ALLTEL CORP
Form 10-K/A
June 16, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K/A

(AMENDMENT NO. 1)

T ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2007

or

£ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-4996

Alltel Corporation
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	34-0868285 (I.R.S. Employer Identification No.)
One Allied Drive, Little Rock, Arkansas (Address of principal executive offices)	72202 (Zip Code)

Registrant's telephone number, including area code (501) 905-8000

Securities registered pursuant to Section 12(b) of the Act:

NONE
(Title of Class)

Securities registered pursuant to Section 12(g) of the Act:

NONE
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
£ YES T NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

£ YES T NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

T YES £ NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. T

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 definition 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 T Smaller reporting company £

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act).

£ YES T NO

The Registrant is a privately-held corporation, and accordingly, none of its voting stock is held by non-affiliates.

As of February 29, 2008, the number of shares of the Registrant's common stock, par value $0.01 per share, outstanding were 454,000,122.

Explanatory Note

Alltel Corporation ("Alltel" or the "Company') is filing this Amendment No. 1 to its Annual Report on Form 10-K for the year ended December 31, 2007 originally filed on March 20, 2008 to include a revised Financial Supplement which is incorporated by reference into Items 6, 7, 7A and 8 of Part II and Item 15 of Part IV. The Financial Supplement was revised in response to comments received by Alltel from the staff of the Division of Corporation Finance of the Securities and Exchange Commission ("SEC") in connection with the staff's review of the Company's 2007 Form 10-K.

Revisions to the Financial Supplement include the following:

- Revised Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") to eliminate the comparison of the combined operating results of the Predecessor and Successor for the fiscal year 2007 to fiscal year 2006. The revised MD&A includes a comparison of the operating results of the Predecessor for the period January 1, 2007 to November 15, 2007 to the year ended December 31, 2006 and a comparison of the operating results for the years ended December 31, 2006 and 2005 to one another. In addition, the revised MD&A also includes a freestanding discussion of the Company's operating results for the Successor period of November 16, 2007 to December 31, 2007 focused on those factors that materially affected Alltel's operating results in the Successor period and/or are expected to have a continuing significant impact on the Company's future results of operations. To supplement its discussion and analysis on a historical basis, the Company has also included a discussion comparing its operating results for the year ended December 31, 2007, prepared on a pro forma basis as if Alltel's acquisition by Atlantis Holdings LLC ("Atlantis Holdings") had occurred on January 1, 2007, to its operating results for the year ended December 31, 2006, prepared on a pro forma basis as if the Company's acquisition by Atlantis Holdings had occurred on January 1, 2006.

- In its discussion of covenant compliance included in MD&A and Note 2 to its audited consolidated financial statements, Alltel had used the terms "Adjusted EBITDA" and "Consolidated EBITDA" interchangeably, when discussing the requirements of its senior secured credit facilities to maintain a specific leverage ratio. Because that requirement is based on Consolidated EBITDA, not Adjusted EBITDA, Alltel has eliminated any reference to Adjusted EBITDA in the revised Financial Supplement.

- Revised the unaudited pro forma results of operations for the years ended December 31, 2007 and 2006 included in Note 2 to the audited financial statements to agree to the pro forma amounts presented in the revised MD&A.

- Included in both the MD&A and Note 21 to the audited financial statements a subsequent event disclosure relating to the pending acquisition of Alltel by Verizon Wireless announced on June 5, 2008.

A subsequent event disclosure relating to the pending acquisition of Alltel has also been included in Item 1.

For the convenience of the reader, this Amendment No. 1 sets forth the entire Form 10-K of Alltel as of December 31, 2007. Except for the revised disclosures discussed above and changes to page numbers and cross-references, there are no other significant changes to Alltel's original Form 10-K filing that have been modified by this Amendment. Except for the disclosures relating to the pending acquisition of Alltel as discussed above, this Amendment No. 1 does not reflect events occurring after the filing of the Company's original Form 10-K or modify or update any of the other disclosures included in the original Form 10-K filing. Forward looking statements made in the original Form 10-K filing have not been revised to reflect events, results or developments that have become known to the Company after the date of the original filing and such forward looking statements should be read in their historical context. Accordingly, this Amendment No. 1 on Form 10-K/A should be read in conjunction with Alltel's other filings

with the SEC.

Currently dated certifications of Alltel’s Chief Executive Officer and Chief Financial Officer as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 are filed herewith.

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Forward-Looking Statements

Throughout this Form 10-K, Alltel Corporation and its subsidiaries are referred to as “Alltel”, “the Company”, “we”, “our”, o “us”.

This Form 10-K may include certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements 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 and are not guarantees of future events and results. Words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “may”, “will”, “projects and variations of these words and similar expressions, are intended to identify these forward-looking statements. Alltel disclaims any obligation to update or revise any forward-looking statement based on the occurrence of future events, the receipt of new information, or otherwise.

Actual future events and results may differ materially from those expressed in these forward-looking statements as a result of a number of important factors. Representative examples of these factors include (without limitation) adverse changes in economic conditions in the markets served by Alltel; the extent, timing, and overall effects of competition in the communications business; material changes in the communications industry generally that could adversely affect vendor relationships with equipment and network suppliers and customer relationships with wholesale customers; failure of our suppliers, contractors and third-party retailers to provide the agreed upon services; changes in communications technology; the effects of a high rate of customer churn; the risks associated with the integration of acquired businesses or any potential future acquired businesses; adverse changes in the terms and conditions of the wireless roaming agreements of Alltel; our ability to bid successfully for 700 MHz licenses; potential increased costs due to perceived health risks from radio frequency emissions; the effects of declines in operating performance, including impairment of certain assets; risks relating to the renewal and potential revocation of our wireless licenses; potential higher than anticipated inter-carrier costs; potential increased credit risk from first-time wireless customers; the potential for adverse changes in the ratings given to Alltel’s debt securities by nationally accredited ratings organizations; risks relating to our substantially increased indebtedness following the Merger and related transactions, including a potential inability to generate sufficient cash to service our debt obligations, and potential restrictions on the Company’s operations contained in its debt agreements; potential conflicts of interest and other risks relating to the Sponsors having control of the Company; loss of the Company’s key management and other personnel or inability to attract such management and other personnel; the effects of litigation, including relating to telecommunications technology patents and other intellectual property; the effects of federal and state legislation, rules, and regulations governing the communications industry; potential challenges to regulatory authorizations and approvals related to the Merger; potential unforeseen failure of the Company’s technical infrastructure and systems; and those additional factors under the caption “Risk Factors” in Item 1A.

In addition to these factors, actual future performance, outcomes and results may differ materially because of other, more general factors including (without limitation) general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes.

Form 10-K, Part I

Item 1. Business

General

Alltel is incorporated in the state of Delaware and maintains its corporate headquarters in Little Rock, Arkansas. Alltel provides wireless voice and data communications services to approximately 12.8 million customers in 35 states. In terms of both the number of customers served and revenues earned, Alltel is the fifth largest provider of wireless services in the United States. On November 16, 2007, Alltel was acquired by Atlantis Holdings LLC, a Delaware limited liability company ("Atlantis Holdings" or "Parent") and an affiliate of private investment funds TPG Partners V, L.P. and GS Capital Partners VI Fund, L.P. (together the "Sponsors"). The acquisition was completed through the merger of Atlantis Merger Sub, Inc. ("Merger Sub"), a Delaware corporation and wholly-owned subsidiary of Parent, with and into Alltel (the "Merger"), with Alltel surviving the Merger as a privately-held, majority-owned subsidiary of Parent. Prior to consummation of the Merger, Alltel's common stock was publicly traded on the New York Stock Exchange ("NYSE") under the symbol "AT". Through consummation of the merger, Atlantis Holdings acquired all of Alltel's outstanding equity interests. On November 30, 2007, Alltel's $1.00 par value common stock and Alltel's $2.06 no par cumulative convertible preferred stock were deregistered under the Securities Exchange Act of 1934 ("Exchange Act") and are no longer listed on any stock exchange or quotation system.

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Item 1. Business

General (Continued)

The Company's web site address is www.alltel.com. Alltel files with, or furnishes to, the Securities and Exchange Commission (the "SEC") annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as various other information. Alltel makes available free of charge through the Investor Relations page of its web site its annual reports, quarterly reports and current reports, and all amendments to any of those reports, as soon as reasonably practicable after providing such reports to the SEC.

Pending Acquisition of Alltel

On June 5, 2008, Verizon Wireless, a joint venture of Verizon Communications and Vodafone, entered into an agreement with Alltel and Atlantis Holdings to acquire Alltel in a cash merger. Under terms of the merger agreement, Verizon Wireless will acquire the equity of Alltel for approximately $5.9 billion in cash and assume Alltel's outstanding long-term debt. Consummation of the merger is subject to certain conditions, including the receipt of regulatory approvals, including, without limitation, the approval of the FCC and the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The transaction is currently expected to close by the end of 2008, subject to obtaining regulatory approvals.

Overview of Wireless Operations

Alltel is the owner and operator of the nation's largest wireless network as measured by square miles of coverage. Alltel provides a wide array of wireless communication services to individual and business customers, primarily in non-major metropolitan and rural markets. As of December 31, 2007, Alltel owns a majority interest in wireless operations in 116 Metropolitan Statistical Areas ("MSAs"), representing approximately 48.7 million potential customers or POPs, and a majority interest in 238 Rural Service Areas ("RSAs"), representing approximately 30.7 million POPs. In addition, Alltel owns a minority interest in 23 other wireless markets, including the Chicago, Illinois and Houston, Texas MSAs. As of December 31, 2007, Alltel's penetration rate (number of customers as a percentage of the total population in the Company's service areas) was 16.1 percent. Alltel manages its wireless business as a single operating segment, wireless communications services.

During 2007, Alltel continued to upgrade its wireless network infrastructure and invest in state-of-the-art code division multiple access ("CDMA") technology, including 1xRTT. The Company ended 2007 with 1xRTT data coverage of approximately 96 percent of its POPs. In addition, capital expenditures for 2007 included the Company's additional investment in wireless high-speed Evolution Data Optimized ("EV-DO") technology. Through December 31, 2007, Alltel had expanded 1x-EVDO coverage to include approximately 76 percent of its POPs. The Company also supplements its wireless service coverage area through roaming agreements with other wireless service providers that allow Alltel's customers to obtain wireless services in those U.S. regions in which Alltel does not maintain a network presence. We believe we are the leading independent roaming partner for the four national carriers in our markets. Through these roaming agreements, the Company is able to offer its customers wireless services covering approximately 95 percent of the U.S. population. Alltel continues to increase its network capacity and coverage area through new network construction, strategic acquisitions and affiliations with other wireless service providers.

Employees

At December 31, 2007, Alltel had 16,104 employees. None of the Company's employees are members of collective bargaining units.

Acquisitions Completed During the Past Five Years

On October 3, 2006, Alltel completed the purchase of Midwest Wireless Holdings of Mankato, Minnesota ("Midwest Wireless") for $1,083.5 million in cash. In this transaction, Alltel acquired wireless properties, including 850 MHz licenses and PCS spectrum covering approximately 2.0 million POPs, network assets and approximately 433,000 customers in select markets in southern Minnesota, northern and eastern Iowa, and western Wisconsin. As a condition of receiving approval from the U.S. Department of Justice ("DOJ") and the Federal Communications Commission ("FCC") for this acquisition, Alltel agreed to divest certain wireless operations in four rural markets in Minnesota. On April 3, 2007, Alltel completed the sale of these markets to Rural Cellular Corporation ("Rural Cellular").

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Item 1. Business

Acquisitions Completed During the Past Five Years (Continued)

During the second quarter of 2006, Alltel purchased for $218.2 million in cash wireless properties covering approximately 727,000 POPs in Illinois, Texas and Virginia.

On March 16, 2006, Alltel purchased from Palmetto MobileNet, L.P. for $456.3 million in cash the remaining ownership interests in ten wireless partnerships that cover approximately 2.3 million POPs in North and South Carolina. Prior to this transaction, Alltel owned a 50 percent interest in each of the ten wireless partnerships.

On August 1, 2005, Alltel and Western Wireless Corporation ("Western Wireless") completed the merger of Western Wireless with and into a wholly-owned subsidiary of Alltel. In the merger, each share of Western Wireless common stock was exchanged for 0.535 shares of Alltel common stock and $9.25 in cash unless the shareholder made an all-cash election, in which case the shareholder received $40 in cash. Western Wireless shareholders making an all-stock election were subject to proration and received approximately 0.539 shares of Alltel common stock and $9.18 in cash. In the aggregate, Alltel issued approximately 54.3 million shares of stock valued at $3,430.4 million and paid approximately $933.4 million in cash. Through its wholly-owned subsidiary that merged with Western Wireless, Alltel also assumed debt of approximately $2.1 billion. As a result of the merger, Alltel added approximately 1.3 million domestic wireless customers in 19 mid-western and western states that were contiguous to the Company's existing wireless properties. Alltel also added approximately 1.9 million international customers in eight countries.

As a condition of receiving approval for the merger from the DOJ and FCC, Alltel agreed to divest certain wireless operations of Western Wireless in 16 markets in Arkansas, Kansas and Nebraska, as well as the "Cellular One" brand. On December 19, 2005, Alltel completed an exchange of wireless properties with United States Cellular Corporation ("U.S. Cellular") that included a substantial portion of the divestiture requirements related to the merger. Under terms of the agreement with U.S. Cellular, Alltel acquired approximately 89,000 customers in two RSA markets in Idaho that are adjacent to the Company's existing operations and received $48.2 million in cash in exchange for 15 rural markets in Kansas and Nebraska owned by Western Wireless. In December 2005, Alltel sold the Cellular One brand to Dobson Cellular Systems, Inc. and in March 2006, Alltel sold the remaining market in Arkansas to AT&T Mobility LLC (formerly known as Cingular Wireless LLC) ("AT&T"). During the third and fourth quarters of 2005, Alltel completed the sale of Western Wireless' international operations in the countries of Georgia, Ghana and Ireland for $570.3 million in cash. During the second quarter of 2006, Alltel completed the sales of Western Wireless' international operations in the countries of Austria, Bolivia, Côte d'Ivoire, Haiti, and Slovenia for approximately $1.7 billion in cash.

On April 15, 2005, Alltel and AT&T exchanged certain wireless assets. Under the terms of the agreement, Alltel acquired former AT&T properties, including licenses, network assets and approximately 212,000 customers, in select markets in Kentucky, Oklahoma, Texas, Connecticut and Mississippi representing approximately 2.7 million POPs. Alltel also acquired 20 MHz of spectrum and network assets in Kansas and wireless spectrum in several counties in Georgia and Texas. In addition, Alltel and AT&T exchanged partnership interests, with AT&T receiving interests in markets in Kansas, Missouri and Texas, and Alltel receiving more ownership in majority-owned markets it manages in Michigan, Louisiana, and Ohio. Alltel also paid AT&T approximately $153.0 million in cash.

On February 28, 2005, Alltel completed the purchase of wireless properties, representing approximately 966,000 POPs in Alabama and Georgia for $48.1 million in cash. Through the completion of this transaction, Alltel added approximately 54,000 customers.

On December 1, 2004, Alltel completed the purchase of certain wireless assets from U.S. Cellular and TDS Telecommunications Corporation ("TDS Telecom") for $148.2 million in cash, acquiring wireless properties with a potential service area covering approximately 595,000 POPs in Florida and Ohio. The Company also purchased partnership interests in seven Alltel-operated markets in Georgia, Mississippi, North Carolina, Ohio and Wisconsin. Prior to this acquisition, Alltel owned an approximate 42 percent interest in the Georgia market, with a potential service area covering approximately 227,000 POPs, and Alltel owned a majority interest in the Mississippi, North Carolina, Ohio and Wisconsin markets. On November 2, 2004, the Company purchased for $35.6 million in cash wireless properties with a potential service area covering approximately 274,000 POPs in south Louisiana from SJI, a privately-held company. Through these transactions, Alltel added approximately 92,000 wireless customers.

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Item 1. Business

Acquisitions Completed During the Past Five Years (Continued)

On August 29, 2003, the Company purchased for $22.8 million in cash a wireless property with a potential service area covering approximately 205,000 POPs in an Arizona RSA. On February 28, 2003, the Company purchased for $64.6 million in cash wireless properties with a potential service area covering approximately 367,000 POPs in southern Mississippi, from Cellular XL Associates, a privately-held company. On February 28, 2003, the Company also purchased for $60.0 million in cash the remaining ownership interest in wireless properties with a potential service area covering approximately 355,000 POPs in two Michigan RSAs. Prior to this acquisition, Alltel owned approximately 49 percent of the Michigan properties. Through the completion of these transactions, Alltel added approximately 147,000 customers and expanded its wireless operations into new markets in Arizona, Michigan and Mississippi.

Dispositions Completed During the Past Five Years

On July 17, 2006, Alltel completed the spin-off of the Company's wireline telecommunications business to its stockholders and the merger of that wireline business with Valor Communications Group, Inc. ("Valor"). Pursuant to the plan of distribution and immediately prior to the effective time of the merger with Valor described below, Alltel contributed all of the assets of its wireline telecommunications business to ALLTEL Holding Corp. ("Alltel Holding" or "Spinco"), a wholly-owned subsidiary of the Company, in exchange for: (i) the issuance to Alltel of Spinco common stock to be distributed pro rata to Alltel's stockholders as a tax free stock dividend, (ii) the payment of a special dividend to Alltel in the amount of $2.3 billion, and (iii) the distribution by Spinco to Alltel of certain Spinco debt securities, consisting of $1,746.0 million aggregate principal amount of 8.625 percent senior notes due 2016 (the "Spinco Securities"). The Spinco Securities were issued at a discount, and accordingly, at the date of distribution to Alltel, the Spinco Securities had a carrying value of $1,703.2 million (par value of $1,746.0 million less discount of $42.8 million). In connection with the spin-off, Alltel also transferred to Spinco $260.8 million of long-term debt that had been issued by the Company's wireline subsidiaries. Alltel exchanged the Spinco Securities received in the spin-off transaction for certain of its outstanding debt securities.

Immediately after the consummation of the spin off, Alltel Holding merged with and into Valor, with Valor continuing as the surviving corporation. As a result of the merger, all of the issued and outstanding shares of Spinco common stock were converted into the right to receive an aggregate number of shares of common stock of Valor. Valor issued in the aggregate approximately 403 million shares of common stock to Alltel stockholders pursuant to the merger, or 1.0339267 shares of Valor common stock for each share of Spinco common stock outstanding as of the effective time of the merger. Upon completion of the merger, Alltel stockholders owned approximately 85 percent of the outstanding equity interests of the surviving corporation, which is named Windstream, and the stockholders of Valor owned the remaining 15 percent of such equity interests.

In December 2003, Alltel sold to Convergys Information Management Group ("Convergys") for $37.0 million in cash certain assets and related liabilities, including selected customer contracts and capitalized software development costs, associated with the Company's telecommunications information services operations.

On April 1, 2003, Alltel completed the sale of the financial services division of its information services subsidiary, ALLTEL Information Services, Inc., to Fidelity National Financial Inc. ("Fidelity National"), for $1.05 billion, received

as $775.0 million in cash and $275.0 million in Fidelity National common stock. As part of this transaction, Fidelity National acquired Alltel's mortgage servicing, retail and wholesale banking and commercial lending operations, as well as the community/ regional bank division.

In January 2003, Alltel completed the termination of its business venture with Bradford & Bingley Group. The business venture, ALLTEL Mortgage Solutions, Ltd., a majority-owned consolidated subsidiary of Alltel, was created in 2000 to provide mortgage administration and information technology products in the United Kingdom.

Product Offerings and Pricing

Service revenues are derived primarily from monthly access and airtime charges, roaming and long-distance charges and charges for data services, customer calling and other enhanced service features. Prices of wireless services are not regulated by the FCC or by state regulatory commissions; however, as more fully discussed under the caption "Regulation" on page 8, states are permitted to regulate the terms and conditions of wireless services unrelated to either rates or market entry.

Item 1. Business

Product Offerings and Pricing (Continued)

Alltel strives to address the needs of a variety of customer segments, stimulate usage, increase penetration, and improve customer retention rates through a diverse product offering and pricing strategy. To accomplish these objectives, the Company offers competitive local, statewide, and national service plans. These service plans include packages of daytime, night and weekend, and mobile-to-mobile minutes. Customers can choose lower monthly access plans with fewer minutes, while customers needing more minutes can choose slightly higher access plans with more minutes. Alltel also offers several family service plans, which give customers the option to share minutes by adding additional lines of service at discounted rates. These family service plans help target the growing number of families that have integrated wireless into their lives.

Alltel provides several voice features to enhance its wireless calling plans, including call waiting, call forwarding, caller identification, three-way calling, no-answer transfer, directory assistance call completion and voicemail. Depending on the customer's selection of rate plan, some or all of these features are included as an extra value to the plan, with the expectation of extending customer life.

The wireless industry has continued to offer higher recurring revenue plans which provide a large number of packaged minutes, unlimited night and weekend calling, long-distance within the United States, and free mobile-to-mobile calling as integral components of the plan. Certain of the national carriers recently have begun to offer unlimited rate plans, which for a monthly rate of $99.99 per month, provide customers with the ability to call for free anyone in the United States including landline numbers. Through reciprocal roaming agreements with other domestic wireless companies, Alltel is able to offer its customers competitively-priced rate plans that provide nationwide coverage. These roaming agreements provide Alltel's customers with the capability to use their wireless telephones while traveling outside the Company's service areas. In 2000, Alltel and Verizon Wireless signed a reciprocal roaming agreement, which expires in January 2010. During 2006, Alltel signed a 10-year roaming agreement with Sprint Nextel Corporation ("Sprint") and extended its Global System for Mobile Communications ("GSM") roaming agreement with AT&T until 2012. The Sprint roaming agreement provides for voice, 1xRTT and EV-DO roaming and expands on Alltel's existing roaming relationship with Sprint, while the AT&T roaming agreement provides for expansion of GSM roaming services into areas outside of Alltel's GSM footprint that had been acquired in the Western Wireless transaction. These roaming agreements allow customers of each of the companies to roam on each other's networks.

During 2006, Alltel launched "My Circle", an offering that allows customers on select plans to choose ten numbers they want to call for free – any number, any network. These numbers are shared by other lines on the account and can be changed daily by accessing an online account system. Calls to and from these numbers, whether to a wireless or landline number, are free for the customer. My Circle has helped differentiate Alltel in the market while allowing customers to have control over their wireless service. Additionally, My Circle promotes customer loyalty. Existing customers were allowed to take advantage of My Circle without having to extend their contracts. In 2007, Alltel expanded its My Circle offerings to include voice and data bundles which allows customers to add data and email offerings in addition to voice and messaging on their My Circle plan. Recently, Alltel also introduced different sizes of its My Circle offering that allow customers to choose five, ten or twenty numbers to call for free based on the price point of the rate plan they select.

