

WINDSTREAM CORP
Form 424B3
September 19, 2011
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Filed pursuant to Rule 424(b)(3)
SEC File No. 333-176565

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

Dear fellow stockholders:

The board of directors of PAETEC Holding Corp. (PAETEC) has unanimously approved and adopted an agreement and plan of merger, dated as of July 31, 2011, among Windstream Corporation (Windstream), Peach Merger Sub, Inc., a wholly-owned subsidiary of Windstream (Merger Sub), and PAETEC pursuant to which Merger Sub will merge with and into PAETEC. As a result of the merger, Windstream will acquire PAETEC. We are sending you the accompanying proxy statement/prospectus to ask you to attend a special meeting of the stockholders of PAETEC or to vote your shares by proxy on the proposal to adopt the merger agreement and approve the merger and the other transactions contemplated by the merger agreement. Information about the PAETEC special meeting is contained in the proxy statement/prospectus.

If the merger is completed, at the effective time of the merger, each outstanding share of PAETEC common stock will be converted into the right to receive 0.460 shares of Windstream common stock. Windstream common stock is listed on the NASDAQ Global Select Market under the trading symbol WIN. Based on the closing price of Windstream common stock on September 16, 2011, the latest practicable trading date before the filing of the accompanying proxy statement/prospectus, the 0.460 shares of Windstream common stock represented approximately \$5.93 in value for each share of PAETEC common stock. Because the exchange ratio of the merger consideration will not be adjusted for changes in the market price of Windstream common stock, the value of the merger consideration at the time of the merger may be significantly different. Based on the number of shares of PAETEC common stock outstanding as of September 12, 2011, the aggregate number of shares of Windstream common stock to be issued by Windstream in the merger is estimated to be approximately 67,227,000 shares.

Your board of directors has unanimously determined that the merger agreement and the merger are advisable, fair to and in the best interests of PAETEC and its stockholders and unanimously recommends that you vote FOR adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement. The merger cannot be completed unless the merger agreement is adopted by the affirmative vote of the holders of a majority of the outstanding shares of PAETEC common stock. No vote of Windstream stockholders is required to complete the merger.

The accompanying proxy statement/prospectus provides you with detailed information about Windstream, PAETEC and the proposed merger. You may obtain additional information about Windstream from documents Windstream has filed with the Securities and Exchange Commission as described under Where You Can Find More Information on page 204 of the proxy statement/prospectus. We strongly encourage you to read the proxy statement/prospectus carefully. **Before deciding how to vote on the merger agreement, you should consider the Risk Factors beginning on page 29 of the proxy statement/prospectus.**

Very truly yours,

Arunas A. Chesonis

Chairman, President and Chief Executive Officer

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

The proxy statement/prospectus is dated September 19, 2011, and is being first mailed to stockholders of PAETEC on or about September 22, 2011.

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REFERENCES TO ADDITIONAL INFORMATION

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

Windstream Corporation

Investor Relations

4001 Rodney Parham Road

Little Rock, Arkansas 72212

(866) 320-7922

windstream.investor.relations@windstream.com

If you would like to request any documents, please do so by October 20, 2011 in order to receive them before the special meeting.

See **Where You Can Find More Information** on page 204 for more information about the documents referred to in this proxy statement/prospectus.

In addition, if you have questions about the merger, you may contact PAETEC's proxy solicitor, Morrow & Co., LLC, at (203) 658-9400 or toll free at (800) 276-3011.

ABOUT THIS DOCUMENT

This proxy statement/prospectus forms a part of a registration statement on Form S-4 (Registration No. 333-176565) filed by Windstream with the Securities and Exchange Commission. It constitutes a prospectus of Windstream under Section 5 of the Securities Act of 1933, as amended, and the rules thereunder, with respect to the shares of Windstream common stock to be issued to PAETEC stockholders in the merger. In addition, it constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, and the rules thereunder, and a notice of meeting with respect to the PAETEC special meeting of stockholders at which PAETEC stockholders will consider and vote on the proposal to adopt the merger agreement and the other proposals described in this proxy statement/prospectus.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in or incorporated by reference into this document. This document is dated September 19, 2011. You should not assume that the information contained in this document is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this document is accurate as of any date other than the date of the incorporated document containing such information. Neither the mailing of this document to PAETEC stockholders nor the issuance by Windstream of common stock in connection with the merger will create any implication to the contrary.

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

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PAETEC Holding Corp.

One PAETEC Plaza

600 Willowbrook Office Park

Fairport, New York 14450

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON October 27, 2011

TO THE STOCKHOLDERS OF PAETEC HOLDING CORP.:

Notice is hereby given that a special meeting of stockholders of PAETEC Holding Corp. will be held at the Hilton Manhattan East, 304 East 42nd Street, New York, New York 10017, on October 27, 2011, at 10:00 a.m., local time, to consider and act upon the following matters:

1. to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of July 31, 2011 and as it may be amended (referred to in the accompanying proxy statement/prospectus as the merger agreement), by and among Windstream Corporation, a Delaware corporation (Windstream), Peach Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Windstream (Merger Sub), and PAETEC Holding Corp., a Delaware corporation (PAETEC), pursuant to which Merger Sub will merge with and into PAETEC (referred to in the accompanying proxy statement/prospectus as the merger), after which PAETEC will survive the transaction as a wholly-owned subsidiary of Windstream and the separate corporate existence of Merger Sub will cease, and to approve the merger and the other transactions contemplated by the merger agreement;
2. to cast an advisory (nonbinding) vote to approve compensation payable under existing arrangements that certain PAETEC executive officers may receive in connection with the merger; and
3. to consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of proposal 1.

