

WINDSTREAM CORP  
Form S-4  
December 03, 2009  
Table of Contents

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 3, 2009

Registration No.

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-4**  
**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**WINDSTREAM CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

4813  
(Primary Standard Industrial  
Code Number)  
4001 Rodney Parham Road

20-0792300  
(I.R.S. Employer  
Identification No.)

Little Rock, Arkansas 72212-2442

(501) 748-7000

Edgar Filing: WINDSTREAM CORP - Form S-4

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**John P. Fletcher, Esq.**

**Executive Vice President and General Counsel**

**Windstream Corporation**

**4001 Rodney Parham Road**

**Little Rock, Arkansas 72212-2442**

**Tel. (501) 748-7000**

**Fax (501) 748-7400**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copies to:*

**Daniel L. Heard, Esq.**

**T. Christopher Pledger, Esq.**

**Kutak Rock LLP**

**124 West Capitol Ave., Suite 2000**

**Little Rock, AR 72201**

**Telephone: (501) 975-3000**

**Fax: (501) 975-3001**

**Riley M. Murphy, Esq.**

**Executive Vice President and General Counsel**

**NuVox, Inc.**

**Two North Main Street**

**Greenville, SC 29601**

**Telephone: (864) 672-5045**

**Fax: (864) 672-5105**

**Mark I. Greene, Esq.**

**Cravath, Swaine & Moore LLP**

**Worldwide Plaza**

**825 Eighth Avenue**

**New York, NY 10019**

**Telephone: (212) 474-1000**

**Fax: (212) 474-3700**

Approximate date of commencement of proposed sale of the securities to the public: With respect to the common stock of Windstream Corporation to be issued in the merger as described herein, as soon as practicable after this Registration Statement is declared effective and the consummation of the merger.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

## Edgar Filing: WINDSTREAM CORP - Form S-4

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer                       Accelerated filer "                      Non-accelerated filer "                      Smaller reporting Company "

(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

### CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per unit	Proposed maximum aggregate offering price(2)	Amount of registration fee(3)
Common Stock	18,714,859	N/A	\$0.00	\$0.00

- (1) Represents the maximum number of shares of Windstream Corporation common stock estimated to be issued in the transaction described herein.
- (2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(f)(2) under the Securities Act of 1933, as amended (the Securities Act ). NuVox, Inc. is a private company and, since no market exists for its equity securities, the proposed maximum aggregate offering price is based upon (i) \$130,532,000, the book value of the NuVox, Inc. equity securities to be cancelled in the transaction described herein as of September 30, 2009, less (ii) \$279,600,000, the cash consideration payable by Windstream Corporation to holders of NuVox, Inc. equity securities, pursuant to Rule 457(f)(3) under the Securities Act.
- (3) No registration fee is required because the amount of the cash consideration to be paid in the merger exceeds the aggregate book value of the NuVox, Inc. equity securities calculated in accordance with Rule 457(f)(2) under the Securities Act.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

---

**Table of Contents**

**The information in this information statement/prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This information statement/prospectus is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.**

**INFORMATION STATEMENT/PROSPECTUS**

We are pleased to report that the board of directors of NuVox, Inc. ( NuVox ) has approved a merger agreement that would result in the merger of Night Merger Sub, Inc. ( Merger Sub ), a wholly-owned subsidiary of Windstream Corporation ( Windstream ), with and into NuVox. The aggregate consideration that will be paid by Windstream to NuVox stockholders in the merger is \$279.6 million in cash and 18,714,859 shares of Windstream common stock. This consideration includes the consideration payable to holders of in-the-money NuVox stock options and stock appreciation rights outstanding immediately prior to the effective time of the merger. In addition, by acquiring NuVox, Windstream will in effect assume approximately \$180 million of NuVox's debt obligations.

On December 10, 2009, Windstream voluntarily moved its stock exchange listing from the New York Stock Exchange ( NYSE ) to the NASDAQ Global Select Market. Windstream common stock is traded on the NASDAQ Global Select Market under the symbol WIN.

Based on the closing price of Windstream common stock of \$9.79 on November 2, 2009, the last trading day prior to the public announcement of execution of the merger agreement, and after deducting the cash payment to be made to holders of in-the-money NuVox stock options and stock appreciation rights from the cash portion of the merger consideration, the merger consideration represented approximately \$1.76 in value for each share of NuVox common stock outstanding, consisting of \$1.03 in cash and \$0.73 in the form of Windstream common stock. Based on the closing price of Windstream common stock of \$ per share on December , 2009, the latest practicable date prior to the printing of this information statement/prospectus, and after deducting the cash payment to be made to holders of in-the-money NuVox stock options and stock appreciation rights from the cash portion of the merger consideration, the merger consideration represented approximately \$ in value for each share of NuVox common stock outstanding, consisting of \$ in cash and \$ in the form of Windstream common stock. The amount of merger consideration to be received by NuVox stockholders may fluctuate between the date of this information statement/prospectus and the closing of the merger as a result of changes in the market price for Windstream common stock, the total number of shares of NuVox common stock outstanding at closing, the total number and exercise prices of NuVox stock options and stock appreciation rights outstanding at closing and any proceeds received by NuVox from the exercise of stock options prior to closing.

Each outstanding NuVox stock option and stock appreciation right granted under NuVox's stock incentive plans, whether or not then vested and exercisable, will become fully vested and exercisable immediately prior to, and then will be canceled at, the effective time of the merger, and the holder of such option or stock appreciation right will be entitled to receive an amount in cash, without interest and less any applicable tax to be withheld, equal to (i) the excess, if any, of the per share value of the merger consideration (based on a per share value of \$9.96 for Windstream common stock, which was calculated as the average of recent prices for Windstream common stock as reported by the NYSE during the negotiation of the merger) over the per share exercise price of such NuVox stock option or stock appreciation right, as applicable, multiplied by (ii) the total number of shares of NuVox common stock underlying such NuVox stock option or stock appreciation right, with the aggregate amount of such payment rounded up to the nearest cent. The amount will be paid in a lump sum as soon as practicable after the effective time of the merger. This means that all out-of-the-money NuVox stock options and stock appreciation rights will be cancelled without any payment.

As a condition to Windstream and Merger Sub entering into the merger agreement, certain NuVox stockholders representing more than 62% of NuVox's outstanding common stock (the Major Stockholders ) entered into a consent agreement with Windstream pursuant to which the Major Stockholders agreed, among other things, to execute and deliver a written consent adopting the merger agreement and approving the merger and the other transactions contemplated thereby. By executing the written consent, the Major Stockholders will trigger a drag-along provision under the stockholders' agreement NuVox previously entered into with certain of its stockholders representing approximately 85% of its issued and outstanding common stock. The drag-along provision provides that if NuVox stockholders owning more than 62% of the issued and outstanding shares of common stock of NuVox approve certain transactions, including the merger, then such stockholders have the right to require all other stockholders party to the stockholders' agreement to sell the NuVox common stock held by them for the same per share consideration and on the same terms and conditions. Because the Major Stockholders agreed to sign the written stockholders' consent adopting the merger agreement and approving the proposed merger and the other transactions contemplated thereby, we are not soliciting proxies or consents from NuVox stockholders and NuVox will not be holding a stockholders meeting to approve the merger.

This information statement/prospectus constitutes a written notice from the Major Stockholders to the other NuVox stockholders that are party to the stockholders agreement that the Major Stockholders desire to sell 100% of the outstanding NuVox common stock to Windstream pursuant to the terms and conditions of the merger agreement, thereby triggering the obligations of the other NuVox stockholders that are party to the stockholders' agreement to consent to the merger in accordance with the drag-along provision of the stockholders' agreement.

This information statement/prospectus constitutes written notice pursuant to Section 262(d) of the Delaware General Corporation Law (the DGCL ) of the right of certain NuVox stockholders to demand appraisal of their NuVox common stock pursuant to Section 262 of the DGCL. NuVox stockholders that are a party to the consent agreement have expressly waived their right to demand appraisal and NuVox stockholders that are a party to the NuVox stockholders' agreement have effectively waived their right to demand appraisal.

Edgar Filing: WINDSTREAM CORP - Form S-4

We are not asking you for a proxy and you are requested not to send us a proxy.

Please see Risk Factors beginning on page 16 for a discussion of matters relating to holding Windstream common stock.

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

The date of this information statement/prospectus is December , 2009, and it is being first mailed to NuVox stockholders on or about December , 2009.

**Table of Contents**

**IMPORTANT**

This document, which is sometimes referred to as the information statement/prospectus, constitutes an information statement of NuVox and a prospectus of Windstream for the shares of Windstream common stock that Windstream will issue to holders of NuVox securities in the merger. As permitted under the rules of the U.S. Securities and Exchange Commission (the SEC), this information statement/prospectus incorporates important business and financial information about Windstream that is contained in documents filed with the SEC and that is not included in or delivered with this information statement/prospectus. You may obtain copies of these documents, without charge, from the Internet website maintained by the SEC at [www.sec.gov](http://www.sec.gov), as well as other sources. See **Where You Can Find More Information** beginning on page 85. You may also obtain copies of these documents, without charge, from Windstream by writing, calling or emailing:

Investor Relations

Windstream Corporation

4001 Rodney Parham Road

Little Rock, Arkansas 72212

(866) 320-7922

[windstream.investor.relations@windstream.com](mailto:windstream.investor.relations@windstream.com)

**In order to obtain delivery of these documents prior to completion of the merger, you should request such documents no later than , 2009.**

Except as the context otherwise requires, references to us, we or our refer to both Windstream and NuVox.

In **Questions and Answers About the Merger** below and in the **Summary** beginning on page 4, we highlight selected information from this information statement/prospectus, but we have not included all of the information that may be important to you. To better understand the merger agreement and the merger, and for a complete description of their legal terms, you should carefully read this entire information statement/prospectus, including the annexes, as well as the documents that Windstream has incorporated by reference into this document. See **Where You Can Find More Information** on page 85.

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	1
<u>SUMMARY</u>	4
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA</u>	12
<u>CERTAIN HISTORICAL PER SHARE DATA</u>	14
<u>COMPARATIVE STOCK PRICES AND DIVIDENDS</u>	15
<u>RISK FACTORS</u>	16
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	26
<u>THE MERGER</u>	28
<u>General</u>	28
<u>Merger Consideration</u>	28
<u>Background of the Merger</u>	30
<u>Windstream's Reasons for the Merger</u>	34
<u>NuVox's Reasons for the Merger</u>	35
<u>Opinion of the Financial Advisor to NuVox</u>	37
<u>Accounting Treatment of the Merger</u>	43
<u>Regulatory Approvals Required for the Merger</u>	44
<u>Windstream Stock Exchange Listing</u>	44
<u>Interests of Certain Persons in the Merger</u>	44
<u>BENEFICIAL OWNERSHIP OF NUVOX COMMON STOCK</u>	47
<u>THE MERGER AGREEMENT</u>	50
<u>Form of the Merger</u>	50
<u>Merger Consideration</u>	50
<u>NuVox Options and Stock Appreciation Rights</u>	51
<u>NuVox Warrants</u>	51
<u>Conversion of Shares; Exchange Agent; Procedures for Exchange of Certificates; Fractional Shares</u>	51
<u>Effective Time of the Merger</u>	52
<u>Management and Organizational Documents after the Merger</u>	52
<u>Consent Agreement</u>	52
<u>Indemnification</u>	53
<u>Escrow Fund</u>	53
<u>Stockholders' Representative</u>	53
<u>Stockholders' Representative Reserve</u>	54
<u>Representations and Warranties</u>	54
<u>Covenants</u>	56
<u>Conditions to the Merger</u>	62
<u>Termination</u>	64
<u>Modification or Amendment; Waiver</u>	64
<u>Transaction Fees and Expenses</u>	65
<u>APPRAISAL RIGHTS</u>	66
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES</u>	69
<u>THE COMPANIES</u>	71
<u>DESCRIPTION OF WINDSTREAM CAPITAL STOCK</u>	73
<u>COMPARISON OF RIGHTS OF COMMON STOCKHOLDERS OF WINDSTREAM AND COMMON STOCKHOLDERS OF NUVOX</u>	78
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	85
<u>LEGAL MATTERS</u>	86
<u>EXPERTS</u>	86
<u>MISCELLANEOUS</u>	86

**Table of Contents**

	<b>Page</b>
Annex A Agreement and Plan of Merger	A-1
Annex B Delaware Appraisal Rights Statute	B-1
Annex C Opinion of Deutsche Bank Securities Inc.	C-1
Annex D Consolidated Financial Statements of NuVox, Inc. and Subsidiaries (Audited)	D-1
Annex E Consolidated Financial Statements of NuVox, Inc. and Subsidiaries (Unaudited and Unreviewed) for the Nine Months Ended September 30, 2008 and 2009	



---

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**Q: WHAT IS THE PROPOSED TRANSACTION?**

A: NuVox has reached an agreement with Windstream pursuant to which Windstream would acquire NuVox by merging Merger Sub, a wholly-owned subsidiary of Windstream, with and into NuVox, with NuVox continuing as the surviving entity. The aggregate consideration that will be paid by Windstream to NuVox stockholders in the merger is \$279.6 million in cash and 18,714,859 shares of Windstream common stock. This consideration includes the consideration payable to holders of in-the-money NuVox stock options and stock appreciation rights outstanding immediately prior to the effective time of the merger.

The merger agreement is included as *Annex A* to this information statement/prospectus. It is the legal document that governs the merger.

**Q: WHY ARE THE TWO COMPANIES PROPOSING TO MERGE?**

A: The board of directors of NuVox, together with NuVox's senior management and advisors, has periodically reviewed and considered various strategic opportunities available to NuVox, including whether the continued execution of NuVox's strategy as a stand-alone company or the possible sale of NuVox to, or a combination of NuVox with, a third party offered the best avenue to maximize stockholder value. The NuVox board of directors concluded that Windstream's acquisition of NuVox would maximize value to NuVox's stockholders by providing the opportunity to participate in the growth and opportunities of the combined company and to receive cash for a portion of the value of their shares. The NuVox board of directors believes that the merger will allow the combined company to achieve strategic and financial benefits, including cost savings and operating synergies, which are expected to create value for the combined company's stockholders. In reaching its conclusion, the NuVox board of directors considered a variety of factors, including financial and operating information relating to the two companies. To review NuVox's reasons for the merger, please see *The Merger NuVox's Reasons for the Merger* beginning on page 35.

Windstream's acquisition of NuVox will advance Windstream's strategy to grow broadband and business revenues, which, after the transaction closes, will represent more than half of Windstream's total revenue. Windstream believes the acquisition will drive free cash flow accretion and lower Windstream's dividend payout ratio in the first full year following the closing. The acquisition will add approximately 90,000 business customers in complementary markets in 16 states across the Southeast and Midwest, providing Windstream expanded reach to focus on small and medium business growth opportunities. To review Windstream's reasons for the merger, please see *The Merger Windstream's Reasons for the Merger* beginning on page 34.

**Q: DO I NEED TO APPROVE THE MERGER?**

A: No. Delaware law allows stockholders to act by written consent instead of holding a meeting. Because stockholders of NuVox owning a majority of the outstanding NuVox common stock have agreed to sign a written stockholders' consent adopting the merger agreement and approving the proposed merger and the other transactions contemplated thereby, no vote is required on the part of NuVox stockholders. We are not asking for a proxy, and you are requested not to send us a proxy.

**Q: DO I HAVE DISSENTER'S RIGHTS OR APPRAISAL RIGHTS?**

A: Generally, a holder of shares of a Delaware corporation's capital stock who does not vote for or consent to a merger and does not wish to accept the consideration provided for in the merger is entitled under Delaware



**Table of Contents**

law to have its shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of those shares as determined by the court. However, NuVox has previously entered into a stockholders' agreement with certain of its stockholders representing approximately 85% of its issued and outstanding common stock that provides if NuVox stockholders owning more than 62% of the issued and outstanding shares of common stock of NuVox approve certain transactions, including the merger, then such stockholders have the right to require the other stockholders that are party to the stockholders' agreement to sell all of the NuVox common stock held by them for the same per share consideration and on the same terms and conditions. Stockholders of NuVox owning more than 62% of the NuVox common stock have agreed to consent to the merger, thereby triggering the drag-along provision. By agreeing to sell their NuVox common stock pursuant to the terms and conditions of the merger agreement and for the merger consideration provided for in the merger agreement, the stockholders who are party to the stockholders' agreement have effectively waived their appraisal rights.

To the extent that a stockholder wishes to exercise appraisal rights, the stockholder must, among other things: (1) notify NuVox of the stockholder's intent to exercise appraisal rights and demand the appraisal of the stockholder's shares within 20 days after the date NuVox mails this information statement/prospectus to such stockholder; and (2) not change the stockholder's ownership of shares of NuVox common stock through the time of the closing of the merger. NuVox stockholders should carefully read the detailed discussion of appraisal rights of holders of shares of NuVox capital stock under Appraisal Rights beginning on page 66, as well as the full text of the requirements of Delaware law to exercise appraisal rights, which is attached as *Annex B*. If a NuVox stockholder that is a party to the stockholders' agreement attempts to assert appraisal rights in connection with the merger, NuVox will oppose that stockholder's right to exercise appraisal rights based upon the provisions in NuVox's stockholders' agreement.

**Q: WILL NUVOX STOCKHOLDERS BE ABLE TO TRADE WINDSTREAM COMMON STOCK THAT THEY RECEIVE PURSUANT TO THE MERGER?**

A: Yes. The Windstream common stock issued pursuant to the merger will be registered under the Securities Act of 1933, as amended (the Securities Act), and will be listed on the NASDAQ Global Select Market under the symbol WIN. All shares of Windstream common stock that you receive in the merger will be freely transferable. For more information on NuVox stockholders' ability to trade Windstream common stock received in the merger see The Merger Windstream Stock Exchange Listing on page 44.

**Q: SHOULD I SEND MY STOCK CERTIFICATE TO NUVOX NOW?**

A: No. After the merger is completed, you will receive written instructions and a letter of transmittal for exchanging your NuVox securities for shares of Windstream common stock and cash. For more information see The Merger Agreement Conversion of Shares; Exchange Agent; Procedure for Exchange of Certificates; Fractional Shares on page 51.

**Q: WHAT WILL HAPPEN TO MY NUVOX OPTIONS IN THE MERGER?**

A: Each outstanding NuVox stock option and stock appreciation right granted under NuVox's stock incentive plans, whether or not then vested and exercisable, will become fully vested and exercisable immediately prior to, and then will be canceled at, the effective time of the merger, and the holder of such option or stock appreciation right will be entitled to receive an amount in cash, without interest and less any applicable tax to be withheld, equal to (i) the excess, if any, of the per share value of the merger consideration (based on a per share value of \$9.96 for Windstream common stock, which was calculated as the average of recent prices for Windstream common stock as reported by the NYSE during the negotiation of the merger) over the per share exercise price of such NuVox stock option or stock appreciation right, as applicable, multiplied by (ii) the total number of shares of NuVox common stock underlying such NuVox stock option or stock appreciation right, with the aggregate amount of such payment rounded up to the nearest cent. The amount will be paid in a lump sum as soon as practicable after the effective time of the merger. This means that all out-of-the-money NuVox stock options and stock appreciation rights will be cancelled without any payment.

**Table of Contents**

**Q: WHAT WILL HAPPEN TO MY NUVOX WARRANTS IN THE MERGER?**

A: At the effective time of the merger, each warrant to purchase NuVox common stock outstanding immediately prior to the effective time will be assumed by Windstream and converted into a warrant to purchase shares of Windstream common stock. See The Merger Agreement NuVox Warrants on page 51.

**Q: WHAT ARE THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER?**

A: The merger generally will be a taxable transaction for U.S. federal income tax purposes to U.S. holders of NuVox common stock. You should consult your tax advisor for a full understanding of the particular tax consequences of the merger. For a more detailed description of the tax consequences of the exchange of NuVox common stock in the merger, see Material United States Federal Income Tax Consequences beginning on page 69.

**Q: WHEN DO YOU EXPECT THE MERGER TO BE COMPLETED?**

A: Subject to the satisfaction of a number of conditions, we will complete the merger on the second business day following the date on which the last of the conditions to closing set forth in the merger agreement are fulfilled or waived. We currently anticipate the closing of the merger to occur in the first half of 2010.

**Q: WHERE CAN I FIND MORE INFORMATION ABOUT WINDSTREAM AND NUVOX?**

A: More information about Windstream is available from various sources described under Where You Can Find More Information on page 85 of this information statement/prospectus. Additional information about Windstream may be obtained from its Internet website at [www.windstream.com](http://www.windstream.com), and additional information about NuVox may be obtained from its Internet website at [www.nuvox.com](http://www.nuvox.com). Information on the Windstream website and the NuVox website is not part of this information statement/prospectus.

**Q: WHOM SHOULD I CONTACT IF I HAVE ADDITIONAL QUESTIONS?**

A: If you have additional questions, please contact Investor Relations at Windstream Corporation, 4001 Rodney Parham Road, Little Rock, Arkansas 72212, telephone number (866) 320-7922.

**Q: ARE THERE RISKS ASSOCIATED WITH THE MERGER?**

A: Yes. You should read the section entitled Risk Factors beginning on page 16.

**Table of Contents**

**SUMMARY**

*The following summary highlights selected information from this information statement/prospectus and may not contain all of the information that is important to you. To better understand the merger, you should carefully read this entire document and the other documents to which this document refers you. See "Where You Can Find More Information" on page 85.*

**The Companies (See Page 71)**

***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 is a customer-focused telecommunications company that provides phone, high-speed Internet and digital television services. Windstream also offers a wide range of internet protocol (IP)-based voice and data services and advanced phone systems and equipment to businesses and government agencies. As of September 30, 2009, Windstream had approximately 2.9 million customers primarily located in rural areas in 16 states. Windstream's strategy is to enhance the value of these customer relationships by providing one-stop shopping for all of its customers communications needs and delivering superior customer service.

Windstream's facilities-based telecommunications services are offered in the following 16 states: Alabama, Arkansas, Florida, Georgia, Kentucky, Mississippi, Missouri, Nebraska, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina and Texas. Windstream also serves as a competitive service provider in four states on both a facilities-based and resale basis, and, where necessary, has negotiated interconnection agreements with the appropriate incumbent local exchange carriers.

As of September 30, 2009, Windstream had approximately 2.9 million access lines, approximately 1,050,500 high-speed Internet customers and approximately 322,700 digital satellite television customers. For the twelve months ended September 30, 2009, Windstream generated revenues of approximately \$3,019.7 million and operating income of approximately \$999.0 million.

***Night 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 October 29, 2009, solely for the purpose of effecting the merger with NuVox.

***NuVox, Inc.***

2 North Main Street

Greenville, South Carolina 29601

(864) 672-5000

NuVox, a Delaware corporation, is a leading communications services provider to approximately 90,000 business customers in 16 contiguous Southeastern and Midwestern states. NuVox's services include voice over



## **Table of Contents**

internet protocol ( VoIP ), local and long-distance voice, broadband internet access, email, voicemail, web hosting, secure electronic data storage and backup, internet security and virtual private networks. NuVox delivers many of its services over a secure, private managed IP network, using a multi-protocol label-switched ( MPLS ) backbone and distributed IP voice switching architecture. NuVox is headquartered in Greenville, South Carolina, and has approximately 1,700 employees.

### **The Merger (See Page 28)**

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, Merger Sub will merge with and into NuVox. NuVox will survive the merger as a direct, wholly-owned subsidiary of Windstream.

### **The Merger Agreement (See Page 50)**

A copy of the merger agreement is attached to this information statement/prospectus as *Annex A*. We encourage you to read the merger agreement in its entirety.

### **Merger Consideration (See Page 50)**

The aggregate consideration that will be paid by Windstream to NuVox stockholders in the merger is \$279.6 million in cash and 18,714,859 shares of Windstream common stock. This consideration includes the consideration payable to holders of in-the-money NuVox stock options and stock appreciation rights outstanding immediately prior to the effective time of the merger.

Based on the closing price of Windstream common stock of \$9.79 on November 2, 2009, the last trading day prior to the public announcement of execution of the merger agreement, and after deducting the cash payment to be made to holders of in-the-money NuVox stock options and stock appreciation rights from the cash portion of the merger consideration, the merger consideration represented approximately \$1.76 in value for each share of NuVox common stock outstanding, consisting of \$1.03 in cash and \$0.73 in the form of Windstream common stock. Based on the closing price of Windstream common stock of \$ per share on December , 2009, the latest practicable date prior to the printing of this information statement/prospectus, and after deducting the cash payment to be made to holders of in-the-money NuVox stock options and stock appreciation rights from the cash portion of the merger consideration, the merger consideration represented approximately \$ in value for each share of NuVox common stock outstanding, consisting of \$ in cash and \$ in the form of Windstream common stock. The amount of merger consideration to be received by NuVox stockholders may fluctuate between the date of this information statement/prospectus and the closing of the merger as a result of changes in the market price for Windstream common stock, the total number of shares of NuVox common stock outstanding at closing, the total number and exercise prices of NuVox stock options and stock appreciation rights outstanding at closing and any proceeds received by NuVox from the exercise of stock options prior to closing.

### **NuVox Options and Stock Appreciation Rights (See Page 51)**

Each outstanding NuVox stock option and stock appreciation right granted under NuVox's stock incentive plans, whether or not then vested and exercisable, will become fully vested and exercisable immediately prior to, and then will be canceled at, the effective time of the merger, and the holder of such option or stock appreciation right will be entitled to receive an amount in cash, without interest and less any applicable tax to be withheld, equal to (i) the excess, if any, of the per share value of the merger consideration (based on a per share value of \$9.96 for Windstream common stock, which was calculated as the average of recent prices for Windstream common stock as reported by the NYSE during the negotiation of the merger) over the per share exercise price of

## **Table of Contents**

such NuVox stock option or stock appreciation right, as applicable, multiplied by (ii) the total number of shares of NuVox common stock underlying such NuVox stock option or stock appreciation right, with the aggregate amount of such payment rounded up to the nearest cent. The amount will be paid in a lump sum as soon as practicable after the effective time of the merger. This means that all out-of-the-money NuVox stock options and stock appreciation rights will be cancelled without any payment.

### **NuVox Warrants (See Page 51)**

At the effective time of the merger, each warrant to purchase NuVox common stock outstanding immediately prior to the effective time will be assumed by Windstream and converted into a warrant to purchase shares of Windstream common stock.

### **Beneficial Ownership of NuVox Common Stock (See Page 47)**

As of November 30, 2009, directors and executive officers of NuVox beneficially owned and had the right to vote 34,906,348 shares of NuVox common stock, totaling approximately 12.9% of the total number of outstanding NuVox shares.

### **NuVox's Reasons for the Merger (See Page 35)**

The NuVox board of directors unanimously adopted and approved the merger agreement. The NuVox board of directors also unanimously determined that the merger agreement is advisable and in the best interests of NuVox and its stockholders and unanimously recommended that NuVox's stockholders adopt the merger agreement and approve the merger and the other transactions contemplated thereby. In reaching its decision, the NuVox board of directors considered a number of factors that are described in more detail in *The Merger NuVox's Reasons for the Merger* beginning on page 35. Individual members of the NuVox board of directors may have given different weight to different reasons.

### **Opinion of the Financial Advisor to NuVox (See Page 37)**

In connection with the merger, Deutsche Bank Securities Inc. ( *Deutsche Bank* ) delivered to the NuVox board of directors its written opinion, dated November 2, 2009, to the effect that, as of that date and based on and subject to the various assumptions, matters considered and limitations described in the opinion, the merger consideration was fair, from a financial point of view, to the holders of NuVox's common stock. The full text of the written opinion of Deutsche Bank, which sets forth the assumptions made, matters considered and limits on the review undertaken by Deutsche Bank in rendering its opinion, is attached to this information statement/prospectus as *Annex C*. The opinion was addressed to, and for the benefit and use of, the NuVox board of directors, was limited to the fairness, from a financial point of view, of the merger consideration, expressed no opinion as to the merits of the underlying decision by NuVox to engage in the merger or the relative merits of the merger as compared to any alternative business strategies, and expressed no opinion or recommendation as to how any holder of NuVox common stock should vote with respect to the merger or as to whether any holder of NuVox common stock should deliver a consent with respect to the adoption of the merger agreement and the approval of the merger.

### **Consent Agreement (See Page 52)**

As a condition to Windstream and Merger Sub entering into the merger agreement, the Major Stockholders, which represent more than 62% of NuVox's outstanding common stock, entered into an agreement with Windstream pursuant to which such stockholders agreed, among other things, to execute and deliver a written



---

**Table of Contents**

consent adopting the merger agreement and approving the merger and the other transactions contemplated thereby once the registration statement with respect to the shares of Windstream common stock to be issued in the merger is declared effective by the SEC and such stockholders have received this information statement/prospectus.

**Indemnification (See Page 53)**

If NuVox breaches any of the representations, warranties, covenants or agreements contained in the merger agreement or incurs any liability relating to certain specified items, the institutional, director and officer stockholders of NuVox (the Indemnifying Stockholders ) will, for a period of 12 months following the closing date, be obligated to indemnify Windstream, its subsidiaries and its affiliates from, among other things, damages, penalties, fines, costs, amounts paid in settlement, liabilities, losses, expenses and fees caused by such breach or relating to such specified items ( Adverse Consequences ). Indemnification claims will be subject to a per-claim threshold of \$25,000 (aggregating all reasonably related claims) and the Indemnifying Stockholders will not be obligated to indemnify Windstream from any Adverse Consequences until Windstream has suffered Adverse Consequences in excess of \$1,000,000, at which point the Indemnifying Stockholders will be obligated to indemnify Windstream for all Adverse Consequences incurred in excess of this \$1,000,000 deductible. However, indemnification claims due to breaches of NuVox s representations and warranties relating to organization and qualification, authority relative to the merger agreement and brokers or finders are not subject to the \$1,000,000 deductible. The Indemnifying Stockholders will not be obligated to indemnify Windstream from any incidental, consequential, special, punitive or other indirect damages. The indemnification obligations of the Indemnifying Stockholders are subject to an aggregate cap of \$25,000,000, other than with respect to fraud and breaches of NuVox s pre-closing covenants relating to the issuance of capital stock, the payment of dividends and distributions, the incurrence of indebtedness and the making of loans or investments, and an overall aggregate cap of \$466,000,000.

**Escrow Fund (See Page 53)**

On the closing date, Windstream, M/C Venture Partners V, L.P., as stockholders representative (the Stockholders Representative ) of the Indemnifying Stockholders, and Wells Fargo Bank, N.A., as escrow agent, will enter into an escrow agreement pursuant to which Windstream will deposit into an escrow fund \$25,000,000 of the merger consideration payable to the Indemnifying Stockholders. The escrowed funds will be used to satisfy any indemnification obligations of the Indemnifying Stockholders arising under the merger agreement. On the six-month anniversary of the closing of the merger, the escrow agent will release fifty percent of any remaining escrowed funds to the Indemnifying Stockholders (less amounts subject to pending indemnification claims). On the one-year anniversary of the closing of the merger, any remaining escrowed funds will be released to the Indemnifying Stockholders (less amounts subject to pending indemnification claims). Amounts to be released from the escrow fund may be applied instead, at the direction of the Stockholders Representative, to pay all its charges, fees, costs, liabilities and expenses or other amounts incurred or owed by it under the merger agreement and escrow agreement. The portion of the merger consideration deposited into the escrow funds will only reduce the merger consideration to be paid to the Indemnifying Stockholders at closing. Consequently, unless you are an Indemnifying Stockholder, the merger consideration you will become entitled to receive at the effective time of the merger will not be affected by the escrow.