The creation of voice/data bundle offerings have provided customers with additional choices and have allowed Alltel to increase the number of customers who utilize data services. During 2007, Alltel continued to see significant growth in data revenues driven primarily by the expansion of its 1xEV-DO data network and wireless Internet services and the introduction of Smart Choice Packs. Smart Choice Packs provide customers with smart phones (handset devices capable of combining voice functions with calendar, address book, email and Internet access) to choose from five voice and data bundle plans that include unlimited data, email and text messaging. Alltel's wireless Internet service provides customers with unlimited broadband access to the Internet using a mobile phone for tethering, a smart phone for Internet access, or a data card. Alltel also experienced growth in its data revenues as a result of multiple data service offerings launched during 2007 to encourage data use by customers, including Axcess Ringbacks, Celltop, Jump Music, Family Finder, and voicemail-to-text services. Axcess Ringbacks allows a customer to switch out the usual ringing sound a caller hears with thousands of different song choices. Celltop offers customers an easier way to access, manage and organize a wide range of information already available via their cell phone. Celltop is free-of-charge and currently offers 10 cells that come pre-installed and via download. Each cell is a category-specific half screen comprised of graphics and text that provides shortcuts for users to navigate through information and applications including call log, weather, news, baseball, basketball, football, rodeo, stocks, text messaging inbox and ringtones. Jump Music allows customers to transfer music files from their personal computers to their wireless phone. Family Finder gives parents the ability to monitor the location of their children via their mobile phone or home personal computer. Voicemail-to-text services instantly converts a voicemail message into text messages that are delivered to a customer's phone and permits the user to retrieve and respond to the message without having to dial into voicemail.

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Item 1. Business

Product Offerings and Pricing (Continued)

Alltel offers prepaid voice service under the product name, "U Personalized Prepaid". Prepaid service offers an alternative to postpaid service. Paying in advance for service allows customers to control their payment expenses and avoid overage charges, because prepaid service is only active until the funds on the account are depleted. "U Personalized Prepaid" is sold in Alltel's retail stores, authorized agent locations and Wal-Mart and Target stores. U Personalized Prepaid allows customers to select from a family of customizable rate plans, including options to pay by the minute, the day or the month. Alltel's prepaid customers are also able to choose from many Axcess services, including text messaging, picture messaging and content downloads. As of December 31, 2007, prepaid customers represented approximately 11 percent of Alltel's wireless customer base.

Primarily driven by improvements in data revenues and the effects of Universal Service Fund ("USF") support received by Alltel as an Eligible Telecommunications Carrier ("ETC"), retail revenue per customer per month increased 3 percent to $48.40 in 2007, compared to $47.02 in 2006. Maintaining low postpay customer churn rates (average monthly rate of customer disconnects) is a primary goal of the Company, particularly as customer growth rates slow due to increased competition and higher penetration levels in the marketplace. Alltel experienced an average monthly postpay customer churn rate in its wireless service areas of 1.28 percent for the year ended December 31, 2007, compared to 1.57 percent and 1.77 percent for the years ended December 31, 2006 and 2005, respectively. To improve customer retention, Alltel continues to upgrade its telecommunications network in order to offer expanded network coverage and quality and to provide enhanced service offerings to its customers.

Marketing

Alltel's marketing strategy is to create and execute products, services and communications that drive growth while optimizing its marketing return on investment and minimizing customer churn rates. The Company's marketing campaigns emphasize that Alltel is a customer-focused communications company offering the nation's largest wireless network—covering more of the country than any other wireless company. The Company builds consumer awareness and promotes the Alltel brand by strategically advertising and differentiating relevant customer benefits, calling plans, price promotions and new products. The Alltel brand works to establish an emotional connection with current and prospective customers by focusing on meeting the real needs of the customer. The Company's marketing campaigns target customer segments by usage patterns including individuals, families, and businesses. Alltel uses segmented marketing to target new customers, especially those switching from other carriers, as well as retaining current customers.

Distribution

Alltel distributes its products and services in each of its markets through company-owned retail stores, company-owned retail kiosks, dealers and direct sales representatives. Alltel also distributes products utilizing direct fulfillment to customers who shop online at Alltel's web store or by phone through Alltel's sales action call centers. Using multiple distribution channels in each of its markets enables the Company to provide effective and extensive marketing of Alltel's products and services and to reduce its reliance on any single distribution channel.

Alltel currently conducts its retail operations in more than 750 locations strategically located in neighborhood retail centers and shopping malls to capitalize on favorable demographics and retail traffic patterns. The Company's retail focus is to attract new customers through competitive phone and service offerings as well as to offer existing customers new and expanded services.

Alltel also contracts with large national retail stores to sell wireless products and services directly through their kiosks. The Company utilizes retail sales representatives at kiosks in large retailers to take advantage of high traffic generated by the retailers. Existing customers can purchase wireless telephone accessories, pay bills or inquire about Alltel's services and features while in retail stores or at kiosks. Through dedicated customer service at its retail stores and kiosks, the Company's goal is to build customer loyalty and increase the retention rate of new and existing customers.

Alltel's direct sales force focuses its efforts on selling and servicing larger business customers who have multiple lines of service. Direct sales representatives are trained to sell to and service the demands of larger wireless customers who often have special service and equipment requirements.

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Item 1. Business

Distribution (Continued)

The Company enters into dealer agreements with national and local retailers and discounters in its markets. In exchange for a commission payment, these dealers solicit customers for the Company's wireless services. The commission payment is subject to charge-back provisions if the customer fails to maintain service for a specified period of time. Similar to the Company's retail stores and kiosks, the majority of Alltel's dealers can also service existing customers by offering additional services, features, accessories, and taking bill payments. This arrangement increases store traffic and sales volume for the dealers and provides a valuable source of new customers for the Company. Alltel actively supports its dealers with regular training and promotional support, and dealers provide a valuable source of new customers for the Company.

Alltel provides consumers and business customers with the opportunity to shop for the majority of Alltel's products and services by phone or the internet via Alltel's web store, shopalltel.com. Phones and accessories purchased through these distribution channels are delivered directly to the customer. These channels provide customers with exclusive pricing where appropriate, and are able to respond quickly to market changes.

Competition

Substantial and increasing competition exists within the wireless communications industry. Cellular, Personal Communications Services ("PCS") and Enhanced Specialized Mobile Radio service providers may operate in the same geographic area, along with any number of resellers that buy bulk wireless services from one of the wireless providers and resell it to their customers. PCS services generally consist of wireless two-way communications services for voice, data and other transmissions employing digital technology. The entry of multiple competitors, including PCS providers, within the Company's wireless markets has made it increasingly difficult to attract new customers and retain existing ones. Competition for customers among wireless service providers is based primarily on the types of services and features offered, call quality, customer service, network coverage, and price. Pricing competition has lead to the introduction of lower priced plans, unlimited calling plans, plans that allow customers to add additional units at attractive rates, plans that offer a higher number of bundled minutes for a flat monthly fee, or a combination of these features. Alltel has responded to this growing competitive environment by capitalizing on its position as an incumbent wireless service provider by providing high capacity networks, strong distribution channels and superior customer service and by developing competitive rate plans and offering new products and services. Alltel's ability to compete successfully in the future will depend upon the Company's ability to anticipate and respond to changes in technology, customer preferences, new service offerings, demographic trends, economic conditions, and competitors' pricing strategies.

In the current wireless market, Alltel's ability to compete also depends on its ability to offer regional and national calling plans to its customers. As previously noted, the Company depends on roaming agreements with other wireless carriers to provide roaming capabilities in areas not covered by Alltel's network. These agreements are subject to renewal and termination if certain events occur, including if network quality standards are not maintained. If the Company were unable to maintain or renew these agreements, Alltel's ability to continue to provide competitive regional and nationwide wireless service to its customers could be impaired, which, in turn, would have an adverse effect on its operations. (See further discussion regarding the potential effects of competition under "Risk Factors" in Item 1A).

Technology

Since inception, mobile wireless technologies have seen significant improvements in speed, capacity, quality, and reliability. The first-generation of wireless technology was analog, while second-generation technologies employ digital signal transmission technologies. Third-generation technologies, which are currently being deployed in the United States, provide even greater data transmission rates and allow the provisioning of enhanced data services.

Alltel has maintained its first-generation analog services as mandated by the FCC, however, that requirement expired on February 18, 2008, and Alltel will begin phasing out analog services on April 1, 2008. Second-generation digital systems in the United States compress voice and data signals, enabling a single radio channel to simultaneously carry multiple signal transmissions. Compared to analog, CDMA digital technology provides expanded channel capacity and the ability to offer advanced services and functionality. In addition, digital technology improves call quality and offers improved customer call privacy.

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Technology (Continued)

Third-generation digital wireless technologies increase voice capacity, allow high-speed wireless packet data services, and are capable of supporting more complex data applications. In 2007, Alltel continued to deploy CDMA 2000 1xRTT data services, bringing this third-generation coverage to 96 percent of Alltel's POPs, up from 94 percent in 2006. In addition, during 2007 the Company continued expanding its CDMA 2000 1xEV-DO coverage to include 76 percent of Alltel's POPs, with approximately 90 percent of Alltel's POPs covered as a result of EV-DO roaming agreements. The Company will continue to deploy 1x-EVDO and expects to cover approximately 82 percent of its POPs with 1x-EVDO capability by the end of 2008. EV-DO technologies provide a broadband wireless environment capable of supporting various leading edge wireless multimedia features and services along with enhanced speed on currently offered applications. Beginning in 2008, the Company will upgrade selected markets to EV-DO Rev A, the next evolution of EV-DO technologies, which provides additional enhancements in data throughputs and multimedia features.

Regulation

Alltel is subject to regulation primarily by the FCC as a provider of Commercial Mobile Radio Services ("CMRS"). The FCC's regulatory oversight consists of ensuring that wireless service providers are complying with the Communications Act of 1934, as amended (the "Communications Act"), and the FCC's regulations governing technical standards, outage reporting, spectrum usage, license requirements, market structure, universal service obligations, and consumer protection, including public safety issues like enhanced 911 emergency service ("E-911"), and the Communications Assistance for Law Enforcement Act ("CALEA"), accessibility requirements (including hearing aid capabilities), and environmental matters governing tower siting. States are pre-empted under the Communications Act from regulatory oversight of wireless carriers' market entry and retail rates, but they are entitled to address certain terms and conditions of service offered by wireless service providers. The nation's telecommunications laws continue to be reviewed with bills introduced in Congress, rulemaking proceedings pending at the FCC, and state regulatory and legislative initiatives, the effects of which could significantly impact Alltel's wireless telecommunications business in the future.

Regulation – Wireless Spectrum

Alltel holds FCC authorizations for Cellular Radiotelephone Service ("CRS"), PCS, and paging services, as well as ancillary authorizations in the private radio and microwave services (collectively, the "FCC licenses"). Generally, FCC licenses are issued initially for 10-year terms and may be renewed for additional 10-year terms upon FCC approval of the renewal application. The Company has routinely sought and been granted renewal of its FCC licenses without contest and anticipates that future renewals of its FCC licenses will be granted. Minority, non-controlling interests in an FCC license generally may be transferred or assigned without prior FCC approval, subject to compliance with the restrictions under the 96 Act on ownership interests held by foreign entities. However, significant changes in ownership or control of an FCC license require prior approval by the FCC, and interested parties are afforded the opportunity to file comments or formal petitions contesting the transaction. Alltel's wireless licenses are subject to renewal and potential revocation in the event the Company violates applicable laws. (See "Item 1A. Risk Factors" for additional information regarding Alltel's wireless licenses.)

As of December 31, 2007, Alltel held 154 PCS licenses representing approximately 34 million POPs. All of the Company's PCS licenses are for 10 MHz-wide broadband PCS systems. PCS licenses are granted for 10-year terms, and licensees must meet certain network build-out requirements established by the FCC to maintain the license in good standing. In order to meet the FCC's build-out requirements, Alltel must construct networks in each licensed market that provide coverage to at least 25 percent of the population in the market within five years after the initial grant of the license or, alternatively, make a showing of "substantial service" within that same five-year period. Alltel met the FCC's build out requirements for its PCS licenses.

Cellular systems operate on one of two 25 MHz-wide frequency blocks that the FCC allocates and licenses for CMRS service referred to as the A and B block cellular systems. The FCC has eliminated the prohibition on the common ownership of both cellular licenses in the same market area, regardless of whether the market is rural or metropolitan.

The FCC has eliminated the categorical limits on the amount of CMRS spectrum that a licensee may hold. The FCC now evaluates acquisitions and mergers on a case-by-case basis to determine whether such transactions will result in excessive concentration of wireless spectrum in a market. The FCC has recently increased the spectrum threshold for evaluating excessive concentration of wireless spectrum in the context of acquisitions and mergers to 95 MHz.

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Item 1. Business

Regulation – Wireless Spectrum (Continued)

The FCC conducts proceedings and auctions through which additional spectrum is made available for the provision of wireless communications services, including broadband services. In 2003, the FCC issued an order adopting rules that allow CMRS licensees to lease spectrum to others. The FCC further streamlined its rules to facilitate spectrum leasing in a subsequent order issued in 2004. The FCC's spectrum leasing rules revise the standards for transfer of control and provide new options for the lease of spectrum to providers of new and existing wireless technologies. The FCC decisions provide increased flexibility to wireless companies with regard to obtaining additional spectrum through leases and retaining spectrum acquired in conjunction with wireless company acquisitions. The FCC completed the auction for Advanced Wireless Services ("AWS") spectrum and is currently holding the auction of spectrum in the 700 MHz band. Alltel did not participate in the AWS spectrum auction, but the Company did file an application to participate in the 700 MHz auction. The FCC also continues to consider various uses of unlicensed spectrum and sharing of currently allocated spectrum between various users. The FCC has, for example, instituted a rulemaking on the use of "white spaces" in the television spectrum on an unlicensed basis.

Under FCC and Federal Aviation Administration ("FAA") regulations, wireless carriers must comply with certain requirements regarding the siting, lighting and construction of transmitter towers and antennas. In addition, federal, state, and local environmental regulations require carriers to comply with land use and radio frequency standards and require wireless facilities and handsets to comply with radio frequency radiation guidelines.

Regulation – Universal Service

To ensure affordable access to telecommunications services throughout the United States, the FCC and many state commissions administer universal service programs. CMRS providers are required to contribute to the federal USF and are required to contribute to some state universal service funds. The rules and methodology under which carriers contribute to the federal fund are the subject of an ongoing FCC rulemaking in which a change from the current interstate revenue-based system to some other system based upon line capacity or utilized numbers is being considered. The safe-harbor percentage of a wireless carrier's revenue subject to a federal universal service assessment is presently 37.1 percent.

CMRS providers, like Alltel, also are eligible to receive support from the federal USF if they obtain designation as an ETC. CMRS provider ETCs receive support based upon the costs of the underlying incumbent local exchange carrier ("ILEC") pursuant to the identical support rule. The collection of USF fees and distribution of USF support are under continual review by federal and state legislative and regulatory bodies and are subject to audit by Universal Service Administration Corporation ("USAC"). Certain of Alltel's contributions to, and distributions from, the USF are the subject of on-going USAC audits. The Company does not anticipate any material adverse findings resulting from these audits.

As a condition of the Merger, the FCC imposed an interim cap on the annual amount of USF support Alltel is entitled to receive as an ETC, measured as of June 30, 2007 on an annualized basis. The interim cap is to remain in place until long-term USF reforms are adopted by the FCC addressing the appropriate distribution of support among ETCs or Alltel files and justifies support based upon its actual costs by providing specific quarterly cost data information that is measured against certain ILEC cost benchmarks. Alltel would also have to agree to meet certain E-911 standards in

advance of the current 2012 deadline in order to be relieved of the interim cap.

In considering long-term reform of the USF, the Federal-State Universal Service Joint Board ("Joint Board") has recommended, among other things, to cap universal service support for all competitive eligible telecommunications carriers. The FCC is considering this recommendation and/or implementing other changes to the way USF is disbursed to program recipients. Most recently the FCC issued three separate Notices of Proposed Rulemaking ("NPRM") seeking comment on (i) the use of reverse auctions to determine the amount of USF support to provide to ETCs; (ii) the amount of support provided to competitive ETCs – tentatively rejecting the continued use of the identical support rule; and (iii) the previous recommendations of the Joint Board regarding support mechanisms for future focus on broadband services, traditional landline voice and mobility offerings under separate capped funds. It is not possible to predict whether or when any of the NPRMs will be adopted. It is also not possible at this time to predict the impact of the adoption of one or more of these recommendations on Alltel's operations; however, implementation of some of the proposals could significantly affect the amount of USF the Company receives.

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Regulation – Universal Service (Continued)

The Company is designated as an ETC and receives federal USF with respect to the following states: Alabama, Arkansas, California, Colorado, Florida, Georgia, Iowa, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, South Dakota, Texas, Virginia, West Virginia, Wisconsin, and Wyoming. The Company also receives state universal service support for certain product offerings in Texas.

The Communications Act and FCC regulations require that universal service receipts be used to provision, maintain and upgrade the networks that provide the supported services. Additionally, the Company accepted certain federal and state reporting requirements and other obligations as a condition of the ETC designations. As of December 31, 2007, the Company believes that it is substantially compliant with the FCC regulations and with all of the federal and state reporting requirements and other obligations related to the receipt and collection of universal service support.

Regulation – E-911

Wireless service providers are required by the FCC to provide E-911 in a two-phased approach. In phase one, carriers must, within six months after receiving a request from a phase one enabled Public Safety Answering Point ("PSAP"), deliver both the caller's number and the location of the cell site to the PSAP serving the geographic territory from which the E-911 call originated. In phase two, carriers that have opted for a handset-based solution must determine the location of the caller within 50 meters for 67 percent of the originated calls and 150 meters for 95 percent of the originated calls and deploy Automatic Location Identification ("ALI") capable handsets according to specified thresholds, culminating with a requirement that carriers reach a 95 percent deployment level of ALI capable handsets within their subscriber base by December 31, 2005. ALI capability permits more accurate identification of the caller's location by PSAPs. Furthermore, on April 1, 2005, the FCC issued an order imposing an E-911 obligation to deliver ALI data on carriers providing only roaming services where the carrier maintained no retail presence in that market. In the acquired Western Wireless properties, Alltel operates a CDMA network with Phase II E-911 capability for its customers and a GSM network without Phase II capability for roamers in the same geographic area. Alltel believes that its multi-technology operations with Phase II CDMA capability is distinguishable from the carrier providing roaming only services specified in the April 1, 2005 order.

Alltel began selling ALI-capable handsets in June 2002 and had complied with each of the intermediate handset deployment thresholds under the FCC's order or otherwise obtained short-term relief from the FCC to facilitate certain acquisitions. On September 30, 2005, due to the slowing pace of customer migration to ALI-capable handsets and lower than FCC forecasted churn, Alltel filed a request with the FCC for a waiver of the December 31, 2005 requirement to achieve 95 percent penetration of ALI-capable phones. The request included an explanation of the Company's compliance efforts to date and the expected date when it would meet the 95 percent penetration rate of ALI-capable handsets, June 30, 2007. A number of other wireless carriers, including large national carriers and CTIA-The Wireless Association ("CTIA") on behalf of CMRS carriers in general, also sought relief from the 95 percent requirement. On January 5, 2007, the FCC issued a number of orders denying certain of the waivers of the E-911 handset deployment requirement, including the waiver filed by the Company. The FCC's order imposed reporting requirements on the Company and referred the issue of the Company's compliance with the rules to the FCC's Enforcement Bureau for consideration of further action. The Company sought reconsideration of the order denying its

waiver and subsequently met the 95 percent standard in May 2007. However, on August 30, 2007, the FCC's Enforcement Bureau issued a Notice of Apparent Liability for Forfeiture ("NAL") against Alltel for its non-compliance with the 95 percent deployment deadline. The fine proposed against the Company in the NAL of $1.0 million was paid in full by Alltel on October 1, 2007.

The FCC initiated a rulemaking in response to a petition for declaratory ruling seeking to specify the basis upon which CMRS carriers must measure the accuracy and reliability of the location data provided to PSAPs for E-911 Phase II service. On September 11, 2007, the FCC adopted an order establishing new E-911 accuracy standards that require a carrier to meet the Phase II location accuracy standards within the geographic area served by individual PSAPs, and setting time benchmarks under which carriers must achieve Phase II location accuracy over progressively smaller geographic areas until individual PSAP level testing is met. The FCC's order remains subject to reconsideration and judicial appeal, the outcome of which cannot be foreseen by the Company. Various carriers have sought a stay of the FCC's order, and the Company has supported those requests. On March 12, 2008, the FCC issued a six-month stay of the initial E-911 accuracy compliance standards, extending the deadline for compliance to March 11, 2009. If the FCC's order is upheld upon judicial appeal, the Company believes that compliance will present significant challenges to the industry as a whole from both a financial and technical perspective.

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Item 1. Business

Regulation – CALEA

CALEA requires wireless and wireline carriers to ensure that their networks are capable of accommodating lawful intercept requests received from law enforcement agencies. The FCC has imposed various obligations and compliance deadlines, including those for Voice Over Internet Protocol ("VOIP") and Broadband Internet Access Services, with which Alltel has materially complied. The FCC has under consideration a petition filed by law enforcement agencies alleging that the standards for packet data transmission for CDMA 2000 providers are deficient under CALEA.

Regulation – Inter-Carrier Compensation

Under the 96 Act and the FCC's rules, CMRS providers are subject to certain requirements governing the exchange of telecommunications traffic with other carriers. State public service commissions were granted jurisdiction to arbitrate disputes between CMRS providers and other carriers if they fail to reach agreement with respect to the rates and terms and conditions associated with the interconnection of their networks and exchange of telecommunications traffic. The Company is in negotiation or arbitration with various carriers to establish the rates, terms and conditions of interconnection. None of these are anticipated to significantly affect Alltel's costs of providing service. There is a pending rulemaking at the FCC addressing inter-carrier compensation, which could impact Alltel's future costs to provide service; however it is not possible to predict whether or when that proceeding will conclude or what the result and impact will be.

Regulation – Telephone Numbers

In an effort to promote more efficient number utilization, the FCC adopted rules requiring CMRS providers to participate in a nationwide number conservation program known as "thousand block number pooling" in accordance with roll out schedules established by the FCC, and to the extent applicable, state-sponsored number pooling trials. Under number pooling, carriers are required to return unused numbers in their inventory to a centrally administered pool and to accept assignment of new numbers in blocks of 1,000 instead of the 10,000 number blocks previously assigned. The FCC exempted small and rural CMRS and local exchange carriers from the pooling requirement until such time as they implement local number portability in response to a specific request from another carrier or as otherwise determined by a state that has been granted numbering authority by the FCC.

