

WINDSTREAM CORP
Form S-4/A
August 17, 2009
Table of Contents

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 17, 2009

REGISTRATION NO. 333-159742

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

WINDSTREAM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of other jurisdiction of
incorporation or organization)

4813
(Primary standard industrial
classification code number)

20-0792300
(IRS Employer
Identification Number)

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4001 Rodney Parham Road

Little Rock, Arkansas 72212-2442

(501) 748-7000

(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

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

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective and all other conditions to the merger as described in the enclosed proxy statement/prospectus are satisfied or waived.

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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 of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, 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)

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

Table of Contents

THE INFORMATION IN THIS PROXY STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WINDSTREAM MAY NOT DISTRIBUTE AND ISSUE THE SHARES OF WINDSTREAM COMMON STOCK BEING REGISTERED PURSUANT TO THIS REGISTRATION STATEMENT UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS DECLARED EFFECTIVE. THIS PROXY STATEMENT/PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND WINDSTREAM IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE SUCH OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION

AUGUST 17, 2009

Dear Shareholders:

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

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

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

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

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

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

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

Very truly yours,

James W. Morozzi,
President and Chief Executive Officer

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

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

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

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

D&E Communications, Inc.:

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

investorrelations@decommunications.com

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 September 17, 2009 in order to receive them before the special meeting.

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

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

ABOUT THIS DOCUMENT

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

You should rely only on the information contained or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated August 11, 2009. You should not assume that the information contained in this document is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this document is accurate as of any date other than the date of such incorporated document. Neither our mailing of this document to D&E Communications shareholders nor the issuance by Windstream of common stock in connection with the merger will create any implication to the contrary.

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

Table of Contents

D&E Communications, Inc.

124 East Main Street

P.O. Box 458

Ephrata, PA 17522-0458

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

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

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

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

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

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

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

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

By Order of the Board of Directors,

Thomas E. Morell,

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Senior Vice President, Chief Financial Officer,

Secretary and Treasurer

Ephrata, Pennsylvania

August , 2009

Table of Contents

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	1
<u>SUMMARY</u>	4
<u>The Companies</u>	4
<u>The Merger</u>	5
<u>The Merger Agreement</u>	5
<u>Merger Consideration</u>	5
<u>Restricted Stock and Stock Options</u>	5
<u>Record Date</u>	5
<u>The Special Meeting</u>	5
<u>Required Vote</u>	6
<u>Beneficial Ownership of D&E Communications Stock by Directors and Executive Officers</u>	6
<u>Recommendation of the D&E Communications Board: D&E Communications Reasons for the Merger</u>	6
<u>Opinion of Financial Advisor to D&E Communications</u>	6
<u>Interests of Certain Persons in the Merger</u>	6
<u>Conditions to the Merger</u>	7
<u>No Solicitation</u>	7
<u>Termination and Expenses</u>	7
<u>Termination Fee</u>	8
<u>Material United States Federal Income Tax Consequences</u>	8
<u>Comparison of Rights of Common Stockholders of Windstream and Common Shareholders of D&E Communications</u>	8
<u>Appraisal Rights and Dissenters Rights</u>	9
<u>Comparative Stock Prices and Dividends</u>	9
<u>Windstream Stock Exchange Listing</u>	9
<u>Regulatory/Third Party Matters</u>	9
<u>Dividend Practices</u>	9
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF WINDSTREAM</u>	11
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF D&E COMMUNICATIONS</u>	13
<u>SUMMARY UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS</u>	14
<u>COMPARATIVE PER SHARE INFORMATION</u>	15
<u>COMPARATIVE STOCK PRICES AND DIVIDENDS</u>	17
<u>RISK FACTORS</u>	18
<u>Risks Related to the Merger</u>	18
<u>Risks Related to Windstream</u>	21
<u>SPECIAL NOTE CONCERNING FORWARD-LOOKING STATEMENTS</u>	28
<u>THE COMPANIES</u>	30
<u>Windstream Corporation</u>	30
<u>Delta Merger Sub, Inc.</u>	30
<u>D&E Communications, Inc.</u>	30
<u>THE SPECIAL MEETING</u>	32
<u>Date, Time and Place of the Special Meeting</u>	32
<u>Purpose of the Special Meeting</u>	32
<u>Recommendation of D&E Communications Board of Directors</u>	32
<u>Required Vote</u>	32
<u>Beneficial Ownership of D&E Communications Stock by Directors and Executive Officers</u>	32
<u>Record Date</u>	32
<u>Quorum</u>	33
<u>Proxies</u>	33

