advisable and in the best interests of D&E Communications and its shareholders and unanimously recommends that you vote FOR the approval and adoption of the merger agreement.** The merger cannot be completed unless the merger agreement is approved and adopted by the affirmative vote of a majority of the shares of D&E Communications common stock outstanding as of the record date. If you fail to respond with a vote or fail to instruct your broker or other nominee how to vote on the proposal to approve and adopt the merger agreement, it will have the same effect as a vote against the proposal. If you respond by abstaining from voting, your proxy will have the same effect as a vote against the proposal. If you respond but do not indicate how you want to vote on the proposal, your proxy will be counted as a vote in favor of the proposal.

No vote of Windstream stockholders is required to complete the merger.

The proxy statement/prospectus provides you with detailed information about the proposed merger. You may obtain additional information about us and Windstream from documents we and Windstream have filed with the Securities and Exchange Commission. See [Where You Can Find More Information](#) in the proxy statement/prospectus. We strongly encourage you to read the proxy statement/prospectus carefully.

Very truly yours,

James W. Morozzi,  
President and Chief Executive Officer

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the shares of common stock to be issued by Windstream under the proxy statement/prospectus or passed upon the adequacy or accuracy of the proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

The proxy statement/prospectus is dated August 19, 2009, and is being first mailed to shareholders on or about August 20, 2009.

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**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Windstream Corporation and D&E Communications, Inc. from documents previously filed with the Securities and Exchange Commission that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference in this proxy statement/prospectus by requesting them in writing, by telephone or by e-mail from the appropriate company with the following contact information:

**D&E Communications, Inc.:**

Investor Relations  
P.O. Box 458  
Ephrata, PA 17522  
(717) 738-8422

[investorrelations@decommunications.com](mailto:investorrelations@decommunications.com)

**Windstream Corporation:**

Investor Relations  
4001 Rodney Parham Road  
Little Rock, Arkansas 72212  
(866) 320-7922 [windstream.investor.relations@windstream.com](mailto:windstream.investor.relations@windstream.com)

**If you would like to request any documents, please do so by September 17, 2009 in order to receive them before the special meeting.**

See [Where You Can Find More Information](#) for more information about the documents referred to in this proxy statement/prospectus.

In addition, if you have questions about the merger you may contact D&E Communications proxy solicitor, Georgeson Inc., at 199 Water Street, 26<sup>th</sup> floor, New York, New York 10038, or toll free: 1-888-219-8242.

**ABOUT THIS DOCUMENT**

This proxy statement/prospectus forms a part of a registration statement on Form S-4 (Registration No. 333-159742) filed by Windstream with the Securities and Exchange Commission. It constitutes a prospectus of Windstream under Section 5 of the Securities Act of 1933, as amended, and the rules thereunder, with respect to the shares of Windstream common stock to be issued to D&E Communications shareholders in the merger. In addition, it constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, and the rules thereunder, and a notice of meeting with respect to the D&E Communications special meeting of shareholders at which D&E Communications shareholders will consider and vote on the proposal to approve and adopt the merger agreement.

You should rely only on the information contained or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated August 19, 2009. You should not assume that the information contained in this document is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this document is accurate as of any date other than the date of such incorporated document. Neither our mailing of this document to D&E Communications shareholders nor the issuance by Windstream of common stock in connection with the merger will create any implication to the contrary.

INFORMATION INCLUDED IN THE PROXY STATEMENT/PROSPECTUS REGARDING WINDSTREAM AND D&E COMMUNICATIONS WAS PROVIDED BY WINDSTREAM AND D&E COMMUNICATIONS, RESPECTIVELY. NEITHER COMPANY WARRANTS THE ACCURACY OF INFORMATION PROVIDED BY THE OTHER COMPANY.

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## D&E Communications, Inc.

124 East Main Street

P.O. Box 458

Ephrata, PA 17522-0458

### NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF D&E COMMUNICATIONS, INC.:

Notice is hereby given that a special meeting of shareholders of D&E Communications, Inc. will be held at the Brossman Business Complex, 124 East Main Street, Ephrata, Pennsylvania 17522, on September 24, 2009, at 10:30 a.m., local time, to consider and act upon the following matters:

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of May 10, 2009 (referred to in the proxy statement/prospectus as the merger agreement), by and among Windstream Corporation, a Delaware corporation (Windstream), Delta Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Windstream (Merger Sub), and D&E Communications, Inc., a Pennsylvania corporation (D&E Communications), pursuant to which D&E Communications will merge with and into Merger Sub (referred to in the proxy statement/prospectus as the merger), after which Merger Sub will survive the transaction and continue to be a wholly-owned subsidiary of Windstream and the separate corporate existence of D&E Communications will cease. Immediately following the merger, Merger Sub will change its name to D&E Communications, Inc.; and
2. To transact such other business as may properly come before the special meeting or any adjournments thereof, including, without limitation, any proposal to adjourn or postpone the special meeting.

D&E Communications board of directors has fixed the close of business on August 17, 2009, as the record date for the determination of shareholders entitled to notice of, and to vote at, the special meeting or any adjournments or postponements of the special meeting.

The accompanying proxy statement/prospectus describes the terms and conditions of the merger agreement and includes, as *Annex A*, a copy of the merger agreement. We urge you to read the enclosed materials carefully for a complete description of the merger. The accompanying proxy statement/prospectus is a part of this notice.

You are cordially invited to attend the special meeting. Your proxy is being solicited by D&E Communications board of directors. **Even if you plan to attend the special meeting, we urge you to submit a valid proxy promptly.** If your shares of D&E Communications common stock are registered in your own name you may submit your proxy (i) by filling out and signing the proxy card, and then mailing your signed proxy card in the enclosed envelope; (ii) authorizing the voting of your shares over the Internet at <http://www.proxyvoting.com/decc>; or (iii) by calling 1-866-540-5760 and by following the instructions on the enclosed proxy card. If your shares are held in street name you should follow the directions your broker or bank provides. If you hold shares in D&E Communications 401(k) plan and/or employee stock purchase plan, your proxy will also serve as voting instructions to the trustee of the 401(k) plan and/or the trustee of the employee stock purchase plan, as applicable.

**Your vote is very important. We urge you to review the enclosed materials and return your proxy card. Your board of directors unanimously recommends that shareholders vote FOR the approval and adoption of the merger agreement.**

By Order of the Board of Directors,

Thomas E. Morell,

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Senior Vice President, Chief Financial Officer,

Secretary and Treasurer

**Ephrata, Pennsylvania**

**August 19, 2009**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

*The following are some questions that you, as a shareholder of D&E Communications, may have regarding the merger and the answers to those questions. D&E Communications urges you to read carefully the remainder of this document because the information in this section does not provide all the information that might be important to you with respect to the merger. Additional important information is also contained in the annexes to and the documents incorporated by reference into this document.*

**Q: What is the proposed transaction?**

A: You are being asked to vote to approve and adopt an agreement and plan of merger among Windstream, Merger Sub and D&E Communications. In this proxy statement/prospectus, we refer to the agreement and plan of merger as the merger agreement. In the merger, D&E Communications will merge with and into Merger Sub, a newly formed corporation and wholly-owned subsidiary of Windstream. Merger Sub will survive the merger and the separate corporate existence of D&E Communications will cease. Immediately following the merger, Merger Sub will change its name to D&E Communications, Inc.

**Q: What will I be entitled to receive pursuant to the merger agreement?**

A: In the merger, you will be entitled to receive \$5.00 in cash, without interest, and 0.650 shares of Windstream common stock for each share of D&E Communications common stock outstanding immediately prior to completion of the merger. You will not be entitled to receive any fractional shares of Windstream common stock. Instead, you will be entitled to receive cash, without interest, for any fractional share of Windstream common stock you might otherwise have been entitled to receive based on the per share closing bid and asked prices for Windstream common stock over a ten day period ending two business days prior to the date the merger occurs.

**Q: What does the D&E Communications board of directors recommend?**

A: The D&E Communications board of directors has unanimously approved and adopted the merger agreement and has also unanimously determined that the merger agreement is advisable and in the best interests of D&E Communications and its shareholders. Accordingly, the D&E Communications board unanimously recommends that D&E Communications shareholders vote FOR the approval and adoption of the merger agreement at the special meeting.

**Q: Who is entitled to vote at the special meeting?**

A: Holders of record of D&E Communications common stock at the close of business on August 17, 2009, which is the date D&E Communications board of directors has fixed as the record date for the special meeting, are entitled to vote at the special meeting.

**Q: What vote is required to approve and adopt the merger agreement?**

A: The merger agreement must be approved and adopted by the affirmative vote of a majority of the shares of D&E Communications common stock outstanding as of the record date. No vote of the stockholders of Windstream is required.