CMRS providers in the top 100 markets were required by the FCC to implement by November 24, 2003 (and, for all other markets, by May 24, 2004, or six months after the carrier receives its first request to port, whichever is later) wireless local number portability ("WLNP"), which permits customers to retain their existing telephone number when switching to another telecommunications carrier. The FCC has also required LECs in the top 100 markets, beginning on November 24, 2003 (and beginning on May 24, 2004 for all other markets), to port numbers to wireless carriers where the coverage area of the wireless carrier (i.e., the area in which the wireless carrier provides service) overlaps the geographic location of the rate center in which the wireline number is provisioned, provided that the wireless carrier maintains the rate center designation of the number. An appeal by the United States Telecommunications Association ("USTA"), along with certain rural telephone companies, of the FCC's November 10, 2003 decision before the U.S. Court of Appeals for the District of Columbia Circuit was denied, although the FCC's order with respect to the intermodal porting obligations of certain small carriers was stayed and remanded to the FCC for further

proceedings to address its regulatory flexibility analysis. In a recently issued order, the FCC resolved the remand to require small carriers to provide number portability. Additionally, the FCC also applied local number portability requirements to VOIP providers and limited the number of validation elements that could be required by a carrier before porting out a former subscriber's telephone number.

Regulation – Customer Billing

The FCC requires CMRS carriers to ensure that the descriptions of line items on customer bills are clear and not misleading, and has declared that any representation of a discretionary item on a bill as a tax or government-mandated charge is misleading. The Federal Court of Appeals for the Eleventh Circuit ("Eleventh Circuit Court") has vacated an order of the FCC preempting states from requiring or prohibiting the use of line items on CMRS carriers' bills and remanded the decision to the FCC for further proceedings. In February 2007, two CMRS providers filed a petition for a writ of certiorari to the United States Supreme Court ("Supreme Court"), seeking review of the Eleventh Circuit Court's decision, which has been denied. The FCC is also considering additional CMRS billing regulations and state preemption issues including whether early termination fees constitute a rate, and consequently, are beyond a state's regulatory jurisdiction.

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Regulation – Regulatory Treatment for Wireless Broadband

The FCC has determined that wireless broadband internet access services are information services under the Communications Act, and, as such, are subject to similar regulatory treatment as other broadband services such as fiber to the home, cable modem, Digital Subscriber Line ("DSL"), and broadband over power line services. Certain interconnected broadband services, such as VOIP have been made subject to various FCC mandates including E-911, CALEA, Customer Proprietary Network Information ("CPNI"), contributions to the Telecommunications Relay Services, universal service contributions and access for the disabled, and will apply to Alltel to the extent it offers wireless VOIP services or should the FCC extend the various mandates to broadband services generally. Further, the FCC has instituted an inquiry into whether regulatory intervention is necessary in the broadband market to ensure network neutrality as well as inquiries into various open access requirements on wireless carriers both with regard to devices and applications. At the same time, various public interest groups are urging the FCC to determine that text messaging services are subject to common carrier regulation, or in the alternative, to impose anti-discrimination regulation should text messaging be found to be an information service.

Regulation – CMRS Roaming

The FCC concluded a rulemaking proceeding in which it examined the potential rules to be applied to automatic roaming relationships between carriers. The FCC's prior rules required only that manual roaming be provided by a carrier to any subscriber in good standing with his/her home market carrier. Automatic roaming agreements, although common throughout the CMRS industry, are not currently mandated by the FCC. The FCC's new rules require automatic roaming agreements between carriers subject to certain limitations, but does not mandate price regulation. The Company believes the FCC's rules are generally consistent with its practice. The new roaming regulations are subject to reconsideration requests which remain pending before the FCC.

Regulation – Customer Proprietary Network Information ("CPNI")

The FCC concluded its rulemaking governing the protection of customer information and call records, including the adequacy of security measures employed by carriers to protect certain customer information. New FCC rules, which took effect on December 8, 2007, specify new notice and customer authentication requirements as well as both certification requirements and limitations on the disclosure of CPNI to the carriers joint venture partners and contractors. The new rules remain subject to judicial appeal and FCC reconsideration as well as Office of Management and Budget ("OMB") approval under the Paperwork Reduction Act.

Regulation – Analog Sunset

Under current FCC rules, carriers are no longer required to offer analog wireless services after February 2008. This analog "sunset" rule was the subject of petitions seeking extension of the analog requirement beyond 2008, which were denied by the FCC by order dated June 15, 2007. Alltel plans to migrate its customers and network in phases to all digital service after the sunset of the rule.

Regulation – Warn Act/Emergency Alerts

On October 13, 2006, the Warn Act was signed into law, which provides that carriers may, within two years, voluntarily choose to provide emergency alerts as part of their service offerings under standards and protocols recommended by an advisory committee and adopted by the FCC. The FCC convened the industry advisory committee required under the Warn Act to consider technical standards and operating protocols, which were approved by the committee on October 3, 2007. The FCC has also initiated its formal rulemaking to adopt the technical requirements for the provision of emergency alerts under the Warn Act. The rulemaking is pending before the FCC.

Regulation – Katrina Panel Recommendations

On June 8, 2007, the FCC released an order directing the Public Safety and Homeland Security Bureau to implement several of the recommendations of the panel convened to study network outages in the wake of Hurricane Katrina. The FCC also adopted rules requiring wireless communications providers to have emergency back-up power for cell sites as well as to conduct studies and submit reports on the redundancy and resiliency of their E-911 networks. The rules regarding back-up power were reconsidered by the FCC in an order issued October 4, 2007, and no new rules will go into effect until the OMB approves the information collection requirements. The back-up power requirement has also been appealed to the U.S. Court

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Regulation – Katrina Panel Recommendations (Continued)

of Appeals for the D.C. Circuit ("D.C. Circuit Court"). On February 28, 2008, the D.C. Circuit Court granted a motion to stay the effectiveness of the FCC's emergency back-up power rules, pending judicial review. At this time, the Company is evaluating the impact of the new rules.

Item 1A. Risk Factors

Alltel faces intense competition in our business that could reduce our market share or adversely affect our business, financial condition or results of operations.

Substantial and increasing competition exists in the wireless communications industry. Multiple wireless service providers may operate in the same geographic area, along with any number of resellers that buy bulk wireless services from one of the wireless service providers and resell them to their customers. In January 2003, the FCC lifted its rule imposing limits on the amount of spectrum that can be held by one provider in a specific market. Competition may continue to increase as a result of recent consolidation in the communications industry and to the extent that there are other consolidations in the future involving Alltel's competitors. The 700 MHz spectrum auction could also provide carriers an opportunity to extend operations into new geographic areas, thereby increasing competition and adversely affecting roaming revenues.

A majority of Alltel's wireless markets have multiple carriers. The presence of multiple carriers within Alltel's wireless markets combined with the effects of aggregate penetration of wireless services in all markets has made it increasingly difficult to attract new customers and retain existing ones. While the recent consolidation in the wireless industry may reduce the number of carriers in Alltel's markets, the carriers resulting from such consolidation will be larger and potentially more effective in their ability to compete with Alltel. Furthermore, the traditional dividing lines between long-distance, local, wireless, video and Internet services are increasingly becoming blurred as major providers are striving to provide integrated services in many of the markets Alltel serves. As a result of increased competition, Alltel anticipates that the price per minute for wireless voice services will decline while costs to acquire customers, including, without limitation, handset subsidies and advertising and promotion costs, may increase. Alltel's ability to continue to compete effectively will depend upon its ability to anticipate and respond to changes in technology, customer preferences, new service offerings (including bundled offerings), demographic trends, economic conditions and competitors' pricing strategies. Failure to successfully market its products and services or to adequately and timely respond to competitive factors could reduce Alltel's market share or adversely affect its business, financial condition or results of operations.

In the current wireless market, Alltel's ability to compete also depends on its ability to offer regional and national calling plans to its customers. Alltel relies on roaming agreements with other wireless carriers to provide roaming capabilities in areas not covered by its network. These agreements are subject to renewal and termination if certain events occur, including, without limitation, if network standards are not maintained. Alltel's roaming agreements with Verizon Wireless, AT&T, T-Mobile USA and Sprint expire in 2010, 2012, 2013 and 2016, respectively. If Alltel is unable to maintain or renew these agreements, its ability to continue to provide competitive regional and nationwide wireless service to its customers could be impaired, which, in turn, would have an adverse impact on its wireless operations.

Alltel is subject to government regulation of the telecommunications industry.

As a provider of wireless communication services, Alltel is subject to regulation primarily by the FCC. The FCC's regulatory oversight consists of ensuring that wireless service providers are complying with the Communications Act and governing technical standards, outage reporting, spectrum usage, license requirements, market structure, universal service obligations, and consumer protection, including public safety issues like E-911, CALEA and accessibility requirements (including hearing aid capabilities) and environmental matters governing tower siting. The FCC has rules and regulations governing the construction and operation of wireless communications systems and licensing and technical standards for the provision of wireless communication services. The FCC also regulates the terms under which ancillary services may be provided through wireless facilities. While the FCC has authority to regulate rates for wireless services, it has so far refrained from doing so. States are preempted under the Communications Act from regulatory oversight of wireless carriers' market entry and retail rates, but they are permitted to regulate the terms and conditions of wireless services which are unrelated to either rates or market entry. The FCC and various state commissions regulate Alltel's status as an ETC, which qualifies it to receive support from the USF, a fund created by the FCC to, among other goals, promote the availability of quality services in non-urban areas at just, reasonable and affordable rates. For the year ended December 31, 2007, Alltel received approximately $340 million in ETC revenue.

Item 1A. Risk Factors (Continued)

The rules and methodology under which carriers contribute to the federal fund are the subject of an ongoing FCC rulemaking proceeding in which a change from the current interstate revenue-based system to some other system based upon line capacity or utilized numbers is being considered. The Federal-State Universal Service Joint Board has recommended, among other things, to cap universal service support for competitive ETCs like Alltel, and the FCC is considering whether to adopt this recommendation and/or implement other changes to the way universal service funds are disbursed to program recipients. Any such change could reduce the amount of ETC payments Alltel receives. In addition, the FCC and FAA regulate the siting, lighting and construction of transmitter towers and antennae. Tower siting and construction is also subject to state and local zoning as well as federal statutes regarding environmental and historic preservation. The future costs to comply with all relevant regulations are to some extent unknown and could result in higher operating expenses in the future. The nation's telecommunications laws continue to be reviewed with bills introduced in Congress, rulemaking proceedings at the FCC and state regulatory and legislative initiatives, the effects of which could significantly impact our wireless telecommunications business in the future. In addition, the adoption of new regulations or changes to existing regulations (such as those relating to the USF or Alltel's designation as an ETC) could result in higher operating expenses or loss of revenue in the future.

Rapid and significant changes in technology could require Alltel to significantly increase capital investment or could result in reduced demand for its services.

Technologies for wireless communications are rapidly changing as evidenced by the ongoing improvements in the capacity and quality of digital technology, the development and commercial acceptance of wireless data services, shorter development cycles for new products and enhancements and changes in end-user requirements and preferences. Alltel's deployment of third-generation digital technologies will require it to make additional capital investments. Furthermore, in the future, competitors may seek to provide competing wireless telecommunications service through the use of developing technologies such as WiFi, WiMax and VOIP. The Company cannot predict which of many possible future technologies, products or services will be important to maintain its competitive position or what expenditures the Company will be required to make in order to develop and provide these technologies, products or services. The cost of implementing or competing against future technological innovations may be prohibitive to the Company, and we may lose customers if we fail to keep up with these changes.

CDMA-based technologies currently serve less than 20 percent of the wireless users worldwide, with GSM-based technologies being the predominant technology globally. The GSM operators are deploying Universal Mobile Telecommunications System ("UMTS") technology as they migrate to third-generation networks. If the global market for CDMA-based technologies decreases further and leads to either higher prices or lower availability of infrastructure equipment or handsets supporting CDMA-based technologies, we could be forced to migrate to either GSM- or UMTS-based technologies to remain competitive. This would require us to make extensive capital investments and potentially incur asset write-downs, which could adversely affect our business, financial condition or results of operations.

Other wireless service providers have announced their intent to deploy fourth generation network technologies, such as Long Term Evolution, or LTE. There are risks that current or future versions of the wireless technologies and evolutionary path that Alltel has selected or may select may not be demanded by customers or provide the advantages that we expect. In addition, there are risks that other wireless carriers on whom our customers roam may change their technology to other technologies that are incompatible with ours. As a result, the ability of our and such other carriers'

customers to roam on our respective wireless networks could be adversely affected. If these risks materialize, our business, financial condition or results of operation could be materially adversely affected.

There can be no assurance that we will obtain licenses in the 700 MHz spectrum auction; if we do obtain licenses we may have to increase our capital expenditure.

The 700 MHz auction, or Auction 73, was completed by the FCC on March 18, 2008, however, the results of the auction have not been publicly released. Alltel filed an application to participate in Auction 73; however, there can be no assurance that we will obtain any licenses in Auction 73. If we do not obtain any licenses, we could be placed at a competitive disadvantage or our business, financial condition or results of operations could be adversely affected. If we do obtain any licenses we may have to increase our capital expenditure in order to deploy any technologies that may develop for this spectrum and there can be no assurance that any such deployments will be successful.

Item 1A. Risk Factors (Continued)

We and our suppliers may be subject to claims of infringement regarding telecommunications technologies that are protected by patents and other intellectual property rights.

Telecommunications technologies are protected by a wide array of patents and other intellectual property rights. As a result, third parties may assert infringement claims against us or our suppliers from time to time based on our or their general business operations, the equipment, software or services that we or they use or provide, or the specific operation of our wireless networks. We generally have indemnification agreements with the manufacturers, licensors and suppliers who provide us with the equipment, software and technology that we use in our business to protect us against possible infringement claims, but we cannot guarantee that the financial condition of an indemnifying party will be sufficient to protect us against all losses associated with infringement claims. Our suppliers may be subject to infringement claims that could prevent or make it more expensive for them to supply us with the products and services we require to run our business. Moreover, we may be subject to claims that products, software and services provided by different vendors that we combine to offer our services may infringe the rights of third parties, and we may not have any indemnification from our vendors for these claims. Whether or not an infringement claim against us or a supplier is valid or successful, it could adversely affect our business, financial condition or results of operations by diverting management attention, involving us in costly and time-consuming litigation, requiring us to enter into royalty or licensing agreements (which may not be available on acceptable terms, or at all), requiring us to redesign our business operations or systems to avoid claims of infringement or requiring us to purchase products and services at higher prices or from different suppliers.

A high rate of customer churn would negatively impact our business.

Wireless providers, including us, experience varying rates of customer churn. We believe that customers change wireless providers for many reasons, including call quality, service offerings, price, coverage area and customer service. We expect to incur significant expenses to improve customer retention and reduce churn by subsidizing product upgrades and/or reducing pricing to match competitors' initiatives, upgrading our network and providing improved customer service. There can be no assurance that these efforts will be successful or that these efforts, if successful, will result in a lower rate of customer churn. A high rate of churn would adversely affect our business, financial condition or results of operations because we would lose revenue and because the cost of adding a new customer, which generally includes a higher commission expense than incurred for retention of a current customer, is a significant factor in income and profitability for participants in the wireless industry.

System failures could result in higher churn, reduced revenue and increased costs and could harm our reputation.

Our technical infrastructure (including our network infrastructure and ancillary functions supporting our network such as billing and customer care) is vulnerable to damage or interruption from technology failures, power loss, floods, windstorms, fires, human error, terrorism, intentional wrongdoing or similar events. Unanticipated problems at our facilities, system failures, hardware or software failures, computer viruses or hacker attacks could affect the quality of our services and cause service interruptions. If any of the above events were to occur, we could experience higher churn, reduced revenues and increased costs, any of which could harm our reputation and have a material adverse effect on our business.

We rely heavily on third parties to provide specialized products and services; a failure by such parties to provide the agreed upon services could materially adversely affect our business, results of operations and financial condition.

We depend heavily on suppliers and contractors with specialized expertise in order for us to efficiently operate our business. In the past, our suppliers, contractors and third-party retailers have not always performed at the levels we expect or at the levels required by their contracts. If key suppliers, contractors or third-party retailers fail to comply with their contracts, fail to meet our performance expectations or refuse or are unable to supply us in the future, our business could be severely disrupted. Generally, there are multiple sources for the types of products we purchase. However, some suppliers, including software suppliers, are the exclusive sources of their specific products. Because of the costs and time lags that can be associated with transitioning from one supplier to another, our business could be substantially disrupted if we were required to replace the products or services of one or more major suppliers with products or services from another source, especially if the replacement became necessary on short notice. Any such disruption could have a material adverse affect on our business, results of operations and financial condition.

Item 1A. Risk Factors (Continued)

Our wireless licenses are subject to renewal and potential revocation in the event that we violate applicable laws.

Our existing wireless licenses are subject to renewal upon the expiration of the 10-year period for which they are granted. The FCC will award a renewal expectancy to a wireless licensee that has provided substantial service during its past license term and has substantially complied with applicable FCC rules and policies and the Communications Act. The FCC has routinely renewed our wireless licenses in the past. However, the Communications Act provides that licenses may be revoked for cause and license renewal applications denied if the FCC determines that a renewal would not serve the public interest. We have been the subject of recent enforcement actions that may be taken into consideration when the FCC reviews our license renewal applications. The FCC rules establish the qualifications for competing applications and the standards to be applied in comparative hearings. The FCC rules provide that a renewal applicant awarded a renewal expectancy is entitled to a significant preference in a comparative hearing against a competing application. Although we believe that our wireless licenses will be renewed in the ordinary course, we cannot provide assurance that the FCC will award us a renewal expectancy or renew our wireless licenses upon their expiration. If any of our wireless licenses were revoked or not renewed upon expiration, we would not be permitted to provide services under that license, which could have a material adverse affect on our business, results of operations and financial condition.

Our costs could increase and our revenues could decrease due to perceived health risks from radio frequency emissions, especially if these perceived risks are substantiated.

Public perception of possible health risks associated with cellular and other wireless communications media could slow the growth of wireless companies, including us. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services. The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years, and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers. If a scientific study or court decision resulted in a finding that radio frequency emissions posed health risks to consumers, it could negatively impact the market for wireless services, which would adversely affect our business, financial conditions or results of operations. We do not maintain any insurance with respect to these matters.

Declines in our operating performance could ultimately result in an impairment of our indefinite-lived assets, including goodwill, or our long-lived assets, including property and equipment.

We assess potential impairments to our long-lived assets, including property and equipment and certain intangible assets, when there is evidence that events or changes in circumstances indicate that the carrying value may not be recoverable. We assess potential impairments on indefinite-lived intangible assets, including goodwill and wireless licenses annually, and when there is evidence that events or changes in circumstances indicate that an impairment condition may exist. If we do not achieve our planned operating results, this may ultimately result in a non-cash impairment charge related to our long-lived and/or our indefinite-lived intangible assets. A significant impairment loss could have a material adverse effect on our operating results and on the carrying value of our goodwill or wireless licenses and/or our long-lived assets on our balance sheet.

We may incur higher than anticipated inter-carrier compensation costs.

When our customers use our service to call customers of other carriers, we may be required under the current inter-carrier compensation scheme to pay the carrier that serves the called party. Similarly, when a customer of another carrier calls one of our customers, that carrier may be required to pay us. While we have been successful in negotiating agreements with other carriers that impose reasonable reciprocal compensation arrangements, some carriers attempt to unilaterally impose what we believe to be unreasonably high charges on us. These inter-carrier charges are currently established generally by state commissioners applying FCC rules and orders. The FCC is considering possible regulatory approaches to address this situation but we cannot provide assurance that any FCC rulings will be beneficial to us. An adverse FCC or state action could result in carriers successfully collecting higher inter-carrier fees from us, which could adversely affect our business, financial condition or results of operations.

The FCC is considering making significant changes to its inter-carrier compensation scheme. We cannot predict with any certainty the likely outcome of this FCC proceeding. Some of the alternatives that are under consideration by the FCC could increase the interconnection costs we pay. If we are unable to cost-effectively provide our products and services to customers, our competitive position and business prospects could be materially adversely affected.

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Item 1A. Risk Factors (Continued)

As the wireless market matures, we must increasingly seek to attract customers from competitors and face increased credit risk from first time wireless customers.

We increasingly must attract a greater proportion of our new customers from our competitors' existing customer bases rather than from first time purchasers of wireless services. Any such higher market penetration also means that customers purchasing wireless services for the first time, on average, have a lower credit rating than existing wireless users, which generally results in a higher rate of involuntary churn and increased bad debt expense.

The loss of any of our senior management team or attrition among our buyers or key sales associates could adversely affect our business, financial condition or results of operations.

Our success in the wireless services telecommunications industry will continue to depend to a significant extent on our senior management team, buyers and key sales associates. We rely on the experience of our senior management, who have specific knowledge relating to us and our industry that would be difficult to replace. If we were to lose a portion of our buyers or key sales associates, our ability to benefit from long-standing relationships with key vendors or to provide relationship-based customer service may suffer. We cannot provide any assurance that we will be able to retain our current senior management team, buyers or key sales associates. The loss of any of these individuals could adversely affect our business, financial condition or results of operations.

We could incur significant costs resulting from compliance with or liability under environmental, health and safety laws and regulations.

Our operations are subject to environmental laws and regulations relating to the protection of the environment and health and safety, including those governing the use, management and disposal of, and exposure to, hazardous materials, the cleanup of contamination and the emission of radio frequency. While we believe our current operations are in substantial compliance with such laws and regulations, our operations at owned and operated properties, including the current and historic use of hazardous materials, could require us to incur significant costs resulting from compliance with or violations of such laws and regulations, the imposition of cleanup obligations and third-party suits.

Alltel's substantial amount of debt could adversely affect our cash flow and our ability to operate our business and impair our ability to raise additional capital on favorable terms.

As of December 31, 2007, we had approximately $23.5 billion in long-term debt outstanding. We also may incur additional long-term debt to meet future financing needs or to fund potential acquisitions, subject to certain restrictions under our existing credit facilities and indentures, which would increase our total debt. Our substantial amount of debt could have negative consequences to our business. For example, it could:

- increase our vulnerability to general adverse economic, industry and competitive conditions;
- require us to dedicate a substantial portion of cash flows from operations to interest and principal payments on outstanding debt, thereby limiting the availability of cash flow to fund future capital expenditures, working capital and other general corporate requirements;

- limit our flexibility in planning for, or reacting to, changes in our business and the telecommunications industry;
- place us at a competitive disadvantage compared with competitors that have less debt; and
- limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity.

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

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Form 10-K, Part I

Item 1A. Risk Factors (Continued)

The terms of our new senior secured facilities, our new senior unsecured credit facilities, and the indenture governing the senior PIK toggle notes may restrict our current and future operations, particularly our ability to respond to changes in our business or to take certain actions.