PAETEC's board of directors has fixed the close of business on September 12, 2011 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting or any adjournments, postponements or continuations thereof.

The merger agreement and the compensation payable under existing arrangements that certain PAETEC executive officers may receive in connection with the merger, which is commonly referred to as golden parachute compensation, are more fully described in the accompanying proxy statement/prospectus, which we encourage you to read carefully in its entirety before voting. A copy of the merger agreement is included as Annex A to the accompanying proxy statement/prospectus. The accompanying proxy statement/prospectus is a part of this notice.

You are cordially invited to attend the special meeting. Your proxy is being solicited by PAETEC's board of directors. **Even if you plan to attend the special meeting, we urge you to submit a valid proxy promptly.** If your shares of PAETEC common stock are registered in your own name, you may submit your proxy (1) by filling out and signing the proxy card, and then mailing your signed proxy card in the enclosed postage-paid reply envelope, (2) by authorizing the voting of your shares over the Internet at www.proxyvote.com, or (3) by calling 1-800-690-6903 and by following the instructions on the enclosed proxy card. If your shares are held in street name, you should follow the directions your broker or other intermediary provides.

Your vote is very important. We cannot complete the merger unless the merger agreement is adopted by the affirmative vote of the holders of a majority of our outstanding common stock. Accordingly, we urge you to review the enclosed materials and request that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying postage-paid reply envelope or submit your proxy over the Internet or by telephone.

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Our board of directors unanimously recommends that you vote **FOR** adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement as described in proposal 1, **FOR** approval, on an advisory (nonbinding) basis, of the golden parachute compensation described in proposal 2 and **FOR** approval of one or more adjournments of the special meeting in accordance with proposal 3. Adoption of the merger agreement and approval of the golden parachute compensation are subject to separate votes by PAETEC stockholders, and approval of the golden parachute compensation is not a condition to completion of the merger. If you fail to vote, if you fail to authorize your broker to vote on your behalf, or if you abstain from voting, the effect will be the same as if you had voted against the approval of the merger proposal.

By Order of the Board of Directors,

Mary K. O'Connell

Executive Vice President, General Counsel and

Secretary

Fairport, New York

September 19, 2011

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QUESTIONS AND ANSWERS ABOUT THE PAETEC SPECIAL MEETING PROPOSALS

The following are some questions that you, as a stockholder of PAETEC, may have regarding the proposals to be voted on at the special meeting of PAETEC stockholders, and the answers to those questions. PAETEC urges you to read carefully the remainder of this document because the information in this section does not provide all the information that might be important to you with respect to the merger and the golden parachute compensation. Additional important information is also contained in the annexes to, and the documents incorporated by reference into, this document.

Q: What is the purpose of the special meeting?

A: At the special meeting, PAETEC stockholders will act upon the matters described in the notice of special meeting at the beginning of this proxy statement/prospectus, including a proposal to adopt the merger agreement and approve the merger and the other transactions contemplated by the merger agreement, an advisory (nonbinding) vote to approve compensation payable under existing arrangements that certain PAETEC executive officers may receive in connection with the merger, and a proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, including to solicit additional proxies in favor of adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement.

Q: What is the proposed transaction?

A: You are being asked to vote to adopt an agreement and plan of merger, dated as of July 31, 2011, among Windstream, Merger Sub and PAETEC and thereby approve the merger and the other transactions contemplated by the agreement and plan of merger. In this proxy statement/prospectus, we refer to the agreement and plan of merger as the merger agreement. In the merger, Merger Sub, a newly formed corporation and wholly-owned subsidiary of Windstream, will merge with and into PAETEC. PAETEC will survive the merger as a wholly-owned subsidiary of Windstream, the separate corporate existence of Merger Sub will cease, and PAETEC stockholders will be entitled to receive Windstream common stock as merger consideration.

Q: Why is PAETEC merging with a subsidiary of Windstream?

A: PAETEC is merging with a subsidiary of Windstream because PAETEC believes that the combination will provide substantial strategic and financial benefits to PAETEC's stockholders, including:

participation in the future growth potential of a combined company with approximately \$6 billion in annual revenues and more extensive nationwide operations, service offerings and revenue opportunities than PAETEC as a stand-alone company;

improved operational efficiencies and significant anticipated cost savings;

increased financial strength and flexibility; and

ownership of capital stock currently offering a quarterly cash dividend and benefiting from a highly liquid trading market.

For a detailed discussion of the background of and reasons for the proposed merger, see The Merger Background of the Merger, The Merger Recommendation of the PAETEC Board; PAETEC's Reasons for the Merger and The Merger Windstream's Reasons for the Merger.

Q: What will I be entitled to receive for my shares of PAETEC common stock?