**Q: What if I don't vote on the proposal to approve and adopt the merger agreement?**

If you are a D&E Communications shareholder and you fail to respond with a vote or fail to instruct your broker or other nominee how to vote on the proposal to approve and adopt the merger agreement, it will

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have the same effect as a vote against the proposal. If you respond by abstaining from voting, your proxy will have the same effect as a vote against the proposal. If you respond but do not indicate how you want to vote on the proposal, your proxy will be counted as a vote in favor of the proposal.

### **Q: What other matters will be voted on at the D&E Communications special meeting?**

A: At this time, we do not anticipate a vote on any other matter at the special meeting.

### **Q: Do I have dissenters' rights?**

A: No. D&E Communications shareholders have no dissenters' rights under the Pennsylvania Business Corporation Law (the "PBCL") in connection with the merger. See "Comparison of Rights of Common Stockholders of Windstream and Common Shareholders of D&E Communications Appraisal Rights and Dissenters' Rights" on page 94.

### **Q: What are the material United States federal income tax consequences of the merger to me?**

A: The transaction is intended to be tax-free for United States federal income tax purposes, except with respect to any cash received by D&E Communications shareholders. See "The Merger Material United States Federal Income Tax Consequences" beginning on page 52.

### **Q: When do you expect the merger to be completed?**

A: We expect to complete the merger promptly after D&E Communications shareholders approve and adopt the merger agreement at the special meeting and after the satisfaction or waiver of all other conditions to the merger, including the receipt of all regulatory approvals that are required to be obtained pursuant to the merger agreement. We currently expect the closing of the merger to occur in the fourth quarter of 2009.

### **Q: What do I need to do to vote my shares at the special meeting?**

A: After carefully reading and considering the information included and incorporated by reference in this proxy statement/prospectus, please submit your proxy as soon as possible so that your shares may be voted at the special meeting. If your shares of D&E Communications common stock are registered in your own name you may submit your proxy (i) by filling out and signing the proxy card, and then mailing your signed proxy card in the enclosed envelope; (ii) authorizing the voting of your shares over the Internet at <http://www.proxyvoting.com/decc>; or (iii) by calling 1-866-540-5760 and by following the instructions on the enclosed proxy card.

Authorizations submitted over the Internet or by telephone must be received by 11:59 p.m. Eastern time on September 23, 2009.

If your shares are held in street name, you should follow the directions your broker or bank provides in order to ensure your shares are voted at the special meeting.

Your proxy card will instruct the persons named on the proxy card to vote your shares at the special meeting as you direct. If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be voted FOR the approval and adoption of the merger agreement. Because the affirmative vote of a majority of D&E Communications shares outstanding on the record date is required to approve and adopt the merger agreement, if you do not send in your signed proxy or if you abstain, the effect will be a vote against the approval and adoption of the merger agreement.

**Q: May I change my vote after I have mailed my signed proxy card?**

A: You may change your vote at any time before your proxy is voted at the special meeting. If your shares of D&E Communications common stock are registered in your own name, you can do this by: (i) delivering a

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notice of revocation or delivering a later-dated proxy to D&E Communications, Inc., 124 East Main Street, Ephrata, Pennsylvania 17522, Attn: Thomas E. Morell, Corporate Secretary; (ii) submitting a proxy card with a later date at the special meeting; (iii) submitting another vote over the Internet or telephone; or (iv) appearing at the special meeting and voting in person. Please note that simply attending the meeting will not revoke your proxy, as you must vote at the special meeting in order to revoke a prior proxy. Your last vote is the vote that will be counted. Attendance at the special meeting will not, in and of itself, revoke a proxy.

If you have instructed a broker or bank to vote your shares, you must follow the directions you received from your broker or bank to change your vote.

**Q: If I hold D&E Communications shares in D&E Communications 401(k) plan or Employee Stock Purchase Plan, how will my shares be voted?**

A: If you hold shares of D&E Communications common stock in D&E Communications 401(k) plan, your proxy will serve as voting instructions to the trustee of the 401(k) plan. To allow sufficient time for voting by the plan trustee, your voting instructions must be received by 11:59 p.m., Eastern time, September 21, 2009. If you submit a valid proxy by mail, telephone or the Internet by 11:59 p.m., Eastern time, September 21, 2009, your shares held in D&E Communications 401(k) plan will be voted as instructed by you in accordance with that proxy. If you submit a proxy and do not indicate how you wish to vote, the trustee of D&E Communications 401(k) plan will vote your shares in favor of the approval and adoption of the merger agreement. If you do not submit a valid proxy by 11:59 p.m., Eastern time, September 21, 2009, your shares held in D&E Communications 401(k) plan will be voted in the same proportion as those shares in D&E Communications 401(k) plan for which voting instructions have been received. If you hold shares of D&E Communications common stock through D&E Communications employee stock purchase plan, you may submit your proxy by filling out and signing the proxy card, and then mailing your signed proxy card in the enclosed envelope. If you do not submit a valid proxy by 11:59 p.m., Eastern time, September 23, 2009, your shares issued through the D&E Communications employee stock purchase plan will not be voted.

**Q: Should I send in my stock certificates with my proxy card?**

A: No. After the merger is completed, you will receive a letter of transmittal with instructions for the surrender of your D&E Communications common stock certificates. **Please do not send in your stock certificates with your proxy.**

**Q: Who can help answer my questions?**

A: If you have any questions about the merger or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card you should contact D&E Communications proxy solicitor, Georgeson Inc., at 199 Water Street, 26 floor, New York, New York 10038, or toll free: 1-888-219-8242.

**Q: Where can I find more information about D&E Communications and Windstream?**

A: You can find more information about D&E Communications and Windstream from various sources described under the heading **Where You Can Find More Information** on page 96.

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**SUMMARY**

*This summary highlights material information from this proxy statement/prospectus. It does not contain all of the information that is important to you. You should read carefully the entire proxy statement/prospectus and the additional documents referred to in it to fully understand the merger.*

**The Companies (See Page 30)**

***Windstream (See Page 30)***

Windstream Corporation

4001 Rodney Parham Road

Little Rock, Arkansas 72212

Telephone: (501) 748-7000

Windstream, a Delaware corporation, is one of the largest providers of telecommunications services in rural communities in the United States, and based on the number of telephone lines in service, is the fifth largest local telephone company in the country. Windstream has focused its strategy on enhancing the value of its customer relationships by offering additional products and services and providing superior customer service. Windstream delivers one-stop shopping to customers with a full range of communications products and services that include voice and related features, high-speed Internet, long distance, network access and video. As of June 30, 2009, Windstream served approximately 3.0 million customers primarily located in rural areas in 16 states. Additionally, Windstream provides data services to more than 1.0 million high-speed Internet customers.

***Merger Sub (See Page 30)***

Delta Merger Sub, Inc.

4001 Rodney Parham Road

Little Rock, Arkansas 72212

Telephone: (501) 748-7000

Merger Sub is a Delaware corporation and a direct wholly-owned subsidiary of Windstream. Merger Sub was organized on May 8, 2009 solely for the purpose of effecting the merger with D&E Communications. It has not carried on any activities other than in connection with the merger agreement.

***D&E Communications (See Page 30)***

D&E Communications, Inc.

124 East Main Street

Ephrata, Pennsylvania 17522

Telephone: (717) 733-4101

D&E Communications, a Pennsylvania corporation, is a leading provider of broadband integrated communications services to residential and business customers in markets throughout the eastern half of Pennsylvania. D&E Communications offers its customers a comprehensive package of communications services, including local and long distance telephone services, enhanced telephone services, network access services, dedicated data circuits, and communication services, such as broadband and dial-up Internet access services, business continuity and co-location

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services, web-hosting services, directory, voice over internet protocol services and, in certain of its markets, video services. D&E Communications also provides professional data and information technology services, computer support services, computer network design and monitoring services and sells computer equipment.

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### **The Merger (See Page 35)**

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, D&E Communications will be merged with and into Merger Sub. Merger Sub will survive the merger as a direct, wholly owned subsidiary of Windstream. Immediately following the merger, Merger Sub will change its name to D&E Communications, Inc.

### **The Merger Agreement (See Page 57)**

A copy of the merger agreement, which is incorporated by reference herein in its entirety, is attached to this proxy statement/prospectus as *Annex A*. Windstream and D&E Communications urge you to read the merger agreement in its entirety.

### **Merger Consideration (See Page 57)**

In the merger, each D&E Communications shareholder will be entitled to receive a combination of \$5.00 in cash, without interest, and 0.650 shares of Windstream common stock for each share of D&E Communications common stock outstanding immediately prior to completion of the merger, with cash paid in lieu of fractional shares. The cash and Windstream common stock payable in the merger are referred to collectively as the merger consideration in this proxy statement/prospectus.