The credit agreements governing our new senior secured credit facilities and our new senior unsecured credit facilities and the indenture governing the senior PIK toggle notes contain a number of restrictive covenants that impose significant operating and financial restrictions, including restrictions on our ability to engage in acts that may be in our best long-term interests. Among other things, these covenants restrict our ability to:

- incur additional debt or issue certain preferred shares;
- pay dividends on or make other distributions in respect of our restricted subsidiaries' capital stock or redeem, repurchase or retire our restricted subsidiaries' capital stock or subordinated debt or make certain other restricted payments;
- make certain investments;
- engage in certain transactions with our affiliates;
- sell certain assets, or consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- create liens on certain assets to secure debt; and
- designate subsidiaries as restricted subsidiaries.

Under the terms of the new senior secured credit facilities, we are required to maintain a specific senior secured leverage ratio. Our ability to meet such ratio can be affected by events beyond our control, and we cannot assure you that we will meet such ratio. A breach of any of the restrictive covenants or the senior secured leverage ratio would result in default under the new senior secured facilities. If any such default occurs, the lenders under the new senior secured credit facilities may elect to declare all outstanding borrowings under such facilities, together with accrued interest and other fees, to be immediately due and payable, or enforce their security interest, any of which would also result in an event of default under the senior PIK toggle notes. The lenders also have the right in these circumstances to terminate any commitments they have to provide further borrowings.

Item 1B. Unresolved Staff Comments

No reportable information under this item.

Item 2. Properties

Alltel's corporate headquarters are located in Little Rock, Arkansas. The Company maintains customer care call centers, retail store locations, switching centers, cell tower sites and data centers throughout the United States. Certain of these facilities are leased. All of the Company's property is considered to be in good working condition and suitable

for its intended purposes. A summary of the Company's gross investment in property, plant and equipment is presented below.

		(Millions)
Land and improvements	$	251.1
Buildings and improvements		836.4
Operating plant and equipment		3,650.3
Information processing		368.8
Furniture and fixtures		99.8
Total	$	5,206.4

Operating plant and equipment consists of cell site towers, switching, controllers and other radio frequency equipment. Information processing plant consists of data processing equipment, purchased software and capitalized internal use software costs.

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Item 3. Legal Proceedings

The Company is involved in certain legal matters that are discussed in Note 17 to the audited consolidated financial statements included in this Annual Report on Form 10-K. In addition to those matters, the Company is also a party to various legal proceedings arising from the ordinary course of business. Although the ultimate resolution of these various proceedings cannot be determined at this time, management of Alltel does not believe that such proceedings, individually or in the aggregate, will have a material adverse effect on the future consolidated results of operations or financial condition of the Company.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to the security holders for a vote during the fourth quarter of 2007.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Prior to the Merger, Alltel's $1.00 par value common stock was listed on the NYSE under the ticker symbol "AT". Subsequent to the Merger, the Company's common stock is privately-held and there is no established public trading market for the stock. As of December 31, 2007, there were 71 holders of record of Alltel's common stock.

As a privately-held company, Alltel does not expect to pay any cash dividends. Prior to the Merger on November 16, 2007, Alltel declared and paid quarterly dividends. During the first and second quarters of 2006, Alltel declared dividends of $.385 per share. Following the spin-off of its wireline business on July 17, 2006, Alltel lowered its annual dividend rate from $1.54 to $.50 per share. As a result, Alltel declared dividends of $.125 per share for the third and fourth quarters of 2006 and the first three quarters of 2007. In addition, dividends declared for the third quarter of 2006 included a one-time dividend of $.048 per share related to the spin-off.

Item 6. Selected Financial Data

For information pertaining to Selected Financial Data of Alltel, refer to pages F-40 and F-41 of the Financial Supplement, which is incorporated by reference herein.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For information pertaining to Management's Discussion and Analysis of Financial Condition and Results of Operations of Alltel, refer to pages F-2 to F-39 of the Financial Supplement, which is incorporated by reference herein.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

For information pertaining to the Company's market risk disclosures, refer to pages F-34 and F-35 of the Financial Supplement, which is incorporated by reference herein.

Item 8. Financial Statements and Supplementary Data

For information pertaining to Financial Statements and Supplementary Data of Alltel, refer to pages F-42 to F-94 of the Financial Supplement, which is incorporated by reference herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

No reportable information under this item.

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Item 9A. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The term "disclosure controls and procedures" (defined in SEC Rule 13a-15(e)) refers to the controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within required time periods and include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including the company's principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure. Alltel's management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this annual report (the "Evaluation Date"). Based on that evaluation, Alltel's Chief Executive Officer and Chief Financial Officer have concluded that, as of the Evaluation Date, such controls and procedures were effective.

(b) Management's report on internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting, which appears on page F-42 of the Financial Supplement, is incorporated by reference herein.

(c) Changes in internal control over financial reporting.

The term "internal control over financial reporting" (defined in SEC Rule 13a-15(f)) refers to the process of a company that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Alltel's management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated any changes in the Company's internal control over financial reporting that occurred during the period covered by this annual report, and they have concluded that there were no changes to Alltel's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, Alltel's internal control over financial reporting.

Item 9B. Other Information

No reportable information under this item.

Form 10-K, Part III

Item 10. Directors, Executive Officers and Corporate Governance

Directors

Following the Merger, our Board of Directors has seven members. Our current directors serve for a one year term and until their respective successors are elected or until the earlier of their resignation, death or removal. During 2007,

there was one meeting of Alltel's Board of Directors and the Board of Directors most recently held a meeting on January 25, 2008.

The following table sets forth information concerning each of our directors, who have served on our Board since November 16, 2007:

Name	Age	Position
Scott T. Ford	45	President, Chief Executive Officer and Director
James Coulter	48	Director
Gene Frantz	41	Director
Joseph H. Gleberman	50	Director
John W. Marren	45	Director
Leo F. Mullin	65	Director
Peter Perrone	40	Director

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Item 10. Directors, Executive Officers and Corporate Governance (Continued)

Scott Ford is Alltel's President and Chief Executive Officer. Mr. Ford joined Alltel in 1996 as Executive Vice President. He was named President in 1997, assumed the additional duties of Chief Operating Officer in 1998 and was named Chief Executive Officer in 2002. He previously worked in the investment banking divisions of Merrill Lynch and Stephens Inc. Mr. Ford previously served as the Chairman of the Cellular Telecommunications and Internet Association and as a director of the Little Rock Branch of the Federal Reserve Bank of St. Louis. He currently serves on the board of directors for Tyson Foods, Inc. He earned a BSBA in finance from the University of Arkansas.

James Coulter co-founded TPG Capital, L.P. in 1992 and has been Managing General Partner of TPG Capital, L.P. for more than eight years. From 1986 to 1992, Mr. Coulter was a Vice President of Keystone, Inc. From 1986 to 1988, Mr. Coulter was also associated with SPO Partners, an investment firm that focuses on public market and private minority investments. Mr. Coulter also serves on the board of directors of Lenovo Group Limited, Neiman Marcus Inc., J. Crew Group, Inc., and Zhone Technologies, Inc.

Gene Frantz is a Partner at TPG Capital, L.P. specializing in the technology and telecom sectors. Prior to joining TPG in 1999, Mr. Frantz worked at Oracle Corporation, most recently leading its venture capital effort, where he was responsible for making equity investments in software and internet companies. Prior to joining Oracle, Mr. Frantz was a Vice President at Morgan Stanley, specializing in technology mergers and acquisitions spanning the semiconductor, data networking, software and internet sectors. Mr. Frantz received an M.B.A. from Stanford Business School and a B.S. from the University of California, Berkeley. Mr. Frantz serves on the boards of directors of Freescale Semiconductor, Inc. and SMART Modular Technologies, Inc.

Joseph Gleberman has been a Managing Director in Goldman, Sachs & Co.'s Principal Investment Area since 1993. Prior to joining the Principal Investment Area, he served in a variety of capacities in the Investment Banking Division and the Mergers & Acquisitions Department at Goldman, Sachs & Co., which he joined in 1982. Mr. Gleberman currently serves on the board of directors of Limelight Networks, Inc. and several private companies. Mr. Gleberman received a B.A. and an M.A. from Yale University, and an M.B.A. from Stanford University.

John Marren is a Partner at TPG Capital L.P. and leads TPG's technology team. From 1996 through April 2000, Mr. Marren was Managing Director and Co-Head of Technology Investment Banking at Morgan Stanley. From 1992 to 1996, he was Managing Director and Senior Semiconductor Analyst at Alex, Brown and Sons. Mr. Marren is currently the Chairman of the board of directors of MEMC Electronic Materials, Inc. and serves on the boards of directors of Celerity Group Inc., Conexant Systems, Inc., Freescale Semiconductor Inc., Intergraph Corp, Isola Group S.à.r.l., ON Semiconductor Corporation, and SunGard Data Systems Inc. Mr. Marren received his B.S. in Electrical Engineering from the University of California in Santa Barbara.

Leo Mullin is a Senior Advisor for Goldman Sachs Capital Partners L.P. on a part-time basis, and serves on the board of several private companies on behalf of Goldman Sachs Capital Partners L.P. He is the former CEO of Delta Air Lines, having served in that position from 1997 through 2003. Formerly, he has held the position of Vice Chairman of Commonwealth Edison, President and Chief Operating Officer of First Chicago Corporation, Chairman and CEO of American National Bank and Partner at McKinsey & Co. He serves on the boards of directors of Johnson and Johnson Inc., and ACE Limited. He is also a member of The Business Council. Mr. Mullin received A.B., M.S. and M.B.A. degrees from Harvard University.

Peter Perrone was named Managing Director in Goldman, Sachs & Co.'s Principal Investment Area in 2007. Prior to joining the Principal Investment Area in 2001, Mr. Perrone worked in the High Technology Group at Goldman, Sachs & Co., where he started as an Associate in 1999. Mr. Perrone also currently serves on the boards of directors of Limelight Networks, Inc., Teneros, Inc., Tervela, Inc, Veoh Networks, Inc., and Woven Systems, Inc. Mr. Perrone received a B.S. from Duke University, an M.S. from the Georgia Institute of Technology and an M.B.A. from the Massachusetts Institute of Technology, Sloan School of Management.

In previous years, our Board utilized director independence standards designed to satisfy the corporate governance requirements of the New York Stock Exchange ("NYSE") when determining whether or not members of our Board were independent. In connection with the Merger, the Sponsors agreed that they each would have proportional representation on our Board. As a result, three of our current directors are affiliates of TPG Partners V, L.P. and three of our current directors are affiliates of GS Capital Partners VI Fund, L.P, while the remaining director is the President and Chief Executive Officer of the Company. Taking into account the direct affiliation that each member of our Board has with TPG, Goldman Sachs or the Company, no current director of the Company is "independent" under the NYSE independence standards.

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Item 10. Directors, Executive Officers and Corporate Governance (Continued)

Prior to the Merger, the Board of Directors consisted of Scott T. Ford, John R. Belk, Peter A. Bridgman, William H. Crown, Joe Ford, Lawrence L. Gellerstedt, III, Emon A. Mahony, Jr., John P. McConnell, Josie C. Natori, John W. Stanton, Warren Stephens and Ronald Townsend and had four standing committees, each of which, except for the Executive Committee, was required by its charter to consist of no fewer than three directors, satisfying the applicable independence criteria of the NYSE. The members of the Governance Committee were Lawrence L. Gellerstedt, III (Chairman), John R. Belk, William H. Crown and Josie C. Natori. The members of the Audit Committee were Peter A. Bridgman (Chairman), William H. Crown, John P. McConnell and Ronald Townsend. The members of the Compensation Committee were John P. McConnell (Chairman), John R. Belk, Peter A. Bridgman and Josie C. Natori. On November 16, 2007, each member of these committees resigned such member's position as a member of the Company's Board of Directors as part of the Merger.

Currently, and as a result of the Merger, the Company's Common Stock is held by a small number of stockholders, including the Sponsors and certain members of our senior management. As noted above, the Sponsors have agreed to maintain proportional representation on the Company's Board. Prior to the Merger, our standing Governance Committee was principally responsible for identifying individuals qualified to become members of the Board and recommending to the Board director nominees for election by the Company's stockholders at annual stockholders meetings. As the Company is now privately-held and the members of the Board are selected by the Sponsors, the Board has deemed it appropriate for the Company not to have a standing Governance Committee at this time. For the same reasons stated above, the Board has also rescinded previously adopted procedures by which Alltel's stockholders were permitted to submit director candidates to the Governance Committee for its consideration.

Currently, the Board of Directors has three standing Committees, the Audit, Compensation and Executive Committees. A brief description of the functions of the Audit, Compensation and Executive Committees is set forth below.

The Audit Committee, which is governed by its charter, did not conduct any meetings during the period November 16, 2007 to December 31, 2007. The Audit Committee's first meeting of 2008 was held on January 24, 2008. The Audit Committee assists the Board of Directors in overseeing Alltel's financial statements and financial reporting process, disclosure controls and procedures and systems of internal accounting and financial controls, independent auditors' engagement, performance, independence and qualifications, internal audit function, legal and regulatory compliance and ethics programs established by Alltel management. Members of the Audit Committee are Peter Perrone (Chairman), Gene Frantz and Joe Gleberman. In light of our status as a closely held company and the absence of a public trading market for our common stock, the Board has not designated any member of the Audit Committee as an "audit committee financial expert".

The Compensation Committee, which is also governed by its charter, did not conduct any meetings during the period November 16, 2007 to December 31, 2007. The Compensation Committee's first meeting of 2008 was held on January 24, 2008. The Compensation Committee assists the Board in fulfilling its oversight responsibility related to the compensation programs, plans, and awards for Alltel's directors and principal officers. Members of the Compensation Committee are Gene Frantz (Chairman) and Joe Gleberman.

The Executive Committee has the power and authority to transact all business for the Company and on its behalf when the full Board of Directors is not in session and subject to certain limitations set forth in the Company's

bylaws. Members of the Executive Committee are Scott Ford, Gene Frantz and Joe Gleberman.

Alltel's code of ethics, referred to as the "Working with Integrity" guidelines, applies to all employees and members of the Board of Directors, and is available on our Internet website at www.alltel.com on the Investor Relations page. Alltel will disclose in the corporate governance section of the Investor Relations page on its web site amendments and waivers with respect to the code of ethics that would otherwise be required to be disclosed under Item 5.05 of Form 8-K. Alltel's code of ethics is available free of charge upon request to Investor Relations, Alltel Corporation, One Allied Drive, Little Rock, Arkansas 72202.

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Item 10. Directors, Executive Officers and Corporate Governance (Continued)

Executive Officers

The executive officers of the Company (other than Mr. Ford who is listed above) are as follows:

Name	Age	Position
Jeffrey H. Fox	46	Chief Operating Officer
C.J. Duvall Jr.	49	Executive Vice President – Human Resources
Sharilyn S. Gasaway	39	Executive Vice President – Chief Financial Officer
Richard N. Massey	51	Chief Strategy Officer and General Counsel
Sue P. Mosley	49	Controller
Holly L. Larkin	35	Treasurer and Secretary

There are no arrangements between any officer and any other person pursuant to which he/she was selected as an officer. Each of the officers named above has been employed by Alltel or a subsidiary for the last five years, except for Richard N. Massey. Prior to joining Alltel in January 2006 and since 2000, Mr. Massey was a managing director at Stephens Inc. of Little Rock, Arkansas, heading up that firm's information and communications practice and assisting clients with mergers and acquisitions.

Item 11. Executive Compensation

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis ("CD&A") is to provide information about the philosophy and principles of Alltel Corporation (also referred to as "Alltel", the "Company", "we", "our" and "us") regarding compensation program for our Chief Executive Officer, Chief Financial Officer, and the three other executive officers who were the most highly compensated in fiscal year 2007 (we refer to these individuals as our "Named Executive Officers").

The following individuals are our Named Executive Officers for 2007:

- Scott T. Ford, President and Chief Executive Officer
- Sharilyn S. Gasaway, Executive Vice President and Chief Financial Officer
- Jeffrey H. Fox, Chief Operating Officer
- Richard N. Massey, Chief Strategy Officer and General Counsel
- C.J. Duvall, Executive Vice President, Human Resources

Kevin L. Beebe, former Group President of Operations, is also considered a Named Executive Officer even though he was not an executive officer at the end of fiscal year 2007. Mr. Beebe is included because he would have been among the three most highly compensated executive officers in 2007 had he not terminated employment prior to year end in connection with the acquisition of Alltel as further discussed below.

Background

At the beginning of 2007, the Compensation Committee of Alltel established the compensation levels for our Named Executive Officers. Prior to the Merger, the Committee consisted of John P. McConnell, John R. Belk, Peter A. Bridgman and Josie C. Natori (the "Committee") all independent directors under New York Stock Exchange listing requirements. The decisions with respect to 2007 executive compensation were made by this prior Committee as part of Alltel's annual compensation review and were based on Alltel's compensation principles at that time.

On May 20, 2007, Alltel entered into a merger agreement providing for the acquisition of Alltel by TPG Partners V, L.P. and GS Capital Partners VI Fund, L.P. (also, the "Sponsors"). We refer to this transaction as the "Merger." The Merger was completed on November 16, 2007. As a result of the Merger, Alltel became a privately-held company controlled by TPG Partners V, L.P. and GS Capital Partners VI Fund, L.P., and our stock ceased to be listed on the New York Stock Exchange. In anticipation of the Merger, the Committee approved certain modifications to the executive compensation programs for our

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Item 11. Executive Compensation (Continued)

Named Executive Officers to be effective on the date of Merger. These modifications were generally intended to encourage our executives to remain employed with Alltel through and after the Merger. Upon completion of the Merger, our incumbent Board of Directors, including the members of the Committee, resigned, and new members of the Board were elected. Alltel's new Board of Directors adopted new equity incentive plans intended to immediately align the interests of the Named Executive Officers with our new stockholders and appointed a new Compensation Committee. The post-Merger Compensation Committee consists of Gene Frantz and Joe Gleberman ("post-Merger Committee") neither of which qualify as independent from the Company. The following discussion provides a summary of our compensation principles and decisions for fiscal year 2007.

Objectives of the Executive Compensation Program

The objectives of Alltel's executive compensation program both before and after the Merger have been to attract and retain qualified and talented executives, reward and encourage superior performance and effective management and appropriately focus executives on Alltel's future success. At the Named Executive Officer level, there is greater emphasis on linking pay to performance so as to align the interests of the Named Executive Officers directly with those of our stockholders. Accordingly, a large portion of the compensation paid to our Named Executive Officers is contingent upon achieving specific operating results that are important to our future success. The pay for performance elements included our cash-based incentives and equity-based compensation programs.

Setting Executive Compensation

Role of the Committee. The Committee and post-merger Committee administer our executive compensation program. In this role, they oversee Alltel's compensation policies, administer its stock plans (including reviewing and approving all equity grants to executive officers) and annually review and approve (or, in the case of base salaries, recommend to the Board for approval) all compensation decisions relating to executive officers, including the Named Executive Officers. The Committee and post-merger Committee also monitor the competitiveness of our retirement, severance and perquisite programs.

Interaction Between Management and the Committee. In making compensation decisions, both the Committee and post-Merger Committee receive input and assistance from our Chief Executive Officer and the Corporate Human Resources Department. Specifically, the Committee consulted with Scott Ford, our Chief Executive Officer, in reviewing base salary, annual incentive compensation and long-term incentive compensation for each Named Executive Officer, except the Chief Executive Officer. Mr. Ford advises the Committee on the performance of the other Named Executive Officers and assists the Committee in making annual adjustments to compensation levels and establishing appropriate goals for the executive officers with respect to performance compensation. The Committee and post-Merger Committee can exercise their discretion in modifying any recommended adjustments or awards to executives. Compensation decisions for the Chief Executive Officer are made by the Committee without consultation from Company management.

Role of Compensation Consultants. The Committee was expressly authorized in its charter to retain independent advisors or experts at the Company's expense. The Committee retained Hewitt Associates, LLC ("Hewitt"), an independent consulting firm that specializes in gathering and analyzing compensation data for the purpose of structuring executive compensation programs, as its independent compensation consultant to assist the Committee on

executive compensation related matters. Hewitt provided analyses and recommendations that informed the Committee's decisions, but it did not decide or approve any compensation actions.

Use of Benchmarking

The Committee engaged Hewitt as an outside advisor to the Committee on executive compensation related matters. To assist the Committee in setting compensation for the Named Executive Officers, Hewitt provided the Committee with a competitive market analysis of Alltel's executive compensation program. In this analysis, Hewitt identified companies in the telecommunications industry or a similar industry that comprised an appropriate comparison group against which to benchmark Alltel's compensation practices. Hewitt reviewed the compensation data of the comparison group and adjusted its findings where appropriate to mitigate for differences in company size and to reflect the different responsibilities and experience levels of the executives considered in the comparison group. For each Named Executive Officer, the Committee compared each element of total compensation against the size-adjusted value of the compensation of the executives at the comparison group companies with similar roles and responsibilities. Generally, the Committee strived to structure compensation at approximately the 60th percentile of the applicable market data. However, the Committee retained the flexibility to make adjustments in order to respond to market conditions, promotions, individual performance or other

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circumstances. For the purposes of establishing 2007 executive compensation levels, Hewitt identified a comparison group in October 2006 which consisted of the following companies (the "Comparison Group") against which the Committee believed Alltel competes for talent:

Alcatel USA, Inc.	Global Crossing Ltd.
AT& T Inc.	Motorola, Inc.
CenturyTel, Inc.	Qwest Communications International Inc.
Charter Communications, Inc.	Sprint Nextel Corporation
Cingular Wireless, LLC	Telephone & Data Systems, Inc.
Citizens Communications Company	Verizon Communications Inc.
Comcast Corporation	Cellco Partnership d/b/a Verizon Wireless
Embarq Corporation	

For 2007, the mean total direct compensation (defined as base salary plus annual and long-term incentive compensation) for the Named Executive Officer group, excluding compensation received by them in connection with the Merger, was below the mean of the 60th percentile total direct compensation levels of corresponding officers of the Comparison Group.

Executive Compensation Components

For the fiscal year ended December 31, 2007, the principal components of compensation for the Named Executive Officers were:

- base salary;
- annual incentive compensation;
- long-term incentive compensation;
- retirement and welfare benefits; and
- perquisites.

Base Salary. Base salary is the fundamental component of Alltel's executive compensation program. The Committee believes that providing a competitive base salary is essential to attracting and retaining qualified and valued executives. Each of Alltel's non-equity incentive programs for which amounts were earned in 2007 used base salary as a factor upon which it apportioned incentive awards, and the benefits provided through the Company's qualified and non-qualified retirement programs are based in part on salary. The Committee reviewed base salaries of Alltel's executive officers annually and at the time of any promotion or other significant change in responsibilities. Merit increases normally take place in January of each year.