**Stockholders Representative Reserve (See Page 54)**

All charges, fees, costs, liabilities and other expenses of the Stockholders Representative incurred in connection with the merger agreement will be borne by the Indemnifying Stockholders. At the closing, Windstream will deposit \$1,000,000 of the merger consideration payable to the Indemnifying Stockholders into a

## **Table of Contents**

reserve expense fund. The reserve expense fund may be applied as the Stockholders' Representative determines appropriate to pay all its charges, fees, costs, liabilities and expenses or other amounts incurred or owed by it under the merger agreement and escrow agreement. The Stockholders' Representative will distribute the remaining balance of the reserve expense fund to the Indemnifying Stockholders on a pro rata basis, in accordance with their respective ownership of NuVox common stock owned and outstanding immediately prior to the effective time of the merger, when the Stockholders' Representative determines, in its sole discretion, that such distribution is appropriate.

### **Interests of Certain Persons in the Merger (See Page 44)**

Some of NuVox's directors and executive officers may have financial interests in the merger that are different from, or in addition to, the interests of NuVox stockholders generally. NuVox's 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 NuVox stockholders 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 NuVox option that is in-the-money, including those held by NuVox's executive officers, will be converted to cash. David L. Solomon, James W. Akerhielm, Michael P. Gallagher, Charles J. Norris and Riley M. Murphy are each a party to an employment agreement with NuVox 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.

For additional details about these financial interests, please see "The Merger - Interests of Certain Persons in the Merger" beginning on page 44.

### **Conditions to the Merger (See Page 62)**

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, to the extent legally permissible, waived. These conditions include, among others, the expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), the receipt of all required regulatory approvals from the Federal Communications Commission (the "FCC") and various state public service and public utility commissions (the "PUCs"), 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).

Neither Windstream nor NuVox 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 58)**

The merger agreement contains restrictions on the ability of NuVox to solicit or engage in discussions or negotiations with a third party with respect to a proposal to acquire a significant interest in NuVox's equity or assets. Notwithstanding these restrictions, before NuVox stockholders adopt the merger agreement and approve the merger by written consent, the merger agreement provides that, under specified circumstances, if NuVox receives a proposal from a third party to acquire a significant interest in the company that the NuVox board of directors determines in good faith may reasonably be expected to lead to a proposal that is superior to the merger,

## **Table of Contents**

NuVox may furnish nonpublic information to, and engage in negotiations regarding a transaction with, such third party (but may not terminate the Merger Agreement in order to enter into any such transaction).

### **Termination (See Page 64)**

Windstream and NuVox may mutually agree to terminate the merger agreement before the effective time of the merger. In addition, either Windstream or NuVox may decide to terminate the merger agreement, even after the NuVox stockholders' approval, if:

the merger is not consummated by April 1, 2010, 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) the NuVox board of directors makes a recommendation change adverse to Windstream or the merger, approves an acquisition agreement other than the merger agreement, or approves or recommends a competing transaction or (ii) NuVox fails to mail this information statement/prospectus within thirty calendar days after the registration statement in which it is included is declared effective by the SEC.

### **Material United States Federal Income Tax Consequences (See Page 69)**

The merger generally will be a taxable transaction for U.S. federal income tax purposes to U.S. holders of NuVox common stock. For a more detailed description of the tax consequences of the exchange of NuVox common stock in the merger, see "Material United States Federal Income Tax Consequences" beginning on page 69.

**Tax matters are very complicated. The tax consequences of the merger to you will depend on your own situation. We urge you to consult your own tax advisor for a full understanding of the U.S. federal, state, local and foreign tax consequences of the merger to you.**

### **Comparison of Rights of Common Stockholders of Windstream and Common Stockholders of NuVox (See Page 78)**

After the merger, NuVox stockholders will become Windstream stockholders and their rights as stockholders will be governed by the certificate of incorporation and by-laws of Windstream and the DGCL. Although both Windstream and NuVox are subject to the DGCL, there are a number of differences between the certificate of incorporation and by-laws of Windstream and the certificate of incorporation and by-laws of NuVox, and the rights of stockholders in a publicly-traded company rather than a smaller, privately-held company. These differences are summarized under the heading "Comparison of Rights of Common Stockholders of Windstream and Common Stockholders of NuVox."

### **Appraisal Rights (See Page 66)**

Generally, a holder of shares of a Delaware corporation's capital stock who does not vote for or consent to a merger and does not wish to accept the consideration provided for in the merger, is entitled under Delaware law to have its shares appraised by the Delaware Court of Chancery and to receive payment in cash of the "fair value" of those shares as determined by the court. However, NuVox has previously entered into a stockholders' agreement with certain of its stockholders representing approximately 85% of its issued and outstanding common

---

**Table of Contents**

stock that provides if NuVox stockholders owning more than 62% of the issued and outstanding shares of common stock of NuVox approve a transaction like the merger, then such stockholders have the right to require the other stockholders that are party to the stockholders' agreement to sell all of the NuVox common stock held by them for the same per share consideration and on the same terms and conditions. More than 62% of the stockholders of NuVox have agreed to consent to the merger and elected to exercise the drag-along provision. By agreeing to sell their NuVox common stock pursuant to the terms and conditions and for the merger consideration provided for in the Merger Agreement, the stockholders who are party to the stockholders' agreement have effectively waived their appraisal rights.

To the extent that a stockholder wishes to exercise appraisal rights, the stockholder must, among other things: (1) notify NuVox of the stockholder's intent to exercise appraisal rights and demand the appraisal of the stockholder's shares within 20 days after the date NuVox mails this information statement/prospectus to such stockholder; and (2) not change the stockholder's ownership of shares in NuVox through the time of the closing of the merger. NuVox stockholders should carefully read the detailed discussion of appraisal rights of holders of shares of NuVox capital stock under "Appraisal Rights" beginning on page 66, as well as the full text of the requirements of Delaware law to exercise appraisal rights, which is attached as *Annex B*. If a NuVox stockholder that is a party to the stockholders' agreement attempts to assert appraisal rights in connection with the merger, NuVox will oppose that stockholder's right to exercise appraisal rights based upon the provisions in NuVox's stockholders' agreement.

**Comparative Stock Prices and Dividends (See Page 15)**

On December 10, 2009, Windstream voluntarily moved its stock exchange listing from the NYSE to the NASDAQ Global Select Market. Shares of Windstream common stock are traded on the NASDAQ Global Select Market under the symbol "WIN". On November 2, 2009, the last trading day prior to the announcement of the merger, the last reported sale price of Windstream common stock on the NYSE was \$9.79. On December 1, 2009, the latest practicable date prior to the printing of this information statement/prospectus, the last reported sale price of Windstream common stock on the NASDAQ Global Select Market was \$ . We urge you to obtain current quotations.

There is no established public trading market for NuVox's common stock.

**Windstream Stock Exchange Listing (See Page 44)**

Shares of Windstream common stock received by NuVox stockholders pursuant to the merger will be listed on the NASDAQ Global Select Market.

**Regulatory Approvals Required for the Merger (See Page 44)**

Consummation of the merger is contingent upon the receipt of approvals from the FCC as well as notification to and/or approval by various PUCs. Pursuant to the merger agreement, Windstream and NuVox 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 November 18, 2009 and the several PUCs on November 16 and 17, 2009. On , 2010, Windstream and NuVox received the FCC's approval of the merger.

In addition, as a condition to the merger, the HSR Act requires Windstream and NuVox 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 November 20, 2009 by the filing of notification and report forms with the U.S. Department of Justice ( "DOJ" ) and the FTC. On December 1, 2009, the FTC granted early termination of the waiting period under the HSR Act.

**Table of Contents**

Windstream intends to make all required filings under the Securities Act and the Securities Exchange Act of 1934, as amended (the Exchange Act ), relating to the merger.

**Accounting Treatment of the Merger (See Page 43)**

The merger will be accounted for under the acquisition method in accordance with accounting principles generally accepted in the United States ( GAAP ).

**Dividend Practices (See Page 82)**

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 common stock. This practice can be changed at any time at the discretion of Windstream's board of directors and Windstream common stockholders have no contractual or other legal right to dividends.

NuVox does not have a policy of paying regular dividends on its common stock and has never done so. However, NuVox paid a special dividend of \$0.5592 per share of NuVox common stock in June 2007.

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

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 September 30, 2009. See [Where You Can Find More Information](#).

Pursuant to SEC rules, Windstream's acquisition of NuVox will not require Windstream to file financial information with the SEC on NuVox as a significant subsidiary since none of the financial criteria conditions under Rule 3-05 of Regulation S-X will be met at the twenty percent level. However, in accordance with applicable state law, the consolidated balance sheets of NuVox and its subsidiaries as of December 31, 2007 and 2008 and the related consolidated statements of operations, changes in stockholders' equity and comprehensive loss and cash flows for each of the years in the three-year period ended December 31, 2008, and the unaudited consolidated interim financial statements of NuVox and its subsidiaries for the nine months ended September 30, 2008 and 2009 are attached as *Annex D* and *Annex E*, respectively, to this information statement/prospectus. NuVox's independent registered public accounting firm has not performed the procedures set forth in Statement of Auditing Standards No. 100, *Interim Financial Information* on these unaudited consolidated interim financial statements. NuVox's interim financial information includes all adjustments, consisting of normal recurring adjustments, that management of NuVox considers necessary for fair presentation of the financial position and results of operations for such periods in accordance with GAAP.

(Millions, except per share amounts in thousands)	2004	Year Ended December 31,				2008	Nine Months Ended	
		2005	2006	2007	2008		September 30, 2008 (Unaudited)	2009 (Unaudited)
<b>Revenues and sales</b>	\$ 2,933.5	\$ 2,923.5	\$ 3,033.3	\$ 3,245.9	\$ 3,171.5	\$ 2,394.0	\$ 2,242.2	
<b>Operating income</b>	667.6	633.8	898.8	1,149.9	1,132.4	855.8	722.4	
Other income, net	13.7	11.6	8.7	11.1	2.1	9.1	(0.8)	
Gain on sale of directory publishing business and other assets				451.3				
Loss on extinguishment of debt			(7.9)					
Intercompany interest income (expense)	(15.2)	23.3	31.9					
Interest expense	(20.4)	(19.1)	(209.6)	(444.4)	(416.4)	(311.9)	(295.0)	
Income from continuing operations before income taxes	645.7	649.6	721.9	1,167.9	718.1	553.0	426.6	
Income taxes	259.4	267.9	276.3	251.5	283.2	208.9	167.6	
Income from continuing operations	386.3	381.7	445.6	916.4	434.9	344.1	259.0	
Discontinued operations, including tax expense				0.7	(22.2)	(12.5)		
Income before extraordinary item and cumulative effect of accounting change	386.3	381.7	445.6	917.1	412.7	331.6	259.0	
Extraordinary item, net of income taxes			99.7					
Cumulative effect of accounting change, net of income taxes		(7.4)						
<b>Net Income</b>	\$ 386.3	\$ 374.3	\$ 545.3	\$ 917.1	\$ 412.7	\$ 331.6	\$ 259.0	
<b>Basic and diluted earnings (loss) per share: (a)</b>								
Income from continuing operations	\$ 0.96	\$ 0.95	\$ 1.02	\$ 1.93	\$ 0.98	\$ 0.77	\$ 0.59	
Loss from discontinued operations					(.05)	(0.03)		
Extraordinary item			0.23					
Cumulative effect of accounting change		(.02)						
Net income	\$ 0.96	\$ 0.93	\$ 1.25	\$ 1.93	\$ .93	\$ 0.74	\$ 0.59	
Dividends declared per common share	\$	\$	\$ 0.45	\$ 1.00	\$ 1.00	\$ 0.75	\$ 0.75	
<b>Balance sheet data</b>								
Total assets	\$ 5,079.2	\$ 4,935.8	\$ 8,030.7	\$ 8,241.2	\$ 8,009.3	\$ 8,060.2	\$ 7,768.1	
Total long-term debt (including current maturities)	\$ 282.9	\$ 260.8	\$ 5,488.4	\$ 5,355.5	\$ 5,382.5	\$ 5,395.7	\$ 5,223.1	
Total equity	\$ 3,706.8	\$ 3,489.2	\$ 469.8	\$ 699.8	\$ 252.3	\$ 540.6	\$ 189.8	



**Table of Contents**

- (a) Basic and diluted earnings per share amounts have been retrospectively adjusted to conform with new authoritative guidance for 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 this authoritative guidance 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 September 30, 2009. The effect of adopting this guidance 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 January 1, 2006 through September 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 September 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 Corporation. 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 authoritative guidance for 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****CERTAIN HISTORICAL PER SHARE DATA**

The following table sets forth for the periods presented certain per share information for Windstream on a historical basis. The historical per share information for Windstream has been derived from, and should be read in conjunction with, the historical consolidated financial statements of Windstream incorporated by reference in this information statement/prospectus. See [Where You Can Find More Information](#).

	<b>For the Nine Months Ended September 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)	\$ 0.59	\$ 0.98
Diluted earnings per common share from continuing operations (a)	\$ 0.59	\$ 0.98
Cash dividends declared per share	\$ 0.75	\$ 1.00
Book value per share	\$ 0.44	\$ 0.57

- (a) December 31, 2008 basic and diluted earnings per share amounts have been retrospectively adjusted to conform with new authoritative guidance for 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 this authoritative guidance 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 September 30, 2009. The effect of adopting this guidance is immaterial to all periods presented.

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

On December 10, 2009, Windstream voluntarily moved its stock exchange listing from the NYSE to the NASDAQ Global Select Market. Windstream common stock is listed on the NASDAQ Global Stock Market under the symbol WIN. The table below sets forth, for the calendar quarters indicated, the high and low intra-day sales prices per share of Windstream common stock, and the dividends declared on Windstream common stock. The high and low intra-day sales prices per share of Windstream common stock prior to December 10, 2009 are as reported by the NYSE Composite Transaction Tape. The high and low intra-day sales prices per share of Windstream common stock on and after December 10, 2009 are as quoted on the NASDAQ Global Select Market.

Fiscal Year	Windstream Common Stock		
	High	Low	Dividends
<b>2007</b>			
First Quarter	\$ 15.63	\$ 13.75	\$ 0.25
Second Quarter	\$ 15.30	\$ 14.47	\$ 0.25
Third Quarter	\$ 15.10	\$ 12.46	\$ 0.25
Fourth Quarter	\$ 14.40	\$ 12.38	\$ 0.25
<b>2008</b>			
First Quarter	\$ 13.10	\$ 10.40	\$ 0.25
Second Quarter	\$ 15.00	\$ 11.31	\$ 0.25
Third Quarter	\$ 12.94	\$ 10.70	\$ 0.25
Fourth Quarter	\$ 11.13	\$ 6.37	\$ 0.25
<b>2009</b>			
First Quarter	\$ 9.48	\$ 6.28	\$ 0.25
Second Quarter	\$ 9.13	\$ 7.85	\$ 0.25
Third Quarter	\$ 10.34	\$ 7.71	\$ 0.25
Fourth Quarter (through December 10, 2009)	\$	\$	\$ 0.25

There is no established public trading market for NuVox's common stock. NuVox does not have a policy of paying regular dividends on its common stock and has never done so. However, NuVox paid a special dividend of \$0.5592 per share of NuVox common stock in June 2007.

On November 2, 2009, the last trading day prior to the announcement of the merger, the last reported sale price of Windstream common stock on the NYSE was \$9.79. On December 10, 2009, the most recent practicable date prior to the printing of this information statement/prospectus, the last reported sale price of Windstream common stock on the NASDAQ Global Select Market was \$9.79. We urge you to obtain current stock price quotations for Windstream common stock from a newspaper, the Internet or your broker.

**No assurance can be given as to the market price of Windstream 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 NuVox 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 NuVox common stock would have received if the merger were consummated on the date of the merger agreement or on the date of this information statement/prospectus.**

---

**Table of Contents**

**RISK FACTORS**

*As a result of the merger, NuVox's business will be subject to the following new or increased risks related to Windstream's other businesses and/or the structure of the merger. In addition to the risks described below, the combined companies will continue to be subject to the risks described in the documents that Windstream has filed with the SEC that are incorporated by reference into this information statement/prospectus. If any of the risks described below or in the documents incorporated by reference into this information statement/prospectus actually occur, the business, financial condition, results of operations or cash flows of the combined companies could be materially adversely affected. The risks below should be considered along with the other information included or incorporated by reference into this information statement/prospectus.*

**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 NuVox stockholders receive them could be less than the value of those shares today.***

In the merger, NuVox stockholders will be entitled to receive for each share of NuVox common stock owned by them a combination of cash and shares of Windstream common stock. Windstream and NuVox 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 information statement/prospectus and the date NuVox stockholders receive shares of Windstream common stock in exchange for their shares of NuVox common stock. The market price of Windstream common stock will likely be different, and may be lower, on the date NuVox stockholders receive their shares of Windstream common stock than the market price of Windstream common stock on the date of this information 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.

***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 NuVox's respective obligations to complete the merger, the approval of various regulatory authorities 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, NuVox 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 NuVox be permitted to, agree to any term, condition or restriction or to amend any of NuVox's licenses in order to obtain any such regulatory approvals if such term, condition or restriction or amendment (i) has had or would reasonably be expected to have a material adverse effect on Windstream, NuVox or the combined company or (ii) would prevent Windstream from consummating the merger on the material terms set forth in the merger agreement.

***The combined companies may not realize any benefits from the merger.***

Windstream and NuVox entered into the merger agreement with the expectation that the merger will result in benefits to the combined company, as described in "The Merger" beginning on page 28. Achieving the

## **Table of Contents**

benefits of the merger will depend in part on the successful integration of Windstream's and NuVox's operations and personnel in a timely and efficient manner. Integrating Windstream and NuVox will be a complex and time-consuming process. Employees and management of Windstream and NuVox have played a key role in creating and operating each company. The successful integration of these two companies will alter prior relationships and may affect productivity. In addition, the merger is likely to require significant time and attention of management of each company that would otherwise be focused on ongoing operations and could negatively affect the combined companies' ability to operate and to retain key employees after the merger. Windstream cannot assure its stockholders that the operations of the combined company can be successfully integrated or that any of the anticipated benefits of the merger will be realized, and the failure to do so could have a material adverse effect on Windstream's business and stock price.

***Failure to quickly and efficiently integrate NuVox's technology, products and services could reduce Windstream's profitability, affect its stock price, and either delay or prevent realization of many of the potential benefits of the merger.***

In order to obtain the benefits of the merger, Windstream must make NuVox's technology, products and services operate together with Windstream's technology, products and services. Windstream cannot assure you that it will be able to do so quickly and effectively. Windstream may be required to spend additional time and money on operating compatibility, which would otherwise be spent on developing and selling its own products and services. If Windstream does not integrate operations effectively or uses too many resources on integration issues, it could harm the combined companies' business, financial condition and results of operations.

***The market price of Windstream common stock may decline as a result of the merger.***

The market price of Windstream common stock may decline as a result of the merger if the integration of Windstream and NuVox is unsuccessful or takes longer than expected, the perceived benefits of the merger are not achieved as rapidly or to the extent anticipated by financial analysts or investors, or the effect of the merger on Windstream's financial results is not consistent with the expectations of financial analysts or investors.

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

Windstream is developing a plan to integrate the operations of NuVox after the merger. In connection with that plan, Windstream anticipates that certain non-recurring charges, such as branding, severance and 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 information 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 NuVox 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 merger may result in a loss of Windstream or NuVox employees.***

Despite Windstream's efforts to retain quality employees, Windstream might lose some of NuVox's or its own employees following the merger. NuVox employees may not want to work for a larger, publicly-traded company instead of a smaller, privately-held company or may not want to assume different duties, positions and

---

**Table of Contents**

compensation that Windstream offers to the NuVox employees to the extent permitted by the merger agreement. NuVox's contribution to the combined company's future performance will depend in part on the continued service of key members of NuVox's personnel. Competitors may recruit employees prior to the merger and during integration, as is common in mergers of communications companies. As a result, employees of NuVox or Windstream could leave with little or no prior notice. Windstream cannot assure you that the combined companies will be able to attract, retain and integrate employees following the merger.

*NuVox stockholders will have substantively different rights with respect to their stockholdings following the merger.*

Upon consummation of the merger, the NuVox stockholders, who presently hold stock in a private Delaware corporation, will become stockholders of Windstream, a public Delaware corporation. There are material differences between the rights of stockholders of private corporations and the rights of stockholders of public corporations, and between the rights of NuVox stockholders under the NuVox governing documents and the rights of Windstream stockholders under the Windstream governing documents. See "Comparison of Rights of Common Stockholders of Windstream and Common Stockholders of NuVox" beginning on page 78.

*The price of Windstream common stock and Windstream's results of operations may be affected by factors different from those affecting NuVox's results of operations.*

Holders of NuVox 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 NuVox, and Windstream's results of operations, as well as the price of Windstream common stock, may be affected by factors different from those affecting NuVox's results of operations. 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's business and certain factors to consider in connection with such businesses, see "Risk Factors" Risks Related to Windstream" below.

*Windstream is dependent upon other ILECs for facilities and service in operating territories in which it is not the incumbent.*

Following the merger with NuVox, Windstream will have significant operating presences in territories where it will depend upon the incumbent local exchange carrier (ILEC) to install and maintain the vast majority of the facilities used to serve its customers (CLEC territories). These facilities include certain digital transmission lines, unbundled network elements (UNEs) and other network components. The prices for these network components are negotiated with the ILEC or purchased pursuant to the ILEC's special access tariff terms and conditions. The terms, conditions and prices included in these tariffs may be changed but must be approved by the appropriate regulatory agency before they go into effect. In addition, interconnection agreements with the ILEC must be negotiated whenever Windstream enters a new CLEC market or an existing agreement expires. If interconnection agreements with the ILECs cannot be negotiated on favorable terms, or at all, Windstream may invoke binding arbitration by state regulatory agencies. The arbitration process is expensive and time consuming, and the results of arbitration may be unfavorable to Windstream. The inability to obtain interconnection on favorable terms would be detrimental to operations in the CLEC territories.

Access to the ILEC-provisioned facilities and services is essential for providing communication services in the CLEC territories. Because of this dependence, communications services in these territories are susceptible to changes in the availability and pricing of ILEC facilities and services. If the ILECs become legally entitled to deny or limit access to network elements such as UNEs, or if state commissions allow ILECs to increase their rates for these elements or services, Windstream may not be able to effectively compete in these CLEC territories. In addition, if the ILECs do not adequately maintain or timely install these facilities, which they are legally obligated to do, Windstream's service to customers may be adversely affected. As a result, Windstream's business, results of operations and financial condition could be materially impacted as Windstream may have difficulty retaining existing customers and attracting new ones.

---

**Table of Contents**

**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 ILEC subsidiaries' 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, 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.

*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

**Table of Contents**

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. 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 as 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 during each of the twelve month periods ended December 31, 2008 and September 30, 2009, 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.

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

**Table of Contents**

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 nine months ended September 30, 2009, Windstream recognized \$202.1 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 of its revenues for the nine months ended September 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.

***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 September 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



**Table of Contents**

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.

In addition, Windstream's ability to borrow funds in the future will depend in part on the satisfaction of the covenants in its credit facilities and its other debt agreements. If Windstream is unable to satisfy the financial covenants contained in those agreements, or is unable to generate cash sufficient to make required debt payments, the lenders and other parties to those arrangements could accelerate the maturity of some or all of its outstanding indebtedness.

Windstream may not generate sufficient cash flows from operations, or have future borrowings available under its credit facilities or from other sources sufficient to enable it to make its debt payments or to fund dividends and other liquidity needs. Windstream may not be able to refinance any of its debt, including its credit facilities, on commercially reasonable terms or at all. If Windstream is unable to make payments or refinance its debt, or obtain new financing under these circumstances, Windstream would have to consider other options, such as selling assets, issuing additional equity or debt, or negotiating with its lenders to restructure the applicable debt. Windstream's credit agreement and the indentures governing its senior notes may restrict, or market or business conditions may limit, its ability to do some of these things on favorable terms or at all.

As of November 30, 2009, Moody's Investors Service (Moody's), Standard & Poor's Corporation (S&P) and Fitch Ratings (Fitch) had granted Windstream the following senior secured and senior unsecured credit ratings:

Description	Moody's	S&P	Fitch
Senior secured credit rating	Baa3	BBB-	BBB-
Senior unsecured credit rating	Ba3	BB-	BB+
Corporate credit rating	Ba2	BB	BB+
Outlook	Stable	Negative	Negative

Factors that could affect Windstream's short and long-term credit ratings would include, but are not limited to, a material decline in Windstream's operating results, increased debt levels relative to operating cash flows resulting from future acquisitions, increased capital expenditure requirements, or changes to its dividend policy. If Windstream's credit ratings were to be downgraded from current levels, it would incur higher interest costs on its borrowings, and its access to the public capital markets could be adversely affected.

***Windstream's operations require substantial capital expenditures.***

Windstream requires substantial capital to maintain, upgrade and enhance its network facilities and operations. During 2008, Windstream incurred \$317.5 million in capital expenditures. In addition, Windstream's current dividend practice utilizes a significant portion of its cash generated from operations and therefore limits



---

**Table of Contents**

its operating and financial flexibility and its ability to significantly increase capital expenditures. While Windstream has historically been able to fund capital expenditures from cash generated from operations, the other risk factors described in this section could materially reduce cash available from operations or significantly increase its capital expenditure requirements, and these outcomes could cause capital not to be available when needed. This could adversely affect Windstream's business.

***Unfavorable changes in financial markets could adversely affect Windstream's pension plan investments resulting in material funding requirements to meet pension obligations.***

Windstream's pension plan invests in marketable securities, including marketable debt and equity securities denominated in foreign currencies, which are exposed to changes in the financial markets. As of December 31, 2008, the fair market value of these investments, totaling \$654.0 million, declined 34.7 percent from approximately \$1,001.0 million at December 31, 2007, primarily due to declines in the market value of assets held. As a result of the decline in fair market value of these investments, Windstream expects to make future cash contributions to the plan, the amount and timing of which will depend on various factors including the finalization of funding regulations, future investment performance, changes in future discount rates and changes in demographics of the population participating in the Company's qualified pension plan. Returns generated on plan assets have historically funded a large portion of the benefits paid under Windstream's pension plan. Continued returns below its currently estimated long term rate of return of 8.0 percent could significantly increase Windstream's contribution requirements, which could adversely affect Windstream's cash flows from operations.

For the nine months ended September 30, 2009, the fair market value of Windstream's pension plan investments increased 9.8 percent to \$718.3 million. This increase was primarily due to increases in the value of assets held of \$133.9 million and contributions of \$2.5 million, partially offset by routine benefit payments of \$37.3 million, lump sum distributions of \$32.1 million and administrative expenses.

***Windstream's relationships with other communications companies are material to its operations and their financial difficulties may adversely affect Windstream.***

Windstream originates and terminates calls for long distance carriers and other interexchange carriers over its network in exchange for access charges that represent a significant portion of Windstream's revenues. Should these carriers go bankrupt or experience substantial financial difficulties, Windstream's inability to timely collect access charges from them could have a negative effect on Windstream's business and results of operation.

***Disruption in Windstream's networks and infrastructure may cause Windstream to lose customers and incur additional expenses.***

To be successful, Windstream will need to continue to provide its customers with reliable service over its networks. Some of the risks to its networks and infrastructure include: physical damage to access lines, breaches of security, capacity limitations, power surges or outages, software defects and disruptions beyond its control, such as natural disasters and acts of terrorism. From time to time in the ordinary course of business, Windstream will experience short disruptions in its service due to factors such as cable damage, inclement weather and service failures of its third party service providers. Windstream could experience more significant disruptions in the future. Windstream could also face disruptions due to capacity limitations if changes in its customers' usage patterns for its high-speed Internet services result in a significant increase in capacity utilization, such as through increased usage of video or peer-to-peer file sharing applications. Disruptions may cause interruptions in service or reduced capacity for customers, either of which could cause Windstream to lose customers and incur expenses, and thereby adversely affect its business, revenue and cash flows.

---

**Table of Contents**

***Weak economic conditions may decrease demand for Windstream's services.***

Windstream could be sensitive to economic conditions and downturns in the economy. Downturns in the economy and vendor concentration in the markets Windstream serves could cause its existing customers to reduce their purchases of its basic and enhanced services and make it difficult for Windstream to obtain new customers.

***Key suppliers may experience financial difficulties that may impact Windstream's operations.***

Windstream purchases a significant amount of equipment from key suppliers to maintain, upgrade and enhance its network facilities and operations. Should these suppliers experience financial difficulties, it could adversely affect Windstream's business through increased prices to source purchases through alternative vendors or unanticipated delays in the delivery of equipment and services purchased.

***Windstream's Data Center Migration could result in a material disruption to our operations.***

Windstream currently outsources the data centers for its information technology (IT) systems and internet service provider systems to a third party under a contract ending June 30, 2010. The third party service provider has provided notice that this contract will not be renewed, and Windstream will be required to relocate each of these data centers to a new location and service provider. The data center services to be migrated include managed mainframe services, output processing, IT support services, and data storage, and these data center services support most of Windstream's IT systems including billing, financial reporting, customer service, assignment and provisioning. While this data center migration will be a complex process, Windstream believes that it has sufficient time and resources to complete a successful migration. However, our inability to complete this migration successfully could result in a material disruption in our ability to service customers, process bills and perform other support services and could thereby adversely affect our business, revenue and cash flows.

***Adverse developments in Windstream's relationship with its employees could adversely affect its business, financial condition or results of operations.***

As of September 30, 2009, approximately 1,730 Windstream employees, or 25 percent of all of Windstream's employees, at various sites were covered by collective bargaining agreements. Windstream's relationship with these unions generally has been satisfactory, but occasional work stoppages have occurred. Within the last six years, one work stoppage occurred at its facility in Lexington, Kentucky, which involved approximately 350 employees and lasted approximately 120 days. Any work stoppages in the future could have a material adverse effect on Windstream's business, financial condition or results of operations.

Windstream is currently party to twenty-one (21) collective bargaining agreements with several unions, which expire at various times. In addition, the proposed Employee Free Choice Act (EFCA), if enacted, could increase organizational activity at locations where employees are currently not represented by a labor organization. Of its existing collective bargaining agreements, one (1) agreement, covering a total of approximately 55 New York employees as of September 30, 2009, is due to expire in 2009, and remains subject to continuing renewal negotiations. Historically, Windstream has succeeded in negotiating new collective bargaining agreements without work stoppages; however, no assurances can be given that Windstream will succeed in negotiating new collective bargaining agreements to replace the expiring ones without work stoppages. Increases in organizational activity or any future work stoppages could have a material adverse effect on its business, financial condition or results of operations.