A: In the merger, you will be entitled to receive 0.460 shares of Windstream common stock for each share of PAETEC common stock outstanding immediately before the effective time of the merger. The Windstream common stock is listed on the NASDAQ Global Select Market (NASDAQ) under the trading symbol

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You will not be entitled to receive any fractional shares of Windstream common stock. Instead, you will be entitled to receive cash, without interest, for any fractional share of Windstream common stock you might otherwise have been entitled to receive. The amount of cash that you will be entitled to receive in lieu of fractional shares will be equal to the product obtained by multiplying the fractional share interest you would otherwise be entitled to receive by the closing price for a share of Windstream common stock as reported on NASDAQ on the day of the effective time of the merger.

Q: What does the PAETEC board of directors recommend?

A: The PAETEC board of directors unanimously recommends that you vote:

FOR adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement;

FOR approval, on an advisory (nonbinding) basis, of the golden parachute compensation payable under existing arrangements that certain PAETEC executive officers may receive in connection with the merger; and

FOR approval of one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement.

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

A: Holders of record of PAETEC common stock as of the close of business on September 12, 2011, which is the date the PAETEC board of directors has fixed as the record date for the special meeting, are entitled to vote at the special meeting.

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

A: The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the shares of PAETEC common stock outstanding as of the record date for the special meeting.

No vote of the stockholders of Windstream is required.

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

If you fail to vote, if you fail to authorize your broker to vote on your behalf, or if you abstain from voting, the effect will be the same as if you had voted against adoption of the merger agreement.

Q: Do I have appraisal rights?

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A: No. PAETEC stockholders have no appraisal or dissenters' rights under the General Corporation Law of the State of Delaware (the "DGCL") in connection with the merger. For additional information regarding appraisal rights, see "Comparison of Rights of Common Stockholders of Windstream and Common Stockholders of PAETEC - Appraisal Rights" on page 147.

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

A: It is expected that the merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the completion of the merger is conditioned on the receipt by each of Windstream and PAETEC of opinions from their respective counsel to the effect that the merger will qualify as such a reorganization. Assuming that the merger qualifies as such a

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reorganization, United States holders of PAETEC common stock generally will not be subject to United States federal income taxes as a result of the exchange of their shares of PAETEC common stock for Windstream common stock except with respect to any cash received in lieu of fractional shares of Windstream common stock. For additional information about material United States federal income tax consequences of the merger, see *The Merger Material United States Federal Income Tax Consequences* beginning on page 113.

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

A: We currently expect the merger to be completed by December 31, 2011, following the satisfaction or waiver of all conditions to the merger, including PAETEC stockholder approval and the receipt of all regulatory approvals that are required to be obtained pursuant to the merger agreement.

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

A: After carefully reading and considering the information contained and incorporated by reference into this proxy statement/prospectus, please submit your proxy as soon as possible so that your shares may be voted at the special meeting. If your shares of PAETEC common stock are registered in your own name you may submit your proxy by:

filling out and signing the proxy card, and then mailing your signed proxy card in the enclosed postage-paid reply envelope;

submitting your proxy over the Internet at www.proxyvote.com; or

calling 1-800-690-6903 and following the instructions on the enclosed proxy card.

Proxies submitted over the Internet or by telephone must be received by 11:59 p.m., Eastern time, on October 26, 2011.

You also may attend the special meeting and vote your shares in person by written ballot.

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

Your proxy will instruct the persons named on the proxy card to vote your shares at the special meeting as you direct. If you submit a properly executed proxy and do not indicate how you want to vote, your proxy will be voted:

FOR adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement;

FOR approval, on an advisory (nonbinding) basis, of the golden parachute compensation payable under existing arrangements that certain PAETEC executive officers may receive in connection with the merger; and

FOR approval of one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement.

Q: May I change my vote after I have submitted my proxy?

A: You may change your vote at any time before your proxy is voted at the special meeting. If your shares of PAETEC common stock are registered in your own name, you may revoke your proxy in one of the following ways:

by delivering to PAETEC Holding Corp., 600 Willowbrook Office Park, Fairport, New York 14450, Attn: Mary K. O'Connell, Secretary, a written notice revoking your proxy that bears a date later than the date of the proxy that you are revoking and that is received before the special meeting;

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by submitting another proxy card bearing a later date and mailing it so that it is received before the special meeting;

by submitting another proxy using the Internet or telephone voting procedures; or

by attending the special meeting and voting in person, although simply attending the meeting will not revoke your proxy, as you must deliver a notice of revocation or vote at the special meeting in order to revoke a prior proxy.

Your last vote is the vote that will be counted.

If you have instructed a broker or other intermediary to vote your shares, you must follow the directions you receive from your broker or other intermediary to change your vote.

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

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

Q: Why am I being asked to cast an advisory (nonbinding) vote to approve compensation that certain PAETEC executive officers may receive in connection with the merger?

A: The Securities and Exchange Commission (the SEC) recently adopted rules that require some public companies to seek an advisory (nonbinding) vote with respect to certain payments, which are commonly referred to as golden parachute compensation, that will be made in transactions such as the merger. These rules require us to seek such an advisory vote regarding certain payments PAETEC's named executive officers may receive in connection with the merger.

Q: Under what arrangements would golden parachute compensation be payable?

A: Such compensation would be payable under PAETEC's existing confidentiality, non-solicitation, non-competition and severance agreements with its executive officers as well as under PAETEC's stockholder-approved equity compensation plans.