In establishing officer base salaries in January 2007, the Committee considered the base salaries reported for corresponding officer positions of the Comparison Group, with focus on the company-size adjusted 50th percentile

levels of the Comparison Group and the individual performance, experience and skill of each Alltel executive (without assigning a precise weighting to the foregoing components). The Committee believed targeting the 50th percentile of the Comparison Group for base salary provided Alltel an appropriate level of competitiveness for obtaining and retaining qualified executives while serving stockholder interests by not overcompensating. In assessing an executive's individual performance, experience and skill, the Committee consulted with and received recommendations from the Chief Executive Officer. Attention was also given to maintaining appropriate internal salary relationships among the Company's executive officers, and to recognizing succession planning goals. The Committee believed that as an executive progressed in his or her leadership role within the Company, base salary should become a smaller part of an executive's total compensation. After considering the evaluations, the recommendations, and the data from the Comparison Group analyses, and after making its own assessment of individual performance, the Committee established base salaries for each Named Executive Officer to recommend to the Board for approval.

For 2007, the mean base salary for the Named Executive Officers was slightly above the mean of the 50th percentile base salary levels of corresponding positions in the Comparison Group provided by Hewitt in their 2006 study. Mr. Ford's base salary was higher than the other Named Executive Officers to reflect the greater policy and decision making responsibility of the Chief Executive Officer position and the higher level of responsibility that he bears with respect to the Company's strategic direction and financial and operating results. Base salaries were not changed at the time of the Merger.

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To maintain competitiveness and reflect changes in responsibility, the Committee increased the base salary of each Named Executive Officer in January 2007. The salary increases for the Named Executive Officers generally were comparable to the increases for all of Alltel's executive officers. The table below discloses base salary percentage increase rates for each Named Executive Officer from fiscal year 2006 to 2007.

Named Executive Officer	Base Salary Percentage Increase Fiscal Year 2007
Scott T. Ford	28.2%
Sharilyn S. Gasaway	7.5%
Jeffrey H. Fox	3.5%
Richard N. Massey	3.5%
C.J. Duvall	3.5%
Kevin L. Beebe	3.5%

The Named Executive Officers' base salary rate increases reflected the Committee's desire to maintain the competitiveness of compensation provided to senior management responsible for Company performance and who had successfully led the Company through the spin-off of the wireline operations in 2006. Scott Ford's salary was increased more than the other Named Executive Officers as the Hewitt analysis showed that his salary was significantly below competitive levels and because of his overall responsibility to the shareholders for the spin-off and successful launch of Windstream Corporation. Sharilyn Gasaway's increase also was above that of other Named Executive Officers due to the additional responsibilities she had taken on and successfully carried out following her promotion to Chief Financial Officer in 2006.

Annual Incentive Compensation. Alltel's Named Executive Officers had the opportunity to receive annual cash incentive payments based on Alltel's performance relative to pre-established performance criteria set by the Committee in January 2007 under Alltel's Performance Incentive Compensation Plan (the "Performance Incentive Compensation Plan"). Annual incentive compensation has provided the Company important flexibility to reward executive officers for incremental improvement in Alltel's performance year to year while aligning the interests between Alltel's executives and its stockholders.

Under the Performance Incentive Compensation Plan, at the beginning of the 2007 fiscal year, the Committee established (i) the executives' award opportunities as a percentage of base salary, (ii) the performance objectives, and (iii) the threshold, target and maximum performance incentive levels. The Committee established each Named Executive Officer's target award opportunity level based on the executive's direct impact on the success of the Company and by considering the total annual compensation (salary plus annual incentive compensation) for corresponding officer positions among Alltel's Comparison Group, focusing on the 60th percentile of company-size adjusted levels. By using the 60th percentile, achievement of objectives was encouraged and recognized while reflecting stockholders' interests.

The Committee set the performance objectives after considering recommendations from the Chief Executive Officer and Alltel's Corporate Human Resources Department. Performance measures were recommended to the Committee based on the relative importance of performance on these measures to the overall performance of the Company. For fiscal year 2007, the Committee selected earnings per share and net subscriber additions as the performance measures

upon which annual cash bonuses were based. Earnings per share was chosen because prior to the Merger it was a key metric used by management to direct and measure the Company's business performance and the basis upon which we communicated forward looking financial information to the investment community. Net subscriber additions were chosen as a key measure of growth and of competitive success within our markets. Moreover, both measures were clearly understood by both our executives and stockholders. Finally, the Committee believed that incremental earnings per share growth accompanied by growth in our customer base would lead to the creation of long-term stockholder value.

After selecting the performance measures, the Committee determined the weight to assign to each measure and set threshold, target and maximum levels for each such measure after reviewing recommendations from the Chief Executive Officer and Alltel's Corporate Human Resources Department. In 2007, earnings per share was weighted 67% and net subscriber additions was weighted 33%. Generally, no bonuses were to be paid under the Performance Incentive Compensation Plan unless the Company achieved the threshold amount for that measure. The Committee could recommend to the full Board, however, that bonuses be awarded notwithstanding that the Company failed to achieve the threshold amount. Since inception of the Performance Incentive Compensation Plan, no bonuses have been paid for a measure unless the Company achieved the threshold performance measure amount. If the target for a measure was achieved, participants in the plan received 100% of their target bonus opportunity. If the Company's results were greater than the threshold level but less than the target level, participants received a prorated percentage of their target bonus based on where results fell between the threshold and target

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levels, and if the Company's results were greater than the target level but less than the maximum level, participants received a prorated percentage of their maximum bonus opportunity based on where actual results fell between the target and maximum levels. If the maximum level was achieved, participants in the plan received 100% of their maximum bonus opportunity. Once payout levels were determined for each measure, the weights were applied to determine the final payment. For fiscal year 2007, threshold earnings per share was set at $2.31, target earnings per share was set at $2.42 and maximum earnings per share was set at $2.53. The respective objectives for net subscriber additions were 704,000, 768,000 and 832,000. However, as a result of the Merger, awards under the Performance Incentive Compensation Plan were calculated and paid assuming maximum performance as required by the terms of the Named Executive Officers' change in control agreements.

The table below sets forth for each Named Executive Officer his or her respective incentive opportunities at the threshold, target and maximum levels, expressed as a percentage of base salary, for 2007 under the Performance Incentive Compensation Plan. For the actual amount of annual incentive compensation paid to our Named Executive Officers for 2007, refer to the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table on page 33. For more information on the annual incentive compensation opportunities granted to the Named Executive Officers during 2007, refer to the Grants of Plan-Based Awards section on page 38.

	Annual Incentive Opportunity As a Percentage of Base Salary		
Named Executive Officer	Threshold	Target	Maximum
Scott T. Ford	65%	130%	260%
Sharilyn S. Gasaway	40%	80%	160%
Jeffrey H. Fox	50%	100%	200%
Richard N. Massey	50%	100%	200%
C.J. Duvall	30%	60%	120%
Kevin L. Beebe	50%	100%	200%

There were no changes to award opportunities in 2007 as expressed as a percentage of salary. As salaries increase however, this drives proportionate increases in annual incentive opportunities. Any increase in award opportunity, as expressed as a percentage of salary, generally reflects significant changes in a Named Executive Officer's responsibilities or a significant change in incentive levels among the Comparison Group. All changes to incentive opportunities must be approved by the Compensation Committee and are generally recommended by the Chief Executive Officer.

Alltel Special Annual Bonus Plan. Following completion of the Merger, Alltel established and implemented the Alltel Special Annual Bonus Plan which permits eligible full-time employees, including the Named Executive Officers other than Mr. Beebe, to share in certain payments by Alltel under the management services agreement it entered into on November 16, 2007 with Atlantis Holdings LLC, Alltel's parent company, and with TPG Capital, L.P. and Goldman Sachs & Company. Individual payments are determined in an amount subject to the Chief Executive Officer's discretion and in consultation with the post-Merger Committee. No compensation was paid to any Named Executive Officer under the Alltel Special Annual Bonus Plan in fiscal year 2007.

Pre-Merger Long-Term Incentive Compensation. Prior to the Merger, Alltel's long-term incentive compensation program for executive officers included two components: (1) cash payments based on Alltel's performance relative to

pre-established long-term Company performance criteria under Alltel's Long-Term Performance Incentive Compensation Plan (the "Long-Term Incentive Plan"), and (2) equity-based awards under Alltel's equity incentive plans. The Committee believed that Alltel's long-term incentive compensation program focused the executive's attention on long-term strategic planning objectives and promoted long-term stockholder value. The Committee established long-term incentive levels based on the executive's direct impact on the success of the Company, by considering recommendations by the Chief Executive Officer and Corporate Human Resources, and by considering the total direct compensation levels (defined as base salary plus short-term and long-term incentive compensation) for corresponding officer positions among companies in the Comparison Group, focusing on the 60th percentile of company-size adjusted levels. The portion of long-term incentive awards delivered as cash was determined by placing approximately equal weight on long-term financial results as placed on short-term financial results through the annual incentive program. By using the 60th percentile for performance-based pay, the Committee believed the Company encouraged and recognized the achievement of objectives while reflecting stockholder interests.

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Cash Incentives

The cash-based portion of a Named Executive Officer's long-term incentive opportunity prior to the Merger was payable under the Long-Term Incentive Plan. Under the Long-Term Incentive Plan, Alltel's Named Executive Officers had the opportunity to receive cash incentive payments based on the extent to which the Company attained certain performance goals during a performance period, which the Committee historically defined as a three-year cycle. Performance measures were recommended to the Committee based on the relative importance of performance on these measures to the overall performance of the Company. For the period 2007-2009, the Committee selected earnings per share as the performance measure upon which long-term cash incentives were based. Earnings per share growth was a critical measure and determinant of both short-term and long-term success of the Company, as well as a key driver of stockholder value. Together with the annual incentive performance measures, equal weight was given to short-term and long-term performance goals. After selecting the performance measure, the Committee selected threshold, target and maximum performance levels upon which incentive payments were based after reviewing recommendations from the Chief Executive Officer and Alltel's Corporate Human Resources Department. Generally, no incentives were paid under the Plan unless the Company achieved the threshold amount. The Committee could recommend to the full Board, however, that incentives be awarded notwithstanding that the Company failed to achieve the threshold amount. Since inception of the Plan, no incentives have been paid unless the Company achieved the threshold performance measure amount. If the Company's earnings per share was greater than the threshold level but less than the target level, participants received a prorated percentage of their target bonus opportunity based on where the actual earnings per share fell between the threshold and target levels. If the target earnings per share amount was achieved, participants in the plan received their target bonus opportunity. If the Company's earnings per share was greater than the target level but less than the maximum level, participants received a prorated percentage of their maximum incentive opportunity based on where actual earnings per share fell between the target and maximum amounts. If the maximum earnings per share was achieved, participants in the Plan received 100% of their maximum bonus opportunity. Normally, these amounts were not subject to individual adjustment.

The Committee believed that the specific earnings per share objectives were consistent with the Committee's philosophy for establishing performance objectives. Generally the Committee established performance objectives at levels it believed (i) were attainable but not assured, (ii) will adequately motivate executives to achieve such objectives, and (iii) would reflect increasing value to stockholders over the long-term. The earnings per share objectives for the 2007 – 2009 performance period for threshold, target and maximum performance levels were average three year earnings per share amounts of $2.43, $2.67 and $2.93, respectively. The table below sets forth the threshold, target and maximum long-term incentive cash levels, expressed as a percentage of base salary, for awards received by each Named Executive Officer under the Long-Term Incentive Plan in 2007.

	Long-Term Cash Opportunity for 2007 Awards as a Percentage of Base Salary		
Named Executive Officer	Threshold	Target	Maximum
Scott T. Ford	65.0%	130.0%	195.0%
Sharilyn S. Gasaway	37.5%	75.0%	112.5%

Jeffrey H. Fox	50.0%	100.0%	150.0%
Richard N. Massey	50.0%	100.0%	150.0%
C.J. Duvall	37.5%	75.0%	112.5%
Kevin L. Beebe	50.0%	100.0%	150.0%

There were no changes to award opportunities in 2007 as expressed as a percentage of salary. As salaries increase however, this drives proportionate increases in long-term incentive opportunities. Any increase in award opportunity, as expressed as a percentage of salary, generally reflects significant changes in a Named Executive Officer's responsibilities or a significant change in incentive levels among the Comparison Group. All changes to incentive opportunities must be approved by the Compensation Committee and are generally recommended by the Chief Executive Officer.

In connection with the Merger and pursuant to the terms of each Named Executive Officer's change in control agreement, the long-term incentive cash awards held by our Named Executive Officers for the 2005-2007, 2006-2008 and 2007-2009 performance cycles were paid-out. These awards were calculated based on maximum performance, as defined in their change in control agreements and the resulting amounts were (i) paid in full for the 2005-2007 performance cycle and (ii) prorated for the 2006-2008 and 2007-2009 performance cycles based on the period of time between the first day of the applicable performance cycle and December 31, 2007. For Mr. Beebe, proration of all three grants was based on employment through November 16, 2007. For the amount of long-term incentive compensation paid to our Named Executive Officers during 2007, refer to the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table on page 33.

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Equity Incentives

Prior to the Merger, Alltel maintained certain equity incentive plans that allowed Alltel's executive officers and other management personnel to receive restricted stock, options to purchase shares of Common Stock and other equity incentives. Historically, Alltel granted only options and restricted stock under its equity incentive plans. The Committee believed that stock option and restricted stock awards encouraged and rewarded effective management, assisted in the retention of valued executive officers and aligned stockholder and management interests by focusing executives on creating long-term value.

For administrative reasons, Alltel generally granted equity awards twice a year: in January, to executives and management above a designated employee grade level, including the Named Executive Officers, and in April, to operations personnel. All stock options were deemed granted on the date the Committee approved the grant, subject to the recipient promptly executing all required documentation, and were granted with a per share exercise price equal to the closing market price of a share of Alltel Common Stock on the date of grant. Options granted in 2007 were scheduled to vest in five equal annual increments during which the executive officer continued to be employed by Alltel, beginning on the one-year anniversary of the grant date. All restricted stock awards, which were issued only to executive officers and designated management personnel, including the Named Executive Officers, were deemed issued on the date the Committee approved the award, subject to the recipient promptly executing all required documentation. Alltel's 2007 restricted stock awards were scheduled to vest in three equal annual installments during which the recipient continued to be employed by Alltel, beginning on the one-year anniversary of the grant date. Dividends were paid on outstanding restricted shares.

The Committee determined the number of options and restricted stock awards granted to each Named Executive Officer by first considering the overall level of long-term incentive compensation, as described above under the caption "Pre-Merger Long-Term Incentive Compensation", and then allocating that amount between long-term cash incentives and equity incentives. For stock options and restricted stock awards, the Committee allocated the awards in a manner that generally provided for approximately equal values of each (for this purpose, options were ascribed value based on the Black Scholes option valuation methodology). For the number of stock options and restricted shares granted to each Named Executive Officer in 2007, refer to the Grants of Plan-Based Awards Table on page 38.

Pursuant to the terms of the Merger agreement, each Alltel stock option that was outstanding immediately prior to closing of the Merger was canceled (other than the Roll-Over Options described below), with the holder of each option becoming entitled to receive for each share subject to the option, an amount in cash equal to the excess, if any, of $71.50 over the exercise price per share of stock subject to the option. In addition, the Merger agreement provided that each Alltel restricted share outstanding immediately before closing vested and was converted at closing into the right to receive $71.50 in cash.

Post-Merger Equity Incentives. Upon closing of the Merger, the post-Merger Board of Directors replaced Alltel's existing equity incentive plans with the 2007 Stock Option Plan. This plan provides for the award of stock options with respect to up to 6.5% of our stock on a fully diluted basis. Following the Merger and the approval of the 2007 Stock Option Plan, Alltel granted time-based and performance-based options to certain executive officers, including the Name Executive Officers, other than Mr. Beebe. Approximately 69% of the equity awards granted to each executive vest based on employment continually through the vesting period by the optionee, and approximately 31%

vest through the attainment of company-based performance goals. The time-based options vest over a 5-year period (vesting 20% on each anniversary of the grant date) and are intended to enable greater leverage in retaining seasoned executives critical to the future success of the Company. The performance-based options seek to align the efforts and interests of the executives with those of the stockholders by rewarding executives if the value of the company measured by investment returns achieved by stockholders increases by certain threshold amounts. The event in which such a return is achieved occurs when control is transferred to new owners. By requiring that options be held until such a transaction occurs, the options also encourage retention of critical executives until stockholders are able to realize these returns. Each performance-based option vests and becomes exercisable (i) upon the Sponsors attaining a multiple of their equity investment calculated as cash or liquid securities received, divided by the purchase price and (ii) subject to the optionee's employment on the date the performance condition is met. Of the Performance Options granted to each Named Executive Officer in 2007, one-half require a return multiple of at least 1.5 and one-half require a return multiple of at least 2.0.

In addition, at the closing of the Merger, Messrs. Ford, Fox, Duvall, Massey and Ms. Gasaway, along with certain other members of Alltel's management team, exchanged a portion of their vested stock options for fully vested options to purchase post-Merger shares of Alltel common stock in lieu of receiving the cash-out payments described above. We refer to these options as the "Roll-Over Options." Refer to the Outstanding Equity Awards at Fiscal Year-End table on page 42 for more information about the Roll-Over Options and refer to the Grants of Plan Based Awards table for more information on the stock options granted under the 2007 Stock Option Plan.

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Retirement and Welfare Benefits. The Company provides qualified and non-qualified retirement plan benefits and welfare benefits to the Named Executive Officers. The Named Executive Officers participate in the same tax-qualified retirement and welfare plans as the Company's other employees. The Named Executive Officers also receive supplemental retirement and welfare benefits through the Company's non-qualified deferred compensation arrangements. The Company believes these benefits are a basic component in retaining executives. Alltel's retirement and welfare benefits include the following:

- Qualified Retirement Plan Arrangements. The Alltel 401(k) Plan and Alltel Profit Sharing Plan generally have been available to all employees of the Company. The Alltel Pension Plan was generally available to all employees prior to the closing of participation on December 31, 2005. These plans are qualified retirement plans that provide a retirement benefit on a tax-deferred basis and the Named Executive Officers are generally eligible to participate in these plans upon satisfying the plans' eligibility requirements. Neither the Alltel 401(k) Plan, Alltel Profit Sharing Plan nor Alltel Pension Plan were impacted as a result of the Merger and all of these plans remain generally available to all employees of the Company, including the Named Executive Officers. The benefits provided to the Named Executive Officers through the Alltel Pension Plan are described in the Pension Benefits Table on page 45.

- Non-qualified Retirement Plan Arrangements. Messrs. Ford, Fox, Massey, Beebe and Ms. Gasaway are eligible for non-qualified executive retirement benefits through the Alltel Benefit Restoration Plan and prior to the Merger were eligible for benefits under the Alltel Supplemental Executive Retirement Plan (the "SERP"). These benefits were intended to provide retirement benefits on a tax-deferred basis in excess of the benefits provided under the Company's qualified retirement plans and an additional health and welfare benefit, as described on page 47 under the caption "Alltel Corporation Supplemental Executive Retirement Plan." The Committee targeted these non-qualified retirement benefits at between 40% and 60% of the executive's current compensation at retirement when combined with other retirement benefits. The Committee believed that such an overall retirement benefit was appropriate and necessary to assist in assuring the retention of the Named Executive Officers. Following the Merger, the Named Executive Officers remain eligible for non-qualified retirement benefits through the Alltel Benefit Restoration Plan. For a description of these benefits and how they were treated in connection with the Merger, please see the narrative to the Pension Benefits table on page 46. The SERP was terminated in connection with the Merger and a cash payment was made to participants for consideration of their accrued benefit as if they had terminated employment after the change in control. This payment was made to encourage executives to remain employed in their current positions and to remove any incentive they might have for greater benefits by terminating after a change in control.

- Deferred Compensation Arrangements. The Named Executive Officers are eligible to defer a portion of their current compensation under a non-qualified deferred compensation arrangement provided by the Company. This benefit is provided to the Company's executive management personnel, including the Named Executive Officers, and is intended to allow participants to defer compensation in excess of Internal Revenue Service ("IRS") deferral limits under qualified deferred compensation arrangements. These benefits are provided through the Alltel Benefit Restoration Plan and the Alltel 1998 Management Deferred Compensation Plan, which are further described in the narrative to the Non-Qualified Deferred Compensation table on page 47. The Chief Executive Officer designates participants for the 1998 Deferred Compensation Plan, while the Chief Executive Officer or the Committee may designate participants for the Benefit Restoration Plan. Additionally, Mr. Beebe earned interest on frozen accruals credited to the 360 Communications Deferred Compensation Plan and the 360 Communications Retirement Savings

Restoration Plan.

- Employee Stock Purchase Plan. Prior to the Merger, the Alltel Employee Stock Purchase Plan was generally available to all employees. This plan provided employees with an opportunity to acquire an ownership interest in the Company through a payroll deduction program. The Alltel Employee Stock Purchase Plan was terminated in connection with the Merger.

- Active and Post-Retirement Health Benefits. While they are active employees, the Company provides the Named Executive Officers a $3,000 annual supplemental health benefit, in addition to the same health and welfare benefits provided generally to all other employees of the Company at the same general premium rates as charged to such employees. Prior to the Merger, the Company provided a post-retirement health and welfare benefit under the Supplemental Executive Retirement Plan, as described on page 47. The Supplemental Executive Retirement Plan was terminated in connection with the Merger, and the health and welfare benefit was converted into a right to receive a cash equivalent payment upon termination based on an actuarial calculation described on page 51.

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Perquisites. Alltel provides executive officers with other benefits, such as physical exam expense reimbursement, and aircraft utilization that the Company believes is reasonable. Under the Company policy only certain Named Executive Officers are generally permitted to utilize the aircraft. The Company believes that these personal benefits provide executives with benefits comparable to those they would receive at other companies within the Comparison Group and that are necessary for Alltel to remain competitive in the marketplace. The Committee periodically reviews the personal benefits provided to the executive officers. The perquisites offered to Alltel's Named Executive Officers are described in the "All Other Compensation" column of the Summary Compensation Table on page 33.

Agreements

The only Named Executive Officer subject to an individual employment agreement with Alltel, prior to the Merger, was Scott Ford, Alltel's President and Chief Executive Officer. Mr. Ford's agreement would have expired on December 31, 2007, however, it was replaced by a new employment agreement at the time of the Merger. Each of the other Named Executive Officers, including Mr. Ford and other executives of the Company, were parties to Change in Control Agreements (described below) prior to the Merger.