***Windstream cannot assure you that it will continue paying dividends at the current rate.***

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 common stock. This practice can be changed at any time at the discretion of the board of directors, and Windstream common stockholders should be aware that they have no

**Table of Contents**

contractual or other legal right to dividends. In addition, the other risk factors described in this section could materially reduce the cash available from operations or significantly increase Windstream's capital expenditure requirements, and these outcomes could cause capital not to be available when needed in an amount sufficient to support Windstream's current dividend practice. The amount of dividends that Windstream may distribute is also limited by restricted payment and leverage covenants in Windstream's credit facilities and indentures, and, potentially, the terms of any future indebtedness that Windstream may incur. The amount of dividends that Windstream may distribute is also subject to restrictions under Delaware law. If Windstream's board of directors were to adopt a change in its current dividend practice that resulted in a reduction in the amount of dividends, such change could have a material and adverse effect on the market price of Windstream common stock.

In addition, the American Jobs and Growth Tax Relief Reconciliation Act of 2003 designated qualifying dividend payments on capital stock as long term capital gains, which capped the federal tax rate on these payments at fifteen percent (15%). The provisions of this act are set to expire in 2010, and if not renewed, dividends will become taxable as ordinary income to the stockholder at their current federal tax rate. This could adversely effect the market price of Windstream common stock by decreasing the after-tax yield of holding the stock.

---

**Table of Contents**

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This information statement/prospectus contains or incorporates by reference forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Generally, the use of terms such as will, may, should, continue, believes, expects, anticipates, estimates and similar expressions identify forward-looking statements; and any statements regarding the benefits of the merger, or Windstream's or NuVox's expected financial condition, results of operations and business are also forward-looking statements. Without limiting the generality of the preceding sentence, the statements contained in the sections Questions and Answers about the Merger, Risk Factors, The Merger Background of the Merger, The Merger Windstream's Reasons for the Merger, The Merger NuVox's Reasons for the Merger and The Merger Opinion of Financial Advisor to NuVox including, without limitation, any statements as to the expected impact of the merger on Windstream's free cash flow accretion or dividend payout ratio, any valuation analysis derived from projections or financial forecasts and any descriptions of anticipated cost savings or other synergies referred to therein, and certain statements incorporated by reference from documents filed with the SEC by Windstream including, without limitation, any statements contained herein or therein regarding the possible or assumed future results of operations of Windstream's businesses, the markets for Windstream's services and products, anticipated capital expenditures, regulatory developments, competition or the effects of the merger, and other statements contained or incorporated by reference herein regarding matters that are not historical facts constitute forward-looking statements.

These forward-looking statements involve known and unknown risks and uncertainties that are difficult to predict. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others, the following factors:

- Windstream's and NuVox's ability to complete the merger;
- Windstream's ability to successfully integrate NuVox's operations and to realize synergies from the merger;
- failure to obtain, delays in obtaining or adverse conditions contained in any required regulatory approvals;
- Windstream's and NuVox's ability to effectively manage their regulatory compliance and service quality;
- Windstream's and NuVox's ability to sell product offerings or enhanced services;
- changes in accounting policies or practices;
- changes in rates or traffic that are subject to access charges;
- adverse changes in economic conditions, nationally and in the regions in which Windstream and NuVox operate;
- the extent, timing, and overall effects of competition in the communications business;
- continued access line loss;
- the impact of new, emerging or competing technologies;

## Edgar Filing: WINDSTREAM CORP - Form S-4

the adoption of inter-carrier compensation and/or universal service reform proposals by the FCC or the U.S. Congress that results in a significant loss of revenue to Windstream;

material changes in the communications industry generally that could adversely affect vendor relationships with equipment and network suppliers and customer relationships with wholesale customers;

material changes in communications technology;

the potential for adverse changes in the ratings given to Windstream's debt by nationally accredited ratings organizations;

**Table of Contents**

the availability and cost of financing in the corporate debt markets;

the effects of work stoppages;

unexpected results of litigation;

unexpected or unfavorable rulings by regulatory authorities in proceedings regarding universal service funds, inter-carrier compensation or other matters that could reduce revenues or increase expenses;

the impact of equipment failure, natural disasters or terrorist acts;

the effects of federal and state legislation, rules and regulations governing the communications industry;

changes in Windstream's and NuVox's ability to manage their operations, costs and capital expenditures, to pay dividends and to reduce or refinance debt;

the effects of any unfavorable outcome with respect to any of Windstream's or NuVox's current or future legal, governmental or regulatory proceedings, audits or disputes;

increased medical, retiree and pension expenses and related funding requirements;

Windstream's ability to successfully renegotiate expiring union contracts;

changes in income tax rates and tax laws;

unexpected adverse results relating to the relocation of Windstream's data center; and

those factors listed under the heading "Risk Factors."

In addition to these factors, actual future performance, outcomes and results may differ materially because of other, more general, factors including (without limitation) general industry and market conditions and growth rates, economic conditions and governmental and public policy changes. Forward-looking statements, therefore, should be considered in light of all of the information included or referred to in this information statement/prospectus, including the cautionary information set forth under the heading "Risk Factors" beginning on page 16.

We caution you not to place significant reliance on these forward-looking statements, which speak only as of the date of this information statement/prospectus or the date of the incorporated documents, as applicable, and we undertake no obligation and disclaim any duty to update or revise any forward-looking statements, all of which are expressly qualified by the statements in this section. See also "Where You Can Find More Information."



---

**Table of Contents**

**THE MERGER**

**General**

On November 2, 2009, the NuVox board of directors unanimously approved the merger agreement that provides for the acquisition by Windstream of NuVox through a merger of Merger Sub, a newly formed and wholly-owned subsidiary of Windstream, with and into NuVox. After the merger, NuVox will be the surviving entity and the separate corporate existence of Merger Sub will cease. At the effective time, each share of NuVox common stock (other than shares owned by NuVox, Windstream, Merger Sub or Windstream's other subsidiaries) will be converted into the right to receive a combination of cash, without interest, and shares of Windstream common stock. The merger agreement provides that the merger consideration and any other amounts payable in conjunction with the merger consideration will be adjusted appropriately if, during the period between the date of the merger agreement and the effective time of the merger, the outstanding shares of NuVox common stock or Windstream common stock are changed in any way by reason of any reclassification, recapitalization, stock split or combination, exchange or readjustment of shares, or any stock dividend on any such outstanding shares with a record date during such period, or any other similar event.

**Merger Consideration**

The aggregate consideration that will be paid by Windstream to NuVox stockholders in the merger is \$279.6 million in cash and 18,714,859 shares of Windstream common stock. This consideration includes the consideration payable to holders of in-the-money NuVox stock options and stock appreciation rights outstanding immediately prior to the effective time of the merger.

***NuVox Common Stock***

At the effective time of the merger, each share of NuVox common stock will entitle the holder thereof to receive the merger consideration, which will consist of two components: the Windstream stock consideration and the cash consideration. The Windstream stock consideration refers to the number of shares of Windstream common stock payable in the merger for each share of NuVox common stock outstanding at the effective time of the merger. This value is determined by dividing 18,714,859 by the total number of shares of NuVox common stock outstanding immediately prior to the effective time of the merger. The stock component of the merger consideration represented approximately 40% of the aggregate merger consideration at the time the merger agreement was negotiated based on a per share value of \$9.96 for Windstream common stock, which was calculated as the average of recent prices for Windstream common stock as reported by the NYSE during the negotiation of the merger. Assuming that NuVox does not issue any shares of common stock following the execution of the merger agreement and that no holders of NuVox stock options that are in-the-money exercise their options, each share of NuVox common stock will entitle the holder thereof to receive .0747 shares of Windstream common stock in the merger. Based on the closing price of Windstream common stock on the NYSE on November 2, 2009, the last trading day prior to the public announcement of execution of the merger agreement, this amount is the equivalent of \$0.73 per share of NuVox common stock.

The cash consideration payable for each share of NuVox common stock is determined by dividing (i) the difference obtained by subtracting the aggregate consideration payable to holders of NuVox stock options and stock appreciation rights outstanding immediately prior to the effective time of the merger from the aggregate cash consideration by (ii) the number of shares of NuVox common stock outstanding at closing. The aggregate cash consideration equals \$279.6 million plus the aggregate amount of any proceeds received by NuVox from the exercise of NuVox stock options from the date the merger agreement was executed until immediately prior to the effective time of the merger. Assuming that NuVox does not issue any shares of common stock following the execution of the merger agreement and no one exercises NuVox stock options or stock appreciation rights that are in-the-money prior to the effective time of the merger, each share of NuVox common stock will be entitled to receive \$1.03 in cash per share in the merger.

**Table of Contents**

Based on the closing price of Windstream common stock of \$9.79 on November 2, 2009, the last trading day prior to the public announcement of execution of the merger agreement, and after deducting the cash payment to be made to holders of in-the-money NuVox stock options and stock appreciation rights from the cash portion of the merger consideration, the merger consideration represented approximately \$1.76 in value for each share of NuVox common stock outstanding, consisting of \$1.03 in cash and \$0.73 in the form of Windstream common stock. Based on the closing price of Windstream common stock of \$ per share on December , 2009, the latest practicable date prior to the printing of this information statement/prospectus, and after deducting the cash payment to be made to holders of in-the-money NuVox stock options and stock appreciation rights from the cash portion of the merger consideration, the merger consideration represented approximately \$ in value for each share of NuVox common stock outstanding, consisting of \$ in cash and \$ in the form of Windstream common stock. The amount of merger consideration to be received by NuVox stockholders may fluctuate between the date of this information statement/prospectus and the closing of the merger as a result of changes in the market price for Windstream common stock, the total number of shares of NuVox common stock outstanding at closing, the total number and exercise prices of NuVox stock options and stock appreciation rights outstanding at closing and any proceeds received by NuVox from the exercise of stock options prior to closing.

***NuVox Options and Stock Appreciation Rights***

Each outstanding NuVox stock option and stock appreciation right granted under NuVox's stock incentive plans, whether or not then vested and exercisable, will become fully vested and exercisable immediately prior to, and then will be canceled at, the effective time of the merger, and the holder of such option or stock appreciation right will be entitled to receive an amount in cash, without interest and less any applicable tax to be withheld, equal to (i) the excess, if any, of the per share value of the merger consideration (based on a per share value of \$9.96 for Windstream common stock, which was calculated as the average of recent prices for Windstream common stock as reported by the NYSE during the negotiation of the merger) over the per share exercise price of such NuVox stock option or stock appreciation right, as applicable, multiplied by (ii) the total number of shares of NuVox common stock underlying such NuVox stock option or stock appreciation right, with the aggregate amount of such payment rounded up to the nearest cent. The amount will be paid in a lump sum as soon as practicable after the effective time of the merger. This means that all out-of-the-money NuVox stock options and stock appreciation rights will be cancelled without any payment.

***NuVox Warrants***

Each warrant to purchase NuVox common stock outstanding immediately prior to the effective time will be assumed by Windstream and converted into a warrant to purchase shares of Windstream common stock. Each warrant as so assumed and converted shall continue to have the same terms and conditions as set forth in the applicable warrant certificate and any related agreements immediately prior to the effective time, except that, the warrant will be exercisable for that number of whole shares of Windstream common stock (rounded down to the nearest whole share) equal to the product of (i) the number of shares of NuVox common stock purchasable under such warrant immediately prior to the effective time of the merger multiplied by (ii) the quotient obtained by dividing the per share merger consideration by \$9.96. The per share exercise price of Windstream common stock to be issued upon exercise of the warrant (rounded up to the nearest whole cent) will be the equal to the quotient of (A) the per share exercise price of such warrant immediately prior to the effective time divided by (B) the quotient obtained by dividing the per share merger consideration by \$9.96.

***Fluctuations in Merger Consideration***

*Changes in Market Value of Windstream Common Stock.* Because the total consideration to be paid by Windstream in the merger is based, in part, on a fixed number of shares of Windstream common stock, the total value a NuVox stockholder will receive in the merger is subject to change based on fluctuation in the market price for Windstream common stock. By way of illustration, on November 2, 2009, the last trading day prior to the public announcement of the execution of the merger agreement, and after deducting the cash payment to be

**Table of Contents**

made to holders of in-the-money NuVox stock options and stock appreciation rights from the cash portion of the merger consideration, the merger consideration represented approximately \$1.76 in value for each share of NuVox common stock, consisting of \$1.03 in cash and \$0.73 in the form of Windstream common stock. The closing price for Windstream common stock on November 2, 2009 was \$9.79. If the market price for Windstream common stock increases to \$10.79 on the closing date, the stock portion of the merger consideration would correspondingly increase to \$0.80, and the total per share merger consideration to be received by each NuVox stockholder would increase to \$1.83. Conversely, if the market price of Windstream common stock decreases to \$8.79 on the closing date, the stock portion of the merger consideration would correspondingly decrease to \$0.65, and the total per share merger consideration to be received by each NuVox stockholder would decrease to \$1.68.

*Changes in Number of NuVox Shares.* The aggregate merger consideration to be paid by Windstream in the merger is fixed at \$279.6 million in cash and 18,714,859 shares of Windstream common stock. Such amounts will be divided among the total number of shares of NuVox common stock outstanding at the effective time of the merger. At November 2, 2009, after deducting the cash payment to be made to holders of in-the-money NuVox stock options and stock appreciation rights from the cash portion of the merger consideration, the merger consideration represented approximately \$1.76 in value for each share of NuVox common stock. This amount was based on 250.2 million shares of NuVox common stock outstanding as of November 2, 2009. If NuVox were to issue more shares of common stock or if holders of NuVox stock options that are in-the-money were to exercise such options between November 2, 2009 and the closing date, the per share merger consideration would be reduced. For example, if the total number of NuVox shares increased to 260.2 million by the closing date, the per share amount of merger consideration would be reduced from \$1.76 to \$1.69.

*Changes in Outstanding NuVox Stock Options or Stock Appreciation Rights.* The cash portion of the merger consideration to be paid by Windstream to NuVox stockholders in the merger is fixed at \$279.6 million. This amount will be divided among all shares of NuVox common stock outstanding at closing and all in-the-money NuVox stock options and stock appreciation rights outstanding immediately prior to closing. Any NuVox stock options or stock appreciation rights that are in-the-money immediately prior to closing will be entitled to receive all cash in exchange for such equity awards. If the total number of such equity awards were to increase, the cash portion of the merger consideration to be received by NuVox stockholders would correspondingly decrease. By way of illustration, on November 2, 2009, the per share amount for the cash portion of the merger consideration was \$1.03. The amount was based on 250.2 million shares of NuVox common stock outstanding and 24.4 million outstanding in-the-money stock options and 0.8 million outstanding in-the-money stock appreciation rights at an average exercise price of \$0.86. If the total number of these equity awards were to increase by 2.0 million prior to the closing date to 27.2 million outstanding at an average exercise price of \$0.86, the per share amount of the cash portion of the merger consideration would decrease to \$1.02.

However, if the total amount of these equity awards were to decrease prior to the closing date, the cash portion of the merger consideration would increase as further described below. Equity awards that convert to common stock prior to the closing date will be entitled to receive the merger consideration of cash and Windstream common stock, rather than 100 percent cash paid to equity award holders. As such, a decrease in the total number of equity awards would result in a slight increase to the cash portion of the merger consideration and a decrease in the per share stock consideration to be received by NuVox stockholders at closing due to the increase in shares outstanding as described above. As a result, a decrease in the total number of equity awards of 2.0 million with an average exercise price of \$0.86 would result in total merger consideration for each outstanding common share of NuVox of \$1.76, \$1.03 of which would be cash and \$0.73 would represent Windstream common stock.

**Background of the Merger**

The board of directors of NuVox, together with the company's senior management and advisors, has periodically reviewed and considered various strategic opportunities available to NuVox, including whether the

**Table of Contents**

continued execution of NuVox's strategy as a stand-alone company or the possible sale of NuVox to, or a combination of NuVox with, a third party offered the best avenue to enhance stockholder value. During the past two and a half years, representatives of NuVox held various conversations with representatives of other telecommunications companies, and conducted negotiations and due diligence activities, in connection with potential business combination transactions. None of these conversations, negotiations or activities, other than those with Windstream, ultimately resulted in an agreement.

On May 14, 2009, at the direction of Windstream, Oppenheimer & Co. Inc. ( Oppenheimer ), financial advisor to Windstream, contacted James B. Fleming, Jr., a member of the NuVox board of directors and informed Mr. Fleming that an unnamed telecommunications company was interested in a potential business transaction involving NuVox.

Also, on May 14, 2009, Mr. Fleming contacted David L. Solomon, chairman of the NuVox board of directors, and informed him that an unnamed telecommunications company had expressed interest in learning more about NuVox and discussing with representatives of NuVox a potential business transaction. Mr. Fleming suggested that Mr. Solomon contact Oppenheimer for a follow-up conversation.

On May 19, 2009, at the direction of Windstream, Oppenheimer contacted Mr. Solomon to learn more about the strategies and operations of NuVox so that Oppenheimer could provide that information to the unnamed telecommunications company in connection with a potential business transaction. Mr. Solomon suggested that he and James W. Akerhielm, Chief Executive Officer of NuVox, should convene and then have a follow-up conversation with Oppenheimer the following day. On May 20, 2009, Mr. Solomon and Mr. Akerhielm had this follow-up conversation with Oppenheimer to further discuss the strategies and operation of NuVox and the potential for a transaction involving NuVox and the unnamed telecommunications company, as well as NuVox's potential interest in such a transaction. Mr. Solomon and Mr. Akerhielm agreed to provide Oppenheimer with a brief slide presentation containing an overview of the business and operations of NuVox. Mr. Solomon provided this presentation to Oppenheimer on May 22, 2009.

On June 2, 2009, Mr. Solomon, Mr. Akerhielm and Donald G. Donahoe, Vice President, Finance of NuVox, met briefly with Oppenheimer, on behalf of Windstream, to discuss the unnamed telecommunications company's interest in engaging in a potential business transaction with NuVox. On June 23, 2009, at the direction of Windstream, Oppenheimer informed Mr. Solomon that Windstream was the unnamed telecommunications company and that representatives of Windstream would like to meet with selected executives of NuVox.

Following preliminary discussions between NuVox, Windstream and their respective advisors, on July 13, 2009, NuVox and Windstream executed an Information Exchange and Non-Disclosure Agreement governing the use of information provided to each party by the other in connection with the evaluation of a possible business transaction.

On July 16, 2009, Mr. Solomon, Mr. Akerhielm and Michael P. Gallagher, President, Strategic Markets of NuVox, met with Jeffery R. Gardner, President and Chief Executive Officer of Windstream, Brent K. Whittington, then Executive Vice President and Chief Financial Officer of Windstream, Anthony W. Thomas, then Controller of Windstream, Richard J. Crane, Executive Vice President and Chief Marketing Officer of Windstream, and Windstream's financial advisor in Charlotte, North Carolina. At this meeting, NuVox and Windstream provided overviews of their respective businesses and operations and discussed key synergy items.

On July 22, 2009, NuVox received a request from Windstream for selected diligence information to more fully evaluate the potential for a business transaction involving NuVox and Windstream. On August 4, 2009, NuVox provided certain due diligence information to Windstream.

On August 11, 2009, Mr. Solomon, Mr. Akerhielm and Mr. Donahoe participated in a conference call with Mr. Whittington, who by that time had been appointed Chief Operating Officer of Windstream, Mr. Thomas,

**Table of Contents**

who by that time had been appointed Chief Financial Officer of Windstream, and Windstream's financial advisor. On this call, the companies discussed the due diligence materials NuVox had provided to Windstream on August 4, 2009.

On August 17, 2009, certain members of the NuVox board of directors and NuVox management participated in a regularly-scheduled telephone conference (which members of the NuVox board of directors typically hold between meetings). The NuVox board of directors discussed NuVox's strategy for negotiations with Windstream and provided NuVox management with guidance for conducting such negotiations.

On August 18, 2009, Windstream delivered an initial letter of intent to NuVox that formally expressed Windstream's interest in pursuing a business transaction with NuVox. Over the course of the following week, NuVox management, together with representatives of Deutsche Bank Securities Inc. (Deutsche Bank) and Wells Fargo Securities, LLC (Wells Fargo), financial advisors to NuVox, reviewed the letter of intent and analyzed the proposed transaction in preparation for a meeting of the NuVox board of directors.

On August 26, 2009, the NuVox board of directors held a special telephonic meeting to discuss Windstream's letter of intent, NuVox's planned response to the letter of intent and the valuation of NuVox's common stock. The NuVox board of directors discussed with NuVox management and representatives of Deutsche Bank and Wells Fargo a preliminary valuation of NuVox common stock based on various metrics, as well as an analysis of Windstream and its common stock, the proposed transaction, other potential transaction partners and certain precedent transactions. Later that day, in accordance with the instructions of the NuVox board of directors, NuVox management responded to Windstream by requesting, among other things, an increase in the proposed purchase price and the modification of certain other terms in the letter of intent. Over the course of the following week, NuVox management and representatives of Deutsche Bank discussed with representatives of Oppenheimer NuVox's comments on the letter of intent and the terms of a potential transaction.

On September 2, 2009, Windstream delivered a revised letter of intent to NuVox that increased the proposed net equity purchase price for NuVox. Later that day, representatives of Deutsche Bank, Wells Fargo and Oppenheimer held a telephone conference call to review the revised letter of intent. During the next two weeks, NuVox management and representatives of Deutsche Bank and Wells Fargo continued discussions with respect to a potential transaction with representatives of Oppenheimer.

On September 16, 2009, the NuVox board of directors held a regularly-scheduled meeting. Representatives of Deutsche Bank and Wells Fargo reviewed with the NuVox board of directors Windstream's revised proposal and the NuVox board of directors then discussed NuVox's strategic options for responding to this proposal and negotiating an improved purchase price and other terms of the proposed transaction. The NuVox board of directors also discussed with NuVox management and representatives of Deutsche Bank and Wells Fargo the potential merits of alternative transactions, including a sale of NuVox to other transaction partners and a potential initial public offering of NuVox's common stock.

Also, on September 16, 2009, the Windstream board of directors met at a regularly-scheduled meeting at which the board of directors conducted a general review of its strategic alternatives. During the meeting, the Windstream board received a report from Windstream management on a potential transaction with NuVox, including the discussions that had occurred with representatives of NuVox, the historical financial and operating performance of NuVox and related matters.

On September 18, 2009, Windstream delivered to NuVox a term sheet summarizing key financial terms of a further revised proposal, now reflecting a higher net equity purchase price. NuVox management and representatives of Deutsche Bank and Wells Fargo discussed NuVox's response to this revised proposal and, based on direction from the NuVox board of directors, presented a final, compromise proposal, based on a net equity purchase price of \$466.0 million, to Windstream. Representatives of Deutsche Bank presented the compromise proposal on behalf of NuVox to representatives of Oppenheimer on September 20, 2009 and, on September 21, 2009, at the direction of Windstream, Oppenheimer informed Deutsche Bank that Windstream agreed to that proposal.

## **Table of Contents**

On September 23, 2009, Windstream delivered to NuVox a signed letter of intent reflecting the compromise agreement including a proposed net equity purchase price of \$466.0 million. The letter of intent also included provisions requiring NuVox to negotiate exclusively with Windstream for a period of 30 days and immediately to inform Windstream of any proposal received by a third party for a competing transaction. Later that day, representatives of Deutsche Bank and Oppenheimer discussed the terms of the revised letter of intent and, on behalf of Windstream, Oppenheimer delivered to Deutsche Bank a preliminary due diligence request list with respect to NuVox.

On September 24, 2009, following a meeting among Mr. Solomon, Mr. Akerhielm and Mr. Gardner in Rome, Georgia, NuVox countersigned the letter of intent delivered by Windstream the previous day.

Over the next two weeks, Windstream and NuVox, together with their respective management and advisors, commenced a due diligence investigation concerning the respective businesses and operations of the two companies.

On October 7, 2009, Mr. Gallagher received an unsolicited inquiry from an officer of another telecommunications company expressing interest in exploring a possible strategic transaction with NuVox, and Mr. Gallagher informed Mr. Solomon and Mr. Akerhielm of the inquiry. Mr. Solomon and Mr. Akerhielm discussed the other company and its expression of interest with Mr. Gallagher, and then with Mr. Fleming and James F. Wade, also a member of the NuVox board of directors, and determined that the other company likely would be unable to match the purchase price set forth in the letter of intent. Mr. Solomon and Mr. Akerhielm observed that a combination of NuVox with the other company did not offer the degree of strategic advantages presented by a potential combination of NuVox and Windstream and that the other company did not have a track record of multiple major acquisitions and lacked sufficient cash on its balance sheet to make it an attractive transaction partner. Mr. Solomon and Mr. Akerhielm further noted that NuVox had certain obligations to Windstream pursuant to the letter of intent and that the potential benefits of pursuing a transaction with the other company were outweighed by the resulting risks to the proposed Windstream transaction. At the instruction of Mr. Solomon and Mr. Akerhielm, Mr. Gallagher did not respond to the third party inquiry. As required by the letter of intent, Mr. Solomon and Mr. Akerhielm advised Windstream of the other company's unsolicited call.

On October 8, 2009, representatives of NuVox and Windstream, together with the parties' respective advisors, met in Greenville, South Carolina to conduct a series of due diligence meetings.

On October 9, 2009, Kutak Rock LLP ( Kutak Rock ), counsel to Windstream, delivered an initial draft of the merger agreement to NuVox and Cravath, Swaine & Moore LLP ( Cravath ), counsel to NuVox. NuVox and its legal and financial advisors reviewed and discussed the draft merger agreement and, on October 17, 2009, Cravath delivered NuVox's preliminary comments on the merger agreement to Windstream and Kutak Rock.

Following discussions among NuVox, Windstream and their respective legal and financial advisors, as well as certain NuVox stockholders and their legal advisors, Kutak Rock distributed a revised draft of the merger agreement on October 24, 2009. Over the next week, the parties and their respective advisors continued to negotiate the terms and exchange drafts of the merger agreement and the related transaction documents, including the consent agreement.

On October 30, 2009, the Windstream board of directors held a special telephonic meeting to review a proposal by Windstream management seeking approval of the merger. At the meeting, Windstream management reported to the Windstream board of directors on the proposed transaction, including the status of discussions and negotiations with NuVox, the results of Windstream's diligence investigation of NuVox, the strategic rationale for the transaction and related matters, certain financial aspects of the transaction and each of the companies and a summary of the material terms of the proposed agreement and plan of merger. After deliberations at the meeting, the Windstream board of directors approved the merger, the merger agreement and the other definitive agreements.

---

**Table of Contents**

On November 2, 2009, the NuVox board of directors held a special telephonic meeting. At the meeting, NuVox management updated the board of directors on the status of the negotiations with Windstream, including the strategic rationale of, and related matters with respect to, the proposed merger. Representatives of Cravath reviewed and discussed with the board of directors the fiduciary duties of directors in the context of considering NuVox's strategic alternatives, and reviewed with the board of directors the principal terms of the merger agreement and the other definitive transaction agreements, including the consent agreement. NuVox management, together with representatives of Deutsche Bank and Wells Fargo, also reviewed and discussed with the board of directors certain financial analyses relating to the terms of the proposed merger. The board of directors then considered and discussed the strategic rationale and benefits and risks of the proposed merger. Representatives of Deutsche Bank then presented to the NuVox board of directors Deutsche Bank's financial analysis of the proposed merger, and indicated that Deutsche Bank was prepared to deliver its opinion to the NuVox board of directors to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations described in its opinion, the merger consideration was fair, from a financial point of view, to the holders of NuVox's common stock. The members of the board of directors then discussed the proposed merger among themselves and with NuVox management and NuVox's legal and financial advisors. Following this discussion, the board of directors unanimously determined that the merger agreement and proposed merger were advisable and in the best interests of NuVox and its stockholders, approved the merger agreement, the merger and the other transactions contemplated thereby in accordance with Delaware law and recommended that the stockholders of NuVox adopt the merger agreement and approve the merger and the related transactions. The board of directors also authorized the appropriate officers of NuVox to finalize, execute and deliver the merger agreement and the other transaction documents.

During the night of November 2, 2009, NuVox and Windstream finalized and executed the definitive merger agreement. On November 3, 2009, prior to the commencement of trading on the NYSE, Windstream and NuVox issued a joint press release announcing the execution of the definitive merger agreement.

**Windstream's Reasons for the Merger**

Windstream's board of directors has unanimously approved and adopted the merger agreement. In evaluating the merger, Windstream's board of directors consulted with Windstream's management, as well as with Windstream's legal and financial advisors and, in reaching its conclusions, Windstream's board of directors considered, among other things, the following material factors:

the merger will provide Windstream with the ability to advance its strategy to grow broadband and business revenues;

the complementary nature of the respective customer bases, services and skills of Windstream and NuVox is expected to result in increased opportunities to enhance the capabilities of both companies, as the merger adds approximately 90,000 business customers in complementary markets in 16 contiguous states across the Southeast and Midwest;

the opportunity to grow NuVox's product suite, increase penetration and improve customer retention;

the expectation that the merger will have a positive impact on Windstream's free cash flow per share beginning in the first full year of operations (defined as net cash provided from operations less net cash used in the procurement of property, plant and equipment);

the expectation that the merger will improve Windstream's dividend payout ratio in the first full year of operations (defined as dividends paid on common shares divided by free cash flow); and

the expectation that the combined company will achieve approximately \$30 million in annual cost and capital expenditure savings, coming from, among other things, network and operational efficiencies, consolidating administrative activities, sharing support infrastructure and best practices, and improved broadband penetration.

---

**Table of Contents**

Windstream's board of directors considered the above reasons together with various other reasons for approving and adopting the merger agreement. Windstream's board of directors did not assign relative weights to the above reasons or the other reasons considered by it. Further, individual members of Windstream's board of directors may have given different weight to different reasons.

**NuVox's Reasons for the Merger**

The NuVox board of directors believes that the merger agreement, the merger and the other transactions contemplated thereby are advisable and in the best interests of NuVox and its stockholders. Accordingly, the NuVox board of directors has approved the merger agreement, the merger and the other transactions contemplated thereby and unanimously recommended that NuVox's stockholders adopt the merger agreement and approve the merger and the other transactions contemplated thereby.