The exchange ratio is fixed and will not be adjusted for changes in the market value of the common stock of Windstream or D&E Communications. Accordingly, the implied value of the consideration to D&E Communications shareholders will fluctuate between now and the completion of the merger in response to changes in the market value of Windstream's common stock. Based on the closing price of Windstream common stock on the New York Stock Exchange (the NYSE), of \$9.05 on May 8, 2009, the last trading day prior to the public announcement of the execution of the merger agreement, the merger consideration represented approximately \$10.88 in value for each share of D&E Communications common stock. Based on the closing price of Windstream common stock on the NYSE on August 14, 2009, the latest practicable date before the date of this document, the merger consideration represented approximately \$10.56 in value for each share of D&E Communications common stock.

### **Restricted Stock and Stock Options (See Page 58)**

At the effective time of the merger, each award of restricted stock granted pursuant to D&E Communications' equity plans will vest and the holder will be entitled to receive the same merger consideration provided to holders of D&E Communications common stock.

At the effective time of the merger, outstanding stock options to purchase D&E Communications common stock granted pursuant to D&E Communications' equity plans will vest, and at the election of the holder, be converted into (i) stock options to acquire shares of Windstream common stock or (ii) cash.

### **Record Date (See Page 32)**

The close of business on August 17, 2009 is the record date for determining if you are entitled to vote at the special meeting. On that date, there were 14,395,058 shares of D&E Communications common stock outstanding.

### **The Special Meeting (See Page 32)**

The D&E Communications special meeting will take place at the Brossman Business Complex, 124 East Main Street, Ephrata, Pennsylvania 17522, on September 24, 2009, at 10:30 a.m., local time. At the special meeting, the holders of D&E Communications common stock will be asked to approve and adopt the merger agreement.



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### **Required Vote (See Page 32)**

The merger agreement must be approved and adopted by the affirmative vote of a majority of the shares of D&E Communications common stock outstanding as of the record date. Each share of D&E Communications common stock is entitled to one vote at the special meeting.

### **Beneficial Ownership of D&E Communications Stock by Directors and Executive Officers (See Page 32)**

On the record date, directors and executive officers of D&E Communications beneficially owned and had the right to vote 627,938 shares of D&E Communications common stock entitling them to cast approximately 4.36% of the number of votes entitled to be cast at the special meeting.

### **Recommendation of the D&E Communications Board; D&E Communications Reasons for the Merger (See Page 32 and 39)**

D&E Communications board of directors has unanimously adopted and approved the merger agreement. D&E Communications board of directors has also unanimously determined that the merger agreement is advisable and in the best interests of D&E Communications and its shareholders and unanimously recommends that you vote FOR the approval and adoption of the merger agreement. In reaching its decision, D&E Communications board of directors considered a number of factors that are described in more detail in The Merger Recommendation of the D&E Communications Board; D&E Communications Reasons for the Merger beginning on page 39. Further, individual members of D&E Communications board of directors may have given different weight to different reasons.

### **Opinion of Financial Advisor to D&E Communications (See Page 41)**

In connection with the merger, D&E Communications financial advisor, Credit Suisse Securities (USA) LLC, referred to as Credit Suisse, delivered a written opinion, dated May 10, 2009, to the D&E Communications board of directors as to the fairness, from a financial point of view and as of the date of such opinion, of the merger consideration to be received by the holders of D&E Communications common stock. The full text of Credit Suisse's written opinion is attached to this proxy statement/prospectus as *Annex B* and sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken. **Credit Suisse's opinion was provided to the D&E Communications board of directors for its information in connection with its evaluation of the merger consideration. The opinion addresses only the fairness of the merger consideration from a financial point of view, does not address any other aspect of the proposed merger and does not constitute advice or a recommendation to any shareholder as to how such shareholder should vote or act on any matter relating to the proposed merger.**

### **Interests of Certain Persons in the Merger (See Page 46)**

Some of D&E Communications directors and executive officers may have financial interests in the merger that are different from, or in addition to, the interests of D&E Communications shareholders generally. D&E Communications board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement, and in recommending to the D&E Communications shareholders that the merger agreement be approved and adopted.

These differing financial interests take a variety of forms. For example, at the effective time of the merger, each outstanding D&E Communications unvested stock option and restricted stock award, including those held by D&E Communications executive officers, will become fully vested entitling the holder of such award to certain financial benefits. In addition, James W. Morozzi, D&E Communications President and Chief Executive Officer, Thomas Morell, D&E Communications Senior Vice President, Chief Financial Officer, Secretary and

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Treasurer, and Albert Kramer, D&E Communications Senior Vice President and Chief Operating Officer, are each a party to an employment agreement with D&E Communications providing for the payment of severance and other benefits in the case of qualifying terminations of employment following a change in control, including completion of the merger. Also, the D&E Communications board of directors implemented (i) a transaction award program which will permit D&E Communications to pay certain sums to Messrs. Morozzi, Morell and Kramer in connection with the merger and (ii) a transition award program which provides certain benefits to designated key employees of D&E Communications which are intended to provide an incentive to such employees to remain with D&E Communications through the merger and for a transition period following the merger. Finally, Windstream has agreed that if it and each of Messrs. Morozzi, Morell and Kramer cannot agree to mutually acceptable terms of continuing employment, Windstream will, at the option of each of Messrs. Morozzi, Morell and Kramer, enter into consulting agreements with such individuals as of the effective time.

For additional details about these financial interests, including the specific amounts associated with each of these interests, please see The Merger Interests of Certain Persons in the Merger beginning on page 46.

**Conditions to the Merger (See Page 70)**

As more fully described in this document and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, receipt of the requisite approvals of D&E Communications shareholders, the expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act ) (which was received on June 5, 2009), the receipt of all required regulatory approvals by the Federal Communications Commission (the FCC ) (which was received on July 31, 2009) and the Pennsylvania Public Utilities Commission (the Pennsylvania PUC ) and, subject to certain materiality standards, all other regulators, the correctness of all representations and warranties made by the parties in the merger agreement and performance by the parties of their obligations under the merger agreement (subject in each case to certain materiality standards) and the receipt of legal opinions by each company regarding the qualification of the merger as a reorganization for U.S. federal income tax purposes (which have been received).

Neither Windstream nor D&E Communications can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

The completion of the merger is not conditioned on Windstream obtaining financing of any kind.

**No Solicitation (See Page 64)**

The merger agreement contains restrictions on the ability of D&E Communications to solicit or engage in discussions or negotiations with a third party with respect to a proposal to acquire a significant interest in D&E Communications equity or assets. Notwithstanding these restrictions, before D&E Communications shareholders approve and adopt the merger agreement, the merger agreement provides that, under specified circumstances, if D&E Communications receives a proposal from a third party to acquire a significant interest in the company that the board of directors determines in good faith may reasonably be expected to lead to a proposal that is superior to the merger, D&E Communications may furnish nonpublic information to, and engage in negotiations regarding a transaction with, such third party.

**Termination and Expenses (See Page 71)**

Windstream and D&E Communications may mutually agree to terminate the merger agreement before completing the merger, even after D&E Communications shareholders have approved and adopted the merger agreement.

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In addition, either Windstream or D&E Communications may decide to terminate the merger agreement, even after D&E Communications shareholder approval, if:

the merger is not consummated by October 8, 2009 subject to a two-month extension under certain circumstances;

there are final, non-appealable court or governmental entity rulings or orders, preventing the merger; or

any law prohibiting the consummation of the merger is adopted or issued.

Windstream may also terminate the merger agreement if (i) D&E Communications board of directors fails to include in the proxy statement its approval or recommendation of the merger agreement, withdraws, modifies or proposes publicly to withdraw or modify its approval or recommendation with respect to the merger agreement or approves, recommends or proposes to approve or recommend any alternative takeover proposal with a third party or (ii) D&E Communications shareholders fail to approve and adopt the merger agreement at the special meeting.

### **Termination Fee (See Page 72)**

The merger agreement provides that, upon termination of the merger agreement under certain circumstances, D&E Communications may be obligated to pay Windstream a termination fee of \$5.5 million. See the section entitled "The Merger Agreement Termination Fee" for a complete discussion of the circumstances under which a termination fee will be required to be paid.

### **Material United States Federal Income Tax Consequences (See Page 52)**

It is expected that the merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code so that D&E Communications shareholders generally will recognize gain (but not loss) in an amount not to exceed the cash portion of the merger consideration for U.S. federal income tax purposes as a result of the merger and shareholders will recognize gain or loss with respect to any cash received in lieu of a fractional share of D&E Communications common stock in the merger. The consummation of the merger is conditioned on the receipt by each of Windstream and D&E Communications of opinions from their respective counsel to the effect that the merger will so qualify (which have been received).