Change in Control Agreements. Prior to the Merger, Alltel had entered into change in control agreements with its executive officers and other key employees, including the Named Executive Officers, under which each such officer and employee was entitled to certain payments and benefits if a change in control occurred and the executive's employment terminated under certain circumstances following such change in control. The Change in Control Agreements were entered into in May 2006, and were executed prior to the Merger and prior to any discussion of the Merger. The Change in Control Agreements were designed to encourage the executive's full attention and dedication to the Company in the event of any threatened or pending change in control. The Change in Control Agreements for Messrs. Ford, Fox, Massey, Beebe and Ms. Gasaway had ten-year terms, and the Change in Control Agreement for Mr. Duvall had a three-year term, all of which extended for an additional year on each anniversary of the first day of their terms, unless Alltel provided an executive with notice not to extend. If a change in control occurred during the term of a Change in Control Agreement, then the Agreement became operative for a fixed three-year period and superseded any other employment agreement between the executive and Alltel. Each Change in Control Agreement provided generally that the executive's terms and conditions of employment, including position, location, and compensation and benefits, would not be adversely changed during the three-year period after a change in control. If the executive's employment was terminated by the Company other than for "cause", death or disability or if the executive resigned for "good reason," as defined in the Change in Control Agreements, during this three-year period or upon certain terminations in connection with or in anticipation of a change in control or if Messrs. Ford, Fox, Massey, Beebe and Ms. Gasaway resigned for any reason during the 90-day period commencing on the first anniversary of a change in control, the executive generally would be entitled to receive the payments and benefits provided for under the Change in Control Agreements. The benefit levels generally included a multiple of base salary and incentives, along with continued welfare benefits. Because base salary and incentives are included in a Named Executive Officer's severance benefit calculation under the Change in Control Agreements, adjustments to a Named Executive Officer's base salary and annual incentives had an impact on the amount of his or her severance benefits under the Change in Control Agreements.

The Change in Control Agreements allowed a Named Executive Officer to receive all payments and benefits under the Agreement if a qualifying termination occurred within three years, including a voluntary termination for Good Reason

(or, generally, for any reason within the 90 day period following the first anniversary of the change in control). However, the Committee determined that the continued leadership of these executives was deemed critical to the future success of the Company. Accordingly, the Committee decided to encourage each Named Executive Officer to remain employed by the Company by paying each of them an amount similar to, but less than, the full value they would have received if his or her employment had terminated. These payments were made in exchange for cancellation of the Change in Control Agreements and adoption of new employment agreements (described below) which contain fewer entitlements and require new contractual provisions such as non-compete clauses. The amount paid to each executive is reported under the "Total Payments in Connection with Merger" column of the Merger Related Payments Table and in the Summary Compensation Table under the "All Other Compensation" column.

Item 11. Executive Compensation (Continued)

Employment Agreements. In connection with the Merger, Alltel entered into employment agreements with certain executives, including Messrs. Ford, Fox, Massey and Duvall and Ms. Gasaway. These agreements were intended to provide the Named Executive Officers with certain protections regarding the terms of their employment while maintaining the Company's interest in utilizing confidentiality, non-compete and non-solicitation covenants. Pursuant to these employment agreements, each Named Executive Officer will continue to act in positions of equal or greater responsibility than he or she held during the six months preceding the closing date of the Merger for a three-year employment term renewable annually unless terminated by either party in accordance with the terms of their respective employment agreement. Each Named Executive Officer is entitled to the same annual base salary as that in effect during the six months preceding the closing date of the Merger, together with annual salary reviews. The Named Executive Officers also will be eligible to participate in the Alltel Performance Incentive Compensation Plan which entitles each executive to a cash bonus based on achievement of performance targets in a given year and will participate in the Alltel Special Annual Bonus Plan, which permits the executives to share in certain payments by Alltel under the management agreement with the sponsors. Executives will also be eligible to receive grants under the 2007 Stock Option Plan. The employment agreements contain non-compete and confidentiality covenants. The non-compete period is two years.

If, after November 16, 2010, an executive is terminated by Alltel without "cause" or if any of the executives terminate his or her employment for "good reason," each as defined in the relevant employment agreement, the executive will be entitled to a lump-sum payment equal to his or her base salary for the remainder of the employment term (or one year if greater) and a pro rata portion of any bonuses he or she has earned. "Cause" is defined generally as a willful failure of the executive to perform their duties or as engaging in illegal or gross misconduct that damages the Company. "Good reason" generally means a material reduction in the executive's duties, failure by the Company to compensate or provide benefits for the executive, moving the executive's primary work location more than 50 miles from their immediate work location or resignation for any reason during the 90 day period following the first anniversary of a change in control for Messrs. Ford, Fox, Massey and Ms. Gasaway. The employment agreements and 2007 Stock Option Plan also include provisions triggered by a qualifying change in control, including accelerated vesting of options in certain circumstances. A qualifying change in control generally means the acquisition of 50% of the combined voting power of the Company, a merger where 50% of the combined voting power changes hands or a stockholder vote approving the liquidation or dissolution of the Company. Employment Agreements are further described in the "Employment Agreements" section on page 49.

Management Stockholder Agreements. The Named Executive Officers are also party to management stockholder agreements containing the agreements among the parties with respect to restrictions on the transfer of shares, including tag-along and drag-along rights and registration rights. Alltel has a right allowing the Company, upon termination of a Named Executive Officer for any reason, to purchase shares from the Named Executive Officer at fair market value or, if such executive is terminated for Cause or violates the non-compete provision of the agreement following a voluntary resignation with Good Reason, at the lesser of fair market value and the price paid, if any, by such executive for all shares acquired through the exercise of options, with the exception of shares received upon the exercise of Roll-Over Options. In addition to the foregoing and in certain circumstances, which are in the Company's control, Mr. Scott Ford has a put right which allows him, upon termination due to death or disability, termination without Cause or termination for Good Reason, to sell his shares and vested equity options to Alltel at fair market value.

The Named Executive Officers have the right to request a re-determination of the fair market value of the Company's shares with respect to the exercise of call rights and put rights if the otherwise applicable determination of fair market value was more than six months prior to the date upon which such right is exercised.

Section 162(m) Philosophy

Prior to the Merger, Alltel was subject to Section 162(m) of the Internal Revenue Code. Section 162(m) generally does not allow a deduction for annual compensation in excess of $1,000,000 paid to certain officers. This limitation on deductibility does not apply to certain compensation, including compensation that is payable solely on account of the attainment of one or more performance goals. Accordingly, prior to the Merger, the Committee's policy was generally to preserve the federal income tax deductibility of compensation and to qualify eligible compensation for the performance-based exception in order for compensation not to be subject to the limitation on deductibility imposed by Section 162(m) of the Internal Revenue Code. As a result, the Committee structured the annual cash-based incentive, the long-term cash-based incentive and the stock options to comply with the performance-based compensation exception. Because Section 162(m) no longer applies to the Company as a result of the Merger, all compensation attributable to 2007 is fully deductible for federal income tax purposes.

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Item 11. Executive Compensation (Continued)

Compensation of Named Executive Officers

Summary Compensation

The following table shows the compensation earned in 2006 and 2007 by Alltel's Chief Executive Officer and Chief Financial Officer, Alltel's other three most highly compensated executive officers who were serving as executive officers on December 31, 2007, and Mr. Beebe, who would have been among the three most highly compensated executive officers in 2007 had he not terminated employment in connection with the Merger. These individuals are referred to collectively in this Annual Report on Form 10-K as our Named Executive Officers.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus (1)	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation (4)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (5)	All Other Compensation (6)	Total
Scott T. Ford	2007	$ 1,228,846	--	$ 2,981,063	$ 6,628,073	$ 7,488,975	$ 758,082	$ 108,638,494	$ 127,723
President and Chief Executive Officer	2006	$ 971,154	--	$ 1,770,188	$ 2,549,885	$ 4,427,692	$ 3,036,720	$ 1,360,131	$ 14,115
Sharilyn S. Gasaway	2007	$ 395,615	$ 1,000,000	$ 1,478,475	$ 2,407,663	$ 1,408,666	$ 4,715	$ 29,990,600	$ 36,685
Executive Vice President – Chief Financial Officer	2006	$ 362,693	--	$ 588,125	$ 404,898	$ 743,677	$ 415,117	$ 358,390	$ 2,872
Jeffrey H. Fox	2007	$ 696,808	--	$ 2,168,046	$ 4,181,201	$ 3,168,381	$ 722,703	$ 48,416,546	$ 59,353
Chief Operating Officer	2006	$ 673,077	--	$ 1,296,754	$ 1,492,383	$ 2,151,441	$ 2,528,683	$ 912,580	$ 9,054
Richard N. Massey	2007	$ 516,154	$ 1,000,000	$ 1,591,988	$ 2,114,110	$ 2,343,338	$ 20,490	$ 43,276,363	$ 50,862
Chief Strategy Officer and	2006	$ 490,384	---	$ 474,872	$ 218,222	$ 1,625,913	$ 9,852	$ 280,430	$ 3,099

General Counsel									
C. J. Duvall, Executive Vice President, Human Resources	2007	$ 325,177	$ 1,000,000	$ 1,035,481	$ 1,035,384	$ 1,011,613	$ 171,887	$ 4,999,280	$ 9,578
Kevin L. Beebe	2007	$ 629,632	--	$ 2,168,046	$ 3,944,371	$ 2,797,057	$ 90,932	$ 51,411,004	$ 61,041
Group President	2006	$ 673,077	--	$ 1,296,754	$ 1,492,383	$ 2,151,441	$ 2,186,557	$ 942,961	$ 8,743

(1) This column shows bonuses awarded to Ms. Gasaway, Mr. Massey, and Mr. Duvall at the discretion of the Chief Executive Officer for the officers' efforts in connection with the Merger.

(2) This column shows the aggregate dollar amount of compensation cost recognized for financial statement reporting purposes for the fiscal years ending December 31, 2007 and 2006, in accordance with Statement of Financial Accounting Standards No. 123 Revised, "Share-Based Payment" ("FAS 123R"), for outstanding restricted stock awards (whether or not granted during the year), except that the amount presented for 2006 differs from the actual amount of compensation expense recognized for financial statement purposes in that it has not been reduced for estimated pre-vest forfeitures. Because the awards have vesting conditions, compensation costs are recognized over multiple years. As a result, the amount in this column reflects the FAS 123R compensation costs of awards granted in years prior to 2007 and in 2007. Additional assumptions made in the valuation and expensing of these awards are set forth in footnote 9 to Alltel's Consolidated Financial Statements for the fiscal year ended December 31, 2007, included in this Annual Report on Form 10-K.

For information on the restricted stock awards granted to the Named Executive Officers in 2007, refer to the Grants of Plan-Based Awards table on page 38. For information on restricted stock awards held by the Named Executive Officers that were cashed-out in connection with the Merger, refer to the Option Exercises and Stock Vested table on page 43.

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Item 11. Executive Compensation (Continued)

(3) This column shows the aggregate dollar amount of compensation cost recognized for financial statement reporting purposes for the fiscal years ending December 31, 2007 and 2006, in accordance with FAS 123R, for outstanding stock option awards (whether or not granted during the year), except that the amount presented for 2006 differs from the actual amount of compensation expense recognized for financial statement purposes in that it has not been reduced for estimated pre-vest forfeitures. Because the awards have vesting conditions, compensation costs are recognized over multiple years. As a result, the amount in this column reflects the FAS 123R compensation cost of awards granted in years prior to 2007 and in 2007. Additional assumptions made in the valuation and expensing of these awards are set forth in footnote 9 to Alltel's Consolidated Financial Statements for the fiscal year ended December 31, 2007, included in this Annual Report on Form 10-K.

For information on options granted to the Named Executive Officers in 2007, refer to the Grants of Plan-Based Awards table on page 38. For information on the number of outstanding options held by the Named Executive Officers as of December 31, 2007, refer to the Outstanding Equity Awards at Fiscal Year-End table on page 42. For information on options held by the Named Executive Officers that were cashed-out in connection with the Merger, refer to the Option Exercises and Stock Vested table on page 43.

(4) This column shows the sum of the awards earned by our Named Executive Officers during 2007 and 2006 under the Performance Incentive Compensation Plan and the Long-Term Performance Incentive Compensation Plan. The separate values for each award for 2007 are set forth in the table below. For information on the structure of Alltel's Performance Incentive Compensation Plan and Long-Term Performance Incentive Compensation Plan, refer to the Compensation Discussion and Analysis portion of this report, beginning on page 23.

Name	Annual Incentive Cash Award (i)	Long-Term Incentive Cash Award for the 2005-2007 Cycle (ii)	Long-Term Incentive Cash Award for the 2006-2008 Cycle (ii)	Long-Term Incentive Cash Award for the 2007-2009 Cycle (ii)	Total
Scott T. Ford	$ 3,250,000	$ 1,720,225	$ 1,679,167	$ 839,583	$ 7,488,975
Sharilyn S. Gasaway	$ 636,400	$ 309,882	$ 308,256	$ 154,128	$ 1,408,666
Jeffrey H. Fox	$ 1,397,250	$ 688,262	$ 721,913	$ 360,956	$ 3,168,381
Richard N. Massey	$ 1,035,000	$ 506,213	$ 534,750	$ 267,375	$ 2,343,338
C. J. Duvall	$ 391,230	$ 241,379	$ 252,669	$ 126,335	$ 1,011,613
Kevin L. Beebe	$ 1,224,986	$ 610,265	$ 655,559	$ 306,247	$ 2,797,057

(i) This column reflects the annual incentive cash award earned by our Named Executive Officers under the Performance Incentive Compensation Plan for 2007. As a result of the Merger, these awards were calculated and paid assuming maximum performance.

(ii) These columns reflect the long-term incentive cash awards earned by our Named Executive Officers under the Long-Term Performance Incentive Compensation Plan for the 2005-2007, 2006-2008 and 2007-2009 performance cycles. As a result of the Merger, these awards were calculated based on

maximum performance, as required and defined under the pre-Merger Change in Control Agreements and the resulting amounts were (i) paid in full for the 2005-2007 performance cycle and (ii) prorated for the 2006-2008 and 2007-2009 performance cycles based on the period of time between the first day of the applicable performance cycle and December 31, 2007. With respect to Mr. Beebe, his long-term cash incentive awards were prorated through his termination date.

(5) This column shows the sum of the following:

(i) The increase from December 31, 2006 through December 31, 2007 (the measurement date used for reporting purposes in Alltel's Annual Report on Form 10-K for the year ended December 31, 2007) in the present value of the accumulated benefits under the Pension Plan and Benefit Restoration Plan (assumptions are based upon (A) 1994 Group Annuity Mortality for males and females as of December 31, 2006 and the RP-2000 Combined Healthy Lives table (projected to 2008) as of December 31, 2007; (B) a 5.94% discount rate at December 31, 2006 and a 6.55% discount rate at December 31, 2007; (C) the Named Executive Officer working until his or her retirement age as explained in the narrative under Pension Benefits on page 46; and (D) each Named Executive Officer being married). See the "Pension Benefit" section for information regarding the supplemental retirement portion of the SERP, which was cashed-out as a result of the Merger; and

(ii) The above-market earnings on compensation deferred under Alltel's deferred compensation arrangements.

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Item 11. Executive Compensation (Continued)

The separate values for each Named Executive Officer are set forth in the table below. For information on Alltel's defined benefit plans, refer to the "Pension Benefits" section on page 45. For information on Alltel's deferred compensation arrangements, refer to the "Non-Qualified Deferred Compensation" section on page 47.

Name	Change in Pension Value (a)	Above-Market Earnings under the 1998 Management Deferred Compensation Plan (b)	Total
Scott T. Ford	$ 667,578	$ 90,504	$ 758,082
Sharilyn S. Gasaway	$ 0	$ 4,715	$ 4,715
Jeffrey H. Fox	$ 343,726	$378,977	$ 722,703
Richard N. Massey	$ 0	$ 20,490	$ 20,490
C. J. Duvall	$ 135,996	$ 35,891	$ 171,887
Kevin L. Beebe	$ 0	$ 90,932(c)	$ 90,932

(a) A negative Change in Pension Value is reported as a $0 amount in this column. Ms. Gasaway and Mr. Beebe had decreases in pension value of $10,437 and $306,259, respectively. Mr. Massey is not a participant in either the Pension Plan or the pension portion of the Benefit Restoration Plan and therefore there is no change to report.

(b) The amount in this column represents the excess of (a) earnings on compensation deferred under the 1998 Management Deferred Compensation Plan at a rate of 10.25% pre-Merger and 9.25% post-Merger, compounded annually, over (b) 120% of the applicable federal long-term rate, compounded annually.

(c) Mr. Beebe also has above-market earnings on compensation deferred under the 360° Communications Company Benefit Restoration Plan and the 360° Communications Company Deferred Compensation Plan, adopted by Alltel upon its merger with 360° Communications Company on July 1, 1998. Mr. Beebe's above market earnings for these plans is $9,829 which is included in this amount.

(6) The following is a summary of the separate components included in the All Other Compensation column. The components are set forth in three separate tables, based on the nature of the payment. The first table shows the perquisites for each Named Executive Officer, the second table shows the financial and defined contribution retirement benefits provided to each Named Executive Officer, and the third table shows the payments received by each Named Executive Officer in connection with the Merger.

Perquisites. The following table shows the perquisites provided to each Named Executive Officer.

	Perquisites		
Name	Aircraft (i)	Executive Physical (ii)	Total Perquisites
Scott T. Ford	$ 119,670	*	$ 120,571
Sharilyn S. Gasaway	$ 16,901	--	$ 16,901
Jeffrey H. Fox	$ 58,958	--	$ 58,958

Richard N. Massey	$	92,941	*	$	93,934
C. J. Duvall (iii)		--	--		--
Kevin L. Beebe	$	175,063	*	$	176,026

* Value attributable to executive is less than the greater of $25,000 or 10% of total perquisites.

(i) This column shows the estimated incremental cost to Alltel in 2007 of providing personal use of company-owned aircraft under Alltel's policy. Amounts reflect an hourly rate that is based upon the 2007 direct and incremental expenses (including fuel, maintenance, landing fees, other associated fees and charter fees), multiplied by the number of flight hours the executive used during the year on the respective aircraft. Each officer pays the required taxes on the taxable income imputed for personal usage of corporate aircraft.

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Item 11. Executive Compensation (Continued)

(ii) This column reflects amounts paid for executive physicals, which are not specifically stated because the amount is less than the greater of $25,000 or 10% of total perquisites.

(iii) The aggregate value of all perquisites attributable to Mr. Duvall is less than $10,000.

Financial and Defined Contribution Retirement Benefits. The following table shows the financial and defined contribution retirement benefits provided to each Named Executive Officer.

Name	Company Contribution to the Profit Sharing Plan (i)	Company Contribution to the 401(k) Plan (ii)	Benefit Restoration Plan Profit Sharing Credit (iii)	Benefit Restoration Plan Matching Credit (iv)	Restricted Stock Dividends for Unvested Shares (v)	Total Financial and Defined Contribution Retirement Benefits
Scott T. Ford	$ 4,500	$ 9,000	$ 245,625	$ 491,250	$ 35,417	$ 785,792
Sharilyn S. Gasaway	$ 4,500	$ 9,000	$ 43,499	$ 86,998	$ 13,906	$ 157,903
Jeffrey H. Fox	$ 4,500	$ 9,000	$ 109,083	$ 218,165	$ 25,781	$ 366,529
Richard N. Massey	$ 4,500	$ 9,000	$ 80,208	$ 160,416	$ 12,750	$ 266,874
C. J. Duvall	$ 4,500	$ 9,000	$ 32,210	$ 64,419	$ 12,406	$ 122,535
Kevin L. Beebe	--	$ 9,000	--	$ 126,433	$ 25,781	$ 161,214

(i) This column shows the amount of all profit sharing contributions made for 2007 under the Alltel Corporation Profit Sharing Plan on behalf of each of the Named Executive Officers.

(ii) This column shows the amount of all matching contributions made for 2007 under the Alltel Corporation 401(k) Plan on behalf of each of the Named Executive Officers.

(iii) Each of the Named Executive Officers is eligible to participate in the profit sharing component of the Benefit Restoration Plan. This column shows the annual credit to each Named Executive Officer's profit sharing account under the Benefit Restoration Plan for 2007.

(iv) Each of the Named Executive Officers is eligible to participate in the 401(k) plan component of the Benefit Restoration Plan. This column shows the annual credit to each Named Executive Officer's 401(k) plan account under the Benefit Restoration Plan for 2007.

(v) This column reflects cash dividends paid on shares of Alltel restricted stock during 2007.

Merger Related Payments. The following chart shows certain cash payments received by or paid on behalf of each Named Executive Officer in connection with the Merger.

Name	Payout Subject	Merger Related Payments Attributable Tax	Payout of SERP (iii)	Vesting of SERP	Total Payments	All Other

	to Change in Control Agreement (i)	Payment (ii)		Health and Dental Benefits (iv)	in Connection with Merger (v)	Compensation (vi)
Scott T. Ford	$ 25,203,223	$ 30,863,052	$ 51,665,856	--	$ 107,732,131	$ 108,638,494
Sharilyn S. Gasaway	$ 5,299,980	$ 10,695,754	$ 12,242,829	$ 1,577,233	$ 29,815,796	$ 29,990,600
Jeffrey H. Fox	$ 11,419,301	$ 12,998,343	$ 23,573,415	--	$ 47,991,059	$ 48,416,546
Richard N. Massey	$ 8,881,076	$ 15,229,657	$ 17,671,522	$ 1,133,300	$ 42,915,555	$ 43,276,363
C. J. Duvall	$ 2,501,796	$ 2,374,949	--	--	$ 4,876,745	$ 4,999,280
Kevin L. Beebe	$ 11,787,604	$ 13,153,473	$ 26,132,687	--	$ 51,073,764	$ 51,411,004

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Item 11. Executive Compensation (Continued)

(i) This column shows the amount of payments made to Messrs. Ford, Fox, Massey, Beebe and Ms. Gasaway for their change in control agreements, which consisted of a payment equal to three (3) times the sum of their annual base salary at the time of the Merger plus their maximum short-term incentive plus their maximum long-term incentive bonus both as defined and required by their Change in Control Agreements, and reflects the enhanced value of the SERP and pension due to 3 years additional service credit, as well as payment equivalent to 3 years of Company contributions to defined contribution plans. For Mr. Duvall, this column reflects payments equal to two (2) times the sum of his annual base salary at the time of Merger plus his maximum short-term incentive plus his maximum long-term incentive bonus both as defined and required by his change in control agreement, and reflects enhanced value of his pension due to 2 years additional service credit, as well as payment equivalent to 2 years of Company contributions to defined contribution plans.

(ii) This column shows the amount of the tax gross-up paid by the Company on behalf of the Named Executive Officer to federal, state and local taxing entities to cover the executive's cost of taxes related to Internal Revenue Code provisions 280G and 4999 as well as income taxes related to this gross up. The tax gross-up was provided pursuant to the terms of the pre-Merger Change in Control Agreements.