Q: What will happen if stockholders do not approve the golden parachute compensation at the special meeting?

A: Approval of the golden parachute compensation payable under existing arrangements that certain PAETEC executive officers may receive in connection with the merger is not a condition to completion of the merger. The vote with respect to such compensation is an advisory vote and will not be binding on PAETEC. Therefore, if the merger agreement is adopted by the stockholders and the merger is completed, the golden parachute compensation payable to PAETEC's named executive officers will still be paid regardless of the outcome of this advisory vote.

Q: Who can help answer my questions?

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A: If you have any questions about the merger or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you should contact PAETEC's proxy solicitor, Morrow & Co., LLC, at (203) 658-9400 or toll free at (800) 276-3011.

Q: Where can I find more information about PAETEC and Windstream?

A: You can find more information about PAETEC and Windstream from various sources described under the heading "Where You Can Find More Information" on page 204.

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SUMMARY

*This summary highlights certain information from this proxy statement/prospectus. It does not contain all of the information that is important to you. You should read carefully the entire proxy statement/prospectus and the additional documents referred to in it to understand fully the merger agreement and the merger. See *Where You Can Find More Information* on page 204 for information on how you can view documents incorporated by reference into this proxy statement/prospectus. The parenthetical page references included below direct you to a more complete description of the topics presented in this summary.*

The Companies (See Page 43)

Windstream (See Page 43)

Windstream Corporation

4001 Rodney Parham Road

Little Rock, Arkansas 72212

Telephone: (501) 748-7000

Windstream, a Delaware corporation, is a leading communications and technology solutions provider, delivering complex data, high-speed Internet, voice and transport services to customers with operations throughout the United States and the District of Columbia. Windstream's business solutions include IP-based voice and data services, multiprotocol label switching networking, data center and managed services, hosting services and communications systems. Windstream provides high-speed Internet, voice, and digital television services to residential customers in 29 states. Windstream delivers its services over an extensive local and long-haul fiber network, which it also uses to provide wholesale services to other carriers.

As of June 30, 2011, Windstream served approximately 3.3 million access lines and 1.3 million high-speed Internet customers, and operated approximately 60,000 fiber route miles.

Windstream's telecommunications services are offered in the following 29 states: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia and Wisconsin.

Merger Sub (See Page 44)

Peach 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 July 27, 2011 solely for the purpose of effecting the merger with PAETEC. It has not carried on any activities other than in connection with the merger agreement.

PAETEC (See Page 44)

PAETEC Holding Corp.

One PAETEC Plaza

600 Willowbrook Office Park

Fairport, New York 14450

Telephone: (585) 340-2500

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PAETEC, a Delaware corporation, is a competitive broadband communications services and solutions provider guided by the principle that delivering superior customer service is the key to competing successfully with other communications services providers. PAETEC's primary business is providing business end-user customers in metropolitan areas with a package of integrated broadband communications services that encompasses data services, including Internet access services and virtual private network services, and voice services, including local telephone services and domestic and international long distance services. As of June 30, 2011, PAETEC provided services in 48 states and the District of Columbia for approximately 53,000 business customers in a service area encompassing 86 of the country's top 100 metropolitan statistical areas.

The Merger (See Page 54)

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

The Merger Agreement (See Page 118)

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

Merger Consideration (See Page 118)

In the merger, each PAETEC stockholder will be entitled to receive 0.460 shares of Windstream common stock for each share of PAETEC common stock outstanding immediately before the effective time of the merger (the exchange ratio), with cash paid in lieu of fractional shares of Windstream common stock. The Windstream common stock payable in the merger is referred to as the merger consideration in this proxy statement/prospectus.

The exchange ratio is fixed and will not be adjusted for changes in the market value of the common stock of Windstream or PAETEC. Accordingly, the value of the consideration payable to PAETEC stockholders in the merger will fluctuate between the date of this proxy statement/prospectus and the completion of the merger in accordance with changes in the market value of Windstream's common stock. Based on the closing price of Windstream common stock as reported on NASDAQ on September 16, 2011, the latest practicable trading date before the filing of this proxy statement/prospectus, the merger consideration represented approximately \$5.93 in value for each share of PAETEC common stock.

Stock Options, Restricted Stock Units and Warrants (See Page 120)

The merger agreement provides for the assumption and conversion of outstanding PAETEC equity compensation awards (which consist of stock options, restricted stock units and warrants) and certain PAETEC non-compensatory warrants into Windstream stock options, restricted stock units and warrants. The number of Windstream restricted stock units into which each PAETEC restricted stock unit will be converted and the number of shares of Windstream common stock issuable upon the exercise of each converted stock option and warrant will, in each case, be based on the same 0.460 exchange ratio used in calculating the merger consideration.

Record Date (See Page 50)

The close of business on September 12, 2011 is the record date for determining if you are entitled to vote at the PAETEC special meeting. On that date, there were 146,145,461 shares of PAETEC common stock outstanding.

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The Special Meeting (See Page 45)

The PAETEC special meeting will take place at the Hilton Manhattan East, 304 East 42nd Street, New York, New York 10017, on October 27, 2011, at 10:00 a.m., local time. At the special meeting, the holders of PAETEC common stock will be asked to vote upon the following three proposals:

adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement;

approval, on an advisory (nonbinding) basis, of the golden parachute compensation payable under existing arrangements that certain PAETEC executive officers may receive in connection with the merger; and

approval of one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement.