**Tax matters are very complicated, and the tax consequences of the merger to a particular shareholder of D&E Communications will depend on the facts and circumstances of each holder's own situation. For a description of the material federal income tax consequences of the merger, please see the information set forth in "The Merger Material United States Federal Income Tax Consequences". We also urge each shareholder of D&E Communications to consult the shareholder's own tax advisor for a full understanding of the tax consequences of the merger.**

### **Comparison of Rights of Common Stockholders of Windstream and Common Shareholders of D&E Communications (See Page 86)**

After the merger, D&E Communications shareholders will become Windstream stockholders and their rights as stockholders will be governed by the certificate of incorporation and by-laws of Windstream and the general corporation law of the State of Delaware. There are a number of differences between the certificate of incorporation and by-laws of Windstream, the articles of incorporation and by-laws of D&E Communications and the corporation law of the State of Delaware and the corporation law of the Commonwealth of Pennsylvania. These differences are summarized under the heading "Comparison of Rights of Common Stockholders of Windstream and Common Shareholders of D&E Communications."

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### **Appraisal Rights and Dissenters' Rights (See Page 94)**

Under Pennsylvania law, record holders of D&E Communications common stock are not entitled to dissenters' rights in connection with the merger.

### **Comparative Stock Prices and Dividends (See Page 17)**

Windstream common stock is listed on the NYSE under the trading symbol WIN. D&E Communications common stock is listed on The NASDAQ Global Select Market under the trading symbol DECC. On May 8, 2009, the last full trading day prior to the public announcement of the execution of the merger agreement, the closing price of D&E Communications common stock was \$6.75 per share and the closing price of Windstream common stock was \$9.05 per share. On August 14, 2009, the most recent practicable date prior to the printing of this proxy statement/prospectus, the closing price of D&E Communications common stock was \$10.42 per share and the closing price of Windstream common stock was \$8.55 per share. We urge you to obtain current market quotations.

### **Windstream Stock Exchange Listing (See Page 56)**

Shares of Windstream common stock received by D&E Communications shareholders pursuant to the merger will be listed on the NYSE.

After completion of the merger, shares of Windstream common stock will continue to be traded on the NYSE, but shares of D&E Communications common stock will no longer be listed or traded.

### **Regulatory/Third Party Matters (See Page 56)**

Completion of the merger is conditioned upon the receipt of approvals of the FCC and the Pennsylvania PUC. Pursuant to the merger agreement, Windstream and D&E Communications filed the applications required for the transfer of control of the relevant franchises, licenses and similar instruments issued under the rules and regulations of the FCC on May 22, 2009 and the Pennsylvania PUC on May 21, 2009. On July 31, 2009, D&E Communications and Windstream received the FCC's approval of the merger.

In addition, as a condition to the merger, the HSR Act requires D&E Communications and Windstream to observe the HSR Act's notification and waiting period. The HSR Act provides for an initial 30-calendar-day waiting period following the necessary filings by the parties to the merger which were completed on June 1, 2009 by the filing of notification and report forms with the U.S. Department of Justice (DOJ) and the Federal Trade Commission (FTC). On June 5, 2009, the FTC granted early termination of the waiting period under the HSR Act.

### **Dividend Practices (See Page 86)**

Windstream's board of directors has adopted a current dividend practice for the payment of quarterly cash dividends at a rate of \$0.25 per share of Windstream's common stock. This practice can be changed at any time at the discretion of Windstream's board of directors and Windstream's common stockholders have no contractual or other legal right to dividends.

D&E Communications also currently declares and pays regular quarterly dividends to its shareholders. The current dividend practice of D&E Communications board of directors is to declare quarterly cash dividends on D&E Communications common stock at a rate of \$0.125 per share. Dividends are paid on D&E Communications common stock as and when declared by its board of directors.

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As required by the merger agreement, D&E Communications has adjusted its dividend record date and payment date to correspond to Windstream's dividend record date and payment date. The purpose of this adjustment is to ensure that D&E Communications shareholders receive either a dividend on the common stock of D&E Communications or Windstream, but not both, in the quarter in which the closing of the merger occurs.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF WINDSTREAM**

The summary below sets forth selected historical financial data for Windstream. This data should be read in conjunction with Windstream's audited consolidated historical financial statements and related notes included in Windstream's Annual Report on Form 10-K for the year ended December 31, 2008 and Windstream's Quarterly Report on Form 10-Q for the period ended June 30, 2009. See [Where You Can Find More Information](#).

(Millions, except per share amounts)	Six Months Ended June 30,		Year Ended December 31,				
	2009 (Unaudited)	2008 (Unaudited)	2008	2007	2006	2005	2004
<b>Revenues and sales</b>	\$ 1,507.9	\$ 1,599.9	\$ 3,171.5	\$ 3,245.9	\$ 3,033.3	\$ 2,923.5	\$ 2,933.5
<b>Operating income</b>	497.0	585.2	1,132.4	1,149.9	898.8	633.8	667.6
Other income, net	1.4	8.6	2.1	11.1	8.7	11.6	13.7
Gain on sale of directory publishing business and other assets				451.3			
Loss on extinguishment of debt					(7.9)		
Intercompany interest income (expense)					31.9	23.3	(15.2)
Interest expense	(197.5)	(208.6)	(416.4)	(444.4)	(209.6)	(19.1)	(20.4)
Income from continuing operations before income taxes	300.9	385.2	718.1	1,167.9	721.9	649.6	645.7
Income taxes	121.9	145.4	283.2	251.5	276.3	267.9	259.4
Income from continuing operations	179.0	239.8	434.9	916.4	445.6	381.7	386.3
Discontinued operations, including tax expense		(14.1)	(22.2)	0.7			
Income before extraordinary item and cumulative effect of accounting change	179.0	225.7	412.7	917.1	445.6	381.7	386.3
Extraordinary item, net of income taxes					99.7		
Cumulative effect of accounting change, net of income taxes						(7.4)	
<b>Net Income</b>	\$ 179.0	\$ 225.7	\$ 412.7	\$ 917.1	\$ 545.3	\$ 374.3	\$ 386.3
<b>Basic and diluted earnings (loss) per share:(a)</b>							
Income from continuing operations	\$ 0.41	\$ 0.53	\$ 0.98	\$ 1.93	\$ 1.02	\$ 0.95	\$ 0.96
Loss from discontinued operations		(0.03)	(0.05)				
Extraordinary item					0.23		
Cumulative effect of accounting change						(0.02)	
Net income	\$ 0.41	\$ 0.50	\$ 0.93	\$ 1.93	\$ 1.25	\$ 0.93	\$ 0.96
Dividends declared per common share	\$ 0.50	\$ 0.50	\$ 1.00	\$ 1.00	\$ 0.45	\$	\$
<b>Balance sheet data</b>							
Total assets	\$ 7,789.5	\$ 8,040.5	\$ 8,009.3	\$ 8,241.2	\$ 8,030.7	\$ 4,935.8	\$ 5,079.2
Total long-term debt (including current maturities)	\$ 5,226.2	\$ 5,369.0	\$ 5,382.5	\$ 5,355.5	\$ 5,488.4	\$ 260.8	\$ 282.9
Total equity	\$ 226.4	\$ 502.3	\$ 252.3	\$ 699.8	\$ 469.8	\$ 3,489.2	\$ 3,706.8



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- (a) Basic and diluted earnings per share amounts have been retrospectively adjusted to conform with the guidance contained in FASB Staff Position No. Emerging Issues Task Force Issue No. ( FSP EITF ) 03-6-1 Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities which was adopted by Windstream effective January 1, 2009. For further information on FSP EITF 03-6-1 and its impact on Windstream, see Notes to Unaudited Interim Consolidated Financial Statements included in Windstream's Report on Form 10-Q for the period ended June 30, 2009. The effect of adopting FSP EITF 03-6-1 was immaterial to all periods presented.

*Notes to Selected Historical Consolidated Financial Data:*

Explanations for significant events affecting Windstream's historical operating trends during the periods 2006 through June 30, 2009 are provided in Management's Discussion and Analysis of Financial Condition and Results of Operations in Windstream's Annual Report on Form 10-K for the year ended December 31, 2008 and Windstream's Quarterly Report on Form 10-Q for the period ended June 30, 2009.

During 2005, Windstream incurred \$4.5 million of severance and employee benefit costs related to a workforce reduction in its wireline operations. Windstream also incurred \$31.2 million of incremental costs, principally consisting of investment banker, audit and legal fees, related to the then pending spin off from Alltel. These transactions decreased net income by \$34.1 million. Effective July 1, 2005, Windstream prospectively reduced depreciation rates for its regulated operations in Florida, Georgia, North Carolina and South Carolina to reflect the results of studies of depreciable lives completed by the Company in the second quarter of 2005. The depreciable lives were lengthened to reflect the estimated remaining useful lives of wireline plant based on expected future network utilization and capital expenditure levels required to provide service to its customers. The effects of this change during the year ended December 31, 2005 resulted in a decrease in depreciation expense of \$21.8 million and an increase in net income of \$12.8 million. Effective December 31, 2005, Windstream adopted Financial Accounting Standards Board Interpretation No. 47,

Accounting for Conditional Asset Retirement Obligations. The cumulative effect of this accounting change resulted in a one-time non-cash charge of \$7.4 million, net of income tax benefit of \$4.6 million.