(iii) In connection with the Merger, each of Messrs. Ford, Fox, Massey, Beebe and Ms. Gasaway elected to receive a lump sum payment of his or her accrued SERP benefit, as agreed on November 15, 2007, and payable on January 2, 2008. These payments completely discharged Alltel's obligation with respect to SERP benefits (other than lifetime health and dental benefits) that accrued during their tenure with the Company. Of the total amount listed above, the following amounts were earned and accrued prior to 2007, and therefore represent compensation for prior years: Mr. Ford - $16,847,270, Ms. Gasaway - $1,960,896, Mr. Fox – $10,238,536, and Mr. Beebe - $11,218,949. For Mr. Beebe, the amount in the above column includes an additional payment to cash-out the lifetime health and dental benefits available under the SERP.

(iv) This column shows the value realized from vesting of SERP health and dental benefits for Ms. Gasaway and Mr. Massey (assuming a termination on December 31, 2007). This amount is calculated using a discount rate of 6.51%, the Sex-distinct 1994 Group Annuity Mortality Table, medical and dental trend increase of 9% in 2008 and decreasing to 5% in 2014. Costs include spouse for life and dependent children to age 23. The amount shown also includes an income tax gross up, as provided for under the terms of the SERP, of $685,308 for Ms. Gasaway and $492,419 for Mr. Massey, based on a tax rate of 43.45%.

(v) In connection with the Merger, but not included in this table, all outstanding stock options (other than Roll-Over options held by select management employees) became fully vested and converted into the right to receive a cash payment equal to the number of shares underlying the option, multiplied by the amount, if any, by which the Merger consideration of $71.50 per share exceeded the option exercise price. In addition, all unvested restricted stock awards became fully vested and were converted into the right to receive a cash payment equal to $71.50 per share. Pursuant to the applicable disclosure rules, we are required to report equity awards in the Stock Awards and Option Awards columns of the Summary Compensation Table based on the dollar amount recognized for financial accounting purposes in 2007. In order to avoid "double counting" of payments and benefits received by our Named Executive Officers, this Merger Related Payments table does not reflect the amounts paid to cash-out these equity awards. Accordingly, refer to the Option Exercises and Stock Vested at Fiscal Year End table on page 43 for a complete summary of the amount received by each Named Executive Officer in connection with the cash-out of

equity awards.

(vi) This column reflects the total amount entered in the “All Other Compensation” column of the Summary Compensation Table and reflects the sum of the three previous tables.

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Item 11. Executive Compensation (Continued)

Grants of Plan-Based Awards

The following table sets forth for each Named Executive Officer (i) the annual cash incentive award opportunities granted under the Performance Incentive Compensation Plan during 2007, (ii) the long-term cash incentive opportunities granted under the Long-Term Performance Incentive Compensation Plan during 2007, (iii) restricted stock awards granted in 2007, and (iv) stock options granted in 2007.

Grants of Plan-Based Awards

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards							
Name	Grant Date	Threshold	Target	Maximum	Estimated Future Payouts Under Equity Incentive Plan Awards Target (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards (7)
Scott T. Ford									
Annual Incentive (1)		$ 812,500	$ 1,625,000	$ 3,250,000					
Long-Term Incentive (2007-2009) (2)		$ 812,500	$ 1,625,000	$ 2,437,500					
Stock options (pre-Merger) (3)	1/17/07						120,000	$ 61.51	$ 2,221,728
Restricted Shares (4)	1/17/07					27,500			$ 1,664,025
Time-Based Stock Options (post-Merger) (5)	11/16/07						5,637,116	$ 10.00	$ 15,866,227
Performance-Based Stock Options (post-Merger) 1.5x (6)	11/16/07				1,252,693			$ 10.00	$ 2,831,086
	11/16/07				1,252,693			$ 10.00	$ 1,778,824

Performance-Based Stock Options (post-Merger) 2.0x (6)									
Sharilyn S. Gasaway									
Annual Incentive (1)		$ 159,100	$ 318,200	$ 636,400					
Long-Term Incentive (2007-2009) (2)		$ 149,156	$ 298,313	$ 447,469					
Stock options (pre-Merger) (3)	1/17/07						60,000	$ 61.51	$ 1,110,864
Restricted Shares (4)	1/17/07					15,000			$ 907,650
Time-Based Stock Options (post-Merger) (5)	11/16/07						1,038,462	$ 10.00	$ 2,922,855
Performance-Based Stock Options (post-Merger) 1.5x (6)	11/16/07				230,770			$ 10.00	$ 521,540
Performance-Based Stock Options (post-Merger) 2.0x (6)	11/16/07				230,770			$ 10.00	$ 327,693
Jeffrey H. Fox									
Annual Incentive (1)		$ 349,313	$ 698,625	$ 1,397,250					
Long-Term Incentive (2007-2009) (2)		$ 349,313	$ 698,625	$ 1,047,938					
Stock options (pre-Merger) (3)	1/17/07						75,000	$ 61.51	$ 1,388,580
Restricted Shares (4)	1/17/07					20,000			$ 1,210,200
Time-Based Stock Options (post-Merger) (5)	11/16/07						3,478,846	$ 10.00	$ 9,791,560
Performance-Based Stock Options (post-Merger) 1.5x (6)	11/16/07				773,077			$ 10.00	$ 1,747,154
Performance-Based Stock Options (post-Merger) 2.0x (6)	11/16/07				773,077			$ 10.00	$ 1,097,769

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Item 11. Executive Compensation (Continued)

Grants of Plan-Based Awards Table Cont.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards Threshold	Target	Maximum	Estimated Future Payouts Under Equity Incentive Plan Awards Target (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards (7)
Richard N. Massey									
Annual Incentive (1)		$ 258,750	$ 517,500	$ 1,035,000					
Long-Term Incentive (2007-2009) (2)		$ 258,750	$ 517,500	$ 776,250					
Stock options (pre-Merger) (3)	1/17/07						60,000	$ 61.51	$ 1,110,864
Restricted Shares (4)	1/17/07					17,000			$ 1,028,670
Time-Based Stock Options (post-Merger) (5)	11/16/07						1,730,769	$ 10.00	$ 4,871,422
Performance-Based Stock Options (post-Merger) 1.5x (6)	11/16/07				384,616			$ 10.00	$ 869,232
Performance-Based Stock Options (post-Merger) 2.0x (6)	11/16/07				384,616			$ 10.00	$ 546,155
C. J. Duvall									
Annual Incentive (1)		$ 97,808	$ 195,615	$ 391,230					
		$ 122,259	$ 244,519	$ 366,778					

Long-Term Incentive (2007-2009) (2)									
Stock options (pre-Merger) (3)	1/17/07						20,000	$ 61.51	$ 370,288
Restricted Shares (4)	1/17/07					5,000			$ 302,550
Time-Based Stock Options (post-Merger) (5)	11/16/07						432,692	$ 10.00	$ 1,217,855
Performance-Based Stock Options (post-Merger) 1.5x (6)	11/16/07				96,154			$ 10.00	$ 217,308
Performance-Based Stock Options (post-Merger) 2.0x (6)	11/16/07				96,154			$ 10.00	$ 136,539
Kevin L. Beebe									
Annual Incentive (1)		$ 349,313	$ 698,625	$ 1,397,250					
Long-Term Incentive (2007-2009) (2)		$ 349,313	$ 698,625	$ 1,047,938					
Stock options (pre-Merger) (3)	1/17/07						75,000	$ 61.51	$ 1,388,580
Restricted Shares (4)	1/17/07					20,000			$ 1,210,200

(1) The amounts included in the "Annual Incentive" row provide information about the annual cash incentive opportunities granted under the Performance Incentive Compensation Plan during 2007 to our Named Executive Officers. The information included in the "Threshold", "Target" and "Maximum" columns reflect the range of potential payouts for each award granted under the Performance Incentive Compensation Plan during 2007. In connection with the Merger, these awards were calculated and paid based on maximum performance through the end of December as defined and required by the Change in Control Agreements. The actual amounts paid to each Named Executive Officer under the Performance Incentive Compensation Plan are included in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table. For more information about the Performance Incentive Compensation Plan, refer to the "Compensation Discussion and Analysis" beginning on page 23.

(2) The amounts included in the "Long-Term Incentive (2007-2009)" row provide information about the long-term cash incentive opportunities granted under the Long-Term Performance Incentive Compensation Plan during 2007 to our Named Executive Officers for the 2007 - 2009 performance cycle. The information included in the "Threshold", "Target" and "Maximum" columns reflect the range of potential payouts for each award granted under the Long-Term Performance Incentive Compensation Plan during 2007. In connection with the Merger, these awards were calculated and paid based on maximum target performance as defined and required by the Change in Control Agreements. The actual amount paid to each Named Executive Officer under these awards is included in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table. For more information about the "Long-Term Performance Incentive Compensation Plan", refer to the Compensation Discussion and Analysis beginning on page 23.

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(3) The amounts in the "Stock Options (pre-Merger)" row show the number of shares that were issuable to the Named Executive Officer on exercise of stock options granted in January 2007. One fifth of the options vest on each of the first five anniversaries of the grant if the executive continues to be employed by Alltel on the applicable vesting date. In connection with the Merger, the stock options listed above for Mr. Beebe became fully vested and were converted into the right to receive a cash payment equal to the number of shares underlying the option, multiplied by the amount by which the Merger consideration of $71.50 per share exceeded the option exercise price. Refer to the Option Exercises and Stock Vested at Fiscal Year End table for a summary of the total amount received by Mr. Beebe in connection with the cash-out of these stock options. The stock options listed above for each of our other Named Executive Officers were converted into options to purchase Alltel Shares, in lieu of receiving the cash-out payments described above. We refer to these options, as well as others treated in the same manner, as the "Roll-Over Options." See the Outstanding Equity Awards at Fiscal Year-End table for a summary of the methodology used for converting stock options into Roll-Over Options.

(4) The amounts included in the "Restricted Shares" row show the number of restricted shares awarded to the Named Executive Officers in 2007. Shares vested on a time-based three-year vesting schedule with one-third of the grant vesting each year. Dividends on the restricted shares were paid to the Named Executive Officers on a quarterly basis. In connection with the Merger, each outstanding restricted share became fully vested and was converted into the right to receive a cash payment equal to $71.50, which was the per-share Merger consideration.

(5) The amounts in the "Time-Based Stock Options (post-Merger)" row show the number of shares that may be issued to the Named Executive Officers on exercise of time-based stock options granted in 2007 after the Merger. One fifth of the options vest on each of the first five anniversaries of the grant if the executive continues to be employed by Alltel on the applicable vesting date.

(6) The amounts in the "Performance-Based Stock Options (post-Merger)" rows show the number of shares that may be issued to the Named Executive Officers on exercise of performance-based stock options granted in 2007 after the Merger. See description under Outstanding Equity Awards at Fiscal Year-End for a description of these options.

(7) This column shows the grant date fair value of stock options and restricted stock awards granted to each Named Executive Officer in 2007, as determined in accordance with FAS 123R.

Outstanding Equity Awards at Fiscal Year-End

Except as provided below with respect to Roll-Over Options, in connection with the Merger, each outstanding stock option granted prior to the Merger (whether or not vested) became fully vested and was converted into the right to receive a cash payment equal to the product of (1) the number of shares underlying the option, multiplied by (2) the excess of (x) $71.50, which was the per-share Merger consideration, over (y) the per share exercise price of the stock option. In addition, each outstanding restricted share became fully vested and was converted into the right to receive a cash payment equal to $71.50 per share. As a result, none of the equity awards outstanding before the Merger remained outstanding as of the end of 2007, other than the Roll-Over Options described below. Refer to the Option Exercises and Stock Vested at Fiscal Year End table for a summary of the total amount received by our Named Executive Officers in connection with the cash-out of these equity awards.

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Roll-Over Options

Each Named Executive Officer, other than Mr. Beebe, had the opportunity to exchange a portion of their stock options for fully vested options to purchase Alltel shares in lieu of receiving the cash-out payments under the Merger agreement described above. We refer to these options as the "Roll-Over Options." All Roll-Over Options are options that became fully vested upon the Merger and retain the life of the original issue. In most cases, the most recently issued options were used for the Roll-Over Options. The Roll-Over Options provide a long-term equity position in the Company and serve as an incentive for increasing the value of the Company.

The aggregate value of each grant of options was maintained in the conversion by determining its aggregate value based on a $71.50 share price and its exercise price, and granting new Roll-Over Options with an exercise price of $2.50 in a sufficient number of shares to provide an equal value based on the fair market price of the new shares of $10.00. The Roll-Over Options were exchanged on a tax-free basis and we did not record additional compensation expense related to the rollover of these options in 2007.

Following is a summary of the aggregate “spread” of the Roll-Over Options for each of our Named Executive Officers both immediately before and after the Merger. Additional information for the Roll-Over Options, including the number of shares underlying each option and the option expiration date, can be found in the Outstanding Equity Awards at Fiscal Year-End section of this Annual Report.

Name	Aggregate Spread
Scott T. Ford	$ 21,950,018
Sharilyn S. Gasaway	$ 3,999,997
Jeffrey H. Fox	$ 9,999,997
Richard N. Massey	$ 1,999,995
C. J. Duvall	$ 1,999,995

Time-Based and Performance-Based Options

Each of our Named Executive Officers, other than Mr. Beebe, also received grants of time-based and performance-based stock options immediately following the Merger. The options issued to each individual were issued as follows: (a) 69.2% of the new options granted to an individual are time-based options with a 5-year vesting schedule which allow 20% of the award to vest annually; (b) 15.4% of the new options issued are performance-based options that vest and become exercisable (i) upon the Sponsors attaining a multiple of their equity investment calculated as cash or liquid securities received, divided by the purchase price and (ii) subject to the optionee’s employment on the date the performance condition is met. Of the Performance Options granted to each Named Executive Officer in 2007, one-half require a return multiple of at least 1.5 and one-half require a return multiple of at least 2.0.

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The following table sets forth information for each Named Executive Officer with respect to the Roll-Over Options that were outstanding as of December 31, 2007, and reflects the adjustments to the number of shares and exercise price that were made to preserve their intrinsic value in connection with the Merger. It also reflects the time-based and performance-based stock options that were granted in connection with the Merger.

Outstanding Equity Awards at Fiscal Year-End

Option Awards

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable (1)	Number of Securities Underlying Unexercised Options (#) Unexercisable (2)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (3)	Option Exercise Price (4)	Option Expiration Date
Scott T. Ford						
Roll-Over Options	1/17/2007	159,840	-	-	$2.50	1/17/2017
	1/21/2004	494,502	-	-	$2.50	1/21/2014
	1/19/2005	513,826	-	-	$2.50	1/19/2015
	1/18/2006	404,922	-	-	$2.50	1/18/2016
	1/22/2003	990,635	-	-	$2.50	1/22/2013
	1/23/2002	362,944	-	-	$2.50	1/23/2012
Performance 2.0x	11/16/2007	-	-	1,252,693	$10.00	11/16/2017
Performance 1.5x	11/16/2007	-	-	1,252,693	$10.00	11/16/2017
Time-based	11/16/2007	-	5,637,116	-	$10.00	11/16/2017
Sharilyn S. Gasaway						
Roll-Over Options	1/17/2007	79,920	-	-	$2.50	1/17/2017
	1/22/2003	91,140	-	-	$2.50	1/22/2013
	1/21/2004	74,175	-	-	$2.50	1/21/2014
	1/19/2005	85,637	-	-	$2.50	1/19/2015
	1/18/2006	202,461	-	-	$2.50	1/18/2016
Performance 2.0x	11/16/2007	-	-	230,770	$10.00	11/16/2017
Performance 1.5x	11/16/2007	-	-	230,770	$10.00	11/16/2017
Time-based	11/16/2007	-	1,038,462	-	$10.00	11/16/2017
Jeffrey H. Fox						
Roll-Over Options	1/22/2003	288,339	-	-	$2.50	1/22/2013
	1/21/2004	370,877	-	-	$2.50	1/21/2014
	1/19/2005	321,141	-	-	$2.50	1/19/2015
	1/18/2006	253,076	-	-	$2.50	1/18/2016

	1/17/2007	99,900	-	-	$2.50	1/17/2017
Performance 2.0x	11/16/2007	-	-	773,077	$10.00	11/16/2017
Performance 1.5x	11/16/2007	-	-	773,077	$10.00	11/16/2017
Time-based	11/16/2007	-	3,478,846	-	$10.00	11/16/2017
Richard N. Massey						
Roll-Over Options	1/18/2006	186,746	-	-	$2.50	1/18/2016
	1/17/2007	79,920	-	-	$2.50	1/17/2017
Performance 2.0x	11/16/2007	-	-	384,616	$10.00	11/16/2017
Performance 1.5x	11/16/2007	-	-	384,616	$10.00	11/16/2017
Time-based	11/16/2007	-	1,730,769	-	$10.00	11/16/2017
C. J. Duvall						
Roll-Over Options	1/22/2003	12,727	-	-	$2.50	1/22/2013
	1/21/2004	74,175	-	-	$2.50	1/21/2014
	1/19/2005	85,637	-	-	$2.50	1/19/2015
	1/18/2006	67,487	-	-	$2.50	1/18/2016
	1/17/2007	26,640	-	-	$2.50	1/17/2017
Performance 2.0x	11/16/2007	-	-	96,154	$10.00	11/16/2017
Performance 1.5x	11/16/2007	-	-	96,154	$10.00	11/16/2017
Time-based	11/16/2007	-	432,692	-	$10.00	11/16/2017

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(1) This column shows the number of shares underlying outstanding Roll-Over Options as of December 31, 2007.

(2) This column shows the number of shares underlying time-based stock options that were granted in connection with the Merger. These options vest in five equal annual increments on November 16th of 2008, 2009, 2010, 2011, and 2012, provided that the executive officer continues to be employed by Alltel on the vesting date.

(3) This column shows the number of shares underlying performance-based stock options that were granted in connection with the Merger. These options vest in the event that Alltel achieves certain performance goals described in the introduction to this table.

(4) This column shows the exercise price for each stock option reported in the table. For the time-based and performance-based stock options granted in connection with the Merger, the exercise price equals the fair market value per share of the underlying option shares on the date of grant. With respect to the Roll-Over Stock Options, the number of shares underlying the options and the related per share exercise price were adjusted pursuant to agreement as described above in "Roll-Over Options" in order to account for the change in market value of Alltel's common stock resulting from the Merger. The adjustment to the number of shares and exercise prices maintained the intrinsic value of the stock options.

Option Exercises and Stock Vested

The following table sets forth information for each Named Executive Officer with respect to (i) the exercise of stock options and the vesting of restricted shares in 2007, prior to the Merger, and (ii) the cash-out of stock options and restricted shares at the time of the Merger.

Option Exercises and Stock Vested

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#) (1)	Value Realized on Exercise ($) (1)	Number of Shares Acquired on Vesting (#) (2)	Value Realized on Vesting ($) (2)
Scott T. Ford	1,879,503	$ 45,508,761	90,833	$ 6,328,776
Sharilyn S. Gasaway	30,061	$ 748,838	36,250	$ 2,531,700
Jeffrey H. Fox	1,340,274	$ 32,764,484	66,250	$ 4,614,564
Richard N. Massey	5,691	$ 117,862	34,000	$ 2,375,804
C. J. Duvall	57,349	$ 1,604,584	28,250	$ 1,992,164
Kevin L. Beebe	1,703,906	$ 37,332,512	66,250	$ 4,614,564

(1) These columns reflect the number of shares obtained upon exercise in 2007 prior to the Merger and the number of options cashed out in connection with the Merger, as well as the value realized from exercises and from the cash out. The table below provides these components. Roll-Over Options are not included in this table. Refer to page

____under Outstanding Equity Awards at Fiscal Year End for an explanation of Roll-Over Options and their aggregate spread.

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Name	Number of Shares Acquired on Exercise of Options Prior to Merger (#)	Value Realized on Exercise (i)	Number of Option Shares Cashed-Out in the Merger (#)	Value Realized on Cash-Out (ii)
Scott T. Ford	488,800	$ 18,711,264	1,390,703	$ 26,797,497
Sharilyn S. Gasaway	--	--	30,061	$ 748,838
Jeffrey H. Fox	305,500	$ 11,694,540	1,034,774	$ 21,069,944
Richard N. Massey	--	--	5,691	$ 117,862
C. J. Duvall	--	--	57,349	$ 1,604,584
Kevin L. Beebe	--	--	1,703,906	$ 37,332,512

(i) This column reflects the product of (1) the number of shares acquired upon the exercise of any stock option prior to the Merger, multiplied by (2) the excess of (x) the price per share of Alltel's common stock at the time of exercise, over (y) the per share exercise price of the stock option.

(ii) In connection with the Merger, all outstanding stock options (other than Roll-Over options held by select management employees) became fully vested and converted into the right to receive a cash payment equal to the number of shares underlying the option multiplied by the amount, if any, by which the Merger consideration of $71.50 per share exceeded the option exercise price.

(2) These columns reflect the number of shares vested prior to the Merger in 2007 and the number of restricted shares cashed out in connection with the Merger, as well as the value realized on vesting of shares and upon the cash out of shares. The table below provides these components.

Name	Number of Shares Acquired on Vesting of Restricted Shares Prior to Merger (#)	Value Realized on Vesting (i)	Number of Restricted Shares Cashed-Out in the Merger	Value Realized on Cash-Out (ii)
Scott T. Ford	17,500	$ 1,085,466	73,333	$ 5,243,310
Sharilyn S. Gasaway	6,250	$ 386,700	30,000	$ 2,145,000
Jeffrey H. Fox	12,917	$ 801,254	53,333	$ 3,813,310
Richard N. Massey	5,667	$ 349,994	28,333	$ 2,025,810
C. J. Duvall	2,917	$ 180,854	25,333	$ 1,811,310
Kevin L. Beebe	12,917	$ 801,254	53,333	$ 3,813,310

(i) This column shows the product of (1) the number of restricted shares that vested prior to the Merger, multiplied by (2) the price per share of Alltel's common stock at the time of vesting.

(ii) In connection with the Merger, each outstanding restricted share became fully vested and was converted into the right to receive a cash payment equal to $71.50, which was the per-share Merger consideration. This column shows the product of (i) the number of restricted shares held by each Named Executive Officer immediately prior to the Merger, multiplied by (ii) $71.50 per share.

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Item 11. Executive Compensation (Continued)

Pension Benefits

The following table shows information concerning the estimated retirement benefits payable to our Named Executive Officers under Alltel's Pension Plan, Benefit Restoration Plan and the SERP. A description of the plans covered in the table follows the table.