As described above under "Background of the Merger," the NuVox board of directors, prior to and in reaching its decision at its meeting on November 2, 2009 to approve the merger agreement, the merger and the other transactions contemplated thereby, consulted with NuVox management and NuVox's financial and legal advisors and considered a variety of factors weighing positively in favor of the merger, including, but not limited to, the following:

the value to be received by holders of NuVox common stock in the merger;

the fact that the approximately 60% cash and 40% stock split in the merger consideration (based on a per share value of \$9.96 for Windstream common stock, which was calculated as the average of recent prices for Windstream common stock as reported by the NYSE during the negotiation of the merger) to be paid to NuVox's stockholders affords NuVox's stockholders the opportunity both to participate in the growth and opportunities of the combined company through the stock component and to receive cash for a portion of the value of their shares through the cash component;

the opportunity, because the stock portion of the merger consideration is a fixed number of shares of Windstream common stock, for NuVox's stockholders to benefit from any increase in the trading price of Windstream common stock between the announcement of the merger and the completion of the merger;

the NuVox board of directors' analysis of (i) other proposed transactions involving NuVox over the past two and a half years and (ii) other strategic alternatives for NuVox, including continued growth as an independent company, an initial public offering of NuVox common stock and the potential to acquire, be acquired or combine with third parties;

the strategic benefits of the transaction, including the complementary nature of the geographic territories and personnel of NuVox and Windstream and the belief that combining the businesses of NuVox and Windstream will create a scalable platform for growth and acquisitions in the competitive local exchange carrier sector and in particular with respect to the small and medium enterprises segment, which are expected to create value for the combined company's stockholders;

the financial benefits of the transaction, including the free cash flow per share accretion that the merger is expected to provide to the combined company's stockholders and the anticipated cost savings and operating synergies available to the combined company through consolidation and integration of certain functions, which are expected to create value for the combined company's stockholders;

the advantages that the combined entity will have over NuVox as a standalone company, especially in the current economic environment;



## Edgar Filing: WINDSTREAM CORP - Form S-4

the belief that the terms of the merger agreement and the other transaction documents, taken as a whole, provide a significant degree of certainty that the merger will be completed, including the facts that (i) the conditions required to be satisfied prior to completion of the merger, such as the receipt of

**Table of Contents**

NuVox stockholder approval and antitrust clearance, are expected to be fulfilled, (ii) the merger agreement does not include a financing condition to Windstream's obligation to consummate the merger and (iii) there are limited circumstances in which Windstream may terminate the merger agreement;

the belief that the terms of the merger agreement, including the parties' representations, warranties and covenants and the conditions to their respective obligations, are reasonable; and

the financial presentation of Deutsche Bank and its written opinion to the NuVox board of directors, dated November 2, 2009, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations described in its opinion, the merger consideration was fair, from a financial point of view, to the holders of NuVox's common stock. The full text of the written opinion of Deutsche Bank, which sets forth the assumptions made, matters considered and limits on the review undertaken by Deutsche Bank in rendering its opinion, is attached as *Annex C* to this information statement/prospectus. A summary of the presentation and opinion of Deutsche Bank appears in the section below entitled "Opinion of the Financial Advisor to NuVox."

In addition to these factors, the NuVox board of directors also considered the potential adverse impacts of other factors weighing negatively against the merger, including, without limitation, the following:

the risk that, because the stock portion of the merger consideration is a fixed number of shares of Windstream common stock, NuVox's stockholders could be adversely affected by a decrease in the trading price of Windstream common stock after the date of execution of the merger agreement, and the fact that the merger agreement does not provide NuVox with a price-based termination right or other similar protection, such as a "collar" with respect to Windstream's stock price, for NuVox or its stockholders;

the indemnification obligations of certain NuVox stockholders and the related escrow arrangements pursuant to the merger agreement, as a result of which certain NuVox stockholders will receive a portion of the merger consideration after a significant delay, if at all, and may under certain circumstances incur additional liabilities to Windstream after the closing of the merger;

the fact that the merger might not be completed in a timely manner or at all, due to a failure of certain conditions, including a failure of the parties to obtain required regulatory approvals in accordance with the terms of the merger agreement;

the risks and costs to NuVox if the merger does not close, including the diversion of management and employee attention, potential employee attrition and the potential adverse effect on NuVox's customer and other commercial relationships;

the fact that some of NuVox's directors and executive officers may have interests in the merger that are different from, or in addition to, those of NuVox's stockholders generally, including those interests that are a result of employment and compensation arrangements with NuVox's executive officers and the manner in which they would be affected by the merger, as described more fully in the section entitled "Interests of Certain Persons in the Merger" beginning on page 44;

the restrictions on NuVox's ability to solicit or participate in discussions or negotiations regarding alternative business combination transactions, subject to specified exceptions, which the NuVox board of directors understood, although having the potential effect of discouraging third parties from proposing a competing business combination transaction, were conditions to Windstream's willingness to enter into the merger agreement and were reasonable in light of, among other things, the benefits of the merger to NuVox's stockholders;

the inability of NuVox to terminate the merger agreement even if the NuVox board of directors changes its recommendation, which the NuVox board of directors understood, although having the potential effect (in combination with the consent agreement) of

preventing NuVox's stockholders from

---

**Table of Contents**

accepting a competing business combination transaction, was a condition to Windstream's willingness to enter into the merger agreement and was reasonable in light of, among other things, the benefits of the merger to NuVox's stockholders;

the restrictions on the conduct of NuVox's business prior to the completion of the merger, which may delay or prevent NuVox from undertaking business opportunities that may arise during the term of the merger agreement, whether or not the merger is completed;

the fact that the receipt of the merger consideration will be taxable to NuVox's stockholders for U.S. federal income tax purposes;

the challenges of combining the businesses, operations and workforces of Windstream and NuVox and realizing the anticipated cost savings and operating synergies;

the risks that the financial results and the stock price of the combined company might decline, including the possible adverse effects on the stock price and financial results of the combined company if the benefits and synergies expected of the merger are not obtained on a timely basis or at all; and

the risks described in the section entitled "Risk Factors" beginning on page 16.

The foregoing discussion of the factors considered by the NuVox board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by the NuVox board of directors. In reaching its decision to declare the merger agreement advisable and that the merger is in the best interests of NuVox and NuVox's stockholders, and, in approving the merger agreement, the merger and the other transactions contemplated by the merger agreement, the NuVox board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The NuVox board of directors considered all these factors as a whole, including discussions with, and questioning of, NuVox management and NuVox's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its decision.

For the reasons set forth above, the NuVox board of directors unanimously declared the merger agreement advisable and determined that the merger is in the best interests of NuVox and its stockholders, unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and unanimously recommended that NuVox's stockholders adopt the merger agreement and approve the merger and the other transactions contemplated thereby.

This explanation of NuVox's reasons for the merger and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors described under "Cautionary Statement Regarding Forward-Looking Statements" on page 26.

**Opinion of the Financial Advisor to NuVox**

NuVox has retained Deutsche Bank as its financial advisor to advise the board of directors of NuVox in connection with the merger. At the November 2, 2009 meeting of the board of directors of NuVox, Deutsche Bank delivered to the board of directors of NuVox its oral opinion, which opinion was confirmed by delivery of a written opinion dated as of November 2, 2009, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations described in its opinion, the merger consideration was fair, from a financial point of view, to the holders of NuVox's common stock.

**The full text of the written opinion of Deutsche Bank, dated November 2, 2009, which sets forth the assumptions made, matters considered and limits on the review undertaken by Deutsche Bank in rendering its opinion, is attached as Annex C to this information statement/prospectus. Deutsche Bank expressed no opinion as to the merits of the underlying decision by NuVox to engage in the merger or the relative merits of the merger as compared to any alternative business strategies, nor did it express an opinion or recommendation as to how any holder of NuVox common stock should vote with respect to the**

**Table of Contents**

**merger or as to whether any holder of NuVox common stock should deliver a consent with respect to the adoption of the merger agreement and the approval of the merger. The summary of the Deutsche Bank opinion set forth in this information statement/prospectus is qualified in its entirety by reference to the full text of the opinion attached hereto as *Annex C*.**

In connection with Deutsche Bank's role as financial advisor to NuVox, and in arriving at its opinion, Deutsche Bank, among other things:

reviewed certain publicly available financial and other information concerning NuVox and Windstream, including certain publicly available financial forecasts relating to the business and financial prospects of Windstream prepared by certain research analysts, referred to below as the "Windstream Street Forecasts";

reviewed certain internal analyses, financial forecasts and other information relating to NuVox prepared by management of NuVox, and held discussions with members of NuVox's management regarding the businesses and prospects of NuVox;

reviewed certain internal analyses, limited near-term financial forecasts and other information relating to Windstream prepared by management of Windstream, and held discussions with members of Windstream's management regarding the businesses and prospects of Windstream, including Windstream management's view as to the Windstream Street Forecasts;

reviewed the reported prices and trading activity for the Windstream common stock;

to the extent publicly available, compared certain financial and stock market information for NuVox and Windstream with similar information for certain other companies it considered relevant whose securities are publicly traded;

reviewed the merger agreement and the consent agreement; and

performed other studies and analyses and considered any other factors as it deemed appropriate.

Deutsche Bank did not assume responsibility for the independent verification of, and did not independently verify, any information, whether publicly available or furnished to it, concerning NuVox or Windstream, including, without limitation, any financial information considered in connection with the rendering of its opinion. Accordingly, for purposes of its opinion, Deutsche Bank, with the permission of the board of directors of NuVox, assumed and relied upon the accuracy and completeness of all such information. Deutsche Bank did not conduct a physical inspection of any of the properties or assets, and did not prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities), of NuVox or Windstream or any of their respective subsidiaries, nor did Deutsche Bank evaluate the solvency or fair value of NuVox or Windstream under any state or federal law relating to bankruptcy, insolvency or similar matters. With respect to the financial forecasts relating to NuVox and Windstream made available to Deutsche Bank and used in its analyses, Deutsche Bank assumed with the permission of the board of directors of NuVox that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of NuVox and Windstream, as the case may be, as to the matters covered thereby. In rendering its opinion, Deutsche Bank expressed no view as to the reasonableness of such forecasts or the assumptions on which they are based. The Deutsche Bank opinion was necessarily based upon economic, market and other conditions, and the information made available to Deutsche Bank, as of the date of the opinion. Deutsche Bank expressly disclaimed any undertaking or obligation to advise any person of any change in any fact or matter affecting its opinion of which it becomes aware after the date of the opinion.

For purposes of rendering its opinion, Deutsche Bank assumed with the permission of the board of directors of NuVox that, in all respects material to its analysis, the merger would be consummated in accordance with its terms, without any material waiver, modification or amendment of any term, condition or agreement. Deutsche Bank also assumed that all material governmental, regulatory, contractual or other approvals and consents



---

**Table of Contents**

required in connection with the consummation of the merger will be obtained and that in connection with obtaining any necessary governmental, regulatory, contractual or other approvals and consents, no material restrictions, terms or conditions will be imposed. Deutsche Bank is not a legal, regulatory, tax or accounting expert and has relied on the assessments made by NuVox and its advisors with respect to such issues.

The Deutsche Bank opinion was approved and authorized for issuance by a fairness opinion review committee and was addressed to, and for the use and benefit of, the NuVox board of directors. The Deutsche Bank opinion was limited to the fairness, from a financial point of view, of the merger consideration to the holders of NuVox's common stock. Deutsche Bank was not asked to, and the Deutsche Bank opinion did not, address the fairness of the merger, or any consideration received in connection therewith, to the holders of any other class of securities, creditors or other constituencies of NuVox, nor did it address the fairness of the contemplated benefits of the merger. Deutsche Bank expressed no opinion as to the merits of the underlying decision by NuVox to engage in the merger or the relative merits of the merger as compared to any alternative business strategies, nor did it express an opinion or recommendation as to how any holder of NuVox common stock should vote with respect to the merger or as to whether any holder of NuVox common stock should deliver a consent with respect to the adoption of the merger agreement and the approval of the merger. Deutsche Bank did not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable to or to be received by any of NuVox's officers, directors or employees, or any class of such persons, in connection with the merger whether relative to the amounts to be received by any other person pursuant to the merger agreement or otherwise. Deutsche Bank assumed, with the consent of the NuVox board of directors, that no agreements or arrangements with the holders of any class of securities, creditors or other constituencies of NuVox, other than the agreements and arrangements contemplated in the merger agreement, were being entered into, amended or terminated as part of the merger. The Deutsche Bank opinion did not in any manner address the prices at which Windstream's stock will trade following the announcement or consummation of the merger.

The Deutsche Bank opinion noted that Deutsche Bank was not authorized to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of NuVox or any other alternative transaction. The Deutsche Bank opinion also noted that certain holders of NuVox common stock owning more than the requisite percentage of shares required to approve the merger and adopt the merger agreement have entered into a consent agreement to deliver written consents to approve the merger and adopt the merger agreement and Deutsche Bank did not express any view on, and its opinion did not address, that agreement or any other term or aspect of the merger agreement or the merger (other than the merger consideration) or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the merger.

The following is a summary of the material financial analyses contained in the presentation that was made by Deutsche Bank to the board of directors of NuVox on November 2, 2009 and that were used by Deutsche Bank in connection with rendering its opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Deutsche Bank, nor does the order of analyses described represent the relative importance or weight given to those analyses by Deutsche Bank. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Deutsche Bank's financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 30, 2009, and is not necessarily indicative of current market conditions.

***Transaction Overview***

Based on the closing price per share of Windstream common stock of \$9.64 on October 30, 2009, the conversion ratio, as defined in the merger agreement, and the aggregate cash consideration pursuant to the merger agreement of \$279.6 million, Deutsche Bank noted that the implied equity value of NuVox as of that date was approximately \$460 million, which is referred to below as the implied equity value, and the implied enterprise value of NuVox, as of that date, which is referred to below as TEV, was approximately \$644 million.

**Table of Contents**

*NuVox Analysis*

*Analysis of Selected Publicly Traded Companies.* Deutsche Bank reviewed and compared certain financial information for NuVox to the corresponding financial information, ratios and public market multiples for the following publicly traded telecommunications companies, which are referred to below as the Selected Companies :

AboveNet, Inc.

Cbeyond, Inc.

Cogent, Inc.

Global Crossing Telecommunications, Inc.

ITC^DeltaCom, Inc.

Level 3 Communications, Inc.

PAETEC Holding Corp., and

Time Warner Telecom Inc.

Although none of the Selected Companies is directly comparable to NuVox, the companies included were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of NuVox. Accordingly, Deutsche Bank believes the analysis of publicly traded comparable companies is not simply mathematical. Rather, it involves complex considerations and qualitative judgments, reflected in the Deutsche Bank opinion, concerning differences in financial and operating characteristics of the Selected Companies and other factors that could affect the public trading value of such companies.

In its analysis, Deutsche Bank derived and compared multiples for the Selected Companies, calculated as follows:

the ratio of TEV to EBITDA for calendar year 2009, which is referred to below as TEV/2009E EBITDA ;

the ratio of TEV to EBITDA for calendar year 2010, which is referred to below as TEV/2010E EBITDA ;

the ratio of TEV to unlevered free cash flows, or UFCF, calculated as EBITDA minus capital expenditures, for calendar year 2009, which is referred to below as TEV/2009E UFCF ; and

the ratio of TEV to UFCF for calendar year 2010, which is referred to below as TEV/2010E UFCF .



## Edgar Filing: WINDSTREAM CORP - Form S-4

The multiples and ratios for each of the Selected Companies were calculated using the closing price of the Selected Companies' common stock on October 30, 2009 and were based on the most recent publicly available information, as well as Capital IQ and analyst estimates for 2009 and 2010. Using financial forecasts prepared by the management of NuVox, Deutsche Bank also calculated the same ratios for NuVox.

This analysis showed the following:

<b>Multiple</b>	<b>High</b>	<b>Low</b>	<b>NuVox</b>
TEV/2009E EBITDA	8.4x	4.1x	5.5x
TEV/2010E EBITDA	7.7x	4.5x	5.0x
TEV/2009E UFCF	28.5x	9.9x	14.1x
TEV/2010E UFCF	18.7x	9.9x	10.6x

**Table of Contents**

Deutsche Bank then selected certain reference ranges for each of these ratios and calculated the corresponding ranges of implied equity values of NuVox. This analysis indicated the following ranges of implied equity values of NuVox, in each case compared to the implied equity value of \$460 million:

based on a reference range of a 4.5x – 6.0x for NuVox’s projected 2009 EBITDA, the implied equity values of NuVox were approximately \$340 million to \$515 million;

based on a reference range of 4.5x – 5.5x for NuVox’s projected 2010 EBITDA, the implied equity values of NuVox were approximately \$390 million to \$517 million;

based on a reference range of 9.5x – 13.5x for NuVox’s projected 2009 UFCF, the implied equity values of NuVox were approximately \$249 million to \$432 million; and

based on a reference range of 9.0x – 13.0x for NuVox’s projected 2010 UFCF, the implied equity values of NuVox were approximately \$362 million to \$604 million.

*Illustrative Discounted Cash Flow Analysis.* Deutsche Bank performed an illustrative discounted cash flow analysis to determine a range of illustrative implied present equity values of NuVox based on projected UFCF for NuVox on a standalone basis for the years ending December 31, 2010 through 2014, using estimates from NuVox management. The analysis was based on a range of discount rates from 10.0% to 11.5% and perpetuity growth rates ranging from 3.0% to 4.0%. This analysis resulted in a range of implied present equity values of NuVox of approximately \$371 million to \$567 million, compared to the implied equity value of \$460 million.

***Windstream Analysis***

*Historical Stock Price Performance.* Deutsche Bank reviewed the historical trading prices for the Windstream common stock for the period from April 30, 2008 to October 30, 2009, separately and in relation to a composite index comprised of the following competitive local exchange carriers:

Cbeyond, Inc.

ITC^DeltaCom, Inc.

PAETEC Holding Corp., and

Time Warner Telecom Inc.

Deutsche Bank noted that during this period, Windstream’s trading price decreased by 17.9% while the composite index comprised of those competitive local exchange carriers decreased by 41.8%. Deutsche Bank also calculated the average closing price for the Windstream common stock for the time periods indicated in the table below, in each case compared to the closing price of Windstream common stock of \$9.64 on October 30, 2009:

Time Period Ended October 30, 2009	Average Closing Price
10-day average	\$ 9.92

## Edgar Filing: WINDSTREAM CORP - Form S-4

20-day average	\$	10.00
30-day average	\$	9.92
60-day average	\$	9.31
1-year average	\$	8.58

*Analysis of Selected Publicly Traded Companies.* Deutsche Bank reviewed and compared certain financial information for Windstream to the corresponding financial information, ratios and public market multiples for the following seven publicly traded telecommunications companies:

CenturyTel, Inc.

Cincinnati Bell, Inc.

Consolidated Communications Holdings, Inc.

**Table of Contents**

FairPoint Communications, Inc.

Frontier Communications Corporation

Iowa Telecommunications Services, Inc., and

Qwest Communications International Inc.

Although none of these companies is directly comparable to Windstream, the companies included were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of Windstream. Accordingly, Deutsche Bank believes the analysis of publicly traded comparable companies is not simply mathematical. Rather, it involves complex considerations and qualitative judgments, reflected in the Deutsche Bank opinion, concerning differences in financial and operating characteristics of the comparable companies and other factors that could affect the public trading value of such companies.

In its analysis, Deutsche Bank derived and compared multiples for these companies and Windstream, calculated as follows:

the TEV/2009E EBITDA; and

the ratio of trading price to projected levered free cash flows for calendar year 2009, which is referred to below as Price/2009E LFCF . For purposes of this analysis, levered free cash flows were calculated as EBITDA (excluding pension and stock based compensation) minus cash interest, minus cash taxes, minus capital expenditures, and minus any increase in net working capital or plus any decrease in net working capital.

The multiples and ratios for each of these companies were calculated using the closing price of the companies common stock on October 30, 2009 and were based on the most recent publicly available information, and Capital IQ and analyst estimates for 2009. Using financial forecasts prepared by the management of Windstream and publicly available information concerning historical and projected financial performance, including published historical financial information and earnings estimates reported by selected equity research analysts, Deutsche Bank calculated the TEV/2009E EBITDA and the Price/2009E LFCF for Windstream.

This analysis showed the following:

Multiple	High	Low	Windstream
TEV/2009E EBITDA	8.2x	4.2x	5.6x
Price/2009E LFCF	6.2x	0.8x	6.2x

*Analysis of Equity Analyst Price Targets.* Deutsche Bank reviewed price targets for Windstream common stock published by certain equity research analysts during the period from October 13, 2008 to September 8, 2009. This analysis showed that the price targets ranged from \$8.00 to \$16.00 per share of Windstream common stock, with a mean price target of \$10.94 and a median price target of \$10.75, in each case compared to the closing price of Windstream common stock of \$9.64 on October 30, 2009.

**General**

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying the Deutsche Bank opinion. In arriving at its fairness determination, Deutsche Bank considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Deutsche Bank made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company used in the above analyses as a comparison is directly comparable to NuVox or Windstream.



---

## **Table of Contents**

Deutsche Bank prepared these analyses for purposes of providing its opinion to the board of directors of NuVox as to the fairness, from a financial point of view, of the merger consideration to the holders of NuVox's common stock. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of NuVox or Deutsche Bank or any other person assumes responsibility if future results are materially different from those forecast.

The merger consideration to be received in the merger was determined through arm's-length negotiations between NuVox and Windstream and was approved by the board of directors of NuVox. Deutsche Bank provided advice to NuVox during these negotiations. Deutsche Bank did not, however, recommend the merger consideration to NuVox or its board of directors or that any specific consideration constituted the only appropriate consideration for the merger.

As described above, the opinion from Deutsche Bank to the board of directors of NuVox was one of a number of factors taken into consideration by the board of directors of NuVox in making its determination to approve the merger agreement and the merger. Deutsche Bank's opinion should not be viewed as determinative of the views of the board of directors of NuVox or management of NuVox with respect to the merger or merger consideration. The foregoing summary does not purport to be a complete description of the analyses performed by Deutsche Bank in connection with its opinion and is qualified in its entirety by reference to its written opinion attached to this information statement/prospectus as *Annex C*.

NuVox selected Deutsche Bank as financial advisor in connection with the merger based on Deutsche Bank's qualifications, expertise, reputation and experience in mergers and acquisitions. Pursuant to its engagement letter with NuVox, Deutsche Bank will be paid a fee for its services as financial advisor to NuVox in connection with the merger in the amount of approximately \$3.0 million, a portion of which was paid upon delivery of its opinion and a substantial portion of which is payable contingent upon completion of the merger. NuVox also agreed to reimburse Deutsche Bank for its expenses, and to indemnify Deutsche Bank against certain liabilities, in connection with its engagement.

Deutsche Bank is an internationally recognized investment banking firm experienced in providing advice in connection with mergers and acquisitions and related transactions. Deutsche Bank is an affiliate of Deutsche Bank AG (together with its affiliates, the "DB Group"). During the two years preceding the date of the opinion, DB Group has not provided any significant investment banking, commercial banking (including extension of credit) and other financial services to Windstream, NuVox or their respective affiliates. The DB Group may provide investment and commercial banking services to Windstream, NuVox and their respective affiliates in the future for which the DB Group would expect to receive compensation, although no specific material relationship with such parties is currently contemplated by the DB Group. In the ordinary course of business, members of the DB Group may actively trade in the securities and other instruments and obligations of Windstream, NuVox or their respective affiliates for such members' own accounts or for the accounts of their customers. Accordingly, the DB Group may at any time hold a long or short position in such securities, instruments and obligations.

### **Accounting Treatment of the Merger**

The merger will be accounted for by applying the acquisition method with NuVox considered the acquiree and Windstream the acquirer for accounting and financial reporting purposes. NuVox assets, liabilities and other items will be adjusted to their estimated fair value on the closing date of the merger and combined with the historical book values of the assets and liabilities of Windstream. Applicable income tax effects of these adjustments will be included as a component of the combined company's deferred tax asset or liability. The difference between the estimated fair value of the assets, liabilities and other items (adjusted as discussed above) and the purchase price will be recorded as goodwill. Financial statements of Windstream issued after the merger will reflect the values and will not be restated retroactively to reflect the historical financial position or results of operations of NuVox.

---

**Table of Contents**

**Regulatory Approvals Required for the Merger**

*Federal Communications Commission.* In order to obtain required FCC approvals, NuVox, each of NuVox's subsidiaries that holds authorizations from the FCC that need to be transferred, and Windstream are required to file applications with the FCC seeking approval of the transfer of control to Windstream of the FCC licenses and authorizations held by NuVox and its subsidiaries. On November 18, 2009, Windstream and NuVox jointly filed such applications seeking the requisite FCC approvals. A condition to the obligation of Windstream and NuVox to complete the merger is that the requisite FCC consents be granted without any conditions other than conditions of the sort that the parties are required to fulfill (if imposed) by the merger agreement, and that all FCC consents be in full force and effect as of the date of completion of the merger. On November 18, 2010, NuVox and Windstream received the FCC's approval of the merger.

*Public Utilities Commissions.* The consent or approval of the various Public Utilities Commissions will be required to be obtained prior to the effective time of the merger. Pursuant to the merger agreement, on November 16 and 17, 2009, Windstream and NuVox filed the applications and notices required for the transfer of control of the relevant franchises, licenses and similar instruments issued under the rules and regulations in the following jurisdictions: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Ohio, South Carolina and Tennessee.

*Antitrust Authorities.* As a condition to the merger, the HSR Act requires NuVox 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. Windstream and NuVox each filed notification and report forms with the DOJ and the FTC on November 20, 2009.

*Commitment to Obtain Approvals.* NuVox and Windstream have agreed to use their reasonable best efforts to obtain all consents and approvals of any governmental entity or third party required in connection with the merger. Any regulator could object to the merger and/or impose conditions or restrictions on their approvals that are materially adverse to Windstream and NuVox. Under the terms of the merger agreement, NuVox and Windstream are obligated to take any and all steps necessary to avoid or eliminate any impediments under any applicable law that may be asserted by any governmental entity with respect to the merger so as to enable the closing to occur, including proposing, negotiating or effecting any consent decree or authorization with respect to the divestiture or disposition of any of its or its subsidiaries' assets or businesses. However, Windstream is not required to, and NuVox is not permitted to, agree to any such consents or authorizations that have had or would reasonably be expected to have a material adverse effect on Windstream, NuVox or the combined company or would prevent Windstream from consummating the transactions contemplated by the merger agreement on the material terms set forth in the merger agreement.

**Windstream Stock Exchange Listing**

Windstream has agreed to use its reasonable best efforts to obtain approval for the listing of the shares of Windstream common stock to be issued pursuant to the merger on the NASDAQ Global Select Market before completion of the merger, and this approval is a condition to the parties' obligations to consummate the merger. The trading symbol for Windstream common stock is WIN.

**Interests of Certain Persons in the Merger**

Members of the board of directors and executive officers of NuVox may have interests in the merger that are different from, or are in addition to, the interests of NuVox stockholders generally. The NuVox board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and in determining to recommend to NuVox's stockholders to adopt the merger agreement and approve the merger and the other transactions contemplated thereby.

**Table of Contents*****Indemnification; Directors and Officers Insurance***

Windstream has agreed following the closing of the merger to cause the surviving entity in the merger to indemnify each current and former director or officer of NuVox for any and all actions taken by those individuals prior to the effective time to the fullest extent and in the same manner as NuVox provided indemnification to those directors and officers pursuant to its certificate of incorporation, by-laws or any individual indemnity agreement in effect as of the date of the merger agreement. In addition, if any indemnified person becomes a defendant in any actual action, Windstream has agreed to cause the surviving entity in the merger to advance to that individual his or her legal and other expenses consistent with the terms and conditions for that advancement under NuVox's indemnification provisions, so long as such person agrees to reimburse all amounts so advanced if a court later determines such advancement was inappropriate. The merger agreement also provides that, for six (6) years following the effective time, subject to certain limitations, Windstream and Merger Sub will maintain coverage under the existing director and officer liability insurance policy or policies that are no less favorable to the indemnified parties, with respect to claims arising from facts or events that occurred on or before the effective time, at a level at least equal to that which NuVox or its subsidiaries is maintaining prior to the merger, except that for any policy year, neither Windstream nor Merger Sub will be required to pay more than \$350,000 for the annual premium of such insurance policies.

***Treatment of Stock Options and Stock Appreciation Rights***

At the effective time of the merger, each outstanding NuVox stock option and stock appreciation right, whether or not then exercisable, will be exchanged for cash as described above under the heading *The Merger NuVox Stock Options and Stock Appreciation Rights*. As of November 30, 2009, which represents the latest practicable date prior to this information statement/prospectus, David L. Solomon, James W. Akerhielm, Michael P. Gallagher, Charles J. Norris and Riley M. Murphy held options and/or stock appreciation rights in respect of 3,882,557, 5,469,127, 565,000, 2,956,700 and 1,213,354 shares of common stock, respectively. None of NuVox's non-employee directors holds stock options or stock appreciation rights.

***Executive Officer Employment Arrangements***

Each of the NuVox executives listed below is a party to an agreement with NuVox that provides for payment of severance benefits upon certain terminations of employment following a change in control. These severance benefits, in addition to other payments payable due to the merger, could be subject to federal excise taxes under Section 4999 of the Internal Revenue Code of 1986, as amended (the *Code*). In the event that such benefits and payments become subject to federal excise taxes, each of the executives listed below will be entitled to a gross-up payment in an amount sufficient to pay any excise taxes imposed by Section 4999 of the Code and all taxes imposed upon such gross-up payment.

*David L. Solomon.* Mr. Solomon is a party to an employment agreement with NuVox that provides him with certain change in control benefits. If NuVox terminates Mr. Solomon's employment agreement without cause or by failing to renew the agreement, or if Mr. Solomon terminates his employment for good reason, during the twelve-month period following a change in control, or if Mr. Solomon terminates his employment for any reason during the thirty-day period following the eleven-month anniversary of a change in control, he will be entitled to receive (i) the greater of (A) his base salary and target bonus that would have been payable had he remained employed through the expiration date of the agreement, or (B) two times (x) his base salary and (y) his target bonus, for the year in which the termination date occurs and (ii) continued coverage under NuVox's welfare benefit plans for a period of twenty-four months following the termination date.

*James W. Akerhielm.* Mr. Akerhielm is a party to an employment agreement with NuVox that provides him with certain change in control benefits. If NuVox terminates Mr. Akerhielm's employment agreement without cause or by failing to renew the agreement, or if Mr. Akerhielm terminates his employment for good reason, during the twelve-month period following a change in control, or if Mr. Akerhielm terminates his employment for any reason during the thirty-day period following the eleven-month anniversary of a change in control, he



---

**Table of Contents**

will be entitled to receive (i) the greater of (A) his base salary and target bonus that would have been payable had he remained employed through the expiration date of the agreement, or (B) two times (x) his base salary and (y) his target bonus, for the year in which the termination date occurs and (ii) continued coverage under NuVox's welfare benefit plans for a period of twenty-four months following the termination date.

*Michael Gallagher.* Mr. Gallagher is a party to an employment agreement with NuVox that provides him with certain change in control benefits. If (a) NuVox terminates Mr. Gallagher's employment agreement without cause or by failing to renew the agreement during the ninety-day period preceding a change in control or during the twelve-month period following a change in control, or (b) Mr. Gallagher terminates his employment for good reason, during the twelve-month period following a change in control and the initial existence of the condition constituting good reason occurred during the ninety-day period preceding such change in control or during the twelve-month period following such change in control, or (c) Mr. Gallagher terminates his employment for any reason during the thirty-day period following the eleven-month anniversary of a change in control, he will be entitled to receive a lump sum equal to (i) the pro-rata amount of his then existing target bonus, (ii) an amount equal to 100% of his then existing base salary, (iii) an amount equal to 100% of this then existing target bonus and (iv) a sum equal to the amount Mr. Gallagher would incur to maintain coverage for him and his family under NuVox's welfare benefit plans for a period of twelve months.