Required Vote (See Page 45)

Each share of PAETEC common stock is entitled to one vote at the special meeting. The holders of a majority of the shares of PAETEC common stock issued and outstanding and entitled to vote at the special meeting, present in person or represented by proxy, will constitute a quorum at the special meeting. Abstentions and any broker non-votes will be counted for purposes of determining the presence of a quorum at the special meeting.

Adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement will require the affirmative vote of the holders of a majority of the shares of PAETEC common stock outstanding as of the record date for the special meeting.

Approval, on an advisory (nonbinding) basis, of the golden parachute compensation payable under existing arrangements that certain PAETEC executive officers may receive in connection with the merger will require the affirmative vote of the holders of a majority of the shares of PAETEC common stock present in person or represented by proxy at the special meeting and entitled to vote on this proposal.

Approval of one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement, will require the affirmative vote of the holders of a majority of the shares of PAETEC common stock present in person or represented by proxy at the special meeting and entitled to vote on this proposal.

An abstention from voting on any proposal will have the same effect as a vote against the proposal. Broker non-votes will have the same effect as a vote against adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement, but will not affect the outcome of the vote on the other two proposals.

PAETEC Security Ownership of Management and Certain Beneficial Owners (See Page 46)

On the record date for the PAETEC special meeting, directors and executive officers of PAETEC collectively beneficially owned and had the right to vote 19,942,754 shares of PAETEC common stock, entitling them to cast approximately 13.4% of the number of votes entitled to be cast at the special meeting.

Voting Agreement (See Page 50)

Certain directors and executive officers of PAETEC, who collectively beneficially owned approximately 7.2% of the outstanding PAETEC common stock as of the record date for the PAETEC special meeting, have

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signed a voting agreement committing them to vote any shares held by them in favor of adoption of the merger agreement and against any alternative proposal or any other action which is reasonably likely to adversely affect or interfere with the consummation of the transactions contemplated by the merger agreement. A copy of the voting agreement is attached to this proxy statement/prospectus as Annex B.

Recommendation of the PAETEC Board; PAETEC's Reasons for the Merger (See Page 63)

PAETEC's board of directors unanimously recommends that you vote:

FOR adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement;

FOR approval, on an advisory (nonbinding) basis, of the golden parachute compensation payable under existing arrangements that certain PAETEC executive officers may receive in connection with the merger; and

FOR approval of one or more adjournments of the special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement.

In connection with its decision to recommend that you vote **FOR** adoption of the merger agreement and approval of the merger and the other transactions contemplated by the merger agreement, the PAETEC board of directors unanimously approved the merger agreement and unanimously determined that the merger agreement and the merger are advisable, fair to and in the best interests of PAETEC and its stockholders. PAETEC's board of directors considered a number of factors that are described in *The Merger Recommendation of the PAETEC Board; PAETEC's Reasons for the Merger* beginning on page 63.

Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated (See Page 68)

In connection with the merger, Merrill Lynch, Pierce, Fenner & Smith Incorporated (BofA Merrill Lynch), one of PAETEC's financial advisors, delivered to PAETEC's board of directors a written opinion, dated July 31, 2011, as to the fairness, from a financial point of view and as of the date of the opinion, of the exchange ratio to the holders of PAETEC common stock. The full text of the written opinion, dated July 31, 2011, of BofA Merrill Lynch, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex C to this proxy statement/prospectus and is incorporated by reference herein in its entirety. PAETEC encourages its stockholders to read the full text of the BofA Merrill Lynch opinion. **BofA Merrill Lynch provided its opinion to PAETEC's board of directors (in its capacity as such) for the benefit and use of PAETEC's board of directors in connection with and for purposes of its evaluation of the exchange ratio from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the merger and no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to PAETEC or in which PAETEC might engage or as to the underlying business decision of PAETEC to proceed with or effect the merger. BofA Merrill Lynch's opinion does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed merger or any related matter.**

Opinion of Deutsche Bank Securities Inc. (See Page 78)

Deutsche Bank Securities Inc. (Deutsche Bank) also acted as a financial advisor to the PAETEC board of directors in connection with the merger. The PAETEC board of directors requested that Deutsche Bank, in its role as financial advisor, evaluate the fairness, from a financial point of view, of the exchange ratio to the holders of PAETEC common stock. On July 31, 2011, Deutsche Bank delivered its opinion to the PAETEC board of directors to the effect that, as of such date and based upon and subject to the assumptions made, matters considered and limitations, qualifications and conditions of the review undertaken as set forth in the opinion, the exchange ratio was fair, from a financial point of view, to the holders of PAETEC common stock.

