



## Windstream Completes Acquisition of PAETEC

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LITTLE ROCK, Ark., Dec. 1, 2011 (GLOBE NEWSWIRE) -- Windstream Corp. (Nasdaq:WIN) announced today it has completed its acquisition of PAETEC Holding Corp. in a transaction valued at approximately \$2.3 billion.

PAETEC shareholders received 0.460 shares of Windstream stock for each PAETEC share owned at closing. Windstream issued shares and assumed equity awards representing approximately 73.4 million shares of Windstream stock valued at approximately \$863 million, based on the company's closing stock price on Nov. 30, 2011. Windstream also assumed PAETEC's net debt of approximately \$1.4 billion.

"The addition of PAETEC strengthens Windstream in important ways," said Jeff Gardner, Windstream's president and CEO. "PAETEC brings tremendous enterprise-level expertise and product offerings to enhance our already robust business division. Its customer-focused culture dovetails with Windstream's commitment to superior service. And its extensive fiber network and complementary markets make Windstream a formidable nationwide communications and technology solutions provider."

The transaction is expected to be accretive to free cash flow per share, excluding merger and integration costs, in the first year.

Windstream expects to generate annual pre-tax operating cost synergies of approximately \$100 million and capital expenditure savings of approximately \$10 million, which are expected to be fully realized in three years. Windstream also expects to incur merger and integration costs of approximately \$50 million in operating expense in the first year and approximately \$55 million in capital expenditures over the first three years.

The transaction also includes tax assets with an estimated net present value of approximately \$250 million.

### About Windstream

Windstream Corp. (Nasdaq:WIN) is a leading provider of advanced network communications, including cloud computing and managed services, to businesses nationwide. The company also offers broadband, phone and digital TV services to consumers primarily in rural areas. Windstream has more than \$6 billion in annual revenues and is listed on the S&P 500 index. For more information, visit [www.windstream.com](http://www.windstream.com).

The Windstream Corporation logo is available at <http://www.globenewswire.com/newsroom/prs/?pkid=8314>

### Cautionary Statement Regarding Forward-Looking Statements

Windstream claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements, including statements regarding the completion of the acquisition and expected benefits of the acquisition, are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. These forward-looking statements are based on estimates, projections, beliefs and assumptions that Windstream believes are reasonable but are not guarantees of future events and results. Actual future events and results of Windstream may differ materially from those expressed in these forward-looking statements as a result of a number of important factors. Factors that could cause actual results to differ materially from those contemplated above include, among others: the possibility that the anticipated benefits from the acquisition cannot be fully realized or may take longer to realize than expected; the possibility that costs or difficulties related to the integration of PAETEC operations into Windstream will be greater than expected; the ability of the combined company to retain and hire key personnel; and those additional factors under the caption "Risk Factors" in Windstream's Form 10-K for the year ended Dec. 31, 2010, and in subsequent Securities and Exchange Commission filings. In addition to these factors, actual future performance, outcomes and results may differ materially because of more general factors including, among others, general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes. Windstream undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause Windstream's actual results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties that may affect Windstream's future results included in Windstream's filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

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