*Charles J. Norris.* Mr. Norris is a party to an employment agreement with NuVox that provides him with certain change in control benefits. If (a) NuVox terminates Mr. Norris's employment agreement without cause or by failing to renew the agreement during the ninety-day period preceding a change in control or during the twelve-month period following a change in control, or (b) Mr. Norris terminates his employment for good reason, during the twelve-month period following a change in control and the initial existence of the condition constituting good reason occurred during the ninety-day period preceding such change in control or during the twelve-month period following such change in control, or (c) Mr. Norris terminates his employment for any reason during the thirty-day period following the eleven-month anniversary of a change in control, he will be entitled to receive a lump sum equal to (i) twenty-four months of his then existing base salary, (ii) twenty-four months of his then existing target bonus and (iii) the amount he would incur to maintain coverage for himself and his family under NuVox's welfare benefit plans for a period of twelve months following the termination date.

*Riley M. Murphy.* Ms. Murphy is a party to an employment agreement with NuVox that provides her with certain change in control benefits. If (a) NuVox terminates Ms. Murphy's employment agreement without cause or by failing to renew the agreement during the ninety-day period preceding a change in control or during the twelve-month period following a change in control, or (b) Ms. Murphy terminates her employment for good reason, during the twelve-month period following a change in control and the initial existence of the condition constituting good reason occurred during the ninety-day period preceding such change in control or during the twelve-month period following such change in control, or (c) Ms. Murphy terminates her employment for any reason during the thirty-day period following the eleven-month anniversary of a change in control, she will be entitled to receive a lump sum equal to (i) twenty-four months of her then existing base salary, (ii) twenty-four months of her then existing target bonus and (iii) the amount she would incur to maintain coverage for herself and her family under NuVox's welfare benefit plans for a period of twelve months following the termination date.

***Transition Award Program***

Prior to the closing of the merger, NuVox expects to make bonus payments to certain executive officers and employees in an aggregate amount not to exceed \$3,100,000, with individual amounts to be determined subject to Windstream's review and approval (which review and approval will not be unreasonably delayed or withheld). Half of these bonus payments will be payable upon the consummation of the merger and the remaining half of the bonus payments will be payable upon the earlier of (i) the recipient's termination of employment with the combined company and (ii) six months following the consummation of the merger.

**Table of Contents****BENEFICIAL OWNERSHIP OF NUVOX COMMON STOCK**

The following table sets forth information with respect to the beneficial ownership of NuVox's common stock as of November 30, 2009 for:

each stockholder known by NuVox to beneficially own more than 5% of NuVox's common stock;

each of NuVox's directors and executive officers; and

all of NuVox's directors and executive officers as a group.

The percentage of ownership indicated in the following table is based on 269,522,071 shares of common stock outstanding as of November 30, 2009, which amount includes shares underlying stock options that are currently exercisable or become exercisable within 60 days of November 30, 2009. Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include shares of common stock issuable upon the exercise of stock options and warrants that are currently exercisable or exercisable within 60 days. The beneficial ownership information in the table does not include outstanding NuVox stock appreciation rights nor does it give effect to the acceleration of vesting of certain options that would occur upon consummation of the merger. Except as otherwise indicated, all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them. The information is not necessarily indicative of beneficial ownership for any other purpose.

Name	Total NuVox Common Stock Shares Owned(1)	Percent of Total Common Stock
<b>5% Shareholders</b>		
M/C Ventures (2)	69,055,394	25.6%
KKR (3)	28,302,225	10.5%
Columbia Capital (4)	19,529,827	7.2%
Wachovia Capital (5)	19,461,009	7.2%
Centennial Funds (6)	13,898,476	5.2%
<b>Directors and Executive Officers:</b>		
James W. Akerhielm	5,477,127(7)	2.0%
James B. Fleming, Jr.	(8)	
Michael P. Gallagher	2,820,295	1.0%
James H. Greene, Jr.	(9)	
Riley M. Murphy	1,234,014(10)	0.5%
Charles J. Norris	1,928,775(11)	0.7%
Scott Perper	(12)	
Robert Savignol	(13)	
David L. Solomon	3,867,081(14)	1.4%
James F. Wade	(15)	
All Directors and Executive Officers as a Group (10 persons)	34,857,119	12.9%

(1) Consists of direct and indirect ownership of shares, including stock options that are currently exercisable or exercisable within 60 days.

(2) Represents 59,406,977 shares of common stock held by M/C Venture Partners V, L.P.; 5,874,417 shares of common stock held by Media Communications Partners III Limited Partnership; 723,012 shares of common stock held by M/C Investors L.L.C.; 183,289 shares of

## Edgar Filing: WINDSTREAM CORP - Form S-4

common stock held by M/C Venture Investors L.L.C.; and 2,867,699 shares of common stock held by Chestnut Venture Partners, L.P. James F. Wade, David D. Croll, John W. Watkins, Brian M. Clark and Gillis S. Cashman are the managers of M/C VP V LLC, which is the general partner of M/C Venture Partners V, L.P. James F. Wade, David D. Croll, Stephen F. Gormley, Christopher S. Gaffney and John G. Hayes are the managers of M/C III L.L.C., which is the

**Table of Contents**

general partner of Media Communications Partners III Limited Partnership. James F. Wade, David D. Croll, Stephen F. Gormley, Christopher S. Gaffney and John G. Hayes are also the managers of M/C Investors L.L.C. James F. Wade, David D. Croll, John W. Watkins, Brian M. Clark and Gillis S. Cashman are the managers M/C Venture Investors L.L.C. James F. Wade and David D. Croll are the sole directors of Chestnut Street Partners, Inc., which is the general partner of Chestnut Venture Partners, L.P. Each of these individuals, as applicable, disclaims beneficial ownership of the securities beneficially owned by M/C Venture Partners V, L.P., Media Communications Partners III Limited Partnership, M/C Investors L.L.C., M/C Venture Investors L.L.C. and Chestnut Venture Partners, L.P. The address for these entities is 75 State Street, Suite 2500, Boston, MA 02109.

- (3) Represents 28,302,225 shares of common stock held by NSHI Ventures LLC. NSHI Ventures LLC is a limited liability company, the members of which are KKR 1996 Fund L.P. and KKR Partners II, L.P. The managing member of NSHI Ventures LLC is KKR 1996 Fund L.P., the general partner of which is KKR Associates 1996 L.P., the general partner of which is KKR 1996 GP LLC. The managing members of KKR 1996 GP LLC are Henry R. Kravis and George R. Roberts, who are executives of Kohlberg Kravis Roberts & Co. L.P. and/or its affiliates. James H. Greene, Jr., a director of NuVox, is also an executive of Kohlberg Kravis Roberts & Co. L.P. and/or its affiliates. Each of these individuals disclaims beneficial ownership of the securities beneficially owned by NSHI Ventures LLC. The address for NSHI Ventures LLC is c/o Kohlberg Kravis Roberts & Co. L.P. 9 West 57th Street, Suite 4200, New York, New York 10019.
- (4) Represents 10,529,759 shares of common stock held by Columbia Capital Equity Partners III (QP), L.P.; 5,177,628 shares of common stock held by Columbia FDN Partners III, LLC; and 3,822,440 shares of common stock held by Columbia NV Partners III, LLC. Columbia Capital Equity Partners III, L.P. is the general partner of Columbia Capital Equity Partners III (QP), L.P. Columbia Capital III, L.L.C. is the general partner of Columbia Capital Equity Partners III, L.P. and the manager of Columbia FDN Partners III, LLC and Columbia NV Partners III, LLC. Columbia Capital III, L.L.C. has sole voting and investment power over the shares held directly and indirectly by the entities of which they are the general partner and manager as described above. Mr. Fleming is a managing member of Columbia Capital III, L.L.C., and, as a result, may be deemed to beneficially own the shares held by Columbia Equity Partners III (QP), L.P., Columbia FDN Partners III, LLC, and Columbia NV Partners III, LLC. Mr. Fleming disclaims beneficial ownership of the shares held by these entities except to the extent of his direct pecuniary interest therein. The address for these entities is 201 North Union Street, Alexandria, VA 22314.
- (5) Represents 10,202 shares of common stock held by Wachovia Investors, Inc.; 19,268,995 shares of common stock held by WCP Fund I, L.P.; 51,586 shares of common stock held by Wachovia Capital Partners 1998-II, LLC; 22,784 shares of common stock held by Wachovia Capital Partners 2001, LLC; and 107,442 shares of common stock held by Wachovia Capital Partners 1999-II, LLC. Each of Wachovia Capital Partners 1998-II, LLC, Wachovia Capital Partners 2001, LLC and Wachovia Capital Partners 1999-II, LLC are wholly-owned subsidiaries of Wachovia Investors, Inc. WCP Fund I, LP is a majority-owned (70.1%) subsidiary of Wachovia Investors, Inc. Wachovia Investors, Inc. is an indirect, wholly-owned subsidiary of Wells Fargo & Co. The sole investment and voting power for WCP Fund I, L.P. resides with Wachovia Capital Partners GP I, LLC, the general partner of WCP Fund I, L.P. Scott Perper is a Manager of Wachovia Capital Partners GP I, LLC. The address for these entities is 301 South College Street, 12th Floor D1053-121, Charlotte, NC 28288.
- (6) Represents 2,583,637 shares of common stock held by CV Liquidating Trust; 77,013 shares of common stock held by CEF-V Liquidating Trust; 11,077,204 shares of common stock held by Centennial Ventures VII, L.P.; and 160,622 shares of common stock held by Centennial Entrepreneurs Fund VII, L.P. Centennial Holdings V, L.P. ( Holdings V ) is the sole trustee of each of CV Liquidating Trust and CEF-V Liquidating Trust. Accordingly, Holdings V may be deemed to share beneficial ownership of the shares of common stock held by each of CV Liquidating Trust and CEF-V Liquidating Trust. Centennial Holdings VII, LLC ( Holdings VII ) is the general partner of each of Centennial Ventures VII, L.P. and Centennial Entrepreneurs Fund VII, L.P. Accordingly, Holdings VII may be deemed to share beneficial ownership of the shares of common stock held by Centennial Ventures VII, L.P. and Centennial Entrepreneurs Fund VII, L.P. The address for these entities is 1125 17th Street Suite 740, Denver, CO 80202.

**Table of Contents**

- (7) Includes 4,377,127 shares underlying stock options that are currently exercisable or become exercisable within 60 days of November 30, 2009.
  
- (8) Mr. Fleming is a managing member of Columbia Capital III, L.L.C., and, as a result, may be deemed to beneficially own the shares held by Columbia Equity Partners III (QP), L.P., Columbia FDN Partners III, LLC, and Columbia NV Partners III, LLC. Mr. Fleming disclaims beneficial ownership of the shares held by these entities except to the extent of his direct pecuniary interest therein.
  
- (9) Mr. Greene is an executive of Kohlberg Kravis Roberts & Co. L.P. and/or its affiliates. Mr. Greene disclaims beneficial ownership of the shares held by NSHI Ventures LLC.
  
- (10) Includes 952,354 shares underlying stock options that are currently exercisable or become exercisable within 60 days of November 30, 2009.
  
- (11) Includes 1,928,775 shares underlying stock options that are currently exercisable or become exercisable within 60 days of November 30, 2009.
  
- (12) Mr. Perper is a Manager of Wachovia Capital Partners GPI, LLC, and as a result may be deemed to beneficially own the shares held by Wachovia Investors, Inc., WCP Fund I, L.P., Wachovia Capital Partners 1998-II, LLC, Wachovia Capital Partners 2001, LLC and Wachovia Capital Partners 1999-II, LLC. Mr. Perper disclaims beneficial ownership of the shares held by these funds.
  
- (13) Mr. Savignol is a partner of an affiliate of M/C Venture Partners V, L.P., Media Communication Partners III Limited Partnership, M/C Investors L.L.C., M/C Venture Investors, L.L.C. and Chestnut Venture Partners, L.P.
  
- (14) Includes 3,268,328 shares underlying stock options that are currently exercisable or become exercisable within 60 days of November 30, 2009.
  
- (15) Mr. Wade is (a) a manager of each of M/C VP V LLC, M/C III L.L.C, M/C Investors L.L.C. and M/C Venture Investors L.L.C. and (b) a director of Chestnut Street Partners, Inc., and as a result may be deemed to beneficially own the shares held by M/C Venture Partners V, L.P., Media Communication Partners III Limited Partnership, M/C Investors L.L.C., M/C Venture Investors, L.L.C. and Chestnut Venture Partners, L.P. Mr. Wade disclaims beneficial ownership of the shares held by these funds.

---

**Table of Contents**

**THE MERGER AGREEMENT**

The following is a summary of selected material provisions of the merger agreement. This summary is qualified in its entirety by reference to the merger agreement, which is attached to this information statement/prospectus as *Annex A*. The rights and obligations of the parties are governed by the express terms and conditions of the merger agreement and not by this summary or any other information contained in this document. NuVox stockholders are urged to carefully read the merger agreement in its entirety as well as this document.

In reviewing the merger agreement, please remember that it is included to provide you with information regarding its terms and is not intended to provide any other factual information about Windstream or NuVox. The merger agreement contains representations and warranties by each of the parties to the merger agreement. These representations and warranties have been made solely for the benefit of the other parties to the merger agreement and (i) may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate, (ii) have been qualified by certain disclosures that were made to the other party in connection with the negotiation of the merger agreement, which disclosures are not reflected in the merger agreement, and (iii) may apply standards of materiality in a way that is different from what may be viewed as material by you or other investors.

Accordingly, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read together with the information provided elsewhere in this document and in the documents incorporated by reference into this document. See *Where You Can Find More Information* on page 85.

**Form of the Merger**

If the holders of NuVox common stock approve and adopt the merger agreement and all other conditions to the merger are satisfied or waived, Merger Sub, a newly formed and wholly-owned subsidiary of Windstream, will be merged with and into NuVox. NuVox will survive the merger as a direct, wholly-owned subsidiary of Windstream. Windstream and NuVox anticipate that the closing of the merger will occur no later than the second business day after the satisfaction or waiver of all conditions described below under the heading *The Merger Agreement Conditions to the Merger*, including the adoption of the merger agreement and approval of the merger and the other transactions by the NuVox stockholders by written consent after receipt of this information statement/prospectus under cover of a registration statement.

**Merger Consideration**

The aggregate consideration that will be paid by Windstream to NuVox stockholders in the merger is \$279.6 million in cash and 18,714,859 shares of Windstream common stock. This consideration includes the consideration payable to holders of in-the-money NuVox stock options and stock appreciation rights outstanding immediately prior to the effective time of the merger.

At the effective time of the merger, each share of NuVox common stock will entitle the holder thereof to receive the merger consideration, which will consist of two components: the Windstream stock consideration and the cash consideration. The Windstream stock consideration refers to the number of shares of Windstream common stock payable in the merger for each share of NuVox common stock outstanding at the effective time of the merger. This value is determined by dividing 18,714,859 by the total number of shares of NuVox common stock outstanding immediately prior to the effective time of the merger. Assuming that NuVox does not issue any shares of common stock following the execution of the merger agreement and that no holders of NuVox stock options that are in-the-money exercise their options, each share of NuVox common stock will entitle the holder thereof to receive .0747 shares of Windstream common stock in the merger. Based on the closing price of Windstream common stock on the NYSE on November 2, 2009, the last trading day prior to the public announcement of execution of the merger agreement, this amount is the equivalent of \$0.73 per share of NuVox common stock.

---

## **Table of Contents**

The cash consideration payable for each share of NuVox common stock is determined by dividing (i) the difference obtained by subtracting the aggregate consideration payable to holders of NuVox stock options and stock appreciation rights outstanding immediately prior to the effective time of the merger from the aggregate cash consideration by (ii) the number of shares of NuVox common stock outstanding at closing. The aggregate cash consideration equals \$279.6 million plus the aggregate amount of any proceeds received by NuVox from the exercise of NuVox stock options from the date the merger agreement was executed until immediately prior to the effective time of the merger. Assuming that NuVox does not issue any shares of common stock following the execution of the merger agreement and no one exercises NuVox stock options or stock appreciation rights that are in-the-money prior to the effective time of the merger, each share of NuVox common stock will be entitled to receive \$1.03 in cash per share in the merger.

### **NuVox Options and Stock Appreciation Rights**

Each outstanding NuVox stock option and stock appreciation right granted under NuVox's stock incentive plans, whether or not then vested and exercisable, will become fully vested and exercisable immediately prior to, and then will be canceled at, the effective time of the merger, and the holder of such option or stock appreciation right will be entitled to receive an amount in cash, without interest and less any applicable tax to be withheld, equal to (i) the excess, if any, of the per share value of the merger consideration (based on a per share value of \$9.96 for Windstream common stock, which was calculated as the average of recent prices for Windstream common stock as reported by the NYSE during the negotiation of the merger) over the per share exercise price of such NuVox stock option or stock appreciation right, as applicable, multiplied by (ii) the total number of shares of NuVox common stock underlying such NuVox stock option or stock appreciation right, with the aggregate amount of such payment rounded up to the nearest cent. The amount will be paid in a lump sum as soon as practicable after the effective time of the merger. This means that all out-of-the-money NuVox stock options and stock appreciation rights will be cancelled without any payment.

### **NuVox Warrants**

Each warrant to purchase NuVox common stock outstanding immediately prior to the effective time will be assumed by Windstream and converted into a warrant to purchase shares of Windstream common stock. Each warrant as so assumed and converted shall continue to have the same terms and conditions as set forth in the applicable warrant certificate and any related agreements immediately prior to the effective time, except that, the warrant will be exercisable for that number of whole shares of Windstream common stock (rounded down to the nearest whole share) equal to the product of (i) the number of shares of NuVox common stock purchasable under such warrant immediately prior to the effective time of the merger multiplied by (ii) the quotient obtained by dividing the per share merger consideration by \$9.96. The per share exercise price of Windstream common stock to be issued upon exercise of the warrant (rounded up to the nearest whole cent) will be the equal to the quotient of (A) the per share exercise price of such warrant immediately prior to the effective time divided by (B) the quotient obtained by dividing the per share merger consideration by \$9.96.

### **Conversion of Shares; Exchange Agent; Procedures for Exchange of Certificates; Fractional Shares**

At the effective time of the merger, each outstanding share of NuVox common stock (other than shares held by Windstream or Merger Sub) will automatically convert into the right to receive the merger consideration. At or prior to the effective time of the merger, Windstream will cause the merger consideration to be provided to the exchange agent. Windstream has appointed Computershare Investor Services, LLC, to act as exchange agent for the merger.

The merger agreement provides that as promptly as practicable after the effective time of the merger, the exchange agent will mail a letter of transmittal to each holder of record of shares of the common stock of NuVox. The letter of transmittal will contain instructions on how to surrender shares of NuVox common stock in exchange for the merger consideration the holder is entitled to receive under the merger agreement.

## **Table of Contents**

After receiving the letter of transmittal, each holder of certificates formerly representing shares of NuVox's common stock will be able to surrender the certificates to the exchange agent and receive the merger consideration and cash in lieu of fractional shares in an amount equal to the fair market value of the holder's fractional interest.

After the effective time of the merger, each certificate that previously represented shares of NuVox common stock (other than certificates held by Windstream, Merger Sub or any other subsidiary of Windstream) will represent only the right to receive the merger consideration. Windstream will not issue any fractional shares of Windstream common stock to any NuVox stockholder upon surrender of its certificates. Each holder of NuVox common stock who would have otherwise been entitled to receive a fraction of a share of Windstream common stock will receive cash in lieu of a fractional share of Windstream common stock. The amount of cash will be equal to the fair market value of the fractional share, which fair market value shall be determined by multiplying the relevant share fraction by the per share value of the merger consideration (based on a per share value of \$9.96 for Windstream common stock, which was calculated as the average of recent prices for Windstream common stock as reported by the NYSE during the negotiation of the merger). No interest will be paid or will accrue on the cash payable upon surrender of those certificates.

If any certificate of Windstream common stock is to be issued in a name other than that in which the NuVox certificate to be exchanged is registered, exchange and payment may be made if the certificate representing those shares of NuVox common stock is properly endorsed or otherwise in proper form for transfer, and the transferee requesting such exchange pays to the exchange agent any transfer taxes or other taxes required.

Shares of NuVox common stock owned by Windstream or any wholly-owned Windstream subsidiary, including Merger Sub, will be cancelled at the effective time of the merger without payment of any merger consideration.

## **Effective Time of the Merger**

The merger will become effective at the time the articles of merger and the certificate of merger relating to the merger are filed with the Secretary of State of the State of Delaware or such later time as is agreed upon by the parties and specified in the articles of merger and the certificate of merger. The filing of the articles of merger and the certificate of merger will take place only after the fulfillment or waiver of the conditions described below under the heading "Merger Agreement Conditions to the Merger."

## **Management and Organizational Documents after the Merger**

*Management.* The directors and the officers of Merger Sub immediately prior to the merger will become the initial directors and officers of the surviving corporation immediately following the merger. Each such individual will hold office in accordance with the by-laws of the surviving corporation.

*Organizational Documents.* The certificate of incorporation of the surviving corporation shall be amended and restated at the effective time of the merger to conform to the certificate of incorporation of Merger Sub, and such certificate of incorporation shall be the certificate of incorporation of the surviving corporation. The by-laws of the surviving corporation shall be amended and restated at the effective time to conform to the by-laws of Merger Sub, and such by-laws will be the by-laws of the surviving corporation.

## **Consent Agreement**

As a condition to Windstream and Merger Sub entering into the merger agreement, the Major Stockholders, which represent more than 62% of NuVox's outstanding common stock, entered into an agreement with Windstream pursuant to which the Major Stockholders agreed, among other things, to execute and deliver a written consent adopting the merger agreement and approving the merger and the other transactions contemplated thereby once the registration statement with respect to which the shares of Windstream common stock to be issued in the merger is declared effective by the SEC and the Major Stockholders have received this information statement/prospectus.



---

## **Table of Contents**

### **Indemnification**

If NuVox breaches any of the representations, warranties, covenants or agreements contained in the merger agreement or incurs any liability relating to certain specified items, the Indemnifying Stockholders will, for a period of 12 months following the closing date, be obligated to indemnify Windstream, its subsidiaries and its affiliates from Adverse Consequences. Indemnification claims will be subject to a per-claim threshold of \$25,000 (aggregating all reasonably related claims) and the Indemnifying Stockholders will not be obligated to indemnify Windstream from any Adverse Consequences until Windstream has suffered Adverse Consequences in excess of \$1,000,000, at which point the Indemnifying Stockholders will be obligated to indemnify Windstream for all Adverse Consequences incurred in excess of this \$1,000,000 deductible. However, indemnification claims due to breaches of NuVox's representations and warranties relating to organization and qualification, authority relative to the merger agreement and brokers or finders are not subject to the \$1,000,000 deductible. The Indemnifying Stockholders will not be obligated to indemnify Windstream from any incidental, consequential, special, punitive or other indirect damages. The indemnification obligations of the Indemnifying Stockholders are subject to an aggregate cap of \$25,000,000, other than with respect to fraud and breaches of NuVox's pre-closing covenants relating to the issuance of capital stock, the payment of dividends and distributions, the incurrance of indebtedness and the making of loans or investments, and an overall aggregate cap of \$466,000,000.

The Indemnifying Stockholders will have the right to defend Windstream against any third-party claim with counsel of the Indemnifying Stockholders' choice reasonably satisfactory to Windstream so long as the third party claim involves only money damages and the Indemnifying Stockholders conduct the defense of the third party claim actively and diligently. In other circumstances, Windstream may defend against the third party claim in any manner it may reasonably deem appropriate. Windstream may retain separate co-counsel at its sole cost and expense and participate in the defense of the third party claim. The Indemnifying Stockholders agree not to consent to the entry of any judgment or enter into any settlement with respect to any third party claim without the prior written consent of Windstream.

### **Escrow Fund**

On the closing date, Windstream and the Stockholders' Representative will enter into an escrow agreement pursuant to which Windstream will deposit into an escrow fund \$25,000,000 of the merger consideration payable to the Indemnifying Stockholders. The escrowed funds will be used to satisfy any indemnification obligations of the Indemnifying Stockholders arising under the merger agreement. On the six-month anniversary of the closing of the merger, the escrow agent will release fifty percent of any remaining escrowed funds to the Indemnifying Stockholders (less amounts subject to pending indemnification claims). On the one-year anniversary of the closing of the merger, any remaining escrowed funds will be released to the Indemnifying Stockholders (less amounts subject to pending indemnification claims). Amounts to be released from the escrow fund may be applied instead, at the direction of the Stockholders' Representative, to pay all its charges, fees, costs, liabilities and expenses or other amounts incurred or owed by it under the merger agreement and escrow agreement. The portion of the merger consideration deposited into the escrow funds will only reduce the merger consideration to be paid to the Indemnifying Stockholders at closing. Consequently, unless you are an Indemnifying Stockholder, the merger consideration you will become entitled to receive at the effective time of the merger will not be affected by the escrow.

### **Stockholders' Representative**

By adopting the merger agreement, the Indemnifying Stockholders are appointing M/C Venture Partners V, L.P. to serve as the Stockholders' Representative under the merger agreement and escrow agreement. The powers and duties of the Stockholders' Representative include:

executing certain amendments to the merger agreement;

executing and delivering waivers and consents related to the merger agreement, the escrow agreement and the exchange agent agreement;

## **Table of Contents**

using its reasonable efforts to ensure and protect the rights and interests of the Indemnifying Stockholders and to enforce and protect its own rights and interests arising out of or relating to the merger agreement, the escrow agreement or the exchange agent agreement;

causing payments permitted by the merger agreement to be disbursed from the escrow account and reserve expense fund;

enforcing payment of the escrowed funds;

negotiating and settling disputes and controversies with Windstream and Merger Sub; and

communicating with Windstream, Merger Sub, the surviving corporation and any other affiliate of Windstream in connection with indemnification claims under the merger agreement and escrow agreement.

### **Stockholders Representative Reserve**

All charges, fees, costs, liabilities and other expenses of the Stockholders Representative incurred in connection with the merger agreement will be borne by the Indemnifying Stockholders. At the closing, Windstream will deposit \$1,000,000 of the merger consideration payable to the Indemnifying Stockholders into a reserve expense fund. The reserve expense fund may be applied as the Stockholders Representative determines appropriate to pay all of its charges, fees, costs, liabilities and expenses or other amounts incurred or owed by it under the merger agreement and escrow agreement. The Stockholders Representative will distribute the remaining balance of the reserve expense fund to the Indemnifying Stockholders on a pro rata basis, in accordance with their respective ownership of NuVox common stock owned and outstanding immediately prior to the effective time of the merger, when the Stockholders Representative determines, in its sole discretion, that such distribution is appropriate.

### **Representations and Warranties**

The merger agreement contains a number of representations and warranties made by the parties to each other, including those regarding:

due organization, good standing and qualification;

capital structure;

authority to enter into the merger agreement and to consummate the transactions thereunder;

no conflicts with or violations of governance documents, contracts or laws;

conduct of business in the ordinary course since December 31, 2008, and no events having occurred which would have a material adverse effect;

no litigation or investigations;

## Edgar Filing: WINDSTREAM CORP - Form S-4

accuracy of information supplied in connection with this information statement/prospectus and the registration statement of which it is a part;

tax matters;

compliance with applicable laws;

brokers and finders; and

no additional representations or warranties.

In addition, NuVox made representations and warranties to Windstream as to:

accuracy of financial statements;

no undisclosed liabilities;

**Table of Contents**

employee benefit plan matters and other labor and employment matters;

compliance with environmental laws;

intellectual property;

assets and properties, including network facilities and agreements;

material contracts;

affiliate transactions;

possession of required licenses and regulatory approvals;

corporate records;

the receipt of an opinion from its financial advisor;

the net value of certain subsidiaries;

customer and vendor disputes; and

the settlement of specified litigation.

Windstream also represented and warranted to NuVox as to:

NuVox equity interests;

reports and regulatory matters;

tax matters;

no vote of Windstream stockholders is required in connection with the merger; and

current dividend practice.

## Edgar Filing: WINDSTREAM CORP - Form S-4

In addition, the merger agreement contains representations and warranties made by Merger Sub to NuVox regarding certain of the matters listed above.

Certain of NuVox's and Windstream's representations and warranties are qualified as to materiality or material adverse effect. When used with respect to NuVox or Windstream, material adverse effect means any change, effect, event or occurrence or state of facts that either individually or in the aggregate is materially adverse to the business, assets, operations, properties, condition (financial or otherwise) or results of operations of NuVox and its subsidiaries or Windstream and its subsidiaries, respectively, taken as a whole.

Changes, effects, events or occurrences or a particular state of facts will not be deemed a material adverse effect with respect to NuVox or Windstream, as the case may be, if such changes, effects, events or occurrences or state of facts relate to:

economic, financial market, regulatory, political or geographical conditions in general, including changes resulting from acts of war or terrorism or other outbreaks or escalations of hostilities that do not have a materially disproportionate adverse effect on NuVox and its subsidiaries or Windstream and its subsidiaries, respectively, taken as a whole;

acts of war or terrorism or other outbreaks or escalations of hostilities that do not have a materially disproportionate adverse effect on NuVox and its subsidiaries or Windstream and its subsidiaries, respectively, taken as a whole;

changes in law or applicable accounting regulations or principles or interpretations thereof that do not have a materially disproportionate adverse effect on NuVox and its subsidiaries or Windstream and its subsidiaries, respectively, taken as a whole;

the telecommunications industry as a whole and do not have a materially disproportionate adverse effect on NuVox and its subsidiaries or Windstream and its subsidiaries, respectively, taken as a whole, relative to other participants in such industry;

## **Table of Contents**

any change, in and of itself, in, respectively, NuVox's or Windstream's stock price or trading volume, or any failure, in and of itself, by NuVox or Windstream, respectively, to meet any internal or published projections, forecasts or revenue or earnings predictions; or

the announcement of the merger agreement and the transaction contemplated thereby, the performance of and compliance with the terms of the merger agreement and the identity of Windstream or any of its affiliates as the acquiror of NuVox.

### **Covenants**

*Conduct of Business Pending Merger.* NuVox has agreed that until the effective time of the merger, unless Windstream otherwise consents in writing or otherwise permitted by the merger agreement, it will, and will cause each of its subsidiaries to, conduct its respective businesses in the ordinary course of business and use commercially reasonable efforts to preserve intact its current business organizations, goodwill, rights and franchises and keep available the service of its officers and employees and preserve their relationships with customers, suppliers and others having business dealings with it.