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The full text of Deutsche Bank's opinion, dated July 31, 2011, which sets forth the assumptions made, matters considered and limitations, qualifications and conditions of the review undertaken by Deutsche Bank in rendering its opinion, is attached as Annex D to this proxy statement/prospectus. PAETEC encourages the holders of PAETEC common stock to read the Deutsche Bank opinion in its entirety. **Deutsche Bank provided its opinion for the information and assistance of the PAETEC board of directors in connection with its consideration of the merger. The Deutsche Bank opinion did not address any other aspect of the merger and Deutsche Bank expressed no opinion as to the merits of the underlying decision by PAETEC to engage in the merger or the relative merits of the merger as compared to any alternative business strategies or other transactions that may be available to PAETEC, and Deutsche Bank expressed no opinion or recommendation as to how any holder of PAETEC common stock should vote with respect to the merger. All summaries of the opinion of Deutsche Bank set forth in this proxy statement/prospectus are qualified in their entirety by reference to the full text of such opinion.**

Opinion of Houlihan Lokey Financial Advisors, Inc. (See Page 88)

On July 31, 2011, Houlihan Lokey Financial Advisors, Inc. (Houlihan Lokey) rendered an oral opinion to the PAETEC board of directors (which was confirmed in writing by delivery of Houlihan Lokey's written opinion dated July 31, 2011) as to the fairness, from a financial point of view, of the consideration to be received by the holders of PAETEC common stock in the merger, as of July 31, 2011, based upon and subject to the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in preparing its opinion.

Houlihan Lokey's opinion was directed to the PAETEC board of directors and only addressed the fairness from a financial point of view of the consideration to be received by the holders of PAETEC common stock in the merger and does not address any other aspect or implication of the merger. The summary of Houlihan Lokey's opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex E to this proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in preparing its opinion. PAETEC encourages its stockholders to carefully read the full text of Houlihan Lokey's written opinion. However, neither Houlihan Lokey's opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus are intended to be, and do not constitute, advice or a recommendation to the PAETEC board of directors, any PAETEC stockholders or any other party as to how to act or vote with respect to the merger agreement or related matters.

Interests of PAETEC's Directors and Executive Officers in the Merger (See Page 98)

PAETEC's directors and executive officers have interests in the merger that are different from, or in addition to, the interests generally of PAETEC's stockholders. Such interests include receipt of the following types of payments and benefits that are triggered by or otherwise relate to the merger:

cash payments and other benefits under executive officer severance agreements;

accelerated vesting of executive officer and director equity awards;

the assumption by Windstream of a non-compensatory warrant to purchase common stock;

the provision of indemnification and insurance arrangements pursuant to the merger agreement; and

related benefits.

For information about these and other interests, see The Merger Interests of PAETEC's Directors and Executive Officers in the Merger beginning on page 98.

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Windstream's Reasons for the Merger (See Page 106)

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 several material factors that are described in "The Merger" Windstream's Reasons for the Merger beginning on page 106.

Conditions to the Merger (See Page 132)

As more fully described in this document and in the merger agreement, the completion of the merger is conditioned on the satisfaction or, where legally permissible, waiver of a number of conditions, including, among others:

receipt of the requisite approval of PAETEC stockholders;

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 required regulatory approvals from the Federal Communications Commission (the "FCC") and from the public service commissions in the states of Arizona, California, Colorado, Delaware, Georgia, Hawaii, Indiana, Louisiana, Maryland, Minnesota, Mississippi, New Jersey, New York, Ohio, Pennsylvania, Texas, Utah, Virginia and West Virginia (collectively, the "PSCs"), including energy business-related approvals from PSCs in New York, Ohio and Pennsylvania;

the absence of any law, regulation, order or injunction prohibiting the merger; and

the receipt by each company of legal opinions regarding the qualification of the merger as a tax-free reorganization for United States federal income tax purposes.

Each party's obligation to complete the merger is subject to certain other conditions, including the accuracy of the representations and warranties of the other party (generally subject to a material adverse effect standard), material compliance by the other party with its obligations under the merger agreement, and the absence of a material adverse effect related to the other party.

Neither Windstream nor PAETEC 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. Approval of the golden parachute compensation in the advisory (nonbinding) vote described in this proxy statement/prospectus is not a condition to completion of the merger.

Restrictions on Solicitation (See Page 127)

The merger agreement contains restrictions on PAETEC's ability to solicit or engage in discussions or negotiations with a third party with respect to a proposal to acquire a significant interest in PAETEC's equity or assets. Notwithstanding these restrictions, before PAETEC stockholders adopt the merger agreement, the merger agreement provides that, under specified circumstances, if PAETEC receives a proposal from a third party to acquire a significant interest in the company that PAETEC's board of directors determines in good faith is, or may reasonably be expected to lead to a proposal that is, superior to the merger, PAETEC may furnish information to, and engage in negotiations regarding a transaction with, such third party. PAETEC's board of directors may withdraw, modify or change its approval or recommendation of the merger agreement or the merger, and, as described below under "Termination," PAETEC may terminate the merger agreement if PAETEC has received a proposal that its board of directors determines in good faith to be superior to the merger and certain other conditions are met, including PAETEC's provision to Windstream of notice of such a proposal and an opportunity to revise the terms of the merger agreement.

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Termination (See Page 133)

Windstream and PAETEC may mutually agree to terminate the merger agreement before completing the merger, even after PAETEC stockholders have adopted the merger agreement.