During 2004, Windstream reorganized its operations and support teams and also announced its plans to exit its competitive service operations in the Jacksonville, Florida market due to the continued unprofitability of these operations. In connection with these activities, Windstream recorded a restructuring charge of \$13.6 million consisting primarily of severance and employee benefit costs related to a workforce reduction. Effective April 1, 2004, Windstream prospectively reduced depreciation rates for its regulated operations in Nebraska, reflecting the results of a triennial study of depreciable lives completed by Windstream in the second quarter of 2004, as required by the Nebraska Public Service Commission. The effects of this change during the year ended December 31, 2004 resulted in a decrease in depreciation expense of \$19.1 million.



**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF D&E COMMUNICATIONS**

The summary below sets forth selected historical financial data for D&E Communications. This data should be read in conjunction with the D&E Communications audited consolidated historical financial statements and related notes included in the D&E Communications Annual Report on Form 10-K for the year ended December 31, 2008 and D&E Communications Quarterly Report on Form 10-Q for the period ended June 30, 2009. See [Where You Can Find More Information](#).

(Millions, except per share amounts)	Six Months Ended June 30,		Year Ended December 31,				
	2009 (Unaudited)	2008 (Unaudited)	2008	2007	2006	2005	2004
<b>Revenues and sales</b>	\$ 71.8	\$ 75.3	\$ 149.5	\$ 152.5	\$ 162.1	\$ 164.6	\$ 164.4
<b>Operating income (loss)</b>	10.5	(10.0)	(10.8)	24.6	22.5	22.8	21.1
Other income, net	0.6	3.5	2.9	8.2	4.8	3.2	1.7
Equity in net income (losses) of affiliates					(0.2)	1.0	(3.2)
Loss on extinguishment of debt					(1.1)		(5.3)
Gain (loss) on investments					1.0	6.9	(1.1)
Interest expense	(5.7)	(6.3)	(12.3)	(14.9)	(15.2)	(14.1)	(14.3)
Income (loss) from continuing operations before income taxes	5.4	(12.8)	(20.2)	17.9	11.8	19.8	(1.1)
Income taxes (benefit)	1.6	(6.0)	(9.3)	7.2	3.5	5.9	1.4
Income (loss) from continuing operations	3.8	(6.8)	(10.9)	10.7	8.3	13.9	(2.5)
Discontinued operations, including tax expense (a)					(1.5)	(0.1)	(0.1)
Net income (loss)	3.8	(6.8)	(10.9)	10.7	6.8	13.8	(2.6)
Noncontrolling interest			0.1	0.1	0.1	0.1	0.1
<b>Net Income (Loss) Attributable to Common Shareholders</b>	\$ 3.8	\$ (6.8)	\$ (11.0)	\$ 10.6	\$ 6.7	\$ 13.7	\$ (2.7)
<b>Basic and diluted earnings (loss) per share:</b>							
Income (loss) from continuing operations	\$ 0.26	\$ (0.47)	\$ (0.76)	\$ 0.74	\$ 0.58	\$ 0.97	\$ (0.18)
Loss from discontinued operations					(0.11)	(0.01)	
Net income (loss)	\$ 0.26	\$ (0.47)	\$ (0.76)	\$ 0.74	\$ 0.47	\$ 0.96	\$ (0.18)
Dividends declared per common share	\$ 0.25	\$ 0.25	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
<b>Balance sheet data</b>							
Total assets	\$ 434.8	\$ 467.1	\$ 452.9	\$ 501.2	\$ 510.6	\$ 535.7	\$ 546.8
Total long-term debt (including current maturities)	\$ 182.6	\$ 189.7	\$ 186.1	\$ 194.0	\$ 207.0	\$ 215.5	\$ 228.5
Total equity	\$ 158.0	\$ 179.7	\$ 156.6	\$ 189.3	\$ 187.0	\$ 185.8	\$ 177.6

(a) Reflects the results of D&E Communications Voice Systems Business, which was sold in 2006, as discontinued operations.

*Notes to Selected Historical Consolidated Financial Data:*

The information for 2008 and prior years has been recast to conform to the current year presentation as a result of the adoption of Statement of Financial Accounting Standards ( SFAS ) No. 160, Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51 ,

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in the first quarter of 2009. As a result of the adoption of SFAS No. 160, D&E Communications recharacterized its preferred stock of a utility subsidiary as a noncontrolling interest and a component of equity. The effect of adopting SFAS No. 160 is immaterial to all periods presented.

**Table of Contents****SUMMARY UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS**

The following summary unaudited pro forma combined condensed financial statements give effect to the merger of D&E Communications with Windstream, with Windstream considered the accounting acquirer. The acquisition of D&E Communications by Windstream will be accounted for as an acquisition in accordance with Statement of Financial Accounting Standards ( SFAS ) No. 141(R), Business Combinations (Revised). The unaudited pro forma combined condensed financial information has been prepared using the acquisition method of accounting in accordance with SFAS No. 141(R). In accordance with the acquisition method of accounting, the preliminary purchase price has been allocated in the unaudited pro forma combined condensed financial statements to the underlying tangible and intangible assets and liabilities to be acquired from D&E Communications based on their respective fair market values as of June 30, 2009.

The unaudited pro forma combined condensed balance sheet gives effect to the merger as if it had occurred on June 30, 2009. The unaudited pro forma combined condensed income statement for the six months ended June 30, 2009 and the year ended December 31, 2008, give effect to the merger as if the merger had become effective at January 1, 2008. The summary unaudited pro forma combined condensed financial information has been derived from and should be read in conjunction with the consolidated financial statements and the related notes of both Windstream and D&E Communications, incorporated herein by reference, and the more detailed unaudited pro forma combined condensed financial information, including the notes thereto, beginning on page 74.

The unaudited pro forma combined condensed financial information is presented for illustrative purposes and is not necessarily an indication of the results that would have been achieved had the merger actually occurred on the dates indicated or that may be achieved in the future. In addition, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma combined condensed financial information is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded as of completion of the merger. Furthermore, the determination of the final purchase price will be based on the number of D&E Communications common shares outstanding and Windstream's stock price at closing.

(Millions)	For the Six Months Ended June 30, 2009 (Unaudited)	For the Year Ended December 31, 2008 (Unaudited)
<b>Revenue and sales</b>	\$ 1,579.7	\$ 3,321.0
<b>Operating income</b>	505.2	1,110.2
Other income (expense), net	(1.0)	(1.1)
Interest expense	(199.0)	(419.4)
Income from continuing operations before income taxes	305.2	689.7
Income taxes	123.1	270.8
Income from continuing operations	\$ 182.1	\$ 418.9
<b>Balance sheet data</b>		
Total assets	\$ 8,029.3	
Total long-term debt (including current maturities)	\$ 5,276.2	
Total equity	\$ 293.3	

**Table of Contents****COMPARATIVE PER SHARE INFORMATION**

The following table sets forth for the periods presented certain per share information for Windstream and D&E Communications on a historical basis and on an unaudited pro forma basis after giving effect to the merger under the acquisition method of accounting. The historical per share information for Windstream and D&E Communications has been derived from, and should be read in conjunction with, the historical consolidated financial statements of Windstream and D&E Communications incorporated by reference in this proxy statement/prospectus. See Where You Can Find More Information.

The unaudited pro forma D&E Communications equivalent information was calculated by multiplying the corresponding Windstream unaudited pro forma combined information by the exchange ratio of 0.650. The exchange ratio does not include the \$5.00 per share cash portion of the merger consideration. This data shows how each share of D&E Communications common stock would have participated in income from continuing operations, cash dividends and book value of Windstream if the two companies had been combined for accounting and financial reporting purposes for all periods presented. These amounts, however, are not intended to be indicative of the historical results that would have been achieved had the two companies been combined for all periods presented or of the future results of the combined company.