In addition, NuVox has agreed that until the merger is completed, NuVox and its subsidiaries will not take certain actions listed in the merger agreement, which include the following actions, without Windstream's prior written consent, except under limited circumstances specified in the merger agreement:

issue, grant, deliver, sell, dispose, pledge or otherwise encumber its capital stock, or other ownership interests, or any securities or rights convertible into or exchangeable for any such shares or ownership interests or permit or authorize any of the above, other than in connection with the exercise of stock options that were outstanding on November 2, 2009;

redeem, purchase or otherwise acquire, or propose to redeem, purchase or otherwise acquire its or its subsidiaries capital stock or indebtedness, or any securities convertible into or exercisable for any shares of its or its subsidiaries capital stock;

split, combine, subdivide or reclassify any of its or its subsidiaries capital stock;

declare, set aside for payment or pay any dividend, or make any other actual, constructive or deemed distribution in respect of its or its subsidiaries capital stock, or make any other payments to its stockholders or its subsidiaries in their capacity as such, other than dividends by a wholly owned NuVox subsidiary to NuVox or any of its subsidiaries;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of it or any of its subsidiaries;

amend its certificate of incorporation or by-laws or alter through merger, liquidation, reorganization, restructuring or in any other fashion the corporate structure or ownership of any of its subsidiaries;

make any material acquisition or any material disposition of assets or securities of any business organization or division thereof;

make any material capital expenditures that are not consistent in timing and amount with past practice, incur any indebtedness or guarantee any such indebtedness or make any loans, advances or capital contributions to, or investments in, any other person, other than to it or any of its subsidiaries, except as consistent with past practice or to the extent required by a material contract;

## Edgar Filing: WINDSTREAM CORP - Form S-4

pay or agree to pay any pension, retirement allowance or other employee benefit not required or contemplated by any of its existing benefit, severance, termination, pension or employment plans or agreements, as in effect on November 2, 2009, to any of its directors, officers, employees, consultants or agents, whether past or present;

enter into any new or materially amend any existing employment or severance or termination agreement with any of its current or former directors or officers, except as contemplated by the executive officer agreement entered into by Windstream with the officers of NuVox;

**Table of Contents**

grant any increases in the compensation of any of its directors or officers;

increase or commit to increase the compensation of any of its or its subsidiaries' employees (other than officers and directors), or pay or commit to pay any bonus, profit sharing or other similar payment to such persons, in each case other than (i) merit increases consistent with its budget implemented on or after April 1, 2010, and (ii) promotions or bonuses not in the context of any broad-based plan or program;

grant or commit to grant to any of its or any of its subsidiaries' employees, officers, stockholders, directors, consultants or agents any new or modified severance, change of control, termination, retention or similar arrangement or increase or accelerate any benefits payable under its severance, retention or termination pay policies in effect on November 2, 2009;

except in the ordinary course of business consistent with past practice or as may be required to comply with applicable laws, become obligated under any new pension plan, welfare plan, multiemployer plan, employee benefit plan, severance plan, benefit arrangement, or similar plan or arrangement, which was not in existence on November 2, 2009, or amend any such plan or arrangement in existence on November 2, 2009, if such amendment would have the effect of materially enhancing any benefits thereunder;

amend, modify or waive the right of it or its subsidiaries to require a release of claims under the terms of any employment agreement, benefit plan, severance policy or other agreement providing a release of claims as a condition to the payment of benefits;

make any material tax election, change any material tax election already made, file any amended tax returns or settle or compromise any material federal, state, local or foreign income tax liability;

make any change in its accounting principles or methods except insofar as may be required by a change in GAAP or change its or any of its subsidiaries' independent public accountants;

(i) pay, discharge or satisfy any material claims (including claims of stockholders), liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), except for the payment, discharge or satisfaction of liabilities or obligations in the ordinary course of business consistent with past practice or in accordance with their terms as in effect on November 2, 2009, or (ii) waive, release, grant or transfer any rights of material value or modify or change in any material respect any existing material license, lease, contract or other document, other than in the ordinary course of business consistent with past practice;

enter into any collective bargaining agreement or other agreement with any labor organization, union or association;

settle or compromise any litigation other than settlements or compromises of litigation where the settlement is limited solely to monetary payment and the release of claims and the amount paid (after giving effect to insurance proceeds actually received) in settlement or compromise does not exceed \$250,000, provided that the aggregate amount paid in connection with the settlement or compromise of all such litigation matters will not exceed \$500,000;

(i) other than in the ordinary course of business consistent with past practice or as expressly permitted by the merger agreement, terminate, renew, amend or modify in any material respect, or fail to enforce any material provision of, any of its material contracts or (ii) enter into any material contract not in the ordinary course of business consistent with past practice and not terminable by it or any of its subsidiaries party thereto without penalty on notice of ninety (90) days or less;



## Edgar Filing: WINDSTREAM CORP - Form S-4

except as required in connection with the transactions contemplated by the merger agreement, take any action that will create a requirement to make a filing, registration or application with, or seek the waiver, consent or approval of, the FCC, any PUC or any similar state regulatory body or any other government entity other than in the ordinary course of business consistent with past practice or in response to filings initiated by such government entities or other parties, or discontinue or withdraw any authorized service or voluntarily relinquish any material license or institute any proceeding with respect to, or otherwise materially change, amend or supplement any of its tariffs on file with the FCC, any PUC or similar state regulatory body, except as required by applicable law;

**Table of Contents**

effectuate a plant closing or mass layoff, as those terms are defined in the Worker Adjustment and Retraining Notification Act of 1988 ( WARN ), affecting in whole or in part any site of employment, facility, operating unit or employee of it or any of its subsidiaries, without notifying Windstream in advance and without complying with the notice requirements and other provisions of WARN;

enter into or adopt any pension plan or similar agreement in which it or any of its subsidiaries will be liable for the payment of benefits to employees upon retirement;

enter into, amend or modify any hedge agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions, in each case other than in the ordinary course of business consistent with past practice and in consultation with Windstream; or

authorize, recommend, propose or announce an intention to do any of the foregoing, or enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

Windstream has agreed that until the merger is completed, Windstream will not take certain actions listed in the merger agreement, which include the following actions, without NuVox's prior written consent, except under limited circumstances specified in the merger agreement:

adopt any amendments to its certificate of incorporation or by-laws which would have the effect of altering the terms of Windstream common stock;

adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

enter into or consummate any transaction or transactions that would reasonably be expected to prevent the consummation of the transactions contemplated by the merger agreement; or

authorize, recommend, propose or announce an intention to do any of the foregoing, or enter into any agreement to do any of the foregoing.

*No Solicitation.* The merger agreement precludes NuVox, its subsidiaries, officers, directors, employees, investment bankers, legal counsel and other advisors and other representatives from directly or indirectly:

soliciting, initiating, knowingly encouraging or taking any other action which could be reasonably expected to facilitate a competing transaction;

engaging in negotiations or discussions concerning, or providing any non-public information to any person relating to, or taking any other action to facilitate any inquiries or the making of any proposal that constitutes, or could reasonably be expected to lead to, a competing transaction;

entering into any letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or similar document, agreement or commitment relating to or in connection with a competing transaction or requiring NuVox to abandon, terminate or fail to consummate the merger; or

waiving, amending, modifying or granting any release under any standstill or similar agreement or confidentiality agreement relating to a competing transaction.

However, prior to the adoption by NuVox stockholders of the merger agreement, the NuVox board of directors may furnish non-public information to, pursuant to an executed confidentiality agreement with terms no less favorable in all material respects than those contained in the confidentiality agreement between Windstream and NuVox, or enter into discussions or negotiations with, any person regarding a bona fide written proposal or offer for a competing transaction, if:

the board of directors of NuVox determines in good faith, after consultation with NuVox's outside legal counsel and financial advisor, that such acquisition offer or proposal is, or is reasonably likely to lead to, a superior competing transaction and, after consultation with NuVox's outside legal counsel, that it is required to do so in order for it to comply with its fiduciary obligations to NuVox stockholders;

## Table of Contents

prior to determining that any proposal could result in a superior competing transaction, the NuVox board of directors must notify Windstream of such offer or proposal and indicate, in connection with the notice, the material terms and conditions of the proposed competing transaction and the identity of the person making the competing transaction offer; and

such competing transaction, proposal or offer was made after November 2, 2009, and did not result from a breach of the merger agreement.

The NuVox board of directors also may make any disclosure to its stockholders if, in each case, in the good faith judgment of the board of directors, with the advice of outside counsel, making such disclosure to NuVox stockholders is required under applicable law.

NuVox is required to notify Windstream in writing promptly after receipt of any competing transaction offer or proposal or any request for material nonpublic information or access to its properties, books or records from any person, relating to or that could reasonably be expected to lead to a competing transaction. The notice must detail the identity of the offeror and the material terms and conditions of the proposal. NuVox must also keep Windstream informed in all material respects of the status and details of any competing transaction.

Competing transaction is defined in the merger agreement as any proposal or offer made by any person, for:

the acquisition by any person of assets or businesses that constitute fifteen percent (15%) or more of either the revenues, net income or assets of NuVox and its subsidiaries, taken as a whole;

the acquisition by any person of fifteen percent (15%) or more of the outstanding shares of NuVox common stock or any of its subsidiaries whose assets, individually or in the aggregate, constitute more than fifteen percent (15%) of the consolidated assets of NuVox; or

any other substantially similar transaction or series of related transactions that would reasonably be expected to prevent or materially impair or delay the consummation of the transactions contemplated by the merger agreement.

Superior competing transaction is defined in the merger agreement as a bona fide, written proposal or offer for a competing transaction made by a third person, which the NuVox board of directors determines in good faith (after consultation with NuVox's outside legal counsel and financial advisor) may reasonably be likely to result in a transaction that, if consummated, would result in such third party (or its stockholders) owning, directly or indirectly, more than 65% of the shares of NuVox common stock or all or substantially all the assets of NuVox on terms more favorable to the stockholders of NuVox from a financial point of view than the merger with Windstream and is reasonably capable of being consummated pursuant to the proposed terms.

*Change of Recommendation.* The NuVox board of directors may not (i) withdraw, amend or modify, or publicly propose or resolve to withdraw, amend or modify its recommendation that the stockholders of NuVox adopt the merger agreement, (ii) adopt or recommend, or propose publicly to adopt or recommend any letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or similar document or agreement, arrangement or understanding constituting or relating to, or that is intended to or could reasonably be expected to lead to, a competing transaction, or (iii) adopt or recommend, or propose publicly to adopt or recommend any competing transaction, except in the case where each of the following requirements is satisfied:

the stockholders of NuVox have not yet adopted the merger agreement;

NuVox receives an unsolicited competing transaction that the NuVox board of directors reasonably determines (after consultation with NuVox's outside counsel and financial advisors) constitutes a superior competing transaction and was made after November 2, 2009, and not withdrawn;

## Edgar Filing: WINDSTREAM CORP - Form S-4

the NuVox board of directors determines in good faith (after taking into account advice of outside counsel) that, in light of such superior competing transaction, that withdrawing its recommendation or terminating the merger agreement is required in order for the NuVox board of directors to comply with its fiduciary obligations to NuVox stockholders under applicable law;

---

**Table of Contents**

such acquisition proposal was not solicited, initiated, knowingly encouraged or facilitated after November 2, 2009 in breach of, and did not otherwise result from a breach of, the merger agreement;

the NuVox board of directors has notified Windstream in writing of the determination described above in accordance with the merger agreement; and

at least three (3) business days following receipt by Windstream of the notice has elapsed and taking into account any revised proposal by Windstream, the board of directors of NuVox maintains its determination described above.

The NuVox board of directors does not, however, have any right to cause NuVox to terminate the merger agreement in connection with a superior competing transaction.

*Information Statement/Prospectus; Registration Statement.* Windstream and NuVox agreed to prepare this information statement/prospectus and the registration statement on Form S-4 in which it is included, and to file them with the SEC and use all reasonable efforts to have the registration statement declared effective by the SEC. Windstream is also required to take all necessary actions as may be required under applicable state blue sky or securities laws and is required to file listing applications covering the shares of Windstream common stock to be issued in the merger with the Nasdaq Stock Market.

NuVox is required under the terms of the merger agreement to use its reasonable best efforts to mail this information statement/prospectus to its stockholders within fifteen (15) calendar days after the registration statement is declared effective. NuVox has agreed to recommend that NuVox stockholders adopt the merger agreement and approve the merger and the other transactions contemplated thereby, and it, acting through its board of directors, must use its reasonable best efforts to obtain such adoption and approval from the NuVox stockholders by written consent. This obligation to use such reasonable best efforts to obtain adoption of the merger agreement and approval of the merger and the other transactions contemplated thereby is not to be limited by the commencement, disclosure, announcement or submission of any competing transaction (whether or not it is a superior competing transaction), or by any change, withholding or withdrawal of the NuVox board of directors recommendation that NuVox stockholders approve the merger agreement. Except as described above under Covenants; Change of Recommendation, the NuVox board of directors may not withdraw or modify, in a manner adverse to Windstream, the recommendation of the NuVox board of directors that NuVox stockholders adopt the merger agreement and approve the merger and the other transactions contemplated thereby.

*Filings; Other Actions.* Both Windstream and NuVox will use all reasonable best efforts to take all actions, and do and assist and cooperate in doing all things necessary, proper or advisable to consummate and make effective the merger, including, without limitation, obtaining all necessary or appropriate waivers, consents and approvals to effect all necessary registration filings and submissions (including, without limitation, filings under the HSR Act and any other submissions requested by the FCC, any PUC, the FTC or DOJ). Windstream and NuVox are to use all reasonable efforts to resolve any objections or challenges from any regulatory authorities, provided that Windstream will not be required to, nor will NuVox be permitted to, agree to any term, condition or restriction or to amend any of NuVox's licenses in order to obtain any such regulatory approvals if such term, condition or restriction or amendment (i) has had or would reasonably be expected to have a material adverse effect on Windstream or NuVox or (ii) would prevent Windstream from consummating the merger on the material terms set forth in the merger agreement.

Windstream will have primary responsibility, with the assistance and cooperation of NuVox, for obtaining all authorizations, consents, orders and approvals with respect to the material licenses held by NuVox, provided that NuVox will be a joint applicant represented by its own counsel with respect to each filing and will have a reasonable advance opportunity to review, comment and approve each filing. The parties are required to use reasonable best efforts to ensure that all necessary applications are filed within ten (10) business days of the merger agreement and to respond as promptly as practicable to any additional requests for information received from the FCC, any PUC and any other governmental entity in connection with the transfer of such licenses.

---

**Table of Contents**

*Access to Information.* The merger agreement requires NuVox to provide Windstream reasonable access to its officers, employees, accountants, consultants, representatives, plants, properties, contracts, commitments, books and records, and it must promptly furnish all information concerning its business, properties and personnel as may reasonably be requested. NuVox must also furnish to Windstream unaudited interim consolidated statements of operations of NuVox and its subsidiaries as soon as practicable following the end of each fiscal month and all statistical and financial reports regularly provided to management in the ordinary course of business consistent with NuVox's past practice. Any such information received by either party will be treated in accordance with the confidentiality agreement executed between Windstream and NuVox.

*Publicity.* Both Windstream and NuVox will, subject to certain exceptions, consult with each other and will mutually agree upon any press release or public announcement pertaining to the merger before the issuance of such press release or public announcement except as may be required by applicable law or by obligations pursuant to any agreement with any national securities exchange or automated quotations system.

*Indemnification of Directors and Officers.* Under the terms of the merger agreement, Windstream has agreed to cause the surviving corporation to honor all of NuVox's obligations to indemnify the current and former directors and officers of NuVox for acts or omissions by such directors and officers occurring prior to the effective time of the merger to the extent that such obligations exist on the date of the merger agreement, whether pursuant to NuVox's certificate of incorporation, by-laws or individual indemnity agreements, and such obligations will survive and continue in full force and effect until the expiration of the applicable statute of limitations with respect to any claims against such directors or officers. For six (6) years following the effective time, subject to certain limitations, Windstream also agreed to maintain the current policies of directors' and officers' liability insurance maintained by NuVox or policies that are no less favorable to the indemnified parties, with respect to claims arising from facts or events that occurred on or before the effective time, except that for any policy year, Windstream will not be required to pay more than \$350,000 for the annual premium of such insurance policies.

*Employees.* Windstream has agreed to provide to all NuVox employees who continue in employment with the surviving company:

for a period of eighteen (18) months following the effective time of the merger, base salaries and severance benefits that are not less favorable than those provided to NuVox employees before the effective time;

for a period from the effective time of the merger and continuing at least through December 31, 2010, benefit plans that provide for medical, dental, vision, short- and long-term disability, life insurance, accidental death and dismemberment insurance and paid time off benefits at the benefit levels in effect for such employees immediately prior to the effective time or, for paid time off benefits, that are not less favorable than those provided to NuVox employees before the effective time; and

for a period from the effective time of the merger until the 12-month anniversary of the effective time, bonus opportunities, commission plans, 401(k) plans, pension plans and other benefit plans and arrangements not otherwise provided for above that, when taken together with the benefits provided for above, are not materially less favorable in the aggregate than all benefits plans and arrangements provided to NuVox employees before the effective time.

For purposes of any waiting period, vesting, eligibility and level of benefits, each NuVox employee will be credited with his or her years of service with NuVox and its subsidiaries before the effective time of the merger, to the same extent as such NuVox employee was entitled, before the effective time, to credit for such service, excluding benefit accruals.

*Tax Matters.* Both Windstream and NuVox are required to use reasonable best efforts to avail themselves of any available exemptions with respect to transfer taxes and to cooperate with each other to provide any information and documentation necessary to obtain such exemptions. NuVox is required to deliver to Windstream a certificate that satisfies the requirements of Treasury Regulation Section 1.1445-2(c)(3).

## **Table of Contents**

*Certain Notices.* Each of Windstream and NuVox are required to notify the other party if any representation or warranty that is qualified as to materiality made by it in the merger agreement becomes incorrect in any respect or any such representation or warranty that is not so qualified becomes incorrect in any material respect or if such party fails to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under the merger agreement.

*NuVox Stockholders Agreements and Other Agreements.* NuVox is required to take all necessary actions to cause the Third Amended and Restated Stockholders Agreement, dated as of May 31, 2007, and the Shareholders Agreement, dated as of August 14, 1998, as amended, both between NuVox and certain of its stockholders, to be terminated without any liability imposed on the part of Windstream or Merger Sub. NuVox is also required to cause the Second Amended and Restated Registration Rights Agreement, dated as of May 21, 2004, between it and certain of its stockholders to be terminated immediately prior to the effective time of the merger without any liability imposed on the part of Windstream or Merger Sub.

*Litigation Settlements.* NuVox must consult with Windstream prior to settlement or compromise of any litigation if the proposed settlement or compromise involves non-monetary consideration that could reasonably be expected to have a material adverse impact on the ability of Windstream or any of its subsidiaries, including Merger Sub, to operate their respective businesses following consummation of the merger.

*Interconnection Agreements.* NuVox agreed that, during the period from the date of execution of the merger agreement to the effective time of the merger, it will use its reasonable best efforts to negotiate replacements of certain expiring interconnection agreements on reasonable terms, and that it will keep Windstream reasonably informed of the status and material terms of such negotiations, including consulting with Windstream as to the material terms of any replacement interconnection agreements.

## **Conditions to the Merger**

*Conditions to the obligations of each party.* The obligations of each party to complete the merger are subject to the satisfaction of the following conditions:

the approval and adoption of the merger agreement by NuVox stockholders;

the absence of any statute, rule, regulation, executive order, decree, ruling or injunction prohibiting the consummation of the merger;

the termination or expiration of the applicable waiting periods pursuant to the HSR Act (which was received on December 1, 2009);

the approval of the shares of Windstream common stock to be issued in connection with the merger for listing on the NASDAQ Global Select Market; and

the continuing effectiveness of the registration statement in which this information statement/prospectus is included.

*Conditions to the obligations of NuVox.* The obligations of NuVox to consummate the merger are subject to the satisfaction of the following further conditions:

the representations and warranties of Windstream and Merger Sub relating to:

corporate authority, and due authorization and enforceability of the merger agreement;



## Edgar Filing: WINDSTREAM CORP - Form S-4

capitalization of Windstream and its subsidiaries;

the accuracy of certain reports and financial statements filed by Windstream with the SEC;

the absence of litigation or other proceedings that would reasonably be expected to materially delay or interfere with, prevent or otherwise make unduly burdensome, the merger; and

**Table of Contents**

the absence of finders' or brokers' fees, except with respect to fees and expenses payable by Windstream to its financial advisors, are correct at and as of the effective time as if made at and as of such time, or if such representations and warranties are made as of a specific date, then at and as of such date;

all the other representations and warranties of Windstream and Merger Sub contained in the merger agreement are correct (disregarding all exceptions for materiality) at and as of the effective time as if made at and as of such date except for changes permitted by the merger agreement and those representations made as of a specific date (which are correct as of such date), or where the failure of any representation or warranty to be correct has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Windstream;

Windstream and Merger Sub have performed and complied with, in all material respects, their material obligations under the merger agreement to be performed or complied with on or prior to the effective time;

the approvals of the FCC for the transfer of control of the relevant franchises, licenses and similar instruments of NuVox and its subsidiaries (which was received on \_\_\_\_\_, 2010) and any PUC, in each case, required to permit consummation of the merger, have been obtained; and

Windstream must have not experienced a material adverse effect.

*Conditions to the obligations of Windstream and Merger Sub.* The obligations of Windstream and Merger Sub to consummate the merger are subject to the satisfaction of the following further conditions:

the representations and warranties of NuVox relating to:

corporate authority, and due authorization and enforceability of the merger agreement, and the consent required by NuVox stockholders to approve and adopt the merger agreement;

the capitalization of NuVox and its subsidiaries;

the accuracy of certain financial statements provided by NuVox to Windstream;

the absence of litigation or other proceedings that would reasonably be expected to materially delay or interfere with, prevent or otherwise make unduly burdensome, the merger; and

the absence of finders' or brokers' fees, except with respect to fees and expenses payable by NuVox to its financial advisors, are correct at and as of the effective time as if made at and as of such time, or if such representations and warranties are made as of a specific date, then at and as of such date;

## Edgar Filing: WINDSTREAM CORP - Form S-4

all the other representations and warranties of NuVox contained in the merger agreement are correct (disregarding all exceptions for materiality) at and as of the effective time as if made at and as of such date except for changes permitted by the merger agreement and those representations made as of a specific date (which are correct as of such date, or where the failure of any representation or warranty to be correct has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on NuVox;

NuVox having performed and complied with, in all material respects, its material obligations under the merger agreement to be performed or complied with on or prior to the effective time;

the approvals of the FCC for the transfer of control of the relevant franchises, licenses and similar instruments of NuVox and its subsidiaries (which was received on \_\_\_\_\_, 2010), and any PUC, in each case, required to permit consummation of the merger, have been obtained without the imposition of any term or condition that Windstream would not be required to agree to pursuant to the merger agreement;

## **Table of Contents**

NuVox must have not experienced a material adverse effect; and

No more than seven percent (7%) of holders of the outstanding shares of NuVox common stock shall have demanded appraisal rights for their shares.

### **Termination**

*Termination by the parties.* The merger agreement may be terminated by the mutual written consent of Windstream and NuVox. Additionally, either Windstream or NuVox may terminate the merger agreement if:

NuVox stockholders fail to approve and adopt the merger agreement in accordance with the merger agreement and the consent agreement;

the merger is not consummated by April 1, 2010 (which date can be extended by Windstream or NuVox to May 28, 2010 if a reason the closing has not occurred is because of failure to obtain approval from one or more regulatory authorities);

there are final, non-appealable legal restraints preventing the merger; or

any statute, rule, regulation, executive order, decree, ruling or injunction prohibiting the consummation of the merger has been adopted or issued;

provided that, in each case, neither Windstream nor NuVox may terminate the merger agreement if the failure to fulfill any of their respective obligations under the merger agreement results in such failure to close.

*Termination by Windstream.* The merger agreement may be terminated by Windstream if:

a breach of any representation, warranty, covenant or agreement on the part of NuVox set forth in the merger agreement has occurred that would cause any of the conditions described under Conditions to the Merger not to be satisfied, and either such condition is not cured, or incapable of being cured, within thirty (30) days of written notice of such breach or inaccuracy;

the NuVox board of directors makes a recommendation change adverse to Windstream or the merger, approves an acquisition agreement other than the merger agreement, or approves or recommends a competing transaction, as described above under Covenants Change of Recommendation; or

NuVox fails to mail this information statement/prospectus within thirty (30) calendar days after the registration statement that contains this information statement/prospectus is declared effective by the SEC.

*Termination by NuVox.* The merger agreement may be terminated by NuVox if a breach of any representation, warranty, covenant or agreement on the part of Windstream or Merger Sub set forth in the merger agreement has occurred that would cause any of the conditions described under Conditions to the Merger Conditions to the obligations of NuVox not to be satisfied, and either such condition is not cured, or incapable of being cured, within thirty (30) days of written notice of such breach or inaccuracy.

### **Modification or Amendment; Waiver**

*Modification or Amendment.* The merger agreement may be modified or amended by the written agreement of NuVox and Windstream at any time prior to the effective time of the merger, whether before or after adoption of the merger agreement by the NuVox stockholders. However, following such adoption, no amendment of the merger agreement will be made that changes the consideration payable in the merger or requires

## Edgar Filing: WINDSTREAM CORP - Form S-4

further approval of the NuVox stockholders under any applicable laws or rules, without the approval of the NuVox stockholders.

*Waiver of Conditions.* Either Windstream or NuVox may, to the extent permitted by applicable law, waive the conditions to each respective party's individual obligations to consummate the merger that are for their sole

**Table of Contents**

benefit. Any such waiver will be valid only if set forth in writing and signed by the party granting the waiver. However, following such stockholder adoption of the merger agreement, no such waiver will be made that requires further approval of the NuVox stockholders under any applicable laws or rules, without the approval of the NuVox stockholders.

**Transaction Fees and Expenses**

The merger agreement provides that each party will pay its own fees and expenses in connection with the merger agreement, except that the fees and expenses related to any filing made pursuant to the HSR Act or any competition, merger control, antitrust or similar law shall be paid by Windstream.

---

**Table of Contents**

**APPRAISAL RIGHTS**

Generally, a holder of shares of a Delaware corporation's capital stock who does not vote for or consent to a merger and does not wish to accept the consideration provided for in the merger is entitled under Delaware law to have its shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of those shares as determined by the court. However, NuVox has previously entered into a stockholders' agreement with certain of its stockholders representing approximately 85% of its issued and outstanding common stock that provides if NuVox stockholders owning more than 62% of the issued and outstanding shares of common stock of NuVox approve certain transactions, including the merger, then such stockholders have the right to require the other stockholders that are party to the stockholders' agreement to sell all of the NuVox common stock held by them on the same per share consideration and on the same terms and conditions. More than 62% of the stockholders of NuVox have agreed to consent to the merger and have elected to exercise the drag-along provision provided in the stockholders' agreement. By agreeing to sell their NuVox common stock pursuant to the terms and conditions and for the merger consideration provided for in the merger agreement, the stockholders who are party to the stockholders' agreement have effectively waived their appraisal rights.

**To the extent that a NuVox stockholder who is not a party to the stockholders' agreement wishes to exercise appraisal rights, the stockholder must comply with the procedures provided for in Section 262 of the Delaware General Corporation Law (the DGCL). If a NuVox stockholder who is party to the stockholders' agreement attempts to assert appraisal rights in connection with the merger, NuVox will oppose that stockholder's right to exercise appraisal rights based upon the provisions in the stockholders' agreement providing for such stockholder's waiver of appraisal rights.**

**Notification of Merger**

Delivery of this information statement/prospectus to you constitutes your notice, pursuant to Section 262(d)(2) of the DGCL, that appraisal rights may be available to you. A copy of Section 262 of the DGCL is attached as *Annex B*.

**Electing Appraisal Rights**

To exercise appraisal rights, the record holder of shares of NuVox capital stock must, within 20 days after the date NuVox mails this information statement/prospectus to such holder, deliver a written demand for appraisal to NuVox. This demand must reasonably inform NuVox of the identity of the holder of record and that the stockholder demands appraisal of his, her or its shares of NuVox capital stock.

A demand for appraisal must be delivered to: Riley M. Murphy, Executive Vice President, General Counsel and Secretary, NuVox, Inc., 2 North Main Street, Greenville, South Carolina 29601.

**Only Record Holders May Demand Appraisal Rights**

Only a record holder of NuVox capital stock may be entitled to demand appraisal rights. The demand must be executed by or for the record holder, fully and correctly, as the holder's name appears on the holder's stock certificate(s).

If shares of NuVox capital stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, the demand should be executed in that capacity.

If shares of NuVox capital stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all owners.

An authorized agent, including one of two or more joint owners, may execute the demand for appraisal for a holder of record. The agent must identify the owner or owners of record and expressly disclose the fact that, in executing the demand, the agent is acting as agent for the owner or owners of record.

## **Table of Contents**

A holder of record, such as a broker, who holds shares of NuVox capital stock as nominee for a beneficial owner, may exercise a holder's right of appraisal with respect to shares of NuVox capital stock held for all or less than all of that beneficial owner's interest. In that case, the written demand should set forth the number of shares of NuVox capital stock covered by the demand. If no number of shares is expressly mentioned, the demand will be presumed to cover all of the shares of NuVox capital stock standing in the name of the record holder. Holders of NuVox capital stock who hold their shares in brokerage accounts or through any other nominee and wish to exercise appraisal rights should consult their brokers or other nominees to determine the procedures they must follow in order for their brokers and other nominees to exercise appraisal rights in respect of their shares of NuVox capital stock.

### **Court Petition Must Be Filed**

Within 120 days after the effective time of the merger, any holder of shares of NuVox capital stock who has satisfied the foregoing conditions may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of shares of NuVox capital stock, and Windstream may then file a response opposing that petition. Neither Windstream nor NuVox will have any obligation to file such a petition. Holders of NuVox capital stock seeking to exercise appraisal rights should initiate all necessary action to perfect their rights within the time periods prescribed by Delaware law.

Within 120 days after the effective time of the merger, any holder of NuVox capital stock who has complied with the requirements under Section 262 of the DGCL for exercise of appraisal rights may make a written request to receive from Windstream a statement of the total number of shares of NuVox capital stock with respect to which demands for appraisal have been received and the total number of holders of these shares. Windstream will be required to mail these statements within ten days after it receives a written request.

### **Appraisal Proceeding by Delaware Court**

If a petition for an appraisal is timely filed, after a hearing on the petition, the Delaware Court of Chancery will determine which of the stockholders are entitled to appraisal rights. With respect to any stockholders the court determines are entitled to appraisal rights, the court will appraise the shares of NuVox capital stock owned by the stockholders and determine their fair value. In determining fair value, the court may consider a number of factors including market values of NuVox capital stock, if any, asset values and other generally accepted valuation considerations, but will exclude any element of value arising from the accomplishment or expectation of the merger. The court will also determine the amount of interest, if any, to be paid upon the value of NuVox capital stock to the stockholders entitled to appraisal.

The value determined by the court for shares of NuVox capital stock could be more than, less than, or the same as the merger consideration, but the form of the consideration payable as a result of the appraisal proceeding would be cash. The court may determine the costs of the appraisal proceeding and allocate them to the parties as the court determines to be equitable under the circumstances. The court may also order that all or a portion of any stockholder's expenses incurred in connection with an appraisal proceeding, including reasonable attorneys' fees and expenses and reasonable fees and expenses of experts utilized in the appraisal proceeding, be charged, on a pro rata basis, against the value of all shares of NuVox capital stock entitled to appraisal.

### **Effect of Appraisal Demand on Voting and Right to Dividends**

Any stockholder who has duly demanded an appraisal in compliance with Delaware law will not, after the effective time of the merger, be entitled to vote the shares subject to the demand for any purpose. The shares subject to the demand will not be entitled to dividends or other distributions, other than those payable or deemed to be payable to stockholders of record as of a date prior to the effective time.