In addition, either Windstream or PAETEC may terminate the merger agreement if:

a governmental entity of competent jurisdiction has issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the merger, and such order, decree, ruling or other action shall have become final and non-appealable;

PAETEC stockholders fail to adopt the merger agreement at the special meeting or at any adjournment, postponement or continuation thereof;

subject to certain restrictions, the other party is in breach of the merger agreement; or

subject to certain restrictions, the merger is not completed by January 31, 2012 (which date will be automatically extended to March 30, 2012, if the merger has not occurred because of the failure to obtain approval from one or more regulatory authorities).

Windstream also may terminate the merger agreement at any time prior to the adoption of the merger agreement by PAETEC's stockholders if PAETEC, the PAETEC board of directors or any committee thereof, for any reason, shall have withdrawn or modified, or publicly proposed to withdraw or modify, the recommendation of the PAETEC board of directors that PAETEC's stockholders vote in favor of adoption of the merger agreement at the special meeting in a manner adverse to Windstream, or shall have approved, endorsed or recommended, or publicly proposed to approve or recommend, any alternative transaction. PAETEC also may terminate the merger agreement at any time prior to adoption of the merger agreement by PAETEC's stockholders if:

PAETEC receives an alternative transaction proposal that PAETEC's board of directors determines in accordance with the merger agreement constitutes a superior proposal;

PAETEC's board of directors authorizes PAETEC, subject to complying with the terms of the merger agreement, to enter into a binding written agreement concerning such superior proposal;

PAETEC has complied with its non-solicitation obligations under the merger agreement; and

prior to such termination, PAETEC pays to Windstream a termination fee of \$40 million.

Termination Fee (See Page 134)

The merger agreement provides that, upon termination of the merger agreement under certain circumstances, including the circumstances described in the immediately preceding paragraph under Termination, PAETEC will be obligated to pay Windstream a termination fee of \$40 million. Upon termination of the merger agreement under certain circumstances, PAETEC may be required to reimburse Windstream for up to \$15 million of Windstream's fees and expenses, whether or not the \$40 million termination fee later becomes payable. Any such payment by PAETEC of Windstream's fees and expenses will be credited towards any subsequent payment by PAETEC of the termination fee. See The Merger Agreement Termination Fee beginning on page 134 for a discussion of the circumstances under which a termination fee will be required to be paid or PAETEC will be required to reimburse Windstream for its fees and expenses.

Material United States Federal Income Tax Consequences (See Page 113)

It is expected that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and the completion of the merger is conditioned on the receipt by each of Windstream and PAETEC of opinions from their respective counsel to the effect that the merger will qualify as such a tax-free reorganization. Assuming that the merger qualifies as such a reorganization, United States holders of PAETEC common stock

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generally will not be subject to United States federal income taxes as a result of the exchange of their shares of PAETEC common stock for Windstream common stock except with respect to any cash received in lieu of fractional shares of Windstream common stock.

Tax matters are very complicated, and the tax consequences of the merger for a particular stockholder of PAETEC will depend on the facts and circumstances of the stockholder's own situation. For a description of certain material United States federal income tax consequences of the merger, see the information set forth in The Merger Material United States Federal Income Tax Consequences beginning on page 113. Windstream and PAETEC also urge each stockholder of PAETEC to consult the stockholder's tax advisor for a full understanding of the tax consequences of the merger.

Comparison of Rights of Common Stockholders of Windstream and Common Stockholders of PAETEC (See Page 142)

After the merger, PAETEC stockholders will become Windstream stockholders and their rights as stockholders will be governed by the certificate of incorporation and bylaws of Windstream as well as by the DGCL. There are a number of differences between the certificate of incorporation and bylaws of Windstream and the certificate of incorporation and bylaws of PAETEC. These differences are summarized under the heading Comparison of Rights of Common Stockholders of Windstream and Common Stockholders of PAETEC.

Appraisal Rights (See Page 147)

Under Delaware law, record holders of PAETEC common stock are not entitled to appraisal rights or dissenters' rights in connection with the merger.

Litigation (See Page 107)

On August 8, 2011, a purported stockholder of PAETEC filed a complaint styled as a class action lawsuit in the Court of Chancery of the State of Delaware. On August 9, 2011, a purported stockholder of PAETEC filed a similarly styled complaint in the Supreme Court of the State of New York, Monroe County. These complaints allege, among other things, that the board of directors of PAETEC conducted an unfair sales process resulting in an unfair merger price. They assert that PAETEC's board members breached their fiduciary duties in agreeing to the merger and that Windstream aided and abetted in the breaches of fiduciary duties. The lawsuits seek to enjoin the merger and seek unspecified monetary damages. On September 10, 2011, the plaintiff in the August 8, 2011 Delaware action filed a motion for class certification seeking to certify a class of all disinterested PAETEC stockholders and appoint the plaintiff as lead plaintiff for the class and the plaintiff's counsel as lead counsel for the class. On September 14, 2011, the plaintiff in the New York action filed a complaint in the Court of Chancery of the State of Delaware (the Delaware Complaint). In addition to alleging the same items as in the earlier filed actions, the Delaware Complaint alleges that the board of directors of PAETEC breached their fiduciary duties by issuing a false and misleading proxy statement. On September 15, 2011, the Delaware plaintiffs filed a joint Motion for Expedited Discovery and Proceedings.

PAETEC and Windstream believe these lawsuits are without merit and plan to vigorously defend against such claims.