**WINDSTREAM**

	<b>For the Six Months Ended June 30, 2009</b>	<b>For the Year Ended December 31, 2008</b>
<b>Windstream Historical</b>		
Basic earnings per common share from continuing operations(a)	\$ 0.41	\$ 0.98
Diluted earnings per common share from continuing operations(a)	\$ 0.41	\$ 0.98
Cash dividends declared per share	\$ 0.50	\$ 1.00
Book value per share	\$ 0.52	\$ 0.57

**D&E COMMUNICATIONS**

	<b>For the Six Months Ended June 30, 2009</b>	<b>For the Year Ended December 31, 2008</b>
<b>D&amp;E Communications Historical</b>		
Basic earnings (loss) per common share	\$ 0.26	\$ (0.76)
Diluted earnings (loss) per common share	\$ 0.26	\$ (0.76)
Cash dividends declared per share	\$ 0.25	\$ 0.50
Book value per share	\$ 10.87	\$ 10.77

**Table of Contents****WINDSTREAM AND D&E COMMUNICATIONS**

	<b>For the Six Months Ended June 30, 2009</b>	<b>For the Year Ended December 31, 2008</b>
<b>Pro Forma Combined</b>		
Basic earnings per common share from continuing operations (a)	\$ 0.41	\$ 0.92
Diluted earnings per common share from continuing operations (a)	\$ 0.41	\$ 0.92
Cash dividends declared per share (b)	\$ 0.50	\$ 1.00
Book value per share (c)	\$ 0.66	
<b>D&amp;E Communications Pro Forma Per Share Equivalents (d)</b>		
Basic earnings per common share from continuing operations	\$ 0.27	\$ 0.60
Diluted earnings per common share from continuing operations	\$ 0.27	\$ 0.60
Cash dividends per share	\$ 0.33	\$ 0.65
Book value per share (e)	\$ 0.43	

- (a) December 31, 2008 basic and diluted earnings per share amounts have been retrospectively adjusted to conform with the guidance contained in FSP EITF 03-6-1 which was adopted by Windstream effective January 1, 2009. For further information on FSP EITF 03-6-1 and its impact on Windstream, see Notes to Unaudited Interim Consolidated Financial Statements included in Windstream's Report on Form 10-Q for the period ended June 30, 2009. The effect of adopting FSP EITF 03-6-1 is immaterial to all periods presented.
- (b) The pro forma combined cash dividends declared per share represent Windstream's historical cash dividends per common share.
- (c) The pro forma combined book value per share was calculated by dividing pro forma total combined Windstream and D&E Communications common shareholders' equity by pro forma equivalent common shares as of June 30, 2009. A pro forma combined condensed balance sheet as of December 31, 2008 has not been prepared.
- (d) The D&E Communications pro forma per share equivalent amounts are calculated by multiplying the pro forma combined per common share amounts by a fraction equal to 0.650. This computation does not include the benefit to D&E Communications shareholders of the \$5.00 per share cash portion of the merger consideration. See The Merger Agreement Merger Consideration.
- (e) A pro forma combined condensed balance sheet as of December 31, 2008 has not been prepared.

**Table of Contents****COMPARATIVE STOCK PRICES AND DIVIDENDS**

Windstream common stock is traded on the New York Stock Exchange (the NYSE) under the symbol WIN. D&E Communications common stock is traded on The NASDAQ Global Select Market under the symbol DECC. The following table sets forth the dividends declared on Windstream and D&E Communications common stock, respectively, and the high and low intra-day sales prices per share for Windstream and D&E Communications common stock, each as reported on the NYSE Composite Transaction Tape and The NASDAQ Global Select Market, respectively, for the periods indicated.

Fiscal Year	Windstream Common Stock			D&E Communications Common Stock		
	High	Low	Dividends	High	Low	Dividends
<b>2007</b>						
First Quarter	\$ 15.63	\$ 13.75	\$ 0.25	\$ 13.70	\$ 12.01	\$ 0.125
Second Quarter	\$ 15.30	\$ 14.47	\$ 0.25	\$ 19.99	\$ 13.32	\$ 0.125
Third Quarter	\$ 15.10	\$ 12.46	\$ 0.25	\$ 18.77	\$ 12.53	\$ 0.125
Fourth Quarter	\$ 14.40	\$ 12.38	\$ 0.25	\$ 16.94	\$ 12.53	\$ 0.125
<b>2008</b>						
First Quarter	\$ 13.10	\$ 10.40	\$ 0.25	\$ 14.05	\$ 8.07	\$ 0.125
Second Quarter	\$ 15.00	\$ 11.31	\$ 0.25	\$ 10.33	\$ 8.52	\$ 0.125
Third Quarter	\$ 12.94	\$ 10.70	\$ 0.25	\$ 10.57	\$ 7.50	\$ 0.125
Fourth Quarter	\$ 11.13	\$ 6.37	\$ 0.25	\$ 7.78	\$ 5.42	\$ 0.125
<b>2009</b>						
First Quarter	\$ 9.48	\$ 6.28	\$ 0.25	\$ 7.65	\$ 4.25	\$ 0.125
Second Quarter	\$ 9.13	\$ 7.85	\$ 0.25	\$ 10.59	\$ 3.58	\$ 0.125
Third Quarter (through August 14, 2009)	\$ 9.08	\$ 7.71	\$ 0.25	\$ 10.87	\$ 9.88	\$ 0.167

The following table sets forth the high, low and closing prices per share of Windstream common stock and D&E Communications common stock as reported by the NYSE Composite Transaction Tape and The NASDAQ Global Select Market, respectively, and the market value of a share of D&E Communications common stock on an equivalent value per share basis on May 8, 2009, the last full trading day prior to the public announcement of the merger, and August 14, 2009, the latest practicable date prior to the date of this proxy statement/prospectus, as determined by (1) multiplying the applicable high, low and close price per share of Windstream common stock, by the exchange ratio of 0.650 and (2) adding \$5.00, which is the cash portion of the merger consideration.

	Windstream Share Price			D&E Communications Share Price			Equivalent Value per Share of D&E Communications Common Stock		
	High	Low	Close	High	Low	Close	High	Low	Close
	May 8, 2009	\$ 9.13	\$ 8.83	\$ 9.05	\$ 6.75	\$ 6.50	\$ 6.75	\$ 10.93	\$ 10.74
August 14, 2009	\$ 8.63	\$ 8.45	\$ 8.55	\$ 10.52	\$ 10.26	\$ 10.42	\$ 10.61	\$ 10.49	\$ 10.56

You are urged to obtain current market quotations for shares of Windstream common stock and D&E Communications common stock before making a decision with respect to the merger.

No assurance can be given as to the market prices of Windstream common stock or D&E Communications common stock at the closing of the merger. Because the exchange ratio will not be adjusted for changes in the market price of Windstream common stock, the market value of the shares of Windstream common stock that holders of D&E Communications common stock will receive at the effective time of the merger may vary significantly from the market value of the shares of Windstream common stock that holders of D&E Communications common stock would have received if the merger were consummated on the date of the merger agreement or on the date of this proxy statement/prospectus.



**Table of Contents****RISK FACTORS**

*In addition to the other information included and incorporated by reference into this document, including the matters addressed in the section entitled **Special Note Concerning Forward-Looking Statements**, you should carefully consider the following risks before deciding whether to vote for adoption and approval of the merger agreement. In addition, you should read and consider the risks associated with each of the businesses of Windstream and D&E Communications because these risks will also affect the combined company. These risks can be found in Windstream's and D&E Communications' respective Annual Reports on Form 10-K for fiscal year 2008, as updated by subsequent Quarterly Reports on Form 10-Q, all of which are filed with the Securities and Exchange Commission (the "SEC") and incorporated by reference into this document. You should also read and consider the other information in this document and the other documents incorporated by reference into this document. See the section entitled **Where You Can Find More Information** beginning on page 96.*

**Risks Related to the Merger**

***The exchange ratio for the stock portion of the merger consideration will not be adjusted in the event that the price of Windstream common stock declines before the merger is completed. As a result, the value of the shares of Windstream common stock at the time D&E Communications shareholders receive them could be less than the value of those shares today and on the date of the special meeting.***

In the merger, D&E Communications shareholders will be entitled to receive for each share of D&E Communications common stock owned by them a combination of \$5.00 in cash and 0.650 shares of Windstream common stock. Windstream and D&E Communications will not adjust the exchange ratio for the portion of the merger consideration to be paid in Windstream common stock as a result of any change in the market price of Windstream common stock between the date of this proxy statement/prospectus and the date D&E Communications shareholders receive shares of Windstream common stock in exchange for their shares of D&E Communications common stock. The market price of Windstream common stock will likely be different, and may be lower, on the date D&E Communications shareholders receive their shares of Windstream common stock than the market price of Windstream common stock on the date of this proxy statement/prospectus. Differences in the market price of Windstream common stock may be the result of changes in the business, operations or prospects of Windstream, market reactions to the proposed merger, regulatory considerations, general market and economic conditions or other factors. If the market price of Windstream common stock declines after D&E Communications shareholders vote, the value of the stock portion of the merger consideration D&E Communications shareholders will be receiving will be less than the value of such consideration at the time of the vote.