**Table of Contents**

**Loss, Waiver or Withdrawal of Appraisal Rights**

Holders of NuVox capital stock will lose the right to appraisal if either (i) no petition for appraisal is filed in court within 120 days after the effective time of the merger or (ii) no written demand for appraisal is delivered to NuVox within 20 days after the date this information statement/prospectus is mailed to NuVox stockholders. A stockholder will also lose the right to an appraisal by delivering to NuVox a written withdrawal of the stockholder demand for an appraisal. Any attempt to withdraw a demand for an appraisal that is made more than 60 days after the effective time of the merger requires Windstream's written approval. If appraisal rights are not perfected or a demand for appraisal rights is timely withdrawn, a stockholder will be entitled to receive the consideration otherwise payable pursuant to the merger, without interest. The number of shares of Windstream common stock, and cash instead of a fraction of a share of Windstream common stock, delivered to such stockholder will be based on the same exchange ratio utilized in the merger, regardless of the market price of shares of Windstream common stock at the time of delivery.

**Dismissal of Appraisal Proceeding**

If an appraisal proceeding is timely instituted, this proceeding may not be dismissed as to any stockholder who has perfected a right of appraisal without the approval of the court.

**Table of Contents**

**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

The following discussion sets forth the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of NuVox common stock that exchange their NuVox common stock for Windstream common stock and cash. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to income tax. This discussion is based upon the Code, the Treasury regulations promulgated under the Code and court and administrative rulings and decisions, all as in effect on the date of this information statement/prospectus. These laws may change, possibly retroactively, and any change could affect the accuracy of the statements and conclusions set forth in this discussion.

This discussion addresses only those holders of NuVox common stock that hold their shares as a capital asset within the meaning of Section 1221 of the Code. Further, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to holders of NuVox common stock in light of their particular circumstances or that may be applicable to them if they are subject to special treatment under the U.S. federal income tax laws, including, without limitation:

a bank or other financial institution;

a tax-exempt organization;

an S corporation or other pass-through entity;

an insurance company;

a mutual fund;

a regulated investment company or real estate investment trust;

a dealer or broker in stocks and securities, or currencies;

a trader in securities that elects mark-to-market treatment;

a holder of NuVox common stock subject to the alternative minimum tax provisions of the Code;

a holder of NuVox common stock that received such NuVox common stock through the exercise of an employee stock option, pursuant to a tax qualified retirement plan or otherwise as compensation;

a person that is not a U.S. holder (as defined below);

a person that has a functional currency other than the U.S. dollar;

## Edgar Filing: WINDSTREAM CORP - Form S-4

a holder of NuVox common stock that holds such NuVox shares as part of a hedge, straddle, constructive sale, conversion or other integrated transaction; or

a U.S. expatriate.

The determination of the actual tax consequences of the merger to a holder of NuVox common stock will depend on the holder's specific situation. Holders of NuVox common stock should consult their own tax advisors as to the tax consequences of the merger in their particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws and of changes in those laws.

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of NuVox common stock that is for U.S. federal income tax purposes (1) an individual citizen or resident of the United States, (2) a corporation, including any entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (3) a trust if (x) a U.S. court is able to exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (y) it has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person, or (4) an estate that is subject to U.S. federal income tax on its income regardless of its source.

---

## **Table of Contents**

The U.S. federal income tax consequences of the merger to a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds NuVox common stock generally will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding NuVox common stock should consult their own tax advisors.

### **Consequences of the Merger Generally**

The receipt of Windstream common stock and cash in exchange for NuVox common stock in the merger generally will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder of NuVox common stock who receives Windstream common stock and cash in the merger generally will recognize capital gain or loss equal to the difference, if any, between (1) the sum of the fair market value of Windstream common stock and cash, including any cash received in lieu of fractional shares of Windstream common stock, received in the merger, and (2) such holder's adjusted tax basis in its NuVox common stock exchanged therefor. Gain or loss and holding period will be determined separately for each block of NuVox common stock, i.e., shares acquired at the same cost in a single transaction, exchanged in the merger. Any capital gain or loss will be long-term capital gain or loss if the U.S. holder's holding period for its NuVox common stock is more than one year at the time of the merger. Currently, long-term capital gain for non-corporate taxpayers is taxed at a maximum federal income tax rate of 15%. If the U.S. holder has held its NuVox common stock for one year or less at the time of the merger, any capital gain or loss will be short-term capital gain or loss. The deductibility of capital losses is subject to certain limitations.

A U.S. holder's aggregate tax basis in its Windstream common stock received in the merger will equal the fair market value of such stock at the effective time of the merger, and the holder's holding period for such stock will begin on the day after the merger.

### **Dissenting Stockholders**

A U.S. holder who exercises appraisal rights with respect to the merger will recognize capital gain or loss equal to the difference, if any, between the cash received via appraisal and such holder's adjusted tax basis in its NuVox common stock with respect to which the appraisal rights were exercised. This capital gain or loss will be long-term or short-term capital gain or loss depending upon the holder's holding period for its NuVox common stock with respect to which the appraisal rights were exercised, as described above. For more details regarding appraisal rights with respect to the merger, see "Appraisal Rights" beginning on page 66.

### **Information Reporting and Backup Withholding**

Information reporting and backup withholding may apply to payments made in connection with the merger. Backup withholding will not apply, however, to a holder of NuVox common stock who (1) furnishes a correct taxpayer identification number ( "TIN" ), certifies that such holder is not subject to backup withholding on the substitute Form W-9 (or appropriate successor form) included in the letter of transmittal that such holder will receive, and otherwise complies with all applicable requirements of the backup withholding rules; or (2) provides proof that such holder is otherwise exempt from backup withholding. Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules may be refunded or credited against a holder's U.S. federal income tax liability, if any, provided that such holder furnishes the required information to the Internal Revenue Service in a timely manner. The Internal Revenue Service may impose a penalty upon any taxpayer that fails to provide the correct TIN.

This summary of the material U.S. federal income tax consequences of the merger to holders of NuVox common stock is for general information only and is not tax advice. The determination of the actual tax consequences of the merger to a holder of NuVox common stock will depend on the holder's specific situation. Holders of NuVox common stock should consult their own tax advisors as to the tax consequences of the merger in their particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws and of changes in those laws.

---

**Table of Contents**

**THE COMPANIES**

**Windstream**

*Business Overview.* Windstream 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 is a customer-focused telecommunications company that provides phone, high-speed Internet and digital television services. Windstream also offers a wide range of IP-based voice and data services and advanced phone systems and equipment to businesses and government agencies. As of September 30, 2009, Windstream had approximately 2.9 million customers primarily located in rural areas in 16 states. Windstream's strategy is to enhance the value of these customer relationships by providing one-stop shopping for all of its customers' communications needs and delivering superior customer service.

Windstream's facilities-based telecommunications services are offered in the following 16 states: Alabama, Arkansas, Florida, Georgia, Kentucky, Mississippi, Missouri, Nebraska, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina and Texas. Windstream also serves as a competitive service provider in four states on both a facilities-based and resale basis, and, where necessary, has negotiated interconnection agreements with the appropriate incumbent local exchange carriers.

As of September 30, 2009, Windstream had approximately 2.9 million access lines, approximately 1,050,500 high-speed Internet customers and approximately 322,700 digital satellite television customers. For the twelve months ended September 30, 2009, Windstream generated revenues of approximately \$3,019.7 million and operating income of approximately \$999.0 million.

Windstream is incorporated in Delaware. Windstream's principal executive offices are located at 4001 Rodney Parham Road, Little Rock, Arkansas 72212, and its telephone number is (501) 748-7000. Windstream's website is located at [www.windstream.com](http://www.windstream.com). Information on Windstream's website is not incorporated into this information statement/prospectus.

Windstream common stock is traded on the NASDAQ Global Select Market under the trading symbol WIN.

For a further discussion of Windstream's business, we urge you to read Windstream's Form 10-K, incorporated by reference herein. See [Where You Can Find More Information](#).

**Recent Developments**

*D&E Communications Merger.* On May 10, 2009, Windstream entered into an agreement and plan of merger (the "D&E Merger Agreement"), with D&E Communications, Inc. ("D&E Communications"), pursuant to which Windstream agreed to acquire all of the issued and outstanding shares of common stock of D&E Communications. Pursuant to the terms of the D&E Merger Agreement, which was unanimously approved by the boards of directors of both Windstream and D&E Communications, D&E Communications merged with and into a wholly-owned subsidiary of Windstream, with the Windstream subsidiary continuing as the surviving entity (the "D&E Communications Merger"). The D&E acquisition closed on November 10, 2009.

In accordance with the D&E Merger Agreement, D&E Communications shareholders received 0.650 shares of Windstream common stock and \$5.00 in cash per each share of D&E common stock. Windstream issued approximately 9.4 million shares of Windstream common stock valued at approximately \$95 million, based on Windstream's closing stock price of \$10.06 on November 9, 2009, and paid approximately \$74 million in cash as part of the transaction. Windstream also repaid outstanding debt of D&E Communications of approximately \$164 million, net of cash acquired. As such, the aggregate cash cost of the D&E Communications Merger approximated \$238 million.

---

**Table of Contents**

As of September 30, 2009, D&E Communications provided service to approximately 114,000 incumbent local exchange carrier access lines, 47,000 competitive local exchange carrier access lines and 46,000 high-speed Internet customers in central Pennsylvania.

*Lexcom Acquisition.* On September 8, 2009, Windstream entered into a definitive agreement to acquire Lexcom, Inc. ( Lexcom ), based in Lexington, N.C., for approximately \$141 million in cash net of working capital to be acquired (the Lexcom Acquisition ). The Lexcom Acquisition closed on December 1, 2009.

As of September 30, 2009, Lexcom provided service to approximately 23,000 access lines, 9,000 high-speed Internet customers and 12,000 cable TV customers in North Carolina.

*Credit Agreement Amendment.* On October 19, 2009, the amendment and restatement of the credit agreement governing Windstream's senior secured credit facilities became effective. Under the amendment and restatement, the maturity date of a substantial portion of Windstream's revolving loans was extended from July 17, 2011 to July 17, 2013, the maturity date of a substantial portion of Windstream's term loan A loans was extended from July 17, 2011 to July 17, 2013 and the maturity date of a substantial portion of Windstream's term loan B loans was extended from July 17, 2013 to December 17, 2015. The amendment and restatement, among other things, also increased the interest rate for extended maturity revolving loans, term loan A loans and term loan B loans and revised certain covenants and definitions.

*Sale of Windstream Supply LLC Assets.* On August 21, 2009, Windstream sold its out-of-territory product distribution operations to Walker and Associates of North Carolina, Inc., which primarily included inventory and customer accounts. For the year ended December 31, 2008, and the nine months ended September 30, 2009, the out-of-territory product distribution operations generated revenues of \$76 million and \$38.5 million, respectively, and minimal operating income. In conjunction with this transaction, Windstream recognized a gain of \$0.4 million for the three and nine month periods ended September 30, 2009.

*Iowa Telecom Acquisition.* On November 23, 2009, Windstream entered into an agreement and plan of merger (the Iowa Telecom Merger Agreement ), pursuant to which Windstream has agreed to acquire all of the issued and outstanding shares of common stock of Iowa Telecommunications Services, Inc. ( Iowa Telecom ). Under the terms of the Iowa Telecom Merger Agreement, Iowa Telecom shareholders will receive 0.804 shares of common stock of Windstream and \$7.90 in cash for each share of Iowa Telecom common stock. Windstream expects to issue approximately 26.5 million shares of Windstream common stock valued at approximately \$269 million, based on Windstream's closing price on November 23, 2009, and pay approximately \$261 million in cash as part of the transaction. Windstream also will repay estimated net debt of approximately \$598 million. Upon completion of the merger, Iowa Telecom will become a wholly-owned subsidiary of Windstream. The merger is expected to close mid-2010 and is subject to certain conditions, including receipt of necessary approvals from federal and state regulators and Iowa Telecom shareholders.

**NuVox**

*Business Overview.* NuVox, a Delaware corporation, is a leading communications services provider to approximately 90,000 business customers in 16 contiguous Southeastern and Midwestern states. NuVox's services include VoIP, local and long-distance voice, broadband internet access, email, voicemail, web hosting, secure electronic data storage and backup, internet security and virtual private networks. NuVox delivers many of its services over a secure, private managed IP network, using an MPLS backbone and distributed IP voice switching architecture. NuVox is headquartered in Greenville, South Carolina, and has approximately 1,700 employees.

*Market Price of and Dividends on NuVox's Common Stock.* There were 320 owners of record of NuVox common stock as of November 30, 2009.

There is no established public trading market for NuVox's common stock. NuVox does not have a policy of paying regular dividends on its common stock and has never done so. However, NuVox paid a special dividend of \$0.5592 per share of NuVox common stock in June 2007.

**Table of Contents**

**DESCRIPTION OF WINDSTREAM CAPITAL STOCK**

The following summary is qualified in its entirety by the DGCL and the Amended and Restated Certificate of Incorporation of Windstream, as amended (the Windstream Certificate ). The Windstream Certificate is included as an exhibit to Windstream s Annual Report on Form 10-K (where it is incorporated by reference to Windstream s Amendment No. 3 to the Registration Statement on Form S-4 filed May 23, 2006), each of which are on file with the SEC. See Where You Can Find More Information.

**General**

Under the Windstream Certificate, the total authorized capital stock of Windstream consists of 200,000,000 shares of preferred stock, par value \$.0001 per share and 1,000,000,000 shares of common stock, par value \$.0001 per share.

**Preferred Stock**

The Windstream Certificate provides that Windstream s board of directors is authorized, without further stockholder approval, to issue from time to time up to a total of 200,000,000 shares of preferred stock in one or more series and to fix or alter the powers, preferences and rights, and any qualifications, limitations or restrictions thereof, of the shares of each series. The board of directors may fix the number of shares of any series of preferred stock, and it may increase or decrease the number of shares of any series of preferred stock, as long as it acts within the limitations or restrictions stated in the original resolution or resolutions that fixed the number of shares in the series and as long as it does not decrease the number of shares of any series below the number then outstanding. If the number of shares of any series of preferred stock is decreased, the shares constituting the decrease will resume the status they had prior to the adoption of the resolution that originally fixed the number of shares of the series, subject to the requirements of applicable law.

**Common Stock**

Under the Windstream Certificate, the holders of Windstream common stock have one vote per share on matters submitted to a vote of stockholders. Holders of the common stock are entitled to receive dividends ratably, if any, as may be declared by the board of directors out of legally available funds, subject to any preferential dividend rights of any outstanding preferred stock. Upon Windstream s liquidation, dissolution or winding up, the holders of common stock will be entitled to receive ratably Windstream s net assets available after the payment or provision for payment of all debts and subject to the prior rights of any outstanding preferred stock. The holders of Windstream common stock have no preemptive rights, no cumulative voting rights and no redemption, sinking fund or conversion rights.

To the greatest extent permitted by applicable Delaware law, the shares of common stock will be uncertificated, and transfer will be reflected by book entry.

All rights, preferences and privileges of holders of Windstream common stock stated in this summary are subject to the rights of holders of shares of any series of preferred stock which Windstream may designate and issue in the future without further stockholder approval.

**Delaware Anti-Takeover Statute**

Section 203 of the DGCL restricts business combinations with certain interested stockholders (defined generally under the DGCL to include persons who beneficially own or acquire 15% or more of a Delaware corporation s voting stock, and hereinafter as a Section 203 Interested Stockholder ). Section 203, which applies to Windstream, prohibits business combination transactions between a publicly-held Delaware corporation and any Section 203 Interested Stockholder for a period of three years after the time on which the

---

## **Table of Contents**

Section 203 Interested Stockholder became an interested stockholder unless: (a) prior to that time the corporation's board of directors approved either the proposed business combination or the transaction which resulted in the Section 203 Interested Stockholder becoming an interested stockholder; (b) upon consummation of the transaction which resulted in the Section 203 Interested Stockholder becoming an interested stockholder, the Section 203 Interested Stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned (i) by persons who are directors and also officers; and (ii) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or (c) on or subsequent to such time the business combination is approved by the corporation's board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% the outstanding voting stock which is not owned by the Section 203 Interested Stockholder.

### **Rights of Appraisal**

Under the DGCL, Windstream stockholders may demand appraisal of and obtain payment of the fair value of their shares. This remedy may be an exclusive remedy, except where the corporate action involves fraud or illegality. The DGCL provides appraisal rights only in certain mergers or consolidations and not (unless the certificate of incorporation of a corporation so provides, which the Windstream Certificate does not) for a sale or transfer of all or substantially all of a corporation's assets or an amendment to its certificate of incorporation. Moreover, the DGCL does not provide appraisal rights in connection with a merger or consolidation (unless the certificate of incorporation so provides, which the Windstream Certificate does not) to the holders of shares of a constituent corporation listed on a national securities exchange or held of record by more than 2,000 stockholders, unless the applicable agreement of merger or consolidation requires the holders of such shares to receive, in exchange for such shares, any property other than shares of stock of the resulting or surviving corporation, shares of stock of any other corporation listed on a national securities exchange or held of record by more than 2,000 holders, cash in lieu of any fractional shares or any combination of the foregoing. In addition, the DGCL denies appraisal rights if the stockholders of the surviving corporation in a merger did not have to vote to approve the merger. Appraisal rights are not available to Windstream stockholders with respect to the merger.

### **Board of Directors**

The Windstream Certificate provides for a board of directors consisting of not less than three nor more than fifteen members, the exact number of which will be fixed from time to time by the affirmative vote of a majority of the entire board of directors.

Nominations of persons for election to the Windstream board of directors may be made at a meeting of stockholders by or at the direction of the board of directors. In addition, any stockholder may nominate persons for election to the Windstream board of directors by giving timely notice to Windstream's Secretary. To be timely:

in the case of an annual meeting, a stockholder's notice must be delivered to or mailed and received at Windstream's principal executive offices not less than 90 days nor more than 120 days before the first anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting is changed by more than 30 days from such anniversary date, notice by the stockholder must be received not later than the close of business on the 10th day following the day on which notice of the date of the meeting was mailed or public disclosure of the meeting was made; and

in the case of a special meeting, a stockholder's notice must be delivered to or mailed and received at Windstream's principal executive offices not later than the close of business on the 10th day following the day on which notice of the date of the meeting was mailed or public disclosure of the meeting was made.



## **Table of Contents**

Directors will be elected at a stockholders meeting by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote.

Any vacancy on the Windstream board of directors that results from an increase in the number of directors may be filled by the majority vote of the directors then in office as long as a quorum is present. Any other vacancy may be filled by a majority of the board of directors then in office, even if less than a quorum, or by a sole remaining director.

Any or all directors may be removed, with cause, by the affirmative vote of at least a majority of the total voting power of Windstream's outstanding voting securities, voting together as a single class at a meeting specifically called for such purpose.

Notwithstanding the foregoing, if the holders of any one or more classes or series of Windstream preferred stock have the right to elect directors, the election, term of office, filling of vacancies and other features of such directorships will be established by the board of directors.

The Windstream board of directors will have an annual meeting and may hold regular meetings without notice according to a resolution of the board of directors. Special meetings may be called by the chairman of the board, the president (if the president is a director) or, upon the written request of a majority of the total number of directors then in office. A majority of the total number of Windstream directors will constitute a quorum, and directors present at any meeting at which a quorum is present may act by majority vote.

## **Stockholders**

The amended and restated bylaws of Windstream (the Windstream Bylaws) provide that an annual meeting of stockholders for the purpose of electing those directors whose term of office expires at such meeting and of transacting such other business as may properly come before it will be held each year. A stockholder may bring business before an annual meeting of stockholders by giving timely notice in writing to Windstream's Secretary in accordance with the provisions of the Windstream Bylaws.

Under Delaware law, a special meeting of the stockholders may be called by the board of directors of the corporation or by any other person authorized to do so in the certificate of incorporation or bylaws. The Windstream Certificate states that, as long as any security of the company is registered under Section 12 of the Exchange Act, special meetings of stockholders of Windstream may be called only by a resolution of the board of directors.

In accordance with Delaware law, the Windstream Bylaws provide that written notice of any stockholders meeting must be given to each stockholder entitled to vote not less than 10 or more than 60 days before the date of the meeting. Except as otherwise provided by the DGCL or the Windstream Certificate, the holders of a majority of Windstream's outstanding shares of stock entitled to vote constitute a quorum for the transaction of business, and except for the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter will be the act of the stockholders.

As long as any security of Windstream is registered under Section 12 of the Exchange Act, no stockholder action may be taken without a meeting, and the Windstream Certificate expressly denies the power of stockholders to consent in writing without a meeting.

## **Voting on Certain Fundamental Issues**

Delaware law permits a corporation to include supermajority provisions in its certificate of incorporation and bylaws with respect to the approval of various issues. However, other than the effect of Section 203 of the

## **Table of Contents**

DGCL and voting on an amendment to certain sections of the Windstream Certificate, no supermajority voting requirement provisions related to matters upon which the stockholders of Windstream may vote are included in the Windstream Certificate or Windstream Bylaws.

### **Amendment of the Windstream Certificate**

Under Delaware law, unless a higher vote is required in the certificate of incorporation of a corporation, an amendment to such certificate of incorporation generally may be approved by a majority of the outstanding shares entitled to vote on the proposed amendment. Notwithstanding any provision of a corporation's certificate of incorporation to the contrary, under Delaware law, holders of a class of a corporation's stock are entitled to vote as a class on the approval of any amendment to the corporation's certificate of incorporation which would:

increase or decrease the aggregate number of authorized shares of such class (subject to certain exceptions);

increase or decrease the par value of the shares of such class; or

alter or change the powers, preferences or rights of such class so as to affect them adversely.

Under the Windstream Certificate, the affirmative vote of the holders of at least two-thirds of the combined voting power of all of the then-outstanding shares of Windstream eligible to be cast in the election of directors is required in order to amend, alter, change or repeal the sections of the Windstream Certificate related to the limitation of liability of directors and indemnification of directors and officers, the prohibition of stockholder action by written consent, the calling of special meetings of stockholders, the election to be covered by DGCL Section 203, and the procedures required to amend the Windstream Certificate.

### **Amendment of the Windstream Bylaws**

Under the Windstream Certificate, the board of directors is expressly authorized to amend, alter, change or repeal the Windstream Bylaws. The stockholders also have the ability to amend, alter, change or repeal the Windstream Bylaws by the affirmative vote of a majority of the outstanding shares, except that a two-thirds vote is required for the stockholders to amend the bylaws sections related to bringing matters before an annual stockholder meeting, nominating and electing directors and filling vacancies on the board of directors, and the procedures required to amend the Windstream Bylaws.

### **Limitation of Liability of Directors**

The DGCL provides that a corporation can, by a provision in its certificate of incorporation, limit a director's liability for monetary damages for breach of fiduciary duty as a director; however, a corporation cannot limit a director's liability for: any breach of the director's duty of loyalty to the corporation or its stockholders; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; payment of a dividend or the repurchase or redemption of stock in violation of Delaware law; or any transaction from which the director derived an improper personal benefit.

The Windstream Certificate provides that to the fullest extent permitted by the DGCL, no Windstream director will be liable to the corporation or its stockholders for damages arising from a breach of fiduciary duty owed to Windstream or its stockholders.

### **Indemnification**

The Windstream Certificate requires the corporation to indemnify any person to the fullest extent permitted by the DGCL who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding because he is or was a director or officer of Windstream, or, while a director, officer or other employee of Windstream, is or was serving at the request of Windstream as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

**Table of Contents**

In addition, Windstream, to the fullest extent authorized under Delaware law will pay in advance of the final disposition of any such proceeding all expenses incurred by any director or officer in connection with such proceeding. The right to indemnification is not exclusive of any other right which that individual may have or hereafter acquire under the Windstream Certificate or under any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Windstream may, by action of its board of directors, provide indemnification to its employees and agents with the same or lesser scope and effect as the foregoing indemnification of directors and officers.

Windstream is authorized to purchase and maintain insurance on its own behalf and on behalf of any person required or permitted to be indemnified.

The rights to indemnification and to the advance of expenses conferred in the Windstream Certificate are not be exclusive of any other right which any person may have or acquire.

**Transfer Agent and Registrar**

The transfer agent and registrar for the Windstream common stock is Computershare Investor Services, LLC.

**Table of Contents**

**COMPARISON OF RIGHTS OF COMMON STOCKHOLDERS OF WINDSTREAM AND COMMON STOCKHOLDERS OF NUVOX**

Windstream and NuVox are incorporated under the laws of the State of Delaware. If the merger is completed, NuVox securityholders, whose rights are currently governed by the DGCL, the amended and restated certificate of incorporation of NuVox (the NuVox Certificate ) and the amended and restated by-laws of NuVox (the NuVox By-laws ), will become stockholders of Windstream, and their rights as such will be governed by the DGCL, the Windstream Certificate and the Windstream Bylaws. The material differences between the rights of holders of NuVox common stock and the rights of holders of Windstream common stock, resulting from the differences in their governing documents, are summarized below.

The following summary does not purport to be a complete statement of the rights of holders of Windstream common stock under applicable Delaware law, the Windstream Certificate and the Windstream Bylaws, nor does the following purport to be a complete summary of the rights of the holders of NuVox common stock under applicable Delaware law, the NuVox Certificate and the NuVox By-laws, or a complete description of the specific provisions referred to herein. This summary contains a list of the material differences but is not meant to be relied upon as an exhaustive list or a detailed description of the provisions discussed and is qualified in its entirety by reference to the DGCL and the governing corporate instruments of Windstream and NuVox. We urge you to read those documents carefully in their entirety. Copies of the applicable governing corporate instruments of Windstream are available, without charge, to any person, including any beneficial owner to whom this information statement/prospectus is delivered, by following the instructions listed under Where You Can Find More Information on page 85.

	<b>Windstream Stockholder Rights</b>	<b>NuVox Stockholder Rights</b>
<b>Capitalization</b>	Windstream's authorized capital stock is described under Description of Windstream Capital Stock.	The total authorized shares of capital stock of NuVox consist of 500,000,000 shares of common stock, par value \$0.01 per share. As of November 30, 2009, 250,221,629 shares of NuVox common stock were issued and outstanding.
<b>Number of Directors</b>	The Windstream Bylaws provide that the total number of Windstream directors will be not less than three and not more than fifteen, as fixed by the board of directors of Windstream from time to time. Windstream currently has nine directors.	The NuVox By-laws provide that, subject to the Stockholders' Agreement dated May 31, 2007, between NuVox and certain of its stockholders (the Stockholders' Agreement ), the total number of NuVox directors will be not less than one. NuVox currently has eight directors.
<b>Election of Directors</b>	Nominations of persons for election to the Windstream board of directors may be made at a meeting of stockholders by or at the direction of the board of directors. In addition, any stockholder may nominate persons for election to the Windstream board of directors by giving timely notice to Windstream's Secretary. Directors will be elected at a stockholders meeting by a plurality	Directors will be elected at a stockholders meeting by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote. Each stockholder party to the Stockholders' Agreement agreed to vote all of its NuVox shares to elect eight, and, in no event, less than seven, directors to the NuVox board of directors. The stockholders further

**Table of Contents**

**Windstream Stockholder Rights**

of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote.

**NuVox Stockholder Rights**

agreed that their votes would be cast in favor of seven specifically designated directors, including four directors designated by certain of NuVox's institutional stockholders (the Institutional Directors) and three management directors, including Mr. David L. Solomon, Mr. James W. Akerhielm and Mr. Michael Gallagher. In addition, NuVox, pursuant to the Stockholders Agreement, agreed to include each of the designated directors in the slate of nominees recommended by its board of directors and to use its best efforts to facilitate the election of these designated directors.

**Removal of Directors**

Any or all directors may be removed, with cause, by the affirmative vote of at least a majority of the total voting power of Windstream's outstanding voting securities, voting together as a single class at a meeting specifically called for such purpose.

The NuVox By-laws provide that, subject to the Stockholders Agreement, a director may be removed with or without cause by the holders of a majority of the shares of stock entitled to vote for the election of directors. The Stockholders Agreement provides that, unless the institutional stockholder who is entitled to designate an Institutional Director requests such action and except as may be required to enforce other provisions of the Stockholders Agreement, no stockholders party to the Stockholders Agreement that own 1.0% or more of NuVox common stock shall take any action to cause the removal of an Institutional Director. If, however, by failure to maintain minimum stock ownership requirements, as provided for in the Stockholders Agreement, an institutional stockholder entitled to appoint an Institutional Director loses such right, then the Institutional Director is required to resign, or be otherwise removed, and the remaining directors have the option to either decrease the size of the NuVox board of directors to eliminate the vacancy or fill the vacancy with an independent director selected by the remaining directors.