Table of Contents

	Page
<u>Other Matters</u>	33
<u>Revocation</u>	34
<u>Solicitation of Proxies</u>	34
<u>THE MERGER</u>	35
<u>General</u>	35
<u>Background of the Merger</u>	35
<u>Recommendation of the D&E Communications Board; D&E Communications Reasons for the Merger</u>	39
<u>Opinion of Financial Advisor to D&E Communications</u>	41
<u>Interests of Certain Persons in the Merger</u>	46
<u>Windstream's Reasons for the Merger</u>	50
<u>Accounting Treatment</u>	51
<u>Financial Forecasts</u>	51
<u>Material United States Federal Income Tax Consequences</u>	52
<u>Regulatory/Third Party Matters</u>	56
<u>Windstream Stock Exchange Listing</u>	56
<u>Delisting and Deregistration of D&E Communications Common Stock</u>	56
<u>THE MERGER AGREEMENT</u>	57
<u>Form of the Merger</u>	57
<u>Merger Consideration</u>	57
<u>Conversion of Shares; Exchange Agent; Procedures for Exchange of Certificates; Fractional Shares</u>	58
<u>Restricted Stock and Stock Options</u>	58
<u>Effective Time of the Merger</u>	59
<u>Management and Organizational Documents after the Merger</u>	59
<u>Representations and Warranties</u>	60
<u>Covenants</u>	62
<u>Conditions to the Merger</u>	70
<u>Termination and Expenses</u>	71
<u>Termination Fee</u>	72
<u>Modification or Amendment; Waiver</u>	73
<u>Transaction Fees and Expenses to be Paid by D&E Communications</u>	73
<u>UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION</u>	74
<u>NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS</u>	78
<u>DESCRIPTION OF WINDSTREAM CAPITAL STOCK</u>	81
<u>General</u>	81
<u>Preferred Stock</u>	81
<u>Common Stock</u>	81
<u>Delaware Anti-Takeover Statute</u>	81
<u>Rights of Appraisal</u>	82
<u>Board of Directors</u>	82
<u>Stockholders</u>	83
<u>Voting on Certain Fundamental Issues</u>	83
<u>Amendment of the Windstream Certificate</u>	84
<u>Amendment of the Windstream Bylaws</u>	84
<u>Limitation of Liability of Directors</u>	84
<u>Indemnification</u>	84
<u>Transfer Agent and Registrar</u>	85
<u>COMPARISON OF RIGHTS OF COMMON STOCKHOLDERS OF WINDSTREAM AND COMMON SHAREHOLDERS OF D&E COMMUNICATIONS</u>	86
<u>Dividend Practices</u>	86
<u>Capitalization</u>	86

Table of Contents

	Page
<u>Number, Election, Vacancy and Removal of Directors</u>	87
<u>Amendments to Charter Documents</u>	87
<u>Amendments to By-laws</u>	88
<u>Action by Written Consent</u>	88
<u>Notice of Stockholder/Shareholder Actions</u>	88
<u>Special Stockholder/Shareholder Meetings</u>	89
<u>Stockholder/Shareholder Inspection Rights; Stockholder/Shareholder Lists</u>	89
<u>Limitation of Personal Liability and Indemnification of Directors and Officers</u>	90
<u>Dividends</u>	90
<u>Conversion</u>	91
<u>Voting Rights; Required Vote for Authorization of Certain Actions</u>	91
<u>Other Corporate Constituencies</u>	94
<u>Appraisal Rights and Dissenters' Rights</u>	94
<u>Right to Receive Stock Certificate</u>	95
<u>EXPERTS</u>	96
<u>LEGAL MATTERS</u>	96
<u>OTHER MATTERS</u>	96
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	96
<u>ANNEX A AGREEMENT AND PLAN OF MERGER</u>	
<u>ANNEX B OPINION OF CREDIT SUISSE SECURITIES (USA) LLC</u>	

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

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

Q: What is the proposed transaction?

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

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

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

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

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

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

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

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

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

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

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

Table of Contents

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

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

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

Q: Do I have dissenters' rights?

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

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

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

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

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

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

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

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

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

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

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

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

Table of Contents

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

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

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

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

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

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

Q: Who can help answer my questions?

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

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

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

Table of Contents

SUMMARY

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

The Companies (See Page 30)

Windstream (See Page 30)

Windstream Corporation

4001 Rodney Parham Road

Little Rock, Arkansas 72212

Telephone: (501) 748-7000

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

Merger Sub (See Page 30)

Delta Merger Sub, Inc.

4001 Rodney Parham Road

Little Rock, Arkansas 72212

Telephone: (501) 748-7000

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

D&E Communications (See Page 30)

D&E Communications, Inc.

124 East Main Street

Ephrata, Pennsylvania 17522

Telephone: (717) 733-4101

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

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

Table of Contents

The Merger (See Page 35)

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

The Merger Agreement (See Page 57)

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

Merger Consideration (See Page 57)

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

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

Restricted Stock and Stock Options (See Page 58)

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

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

Record Date (See Page 32)

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

The Special Meeting (See Page 32)

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

Table of Contents

Required Vote (See Page 32)

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

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

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

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

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

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

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

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

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

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

Table of Contents

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

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

Conditions to the Merger (See Page 70)

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

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

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

No Solicitation (See Page 64)

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

Termination and Expenses (See Page 71)

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

Table of Contents

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

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

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

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

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

Termination Fee (See Page 72)

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

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

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

Tax matters are very complicated, and the tax consequences of the merger to a particular shareholder of D&E Communications will depend on the facts and circumstances of each holder's own situation. For a description of the material federal income tax consequences of the merger, please see the information set forth in "The Merger" #15