***Regulators may impose conditions that could prevent completion of the merger or reduce the anticipated benefits from the merger. As a result, the price of Windstream common stock may be adversely affected.***

As a condition to Windstream's and D&E Communications' respective obligations to complete the merger, the approval of various regulatory authorities, including, without limitation, the Pennsylvania PUC must be obtained. Any of these regulators could object to the merger and/or impose conditions or restrictions on their approvals that are materially adverse to Windstream and the combined company. Depending on their nature and extent, any objections, conditions or restrictions of regulatory authorities may jeopardize or delay completion of the merger or may lessen the anticipated potential benefits of the merger.

Under the terms of the merger agreement, D&E Communications and Windstream are obligated to use all reasonable efforts to resolve any such objections to permit the merger. However, in no event will Windstream be required to, nor will D&E Communications be permitted to, agree to any term, condition or restriction or to amend any of D&E Communications' licenses in order to obtain any such regulatory approvals if such term, condition or restriction or amendment (i) would have or would reasonably be expected to have, subject to certain exceptions, a material adverse effect on Windstream or D&E Communications or (ii) would prevent Windstream from consummating the merger on the material terms set forth in the merger agreement.



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Windstream may waive its rights and take actions that it is not otherwise required to take in connection with receipt of the necessary regulatory approvals, in order to proceed with the completion of the merger. If Windstream were to proceed with the merger despite the imposition of these conditions or restrictions, Windstream's business, operating and financial results and the price of its common stock could be adversely affected.

***Failure to successfully integrate D&E Communications on a timely basis could reduce Windstream's profitability and adversely affect its stock price.***

Windstream and D&E Communications expect certain benefits to arise from the merger, including, without limitation, revenue and market penetration improvements, and certain operating efficiencies and synergies. See The Merger Recommendation of the D&E Communications Board; D&E Communications Reasons for the Merger and The Merger Windstream's Reasons for the Merger. Achievement of these benefits in the amounts and time periods expected will depend in part upon how and when the businesses of Windstream and D&E Communications are integrated. Windstream's success in integrating the businesses will involve, among other things, the conversion of network and billing systems, changes in branding and product offerings, and combining Windstream's and D&E Communications' operations. If Windstream is not successful in this integration, its financial results could be adversely impacted.

***Windstream expects to incur significant non-recurring expenses related to the merger.***

Windstream is developing a plan to integrate the operations of D&E Communications after the merger. In connection with that plan, Windstream anticipates that certain non-recurring charges, such as branding, severance and billing system conversion costs, will be incurred in connection with this integration. Windstream cannot identify the timing, nature and amount of all such charges as of the date of this proxy statement/prospectus. However, any such charge could affect Windstream's results of operations in the period in which such charges are recorded.

***Windstream's management may be required to dedicate significant time and effort to the integration of D&E Communications into Windstream which could divert their attention from other business concerns.***

It is possible that the integration process could result in the diversion of Windstream's management's attention, the disruption or interruption of, or the loss of momentum in, Windstream's ongoing business or inconsistencies in standards, controls, procedures and policies, any of which could adversely affect Windstream's ability to maintain relationships with its customers and employees or Windstream's ability to achieve the anticipated benefits of the merger, or could reduce the earnings or otherwise adversely affect Windstream's business and financial results.

***The price of Windstream common stock and Windstream's results of operations may be affected by factors different from those affecting the price of D&E Communications common stock and D&E Communications results of operations.***

Holders of D&E Communications common stock will be entitled to receive cash and Windstream common stock in the merger and will thus become holders of Windstream common stock. Windstream's business is different in certain ways from that of D&E Communications, and Windstream's results of operations, as well as the price of Windstream common stock, may be affected by factors different from those affecting D&E Communications' results of operations and the price of D&E Communications common stock. The price of Windstream common stock may fluctuate significantly following the merger, including as a result of factors over which Windstream has no control. For a discussion of Windstream and D&E Communications' businesses and certain factors to consider in connection with such businesses, including Risk Factors for D&E Communications, see Risk Factors Risks Related to Windstream below and D&E Communications' Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which is incorporated by reference in this proxy statement/prospectus.

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***D&E Communications shareholders will have reduced ownership and voting interests after the merger and will exercise less influence over management of Windstream than currently exercised over management of D&E Communications.***

After the effective time of the merger, D&E Communications shareholders will own in aggregate a significantly smaller percentage of Windstream than they currently own of D&E Communications. Following completion of the merger, D&E Communications shareholders are expected to own less than three percent of the outstanding shares of Windstream common stock based on the number of shares of D&E Communications common stock and Windstream common stock outstanding on the record date. Consequently, D&E Communications shareholders, as a general matter, will have less influence over the management and policies of Windstream than they currently exercise over the management and policies of D&E Communications.

***Certain directors and executive officers of D&E Communications may have potential conflicts of interest in recommending that D&E Communications shareholders vote in favor of the approval and adoption of the merger agreement.***

The interests of some of the directors and executive officers of D&E Communications may be different from those of D&E Communications shareholders generally, and directors and executive officers of D&E Communications may participate in arrangements that are different from, or in addition to, those of D&E Communications shareholders. These interests are described more fully under *The Merger Interests of Certain Persons in the Merger*. As a result of these interests, the directors and executive officers of D&E Communications may be more likely to support the approval and adoption of the merger agreement than if they did not have these interests. D&E Communications shareholders should consider whether these interests may have influenced those individuals to recommend the approval and adoption of the merger agreement. As of the close of business on the record date for the special meeting of D&E Communications shareholders, D&E Communications directors and executive officers beneficially owned and were entitled to vote, in the aggregate, approximately 4.36% of the shares of D&E Communications common stock then outstanding.

***The merger agreement limits D&E Communications' ability to pursue alternatives to the merger, and in certain instances requires payment of a termination fee, which could deter a third party from proposing an alternative transaction to the merger.***

While the merger agreement is in effect, subject to certain limited exceptions, D&E Communications is prohibited from soliciting, initiating, encouraging or entering into certain transactions, such as a merger, sale of assets or other business combination, with any third party. As a result of these limitations, D&E Communications may lose opportunities to enter into a more favorable transaction. If the merger is terminated and the board of directors of D&E Communications determines to seek another merger or business combination, D&E Communications cannot assure you that it will be able to find a transaction providing the same or greater shareholder value as the merger. See *The Merger Agreement Covenants No Solicitation*.

Moreover, under specified circumstances, D&E Communications could be required to pay Windstream a termination fee of \$5.5 million in connection with the termination of the merger agreement. See *The Merger Agreement Termination Fee*. This termination fee could deter a third party from proposing an alternative to the merger.

***Windstream may not realize the anticipated synergies, cost savings and growth opportunities from the merger.***

Windstream expects to achieve approximately \$25 million in annual cost and capital expenditure savings as a result of the merger. However, Windstream's ability to realize the anticipated synergies, cost savings and growth opportunities will depend upon the successful integration of D&E Communications' business with that of Windstream. Even if Windstream successfully integrates D&E Communications' business, there can be no assurance that this integration will result in the realization of the full benefit of the anticipated synergies, cost savings or growth opportunities or that these benefits will be realized within the expected time frames. For

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example, the elimination of duplicative costs may not be possible or may take longer than anticipated, benefits from the merger may be offset by costs incurred in integrating Windstream and D&E Communications and regulatory authorities may impose adverse conditions on Windstream's and D&E Communications' combined businesses in connection with granting approval for the merger.

### **Risks Related to Windstream**

***Windstream faces intense competition in its businesses from many sources that could reduce its market share or adversely affect its financial performance.***

Substantial and increasing competition exists in the wireline communications industry. Windstream's incumbent local exchange carrier subsidiaries (collectively the ILECs) operations have experienced, and will continue to experience, competition in their local service areas. Sources of competition to its local service business include, but are not limited to, wireless communications providers, cable television companies, resellers of local exchange services, interexchange carriers, satellite transmission service providers, electric utilities, competitive access service providers, including, without limitation, those utilizing an Unbundled Network Elements-Platform or UNE-P, voice-over-Internet protocol (VoIP) providers, and providers using other emerging technologies.

Many of Windstream's current and potential competitors (a) have substantially larger operational and financial resources, (b) own larger and more diverse networks, (c) are subject to less regulation and (d) have superior brand recognition.

Competition could adversely affect Windstream in several ways, including (1) the loss of customers and resulting revenue and market share, (2) the possibility of customers reducing their usage of Windstream's services or shifting to less profitable services, (3) Windstream's need to lower prices or increase marketing expenses to remain competitive and (4) Windstream's inability to diversify by successfully offering new products or services.

***Windstream may not be able to compete successfully with cable operators that are subject to less stringent industry regulations.***

Windstream faces competition from cable television companies providing voice service offerings. Voice offerings of cable operators are offered mainly under Competitive Local Exchange Carrier certificates obtained in states where they offer services and therefore are subject to fewer service quality or service reporting requirements. In addition, the rates or prices of the voice service offerings of cable companies are not subject to regulation. In contrast, Windstream's voice service rates or prices, in Windstream's capacity as an ILEC, are subject to regulation by various state public service commissions. Unlike cable operators, Windstream is also subject to carrier of last resort obligations, which generally obligates it to provide basic voice services to any person regardless of the profitability of such customer. As a result of these disadvantages, Windstream may not be able to compete successfully with cable companies in the offering of voice services.