**Table of Contents**

	<b>Windstream Stockholder Rights</b>	<b>NuVox Stockholder Rights</b>
<b>Vacancies on the Board of Directors</b>	Any vacancy on the Windstream board of directors that results from an increase in the number of directors may be filled by the majority vote of the directors then in office as long as a quorum is present. Any other vacancy may be filled by a majority of the board of directors then in office, even if less than a quorum, or by a sole remaining director.	Pursuant to the Stockholders Agreement, if there is a vacancy on the board of directors typically filled with an Institutional Director, the remaining directors and NuVox are to fill the vacancy with a new designee of the institutional stockholder entitled to designate such Institutional Director.
<b>Amendments to Charter Documents</b>	Under the DGCL, a proposed amendment to a corporation's certificate of incorporation requires approval by its board of directors and adoption by an affirmative vote of a majority of the outstanding stock entitled to vote on the amendment. The Windstream Certificate provides that the affirmative vote of the holders of at least two-thirds of the combined voting power of all of the then-outstanding shares of Windstream eligible to be cast in the election of directors is required in order to amend, alter, change or repeal the sections of the Windstream Certificate related to the limitation of liability of directors and indemnification of directors and officers, the prohibition of stockholder action by written consent, the calling of special meetings of stockholders, the election to be covered by DGCL Section 203, and the procedures required to amend the Windstream Certificate.	The NuVox Certificate provides that the corporation reserves the right to amend, alter, change or repeal any provision therein, provided that the number of authorized shares may only be increased or decreased by the affirmative vote of the holders of record of a majority of all outstanding shares of NuVox common stock.
<b>Amendments to By-laws</b>	Under the Windstream Certificate and Windstream Bylaws, the board of directors is expressly authorized to amend, alter, change or repeal the Windstream Bylaws. The stockholders also have the ability to amend, alter, change or repeal the Windstream Bylaws by the affirmative vote of a majority of the outstanding shares, except that a two-thirds vote is required for the stockholders to amend the bylaws sections related to bringing matters before an annual stockholder meeting, nominating and electing directors and filling vacancies on the	The NuVox Certificate expressly authorizes the board of directors to adopt, amend or repeal the NuVox By-laws, subject to the rights of stockholders to vote for such adoption, amendment or repeal. The NuVox By-laws provide that the by-laws may be altered, amended or repealed by (i) the affirmative vote of the directors holding at least a majority of votes held by all members of the board of directors present at a meeting at which a quorum is present, which vote shall include the affirmative vote of the Institutional Directors holding at least a majority

**Table of Contents**

	<b>Windstream Stockholder Rights</b>	<b>NuVox Stockholder Rights</b>
	board of directors, and the procedures required to amend the Windstream Bylaws.	of the votes held by all Institutional Directors, or (ii) the affirmative vote of at least a majority of the holders of all the issued and outstanding shares of NuVox common stock entitled to vote generally at a meeting of stockholders, voting as a single class.
<b>Action by Written Consent</b>	The Windstream Certificate states that action by written consent in lieu of a meeting of the stockholders is prohibited.	The NuVox Certificate, which was adopted and approved by written consent of the holders of the required number of shares, does not prohibit action by written consent in lieu of a meeting of the stockholders.
<b>Notice of Stockholder Meeting/Stockholder Actions</b>	<p>The DGCL and the Windstream Bylaws provide that written notice of the time, place and purpose or purposes of every meeting of stockholders must be given not less than 10 days and not more than 60 days before the date of the meeting to each stockholder of record entitled to vote at the meeting. The Windstream Bylaws further provide that the only matters that may be considered and acted upon at an annual meeting of stockholders are those matters brought before the meeting:</p> <p style="padding-left: 40px;">through the notice of meeting;</p> <p style="padding-left: 40px;">by the board of directors of Windstream; or</p> <p style="padding-left: 40px;">by a stockholder of record entitled to vote at such meeting.</p> <p>Generally, the Windstream Bylaws require a stockholder who intends to bring matters before an annual meeting to provide advance notice of such intended action not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders. The notice must contain, among other things, a brief description of the business desired to be brought before the meeting, the reason for conducting such business and any material interest of the stockholder and any person associated with the</p>	<p>The NuVox By-laws require that written notice of each stockholder meeting must be given not less than 10 days nor more than 60 days before the date of the meeting to each stockholder of record entitled to vote at such meeting. The NuVox By-laws also require that such notice state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. The NuVox By-laws are silent as to the procedure stockholders must follow in order to bring matters before an annual meeting of stockholders.</p>





**Table of Contents**

	<b>Windstream Stockholder Rights</b>	<b>NuVox Stockholder Rights</b>
	<p>stockholder, individually or in the aggregate, in such business. The person presiding at the meeting will have the discretion to determine whether any item of business proposed by a stockholder was properly brought before such meeting.</p>	
<b>Special Stockholder Meetings</b>	<p>Under the Windstream Bylaws, a special meeting of the stockholders may only be called by resolution of a majority of the board of directors.</p>	<p>Under the NuVox By-laws, a special meeting of the stockholder may be called by any two members of the board of directors or the chairman of the board of directors, or upon written request signed by the holders of at least twenty percent of the outstanding shares entitled to vote at a special meeting.</p>
<b>Stockholder Inspection Rights; Stockholder Lists</b>	<p>Under the DGCL, a stockholder of a corporation has the right, for any proper purpose and upon written demand under oath stating the purpose for such demand, to inspect and make copies and extracts from the corporation's stock ledger, a list of its stockholders, and its other books and records. A proper purpose is any purpose reasonably related to such person's interest as a stockholder.</p>	<p>The NuVox Certificate expressly authorizes the NuVox board of directors to determine whether and to what extent the accounts and books of NuVox will be open to any NuVox stockholder. It further provides that no stockholder has any right to inspect any NuVox account, book or document except as provided by applicable law, the NuVox By-laws, any resolutions duly adopted by the board of directors or NuVox stockholders, or any agreement between NuVox and its stockholders.</p>
<b>Limitation of Personal Liability and Indemnification of Directors and Officers</b>	<p>The Windstream Certificate provides that a director will not be personally liable to Windstream or to its stockholders for monetary damages for a breach of fiduciary duty as a director.</p>	<p>The NuVox Certificate and NuVox By-laws provide that a director or any person acting at the direction of the board of directors will not be personally liable to NuVox or to its stockholders for monetary damages for a breach of fiduciary duty by such director.</p>
<b>Dividend Practices</b>	<p>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 common stock. This practice can be changed at any time at the discretion of Windstream's board of directors and Windstream common stockholders have no contractual or other legal right to dividends.</p>	<p>NuVox does not have a policy of paying regular dividends on its common stock and has never done so. However, NuVox paid a special dividend of \$0.5592 per share of NuVox common stock in June 2007.</p>

**Table of Contents**

**Voting Rights with respect to a Merger or Consolidation**

**Windstream Stockholder Rights**

Windstream is subject to the general provisions of the DGCL, which provide that the consummation of a merger or consolidation requires the approval of the board of directors of the corporation which desires to merge or consolidate and requires that the agreement and plan of merger be adopted by the affirmative vote of a majority of the stock of the corporation entitled to vote thereon at an annual or special meeting for the purpose of acting on the agreement. However, no such approval and vote are required if such corporation is the surviving corporation and:

such corporation's certificate of incorporation is not amended;

the stockholders of the surviving corporation whose shares were outstanding immediately before the effective date of the merger will hold the same number of shares, with identical designations, preferences, limitations, and rights, immediately after; and

either no shares of common stock of the surviving corporation and no shares, securities or obligations convertible into such stock are to be issued or delivered under the plan of merger, or the authorized unissued shares or the treasury shares of common stock of the surviving corporation to be issued or delivered under the plan of merger do not exceed 20% of the shares of common stock of such corporation outstanding immediately prior to the effective date of the merger.

Under the DGCL, a sale of all or substantially all of such corporation's assets requires the approval of such corporation's board of directors and the affirmative vote of a majority of the outstanding stock of the corporation entitled to vote thereon.

**NuVox Stockholder Rights**

The Stockholders' Agreement directs that the NuVox By-laws must provide that the affirmative vote of the directors holding at least a majority of votes present at a meeting at which a quorum is present be required to take any action by NuVox's board of directors. The Stockholders' Agreement further provides that, in addition to any vote or consent of the NuVox board of directors, the approval of the Institutional Directors holding a majority of the votes held by all of the Institutional Directors is required for authorizing, effecting or validating any change of control or acquisition. Change of control is defined to include any merger, consolidation or other business combination where the stockholders of NuVox immediately prior to such transaction, in the aggregate, cease to own 50% or more of the voting securities of the entity surviving or resulting from the transaction, or where any person becomes the beneficial owner of 50% or more of the voting securities of the entity surviving or resulting from the transaction.

**Table of Contents**

<b>Right to Receive Stock Certificate</b>	<p style="text-align: center;"><b>Windstream Stockholder Rights</b></p> <p>Windstream's stockholders do not have the right to receive certificates representing the shares of the common stock of Windstream they own. To the fullest extent permitted by applicable Delaware law, shares of Windstream common stock are uncertificated and transfers of Windstream common stock are reflected by book entry.</p>	<p style="text-align: center;"><b>NuVox Stockholder Rights</b></p> <p>NuVox stockholders have the right to receive certificates representing the shares of the common stock of NuVox they own.</p>
---	---	--

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

Windstream files annual, quarterly and current reports, proxy statements and other information with the SEC. Windstream's SEC filings are available to the public over the Internet at the SEC's web site at [www.sec.gov](http://www.sec.gov) or Windstream's website at [www.windstream.com](http://www.windstream.com). You may also read and copy any reports, statements or other information filed by Windstream at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

The SEC allows Windstream to incorporate by reference the information Windstream files with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this information statement/prospectus, and information that Windstream files later with the SEC will automatically update and supersede this information. We incorporate by reference Windstream's documents listed below and any future filings Windstream makes with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act until the date on which the transaction is consummated:

Annual Report on Form 10-K for the fiscal year ended December 31, 2008;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009, and September 30, 2009;

Proxy Statement on Schedule 14A filed March 23, 2009;

Current Reports on Form 8-K, filed with the SEC on February 6, 2009, May 11, 2009 (as to item 8.01 only), August 6, 2009 (as to Item 8.01 only), August 14, 2009, September 29, 2009, September 30, 2009, October 14, 2009, October 22, 2009, November 3, 2009 (as to item 8.01 only), November 24, 2009 and December 1, 2009; and

Description of the common stock of Windstream Corporation contained in the Registration Statement on Form S-4, filed with the SEC on February 28, 2006.

You may request a copy of these filings at no cost, by writing or telephoning Windstream at the following address or telephone number:

Windstream Corporation

Investor Relations

4001 Rodney Parham Road

Little Rock, Arkansas 72212-2442

(866) 320-7922

You should rely only on the information incorporated by reference or provided in this information statement/prospectus. Windstream's website has been provided for textual reference only.

Any statements made in a document incorporated by reference in this information statement/prospectus is deemed to be modified or superseded for purposes of this information statement/prospectus to the extent that a statement in this information statement/prospectus or in any other subsequently filed document, which is also incorporated by reference, modifies or supersedes the statement. Any statement made in this information statement/prospectus is deemed to be modified or superseded to the extent a statement in any subsequently filed document, which is incorporated by reference in this information statement/prospectus, modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this information statement/prospectus.

## Edgar Filing: WINDSTREAM CORP - Form S-4

The information relating to Windstream contained in this information statement/prospectus should be read together with the information in the documents incorporated by reference. In addition, certain information,

## **Table of Contents**

including financial information, contained in this information statement/prospectus or incorporated by reference in this information statement/prospectus should be read in conjunction with documents Windstream has filed with the SEC.

Only one copy of this information statement/prospectus is being delivered to multiple NuVox stockholders sharing an address unless NuVox has received contrary instructions from one or more of the stockholders. Upon written or oral request, NuVox will promptly deliver a separate copy of this information statement/prospectus statement to a NuVox stockholder at a shared address to which a single copy of this information statement/prospectus has been delivered. NuVox stockholders at a shared address who would like to receive a separate copy of this information statement/prospectus, or a separate copy of future Windstream proxy statements or annual reports following completion of the merger, should contact Windstream at the telephone number or mailing address provided above. In the event that you are receiving multiple copies of annual reports or proxy statements at an address to which you would like to receive a single copy, multiple NuVox stockholders sharing an address may also contact Windstream at the above listed telephone number or mailing address to receive a single copy of annual reports and proxy statements in the future.

### **LEGAL MATTERS**

The validity of the shares of Windstream common stock offered by this information statement/prospectus will be passed upon by Kutak Rock LLP, counsel to Windstream.

### **EXPERTS**

The consolidated financial statements of Windstream as of December 31, 2007 and 2008, and for each of the three years in the period ended December 31, 2008 and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2008 (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this information statement/prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2008, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of NuVox, Inc. and its subsidiaries as of December 31, 2007 and 2008, and for each of the years in the three-year period ended December 31, 2008, have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

### **MISCELLANEOUS**

No person has been authorized to give any information or make any representation on behalf of Windstream or NuVox not contained in this information statement/prospectus, and if given or made, such information or representation must not be relied upon as having been authorized. The information contained in this information statement/prospectus is accurate only as of the date of this information statement/prospectus and, with respect to material incorporated into this document by reference, the dates of such referenced material.

If you live in a jurisdiction where it is unlawful to offer to exchange or sell, or to ask for offers to exchange or buy, the securities offered by this document, or if you are a person to whom it is unlawful to direct these activities, then the offer presented by this document does not extend to you.

**Table of Contents**

**Annex A**

**AGREEMENT AND PLAN OF MERGER**

**BY AND AMONG**

**WINDSTREAM CORPORATION,**

**NIGHT MERGER SUB, INC.,**

**NUVOX, INC.**

**AND**

**THE STOCKHOLDERS REPRESENTATIVE**

**NOVEMBER 2, 2009**

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<b><u>ARTICLE I THE MERGER: EFFECTIVE TIME: CLOSING</u></b>	A-1
1.1 <u>The Merger</u>	A-1
1.2 <u>Effective Time</u>	A-2
1.3 <u>Effects of the Merger</u>	A-2
1.4 <u>Closing</u>	A-2
1.5 <u>Escrow; Stockholders Representative Reserve</u>	A-2
1.6 <u>Stockholders Representative</u>	A-3
<b><u>ARTICLE II SURVIVING CORPORATION</u></b>	A-6
2.1 <u>Certificate of Incorporation</u>	A-6
2.2 <u>By-Laws</u>	A-6
2.3 <u>Directors</u>	A-6
2.4 <u>Officers</u>	A-6
<b><u>ARTICLE III MERGER CONSIDERATION; CONVERSION OR CANCELLATION OF SHARES IN THE MERGER</u></b>	A-6
3.1 <u>Share Consideration for the Merger; Conversion or Cancellation of Shares in the Merger</u>	A-6
3.2 <u>Exchange of Stock Certificates</u>	A-7
3.3 <u>No Further Rights or Transfers; Cancellation of Treasury Shares</u>	A-9
3.4 <u>Dissenting Shares</u>	A-9
3.5 <u>Stock Options</u>	A-10
3.6 <u>Warrants</u>	A-10
3.7 <u>Withholding</u>	A-10
3.8 <u>Reservation of Shares</u>	A-11
<b><u>ARTICLE IV REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY</u></b>	A-11
4.1 <u>Organization and Qualification</u>	A-11
4.2 <u>Capitalization; Subsidiaries</u>	A-11
4.3 <u>Authority Relative to This Agreement</u>	A-13
4.4 <u>Consents and Approvals; No Violation</u>	A-13
4.5 <u>Financial Statements</u>	A-14
4.6 <u>Absence of Certain Changes or Events</u>	A-14
4.7 <u>No Undisclosed Liabilities</u>	A-15
4.8 <u>Litigation</u>	A-15
4.9 <u>Information Supplied</u>	A-16
4.10 <u>Taxes</u>	A-16
4.11 <u>Employee Benefit Matters; ERISA Compliance</u>	A-17
4.12 <u>Labor Matters</u>	A-19
4.13 <u>Environmental Laws and Regulations</u>	A-20
4.14 <u>Intellectual Property</u>	A-21
4.15 <u>Assets and Properties; Network</u>	A-22
4.16 <u>Material Contracts</u>	A-23
4.17 <u>Compliance with Laws</u>	A-24
4.18 <u>Transactions With Affiliates</u>	A-25
4.19 <u>Licenses</u>	A-25
4.20 <u>Corporate Records</u>	A-26
4.21 <u>Opinion of Financial Advisor</u>	A-26
4.22 <u>Brokers or Finders</u>	A-26
4.23 <u>Certain Subsidiaries</u>	A-26
4.24 <u>Customer and Vendor Disputes</u>	A-26



**Table of Contents**

	<b>Page</b>
4.25	<u>Specified Litigation</u>
4.26	<u>No Other Representations or Warranties</u>
<b><u>ARTICLE V REPRESENTATIONS AND WARRANTIES OF PARENT AND NEWCO</u></b>	
5.1	<u>Organization and Qualification</u>
5.2	<u>Capitalization</u>
5.3	<u>Authority Relative to This Agreement</u>
5.4	<u>Consents and Approvals; No Violation</u>
5.5	<u>Absence of Certain Changes or Events</u>
5.6	<u>Litigation</u>
5.7	<u>Company Equity Interests</u>
5.8	<u>Reports; Regulatory Matters</u>
5.9	<u>Information Supplied</u>
5.10	<u>Taxes</u>
5.11	<u>Compliance with Laws</u>
5.12	<u>Voting Requirements</u>
5.13	<u>Dividend Practice</u>
5.14	<u>Brokers or Finders</u>
5.15	<u>No Other Representations or Warranties</u>
<b><u>ARTICLE VI ADDITIONAL COVENANTS AND AGREEMENTS</u></b>	
6.1	<u>Pre-Closing Covenants</u>
6.2	<u>Company Stockholder Approval</u>
6.3	<u>No Solicitation of Transactions</u>
6.4	<u>Reasonable Best Efforts</u>
6.5	<u>Access to Information</u>
6.6	<u>Publicity</u>
6.7	<u>Indemnification of Directors and Officers</u>
6.8	<u>Employees</u>
6.9	<u>Tax Matters</u>
6.10	<u>Resignation of Directors of the Company</u>
6.11	<u>Certain Notices</u>
6.12	<u>Stockholder Materials</u>
6.13	<u>Company Stockholders' Agreements</u>
6.14	<u>Company Registration Rights Agreement</u>
6.15	<u>Litigation Settlements</u>
6.16	<u>Interconnection Agreements</u>
6.17	<u>Secretary's Certificate</u>
<b><u>ARTICLE VII CONDITIONS TO CONSUMMATION OF THE MERGER</u></b>	
7.1	<u>Conditions to Each Party's Obligations to Effect the Merger</u>
7.2	<u>Conditions to the Company's Obligations to Effect the Merger</u>
7.3	<u>Conditions to Parent's and Newco's Obligations to Effect the Merger</u>
7.4	<u>Failure of Conditions</u>
<b><u>ARTICLE VIII TERMINATION; AMENDMENT; WAIVER</u></b>	
8.1	<u>Termination by Mutual Consent</u>
8.2	<u>Termination by Either Parent or the Company</u>
8.3	<u>Termination by Parent</u>
8.4	<u>Termination by the Company</u>
8.5	<u>Effect of Termination</u>
8.6	<u>Extension; Waiver</u>

**Table of Contents**

	<b>Page</b>
<u>ARTICLE IX SURVIVAL/INDEMNIFICATION</u>	A-46
9.1 <u>Survival</u>	A-46
9.2 <u>Indemnification Provisions for Parent s Benefit</u>	A-46
9.3 <u>Matters Involving Third Parties</u>	A-47
9.4 <u>Calculation of Adverse Consequences</u>	A-48
9.5 <u>Tax Treatment of Indemnity Payments</u>	A-48
9.6 <u>Exclusive Remedy</u>	A-48
9.7 <u>No Right of Contribution</u>	A-48
<u>ARTICLE X MISCELLANEOUS AND GENERAL</u>	A-49
10.1 <u>Payment of Expenses</u>	A-49
10.2 <u>Modification or Amendment</u>	A-49
10.3 <u>Waiver of Conditions</u>	A-49
10.4 <u>Counterparts; Effectiveness</u>	A-49
10.5 <u>Governing Law</u>	A-49
10.6 <u>Notices</u>	A-49
10.7 <u>Entire Agreement; Assignment</u>	A-50
10.8 <u>Parties in Interest</u>	A-51
10.9 <u>Validity</u>	A-51
10.10 <u>Captions</u>	A-51
10.11 <u>Specific Performance</u>	A-51
10.12 <u>Definitions</u>	A-51
10.13 <u>Waiver of Jury Trial</u>	A-52
10.14 <u>Interpretation</u>	A-52

**Table of Contents**

**COMPANY DISCLOSURE SCHEDULE**

<b>Section Number</b>	<b>Title</b>
Section 1.5(b)	Escrow; Stockholders' Representative Reserve
Section 4.2(b)	Subsidiaries; Capitalization
Section 4.2(c)	Subsidiaries; Capitalization
Section 4.2(d)	Subsidiaries; Capitalization
Section 4.4	Consents and Approvals; No Violation
Section 4.5(c)	Financial Statements
Section 4.5(d)	Financial Statements
Section 4.6	Absence of Certain Changes or Events
Section 4.8(a)	Litigation
Section 4.8(b)	Litigation
Section 4.10(d)	Taxes
Section 4.10(f)	Taxes
Section 4.11(a)	Employee Benefits Matters; ERISA Compliance
Section 4.11(e)	Employee Benefits Matters; ERISA Compliance
Section 4.11(g)	Employee Benefits Matters; ERISA Compliance
Section 4.12(c)	Labor Matters
Section 4.12(d)	Labor Matters
Section 4.14(a)	Intellectual Property
Section 4.15(c)	Assets and Properties; Network
Section 4.15(d)	Assets and Properties; Network
Section 4.16	Material Contracts
Section 4.18	Transactions with Affiliates
Section 4.19	Licenses; Tariffs
Section 6.1(a)	Pre-Closing Covenants
Section 6.4(c)	Reasonable Best Efforts
Section 6.16	Interconnection Agreements
Section 7.2(c)	Conditions to the Company's Obligations to Effect the Merger
Section 10.12	Definitions

**PARENT DISCLOSURE SCHEDULE**

<b>Section Number</b>	<b>Title</b>
Article V	Representations and Warranties of Parent and Newco
Section 5.8(f)	Reports; Regulatory Matters
Section 5.10(b)	Taxes
Section 7.3(c)	Conditions to Parent's and Newco's Obligations to Effect the Merger
Section 10.12	Definitions

**Table of Contents****TABLE OF DEFINITIONS**

<b>Term</b>	<b>Section</b>
2007 Stockholders Agreement	6.13
409A Authorities	4.11(h)
Acquisition Agreement	6.3(a)
Adverse Consequences	9.2
Affiliate	10.12
Aggregate Cash Consideration	3.1(a)(iii)
Aggregate Option Consideration	3.1(a)(iii)
Aggregate Stock Consideration	3.1(a)(iii)
Agreement	Preface
Antitrust Division	6.4(b)
Audited Balance Sheets	4.5(a)
Audited Financial Statements	4.5(a)
Benefit Plans	4.11(a)
Board Recommendation	4.3(b)
Business Day	10.12
Cash Consideration	3.1(a)(iii)
CERCLA	4.13(b)
Certificate of Merger	1.2
Closing	1.4
Closing Date	1.4
Code	3.7
Company	Preface
Company Adverse Recommendation Change	6.3(e)
Company Board of Directors	Recitals
Company Common Stock	Recitals
Company Disclosure Schedule	Article IV
Company Financial Statements	4.5(a)
Company In-the-Money Options Proceeds	3.1(a)(iii)
Company Licenses	4.19
Company Options	3.5(a)
Company Shares	Recitals
Company Stock Plans	3.5(a)
Company Stockholder Approval	4.3(c)
Company Rollover Warrant	3.6
Competing Transaction	6.3(a)
Confidentiality Agreement	6.5
Conflicts	4.4
Consent Agreement	Recitals
Continuing Employee	6.8(a)(i)
Conversion Ratio	3.1(a)(iii)
Deductible Amount	9.2
DGCL	1.1
Dissenting Shares	3.4
Effective Time	1.2
Employee Agreements	4.11(a)
Encumbrances	4.2(d)
Environmental Claims	4.13(b)
Environmental Laws	4.13(a)
Environmental Permits	4.13(a)

**Table of Contents**

<b>Term</b>	<b>Section</b>
ERISA	4.11(a)
ERISA Affiliate	4.11(a)
Escrow Account	1.5(a)
Escrow Agent	1.5(a)
Escrow Agreement	1.5(a)
Escrow Amount	1.5(b)
Escrow Period	9.1
Exchange	6.2(e)
Exchange Act	5.8(b)
Exchange Agent	3.2(a)
Exchange Agent Agreement	3.2(a)
Excluded Shares	Recitals
Expiring Interconnection Agreements	6.16
FCC	2.1
FCC Licenses	4.19
Fraud and Key Pre-Closing Covenants Cap	9.2
FTC	6.4(a)
GAAP	4.5(a)
Governmental Entity	10.12
Hazardous Materials	4.13(c)
Hedge Agreement	4.16(p)
HSR Act	4.4
Indebtedness	10.12
In-the-Money Company Options	3.1(a)(iii)
Indemnification Cap	9.2
Indemnified Party	9.3(a)
Indemnifying Party	9.3(a)
Indemnifying Stockholders	1.5(b)
Indemnifying Stockholder Shares	1.5(b)
Indemnity Items	10.12
Information Statement/Prospectus	6.2(c)
Intellectual Property	4.14(a)
Interconnection Agreements	4.15(d)
IRS	4.11(b)
IRUs	4.6(e)
Key Pre-Closing Covenants	9.2
knowledge	10.12
Latest Balance Sheet	4.5(a)
Law	10.12
Letter of Transmittal	3.2(b)
Majority Stockholders	Recitals
Material Adverse Effect	10.12
Material Contracts	4.16
Maximum Premium	6.7(b)
Merger	1.1
Merger Consideration	3.1(a)(i)
Newco	Preface
Notice of Superior Competing Transaction	6.3(f)(iv)
Option Payment	3.5(a)
Parent	Preface
Parent Audited Balance Sheets	5.8(d)

**Table of Contents**

<b>Term</b>	<b>Section</b>
Parent Audited Financial Statements	5.8(d)
Parent Board of Directors	Recitals
Parent By-Laws	6.1(b)(i)
Parent Charter	6.1(b)(i)
Parent Common Stock	Recitals
Parent Companies	Recitals
Parent Disclosure Schedule	Article V
Parent Financial Statements	5.8(d)
Parent Indemnitees	9.2
Parent Latest Balance Sheet	5.8(d)
Parent Options	5.2(b)
Parent Preferred Stock	5.2(a)
Parent Representatives	6.5
Parent SEC Reports	5.8(b)
Parent Stock Consideration	3.1(a)(iii)
Per Share Amount	3.1(a)(iii)
Per Share Escrow Amount	1.5(b)
Permitted Encumbrances	4.15(a)
Person	10.12
PUC Licenses	4.19
PUCs	4.4
Registration Rights Agreement	6.14
Registration Statement	6.2(b)
Representative	6.3(a)
SEC	Recitals
Securities Act	4.16(n)
Settlement Agreement	4.25
Specified Litigation	10.12
Specified Person	9.6
Specified Plaintiff	10.12
Stockholders' Agreements	6.13
Stockholders' Representative	Preface
Stockholders' Representative Expenses	1.6(b)
Stockholders' Representative Reserve	1.5(b)
Subsidiary	10.12
Superior Competing Transaction	6.3(b)
Surviving Corporation	1.1
Tax Return	4.10
Taxes	4.10
Telecommunications Act	4.15(d)
Third Party	6.3(a)
Third-Party Claim	9.3(a)
Transactions	1.1
UNEs	4.15(d)
Voting Company Debt	4.2(b)
Voting Parent Debt	5.2(b)
WARN	6.1(a)(xvii)
Warrant Exchange Ratio	3.6

---

**Table of Contents**

**AGREEMENT AND PLAN OF MERGER**

AGREEMENT AND PLAN OF MERGER (this **Agreement** ), dated as of November 2, 2009, by and among Windstream Corporation, a Delaware corporation ( **Parent** ), Night Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Parent ( **Newco** ), and NuVox, Inc., a Delaware corporation (the **Company** ) and M/C Venture Partners V, L.P. in its capacity as the stockholders' representative (the **Stockholders Representative** ) as referenced in Section 1.6 of this Agreement.

**RECITALS**

WHEREAS, the Board of Directors of the Company (the **Company Board of Directors** ) has, subject to the conditions of this Agreement, (i) determined that it is in the best interests of the Company and its stockholders, and declared it advisable, to enter into this Agreement, (ii) approved the execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby, including the Merger, and (iii) resolved to recommend adoption of this Agreement and approval of the Merger and the other Transactions by the stockholders of the Company;

WHEREAS, the Board of Directors of each of Parent (the **Parent Board of Directors** ) and Newco has approved this Agreement and declared it advisable for Parent and Newco, respectively, to enter into this Agreement;

WHEREAS, upon the terms and subject to the conditions set forth in this Agreement, each issued and outstanding share of common stock, par value \$0.01 per share, of the Company (the **Company Common Stock** or **Company Shares** ), immediately prior to the Effective Time, other than Company Common Stock owned by Parent, Newco or any direct or indirect wholly-owned subsidiary of Parent (collectively, the **Parent Companies** ) or held by the Company as treasury shares (collectively, the **Excluded Shares** ), will be converted into the right to receive cash and shares of the common stock of Parent, par value \$0.0001 per share (the **Parent Common Stock** );

WHEREAS, Parent, Newco and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Merger and to prescribe various conditions to the Merger; and

WHEREAS, as a condition and inducement to Parent and Newco entering into this Agreement, concurrently with the execution and delivery of this Agreement, stockholders of the Company representing not less than 62% of the Company Shares (the **Majority Stockholders** ) have entered into a Consent Agreement dated as of the date of this Agreement and attached hereto as Exhibit A (the **Consent Agreement** ), pursuant to which such stockholders have agreed, among other things, to execute and deliver a written consent adopting the Merger Agreement and approving the Merger and the other Transactions promptly following the receipt by the Majority Stockholders of an information statement/prospectus under cover of a registration statement with respect to the shares of Parent Common Stock to be issued to the stockholders of the Company in connection with the Merger that has been declared effective by the Securities and Exchange Commission (the **SEC** ).

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements set forth herein, and intending to be legally bound, Parent, Newco and the Company hereby agree as follows:

**ARTICLE I THE MERGER; EFFECTIVE TIME; CLOSING**

1.1 The Merger. Subject to the terms and conditions of this Agreement, at the Effective Time, the Company and Newco shall, in accordance with Delaware General Corporation Law ( **DGCL** ), consummate a merger (the **Merger** ) in which Newco shall be merged with and into the Company and the separate corporate existence of

---

**Table of Contents**

Newco shall thereupon cease and the Company shall continue as the surviving corporation in the Merger (the **Surviving Corporation** ). In accordance with Section 259 of the DGCL, all of the rights, privileges, powers, immunities, purposes and franchises of Newco and the Company shall vest in the Surviving Corporation and all of the debts, liabilities, obligations and duties of Newco and the Company shall become the debts, liabilities, obligations and duties of the Surviving Corporation. The Merger, the payment of cash in connection with the Merger and the other transactions contemplated by this Agreement and the Escrow Agreement are referred to herein as the **Transactions** .

1.2 **Effective Time**. Prior to the Closing, Parent shall prepare, and on the Closing Date or as soon as practicable thereafter the Surviving Corporation shall file with the Secretary of State of the State of Delaware, a certificate of merger (the **Certificate of Merger** ) executed in accordance with the relevant provisions of the DGCL and shall make all other filings or recordings required under the DGCL. The Merger shall become effective at such time as the Certificate of Merger is duly filed with such Secretary of State, or at such subsequent time as Parent and the Company shall agree and specify in the Certificate of Merger (the time the Merger becomes effective being the **Effective Time** ).

1.3 **Effects of the Merger**. The Merger shall have the effects set forth in Section 259 of the DGCL.

1.4 **Closing**. The closing of the Merger (the **Closing** ) shall take place (a) at the offices of Kutak Rock LLP, 124 West Capitol Avenue, Suite 2000, Little Rock, Arkansas, at 9:00 a.m. Little Rock, Arkansas time on a date (the **Closing Date** ) which shall be no later than the second Business Day following the date on which the last of the conditions set forth in Article VII hereof (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions) shall be satisfied or waived in accordance with this Agreement or (b) at such other place, time and date as Parent and the Company may mutually agree in writing.

1.5 **Escrow: Stockholders Representative Reserve**.

(a) On the Closing Date, Parent and the Stockholders Representative will execute and deliver an escrow agreement substantially similar to **Exhibit B** attached hereto (the **Escrow Agreement** ), by and among Parent, the Stockholders Representative and Wells Fargo Bank, N.A. (the **Escrow Agent** ), and Parent will deliver to the Escrow Agent, as agent, the Escrow Amount. The Escrow Amount shall be applied to satisfy any indemnity claims of Parent arising under **Article IX** of this Agreement. The Escrow Amount will be held by the Escrow Agent in an escrow account (the **Escrow Account** ) in accordance with the terms and conditions of the Escrow Agreement. On the date that is six (6) months following the Closing Date, fifty percent (50%) of the Funds in the Escrow Account that have not otherwise been demanded for payment pursuant to any outstanding claim for indemnification made in accordance with (i) **Article IX** hereof and (ii) Section 7 of the Escrow Agreement will be disbursed from the Escrow Account to the Indemnifying Stockholders pursuant to the terms of the Escrow Agreement. On the date that is twelve (12) months