Comparative Market Price Information (See Page 27)

Windstream common stock is listed on the NASDAQ under the trading symbol WIN. PAETEC common stock is listed on the NASDAQ under the trading symbol PAET. On July 29, 2011, the last full trading day prior to the public announcement of the execution of the merger agreement, the closing price of PAETEC common stock was \$4.42 per share and the closing price of Windstream common stock was \$12.21 per share. On September 16, 2011, the latest practicable trading date prior to the filing of this proxy statement/prospectus, the

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closing price of PAETEC common stock was \$5.73 per share and the closing price of Windstream common stock was \$12.90 per share. Windstream and PAETEC urge you to obtain current market quotations for the Windstream common stock and the PAETEC common stock before making a decision with respect to the merger.

Listing and Trading of Windstream Common Stock (See Page 116)

Shares of Windstream common stock received by PAETEC stockholders pursuant to the merger will be listed on the NASDAQ. After completion of the merger, shares of Windstream common stock will continue to be traded on the NASDAQ, but shares of PAETEC common stock will no longer be listed or traded.

Regulatory Matters (See Page 115)

Completion of the merger is conditioned upon the receipt of approvals from the FCC and the PSCs. Pursuant to the merger agreement, Windstream and PAETEC 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 August 23, 2011 and jointly filed applications seeking requisite PSC approvals on or before August 19, 2011.

In addition, as a condition to the merger, the HSR Act requires PAETEC and Windstream to comply with 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 August 11, 2011 by the filing of notification and report forms with the U.S. Department of Justice (DOJ) and the U.S. Federal Trade Commission (FTC). On August 29, 2011, the DOJ and the FTC granted early termination of the waiting period under the HSR Act.

Dividend Practices (See Page 146)

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

PAETEC has not historically declared and paid regular dividends to its stockholders.

Table of Contents**Selected Summary Historical Financial Data**

Windstream and PAETEC are providing the following financial information to aid you in your analysis of the financial aspects of the merger. This information is only a summary and you should read it in conjunction with the historical consolidated financial statements of Windstream and the related notes contained in the annual and quarterly reports and other information that Windstream has previously filed with the SEC and which are incorporated herein by reference and the historical consolidated financial statements of PAETEC and the related notes that are included in this proxy statement/prospectus under "Consolidated Financial Statements of PAETEC" beginning on page F-1. See "Where You Can Find More Information" on page 204 for information on how you can view copies of Windstream's incorporated information.

Historical results are not necessarily indicative of the results to be expected for any future period.

Selected Summary Historical Consolidated Financial Data of Windstream

The summary below sets forth historical financial data for Windstream. The 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, 2010 and Windstream's unaudited consolidated historical financial statements and related notes included in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2011. See "Where You Can Find More Information" beginning on page 204 for information on how you can view Windstream's incorporated reports. The summary financial data as of June 30, 2010 and June 30, 2011 and for the six months ended June 30, 2010 and 2011 are unaudited, but include, in the opinion of Windstream's management, all adjustments, consisting of normal, recurring adjustments, necessary for a fair presentation of such data. Windstream's historical results are not necessarily indicative of its results for any future period.

(Millions, except per share amounts)	Six Months Ended June 30,		2010	Year Ended December 31,			2006
	2011 Unaudited	2010 Unaudited		2009	2008	2007	
Revenues and sales	\$ 2,053.5	\$ 1,765.2	\$ 3,712.0	\$ 2,996.6	\$ 3,171.5	\$ 3,245.9	\$ 3,033.3
Operating income	575.2	501.0	1,030.3	956.9	1,132.4	1,149.9	898.8
Other income (expense), net	(0.6)	(1.2)	(3.5)	(1.1)	2.1	11.1	8.7
Gain on sale of directory publishing business and other assets						451.3	
Loss on extinguishment of debt	(103.9)						(7.9)
Intercompany interest income							31.9
Interest expense	(282.9)	(246.6)	(521.7)	(410.2)	(416.4)	(444.4)	(209.6)
Income from continuing operations before income taxes	187.8	253.2	505.1	545.6	718.1	1,167.9	721.9
Income taxes	71.1	100.1	194.4	211.1	283.2	251.5	276.3
Income from continuing operations	116.7	153.1	310.7	334.5	434.9	916.4	445.6
Discontinued operations, including tax expense of \$10.6 and \$0.5, respectively					(22.2)	0.7	
Income before extraordinary item and cumulative effect of accounting change	116.7	153.1	310.7	334.5	412.7	917.1	445.6
Extraordinary item, net of income taxes							99.7
Net income	\$ 116.7	\$ 153.1	\$ 310.7	\$ 334.5	\$ 412.7	\$ 917.1	\$ 545.3
Basic and diluted earnings (loss) per share:							
Income from continuing operations	0.23	0.33	0.66	0.76	0.98	1.93	1.02
Loss from discontinued operations					(0.05)		
Extraordinary item							0.23
Net income	\$ 0.23	\$ 0.33	\$ 0.66	\$ 0.76	\$ 0.93	\$ 1.93	\$ 1.25
Dividends declared per common share	0.50	0.50	1.00	1.00	1.00	1.00	0.45

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Balance sheet data

Total assets	\$ 11,329.2	\$ 10,087.2	\$ 11,353.7	\$ 9,145.4	\$ 8,009.3	8,241.2
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