***Competition from wireless carriers is likely to continue to cause access line losses, which could adversely affect Windstream's operating results and financial performance.***

Wireless competition has contributed to a reduction in Windstream's access lines, and generally has caused pricing pressure in the industry. As wireless carriers continue to expand and improve their network coverage while lowering their prices, some customers choose to stop using traditional wireline phone service and instead rely solely on wireless service. Windstream anticipates that this trend toward solely using wireless services will continue, particularly if wireless prices continue to decline and the quality of wireless services improves. In the future, it is expected that the number of access lines served by Windstream will continue to be adversely affected by wireless substitution and that industry-wide pricing pressure will continue. Windstream may not be able to compete successfully with these wireless carriers.

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**Table of Contents*****Windstream could be harmed by rapid changes in technology.***

The communications industry is experiencing significant technological changes, particularly in the areas of VoIP, data transmission and wireless communications. Rapid technological developments in wireless, personal communications services, digital microwave, satellite, high-speed Internet radio services, local multipoint distribution services, meshed wireless fidelity, or WiFi, and other wireless technologies could result in the development of products or services that compete with or displace those offered by traditional local exchange carriers ( LECs ). For example, wireless companies are developing the next generation of wireless networks, including networks using long-term evolution (or LTE) and Worldwide Interoperability for Microwave Access (or WIMAX) technologies, that purport to support greater data transmission speeds over wireless networks. These new wireless technologies could result in greater competition and product substitution for Windstream's high-speed Internet services. Furthermore, the proliferation of replacement technologies impacting Windstream's wireline business could require Windstream to make significant additional capital investment in order to compete with other service providers that may enjoy network advantages that will enable them to provide services more efficiently or at a lower cost. Alternatively, Windstream may not be able to obtain timely access to new technology on satisfactory terms or incorporate new technology into its systems in a cost effective manner, or at all. If Windstream cannot develop new services and products to keep pace with technological advances, or if such services and products are not widely embraced by its customers, Windstream's results of operations could be adversely impacted.

***Windstream provides services to its customers over access lines, and if Windstream continues to lose access lines like it has historically, its revenues, earnings and cash flows from operations could be adversely affected.***

Windstream's business generates revenue by delivering voice and data services over access lines. Windstream has experienced net access line loss over the past few years. The number of access lines Windstream served declined by approximately 5.2 percent and 5.5 percent during the twelve month periods ended December 31, 2008 and June 30, 2009, respectively, due to a number of factors, including increased competition and wireless and high-speed Internet substitution. Windstream expects to continue to experience net access line loss in its markets. Windstream's inability to retain access lines could adversely affect its revenues, earnings and cash flow from operations.

***Windstream is subject to various forms of regulation from the FCC and state regulatory commissions in the 16 states in which it operates, which limits its pricing flexibility for regulated voice and high-speed Internet products, subjects Windstream to service quality, service reporting and other obligations, and exposes it to the reduction of revenue from changes to the universal service fund or the inter-carrier compensation system.***

As a provider of wireline communication services, Windstream has operating authority from each of the 16 states in which it conducts local service operations, and Windstream is subject to various forms of regulation from the regulatory commissions in each of these 16 states as well as from the FCC. State regulatory commissions have jurisdiction over local and intrastate services including, to some extent, the rates that Windstream charges customers and other telecommunications companies, and service quality standards. The FCC has primary jurisdiction over interstate services including the rates that Windstream charges other telecommunications companies that use its network and other issues related to interstate service. These regulations restrict Windstream's ability to adjust rates to reflect market conditions and affect its ability to compete and respond to changing industry conditions.

Future revenues, costs, and capital investment in Windstream's wireline business could be adversely affected by material changes to these regulations, including, but not limited to, changes in rules governing inter-carrier compensation, state and federal Universal Service Funds ( USF ) support, UNE and UNE-P pricing and requirements, and VoIP regulation. Federal and state communications laws may be amended in the future, and other laws may affect Windstream's business. In addition, certain laws and regulations applicable to Windstream and its competitors may be, and have been, challenged in the courts and could be changed at any time. Windstream cannot predict future developments or changes to the regulatory environment or the impact such developments or changes would have.

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In addition, these regulations could create significant compliance costs for Windstream. Delays in obtaining certifications and regulatory approvals could cause Windstream to incur substantial legal and administrative expenses, and conditions imposed in connection with such approvals could adversely affect the rates that Windstream is able to charge its customers. Windstream's business also may be affected by legislation and regulation imposing new or greater obligations related to assisting law enforcement, bolstering homeland security, minimizing environmental impacts, or addressing other issues that impact its business. For example, existing provisions of the Communications Assistance for Law Enforcement Act require communications carriers to ensure that their equipment, facilities, and services are able to facilitate authorized electronic surveillance. Windstream's compliance costs could increase if future legislation, regulations or orders continue to increase its obligations.

***Changes to regulations could materially reduce Windstream's revenues from inter-carrier compensation.***

Windstream's local exchange subsidiaries currently receive compensation from other telecommunications providers, including long distance companies, for origination and termination of interexchange traffic through network access charges that are established in accordance with state and federal laws. In 2008, Windstream recognized \$315.9 million in inter-carrier compensation, a 3 percent reduction from 2007 levels. In the six months ended June 30, 2009, Windstream recognized \$136.7 million in inter-carrier compensation revenues, a 16 percent reduction compared to the same period in 2008. This reduction in inter-carrier compensation revenue was primarily the result of decreases in minutes of use associated with wireless and cable voice competition and efforts by carriers to mask traffic to avail their traffic of lower inter-carrier compensation rates. Windstream expects inter-carrier revenues to continue to be unfavorably impacted by these trends in 2009.

On November 5, 2008, the FCC issued a further notice of proposed rulemaking ( FNPRM ) that sought comment on proposals that would change the rules governing inter-carrier compensation. Proposals considered by the FNPRM would significantly reduce inter-carrier compensation revenues over a ten-year period, classify VoIP/PSTN traffic as an information service, and adopt measures to ensure proper billing of phantom traffic. Adoption of the FCC's proposed plan could materially reduce Windstream's inter-carrier compensation revenue. Windstream does not know whether the FCC's proposed plan, or a substantially similar plan, will be adopted.

***In 2008, Windstream received approximately 8% of its revenues from state and federal USF support, and any adverse regulatory developments with respect to these funds could adversely affect its profitability.***

Windstream receives state and federal USF revenues to support the high cost of providing affordable telecommunications services in rural markets. Such support payments constituted approximately 8 percent of its revenues for the year ended December 31, 2008 and 7 percent for the six months ended June 30, 2009. A portion of such fees are based on relative cost and access line counts, and Windstream expects receipt of such fees to decline as it continues to reduce costs and lose access lines. Pending regulatory proceedings could, depending on the outcome, materially reduce its USF revenues.

In addition, the FCC is currently conducting a rulemaking proceeding to consider changes to the rules governing inter-carrier compensation. Windstream strongly supports regulatory reform. At this time, Windstream cannot predict the ultimate outcome of these proceedings or the impact on its revenues and expenses.

Windstream is required to make contributions to state and federal USF programs each year. Current state and federal regulations allow Windstream to recover these contributions by including a surcharge on its customers' bills. If state and/or federal regulations change, and Windstream becomes ineligible to receive support, such support is reduced, or Windstream becomes unable to recover the amounts it contributes to the state and federal USF programs from its customers, its earnings and cash flows from operations would be directly and adversely affected.

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*Windstream's substantial debt could adversely affect its cash flow and impair its ability to raise additional capital on favorable terms.*

As of December 31, 2008 and June 30, 2009, Windstream had approximately \$5.4 billion and \$5.2 billion in long-term debt outstanding, respectively. Windstream may also obtain additional long-term debt to meet future financing needs or to fund potential acquisitions, subject to certain restrictions under its existing indebtedness, which would increase its total debt. Windstream's substantial amount of debt could have negative consequences to its business. For example, Windstream's substantial amount of debt could:

increase Windstream's vulnerability to general adverse economic and industry conditions;

require Windstream to dedicate a substantial portion of cash flows from operations to interest and principal payments on outstanding debt, thereby limiting the availability of cash flow to fund future capital expenditures, working capital and other general corporate requirements;

limit Windstream's flexibility in planning for, or reacting to, changes in its business and the telecommunications industry;

place Windstream at a competitive disadvantage compared with competitors that have less debt; and

limit Windstream's ability to borrow additional funds, even when necessary to maintain adequate liquidity.