Pension Benefits

Name	Plan Name	Number of Years Credited Service (#) (1)	Present Value of Accumulated Benefit (1)	Payments During Last Fiscal Year (2)
Scott T. Ford	Alltel Corporation Pension Plan	11.9	$ 119,541	--
	Alltel Benefit Restoration Plan	11.9	$ 2,310,342	--
	Alltel Supplemental Executive Retirement Plan	N/A	--	$ 51,665,856
Sharilyn S. Gasaway	Alltel Corporation Pension Plan	6.7	$ 47,529	--
	Alltel Benefit Restoration Plan	6.7	$ 30,018	--
	Alltel Supplemental Executive Retirement Plan	N/A	--	$ 12,242,829
Jeffrey H. Fox	Alltel Corporation Pension Plan	4.8	$ 60,602	--
	Alltel Benefit Restoration Plan	4.8	$ 787,468	--
	Alltel Supplemental Executive Retirement Plan	N/A	--	$ 23,573,415
Richard N. Massey	Alltel Corporation Pension Plan	-	--	--
	Alltel Benefit Restoration Plan	-	--	--
	Alltel Supplemental Executive Retirement Plan	N/A	--	$ 17,671,522
C. J. Duvall	Alltel Corporation Pension Plan	8.9	$ 109,424	--
		8.9	$ 228,546	--

	Alltel Benefit Restoration Plan				
Kevin L. Beebe	Alltel Corporation Pension Plan	8.9	$	79,157	--
	Alltel Benefit Restoration Plan	8.9	$	942,246	--
	Alltel Supplemental Executive Retirement Plan	N/A		--	$ 26,132,687

(1) The information contained in the "Number of Years Credited Service" column and the "Present Value of Accumulated Benefit" column for the Pension Plan and the Benefit Restoration Plan are calculated as of December 31, 2007, which is the measurement date used for reporting purposes in Alltel's Consolidated Financial Statements contained in this Annual Report on Form 10-K. The present value of accumulated benefits was prepared based on the same assumptions used in the Consolidated Financial Statements contained in this Annual Report on Form 10-K including the following: Mortality table: RP-2000 Combined Healthy Lives table (projected to 2008); Interest rate: 6.55% discount rate; and Retirement age: age 60, except that, for Mr. Beebe (who has terminated employment), pension commencement at age 65 for the Alltel Corporation Pension Plan and at age 55 for the Alltel Corporation Benefit Restoration Plan.

(2) In connection with the Merger, each of the Named Executive Officers elected to receive a lump sum payment of his or her accrued SERP benefit, as agreed on November 15, 2007, and payable on January 2, 2008. These payments completely discharged Alltel's obligation with respect to SERP benefits (other than lifetime health and dental benefits) that accrued during each Named Executive Officer's tenure with the Company. For Mr. Beebe, the amount in the above column includes an additional payment to cash-out the lifetime health and dental benefits available under the SERP.

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Item 11. Executive Compensation (Continued)

Description of Defined Benefit Retirement Plans

The following is a summary of the plans covered by the Pension Benefits Table.

Alltel Corporation Pension Plan. The Alltel Corporation Pension Plan (the "Pension Plan") is a tax-qualified defined benefit plan that covers certain employees of Alltel Corporation and related adopting employers. For nonbargaining employees, the Pension Plan was closed to new participants as of December 31, 2005 and frozen to additional accruals as of December 31, 2005 (December 31, 2010 for employees who had attained age 40 with two years of service as of December 31, 2005). Each Named Executive Officer, other than Mr. Massey, is a participant in the Pension Plan.

The Pension Plan's benefit for the Named Executive Officers generally is based on the following:

- For post January 1, 1988 through December 31, 2005 service, the participant is credited with 1% of compensation, plus 0.4% of the participant's compensation in excess of the Social Security Taxable Wage Base for the year.

- For employees who had attained age 40 with two years of service at December 31, 2005, the above formula applies to service through December 31, 2010. The Pension Plan is frozen to additional accruals after December 31, 2010 (December 31, 2005 for those who had not attained age 40 with two years of service at December 31, 2005).

- Compensation for a year generally includes salary, bonus and other non-equity incentive compensation up to the applicable limit of the Internal Revenue Code ($225,000 for 2007).

- The Social Security Wage Base is the maximum amount of earnings that is subject to Social Security taxes for the year ($97,500 for 2007).

The benefit is payable as a monthly life annuity following:

- Normal retirement at age 65 (or, if later, five years of service or the fifth anniversary of participation).

- Early retirement at or after age 55 with at least 20 years of service (with a reduction in the life annuity of 0.25% for each month payment begins before age 60).

- Early retirement at or after age 60 with 15 years of service (with a reduction in the life annuity of 0.25% for each month payment begins before age 65 for a participant whose benefit begins before age 62).

None of the Named Executive Officers are currently eligible for an early retirement benefit under the Pension Plan. Benefits under the Pension Plan also are available in certain actuarially equivalent annuity forms, including joint and surviving spouse annuities and a 10-year certain annuity. If a vested participant dies before benefits begin, an annuity generally is payable to the participant's surviving spouse.

Alltel Corporation Benefit Restoration Plan. Each employee who is entitled to a vested benefit under the Pension Plan and who is designated by the Board or the Chief Executive Officer is entitled to participate in the Alltel Corporation Benefit Restoration Plan (the "BRP") if his or her benefit is reduced as a result of IRS limits imposed on compensation

and benefits. The pension benefit under the BRP is calculated as the excess, if any, of (x) the participant's Pension Plan benefit (on a single life-annuity basis payable commencing on the later of the participant's retirement date or age 65) without regard to the IRS compensation limit ($225,000 for 2007) and without regard to the benefit limitation ($180,000 for 2007) over (y) the participant's actual Pension Plan benefit (on a single life-annuity basis payable commencing on the later of the participant's retirement date or age 65). If the participant has not attained age 65 on the date their benefit is scheduled to commence, the BRP benefit is reduced to the same extent, if any, as the Pension Plan benefit. For purposes of the preceding calculations, compensation has the same meaning provided in the description of the Pension Plan above. Benefits are paid over the life of the participant if the participant is alive when benefits commence or over the life of the spouse if the benefit is paid as a pre-retirement death benefit. Alltel may direct that the benefit be paid in an alternative form provided that it is the actuarial equivalent of the normal form of benefit so that the BRP benefit is paid in the same form as the Pension Plan benefit. None of the Named Executive Officers is currently eligible for an early retirement benefit from the BRP.

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Alltel Corporation Supplemental Executive Retirement Plan. Upon the Merger and simultaneous termination of the SERP, Messrs. Ford, Fox, Massey, Beebe and Ms. Gasaway were paid an amount approximately equal to his or her entitlement of retirement proceeds under the SERP as agreed on November 15, 2007 and payable January 2, 2008. The SERP also provided an entitlement to lifetime health and dental benefits for the executives and their dependents. Alltel entered into an agreement with Messrs. Ford, Fox, Massey, Beebe and Ms. Gasaway, to provide a cash payment in lieu of the health and dental benefits upon the executive's termination of employment subject to the terms of the employment agreements. This was agreed upon so that the executive would not be compensated for a duplicate health care benefit while he or she is receiving a health and dental benefit from the company.

Non-Qualified Deferred Compensation in 2007

The following table shows information concerning aggregate amounts earned and payable to our Named Executive Officers under Alltel's non-qualified deferred compensation arrangements, including the Alltel Corporation Benefit Restoration Plan, the Alltel Corporation 1998 Management Deferred Compensation Plan, the 360° Communications Company Deferred Compensation Plan and the 360° Communications Company Retirement Savings Restoration Plan.

Non-Qualified Deferred Compensation

Name	Executive Contributions in Last Fiscal Year (1)	Registrant Contributions in Last Fiscal Year (2)	Aggregate Earnings in Last Fiscal Year (3)	Aggregate Withdrawals / Distributions (4)	Aggregate Balance at Last Fiscal Year End (5)
Scott T. Ford	$ 1,802,155	$ 736,874	$ 306,376	$ 3,242,075	$ 3,015,005
Sharilyn S. Gasaway	$ 603,001	$ 130,498	$ 23,992	$ 455,208	$ 557,211
Jeffrey H. Fox	$ 1,981,294	$ 327,248	$ 987,021	$ 10,869,825	$ 3,186,056
Richard N. Massey	$ 1,358,377	$ 240,624	$ 38,569	$ 1,305,785	$ 580,908
C. J. Duvall	$ 875,149	$ 96,629	$ 88,088	$ 1,528,130	$ 283,156
Kevin L. Beebe	$ 126,433	$ 126,433	$ 276,887	$ 2,865,128	$ 687,144

(1) This column shows the aggregate deferrals for each Named Executive Officer of (i) base salary otherwise payable in 2007, (ii) the annual bonus earned under the Performance Incentive Compensation Plan for the performance period ending December 31, 2006, and (iii) the annual bonus earned under the Performance Incentive Compensation Plan for the period ending prior to the Merger, and the incentive earned under the Long-Term Incentive Plan for each outstanding performance cycle prior to the Merger. Of these amounts, the base salary deferrals for each Named Executive Officer are included in the "Salary" column of the Summary Compensation Table. Deferrals of the annual bonus under the Performance Incentive Compensation Plan and the Long-Term Incentive Plan for the performance period ending in 2007 and for each outstanding performance cycle prior to the Merger for the Named Executive Officers are included in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

(2) The "Registrant Contributions in Last Fiscal Year" column shows the aggregate credits to the accounts of the Named Executive Officers under the Benefit Restoration Plan during 2007 (as described in more detail below). The credits are included in the "All Other Compensation" column to the Summary Compensation Table.

(3) The “above-market” portions of the amounts included in this column are reported in the “Change in Pension Value and Non-Qualified Deferred Compensation Earnings” column of the Summary Compensation Table.

(4) Each Named Executive Officer received lump sum distributions of his or her account balance under the 1998 Management Deferred Compensation Plan in connection with the merger transaction. Mr. Beebe also received a lump sum distribution from his Alltel Corporation Benefit Restoration Plan and 360° Communications Company deferral plans.

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(5) The aggregate balance as of December 31, 2007 reported for each Named Executive Officer includes the following deferrals and earnings that may have been previously reported as compensation in the Summary Compensation Table for prior years (balances are prior to adjustment for gains, losses and prior in-service distributions):

Name	Balance ending December 31, 2003	Balance ending December 31, 2004	Balance ending December 31, 2005	Balance ending December 31, 2006
Scott T. Ford	$ 1,094,795	$ 1,487,818	$ 2,319,581	$ 3,411,675
Sharilyn S. Gasaway	$ 8,953	$ 27,345	$ 99,618	$ 254,928
Jeffrey H. Fox	$ 4,445,861	$ 6,172,621	$ 8,301,467	$ 10,760,318
Richard N. Massey	N/A	N/A	N/A	$ 249,123
C. J. Duvall	$ 37,928	$ 120,635	$ 324,875	$ 751,420
Kevin L. Beebe	$ 1,450,920	$ 1,890,151	$ 2,416,740	$ 3,022,519

Description of Non-Qualified Deferred Compensation Plans

The following is a summary of the plans covered by the Non-Qualified Deferred Compensation Table:

1998 Management Deferred Compensation Plan. Under the Alltel Corporation 1998 Management Deferred Compensation Plan (the "1998 Plan"), the Chief Executive Officer and other participants designated by the Chief Executive Officer may elect to defer up to 50% of their salary, annual bonus and long-term bonus. In general, payments are made in a lump sum following termination of employment or death, or in the event of a change in control. If, however, a participant dies or terminates after attaining age 65, age 60 with 15 years of service, or age 55 with 20 years of service, then payments generally commence on a date designated by the participant (but no more than 10 years following termination), in the form of a lump sum or annual installments of up to 15 years, as elected by the participant. Alltel may accelerate payment in the event of a participant's "financial hardship." Participant accounts are credited with earnings as of the end of each calendar year based on the prime rate in effect on the first business day of the following calendar year plus 200 basis points. For 2007 balances distributed prior to the end of the year, this was 10.25% and for balances remaining after the end of the year this was 9.25%. According to the terms of the Plan at the time of distribution, interest rates applied to balances distributed during the calendar year were the prime rate as of the first business day of the calendar year plus 200 basis points.

Alltel Corporation Benefit Restoration Plan. Participants of the Profit Sharing Plan and the 401(k) Plan designated by the post-Merger Committee or the Chief Executive Officer may participate in the Benefit Restoration Plan (the "BRP"). Under the 401(k) Plan component of the BRP, eligible participants may also defer up to 15% of their compensation (generally comprised of salary, annual bonus and other non-equity incentive plan compensation) in excess of IRS limits ($225,000 for 2007) and receive a matching credit equal to up to 4% of such excess compensation. Under the Profit Sharing Plan component of the BRP, eligible participants receive a profit sharing credit, which for 2007 was equal to 2% of such excess compensation. Payments generally commence following termination of employment. Payments from the 401(k) component are paid in a lump sum and payments from the profit sharing component are made in five annual installments. Participant accounts are credited with earnings based

on the investments provided by Alltel under the Profit Sharing Plan. Profit Sharing Plan investments are professionally managed by various money managers and overseen by an independent investment consultant. The investment return under the BRP for 2007 was 7.27%.

360° Communications Company Deferred Compensation Plan. Under the 360° Communications Deferred Compensation Plan (the "360° Deferred Compensation Plan"), participants who were designated by 360° Communications could elect to defer up to 25% of their salary and up to 100% of their bonus. The 360° Deferred Compensation Plan was frozen as to future deferrals effective as of December 1998. In general, payments are made in a lump sum following termination of employment or death, or in the event of a change in control. In the case of a participant's retirement, disability or death before termination of employment, payments from the 360° Deferred Compensation Plan are made in a lump sum or in installments over a maximum of 15 years, as elected by the participant. If the participant terminates employment prior to his or her retirement, disability or death, payment is made in an immediate lump sum. Participants could also elect to receive a payment of their deferred compensation in a lump sum on specified dates prior to termination of employment. In the event of certain unforeseeable emergencies, a participant may request a distribution of all or a portion of the participant's account to the extent necessary to satisfy the unforeseeable emergency. Mr. Beebe's account under the 360° Deferred Compensation Plan was credited with earnings based on the prime rate in effect on the first business day of the following calendar year plus 200 basis points. The investment return under the 360° Deferred Compensation Plan for 2007 was 10.25% for Mr. Beebe. According to the terms of the Plan at the time of distribution, interest rates applied to balances distributed during the calendar year were the prime rate as of the first business day of the calendar year plus 200 basis points.

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360° Communications Company Retirement Savings Restoration Plan. Under the 360° Communications Company Retirement Savings Restoration Plan (the "360° Restoration Plan"), participants designated by 360° Communications Company were permitted to defer up to 6% of their compensation under the 360° Communications Retirement Savings Plan in excess of Internal Revenue Code limits applicable to qualified retirement plans and receive a matching credit of up to 6% of such excess compensation deferred. The 360° Restoration Plan was frozen as to future deferrals effective as of December 1998. In the case of a participant's retirement, disability or death before termination of employment, payments from the 360° Restoration Plan are made in a lump sum or in installments as elected by the participant. If the participant terminates employment prior to his or her retirement, disability or death, payment is made in an immediate lump sum. Mr. Beebe's account under the 360° Restoration Plan was credited with earnings based on investments under the 360° Deferred Compensation Plan. The investment return under the 360° Restoration Plan for 2007 was 10.25% for Mr. Beebe.

Impact of Section 409A. Section 409A was added to the Internal Revenue Code of 1986 in the fall of 2004. Section 409A imposes new restrictions on the plans described above with respect to amounts deferred after December 31, 2004 and earnings thereon (and with respect to plans that are "materially modified" after October 3, 2004). These new restrictions generally define the earliest date that payments may commence under the plans and limit the ability of participants to receive accelerated payments or to change their deferral and payment elections. As permitted under existing guidance, Alltel will amend the plans described above on or before December 31, 2008 to conform to Section 409A. With the IRS' recent issuance of final guidance under Section 409A, Alltel is evaluating the nature and the scope of the required amendments. In the meantime, Alltel has adopted a resolution providing that the plans are deemed amended to the extent necessary to comply with Section 409A and that the plans will be administered in good faith compliance with the new rules, as permitted by current IRS guidance.

Potential Payments Upon Termination of Employment or Change in Control

Alltel has entered into agreements and maintains plans and arrangements that require Alltel or its successors to pay or provide certain compensation and benefits to the Named Executive Officers in the event of termination of employment or a change in control of Alltel. The estimated amount of compensation and benefits payable or provided to each Named Executive Officer in each triggering situation is summarized below. These estimates are based on the assumption that the various triggering events occurred on December 31, 2007. Other material assumptions used in calculating the estimated compensation and benefits under each triggering event are noted below. The actual amounts that would be paid to a Named Executive Officer upon certain terminations of employment or upon a change in control can only be determined at the time the actual triggering event occurs.

The estimated amount of compensation and benefits described below does not take into account compensation and benefits that a Named Executive Officer has earned prior to the applicable triggering event, such as earned but unpaid salary or accrued vacation pay. The estimates also do not take into account benefits that our Named Executive Officers would be entitled to receive upon termination of employment generally under the retirement plans and programs described in the "Pension Benefits" section beginning on page 45 and the "Non-Qualified Deferred Compensation" section beginning on page 47. This section does identify and quantify the extent to which those retirement benefits are enhanced or accelerated upon the triggering events described below.

Employment Agreements

Alltel entered into employment agreements with each of the Named Executive Officers other than Mr. Beebe effective November 16, 2007. Under the employment agreements each Named Executive Officer would be entitled to the following severance benefits if the executive's employment is terminated by us other than for cause, death or disability or if the executive resigns for "good reason," in either case more than three years after the Merger:

- A lump sum payment, equal to the annual bonus for the year in which the termination of employment occurs, prorated through the date of termination.
- A lump sum payment equal to the product of (i) the greater of one or the number of years (or fractions thereof) remaining in the term, multiplied by (ii) the executive's annual base salary and annual bonus.
- Continued health and welfare benefits for a period equal to the greater of one year or the number of years (or fractions thereof) remaining in the term.
- For purposes of the severance calculations, the annual bonus equals the highest annual bonus earned by the executive in any of the three years prior to the year of termination.

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Each Named Executive Officer would be entitled to the following severance benefits if the executive's employment is terminated by us other than for cause, death or disability or if the executive resigns for "good reason," during the two-year period following a change in control, or upon certain terminations in connection with or in anticipation of a change in control or if Messrs. Ford, Fox, Massey and Ms. Gasaway, resign for any reason during the 90-day period commencing on the first anniversary of a change in control:

- A lump sum payment equal to the annual bonus for the year in which the termination of employment occurs, prorated through the date of termination.
- A lump sum payment equal to three times the executive's annual base salary and annual bonus.
- Continued health and welfare benefits for up to three years.
- If any payments or benefits that the executive receives are subject to the golden parachute excise tax imposed under Section 4999 of the Internal Revenue Code, the executive will be entitled to an additional payment so that the executive is placed in the same after-tax position as if no excise tax had been imposed.
- For purposes of the severance calculations, the annual bonus equals the highest annual bonus earned by the executive in any of the three years prior to the year of termination.

The employment agreements do not provide for any severance benefits if the executive's employment is terminated for cause, death or disability. The employment agreements provide that upon termination of employment for any reason, the executive is prohibited from disclosing any confidential information or retaining any written material containing confidential information. Upon a termination of employment that entitles the executive to severance benefits described above, the executive would be prohibited from competing against, or soliciting employees of, Alltel and its affiliates for a two-year period. Moreover, a terminated executive is required to sign a release of all claims against Alltel and its affiliates prior to receiving severance benefits.

Under the terms of each employment agreement, Alltel is responsible for paying, or causing its affiliates to pay, all legal fees and expenses reasonably incurred by the executive in any dispute concerning the interpretation or enforcement of the employment agreement. For purposes of the calculations below, we have assumed that the executives will not incur legal fees to enforce their rights under the agreement.

Under the employment agreements, the term "cause" generally means (i) the willful and continued failure to perform substantially the executive's duties (other than due to physical or mental illness), after a written demand for substantial performance is delivered to the executive, or (ii) the willful engaging in illegal conduct or gross misconduct that is materially and demonstrably injurious to Alltel. A termination for cause is not effective until the executive has had an opportunity to appear before the Board of Directors with counsel and the termination is approved by at least 75% of the members of the Board. The term "good reason" generally means any of the following events, without the executive's prior written consent: (i) a material diminution in the executive's position, authority or responsibilities, (ii) any failure to provide the compensation and benefits required under the agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied promptly by Alltel, (iii) a relocation of the executive's primary work location by more than 50 miles, or (iv) for Messrs. Ford, Fox, Massey and

Ms. Gasaway, a resignation by the executive for any reason during the 90-day period following the first anniversary of a change in control. In general, the executive must provide Alltel with written notice of any event constituting good reason and Alltel has 20 days to cure the event. The term "change in control" generally means (i) the acquisition of 50% or more of our stock, (ii) a merger, consolidation or sale of substantially all of our assets if Alltel's stockholders do not own more than 50% of the combined enterprise after the transaction, or (iii) a liquidation of the Company.

Mr. Ford's employment agreement also includes a provision giving him the authority, for a period ending on November 16, 2010 (or, if a change in control has occurred prior to the end of such period, until the second anniversary of such change in control), to direct Alltel to exercise the call right described above under the Management Stockholders Agreement with respect to invested equity held by employees (other than Mr. Ford) whose employment is terminated by Alltel without cause, by the employee for good reason or by reason of the employee's death or disability, subject to the approval of the Board.

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Time-Based Stock Options

Upon a Named Executive Officer's involuntary termination without cause or due to death or disability, or upon his/her voluntary termination for good reason, the vesting of time-based options held by that Named Executive Officer pursuant to Alltel's 2007 Stock Option Plan would be accelerated, so that a portion of the unvested time-based options that would have vested during the one year immediately following termination would vest and become exercisable. Generally, "disability" means the absence from work on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness. The terms cause and good reason have the meanings provided in the employment agreements described above. The time-based stock options also vest in full upon a change in control, which is generally defined as an acquisition of 50% of the combined voting power of the Company, a merger where 50% of the combined voting power changes hands or a stockholder vote approving the liquidation or dissolution of the Company.

We have not included the accelerated vesting of the time-based stock options in the calculations below, because they were granted with an exercise price equal to $10 per share, which was the fair market value of the shares on November 16, 2007. No subsequent valuation of the shares was performed on or about December 31, 2007, and therefore we have assumed that the options have no intrinsic value or "spread" on that date.

Termination for Any Reason

Each NEO would be entitled to the following payments if his or her employment with Alltel was terminated on December 31, 2007 either by Alltel or the executive and regardless of the reason for the termination. Mr. Beebe is not included in the table because he terminated employment on November 16, 2007 in connection with the Merger. The benefits Mr. Beebe received as a result of his termination are described further below.

Payments in Connection with Termination for Any Reason

	Ford	Gasaway	Fox	Massey	Duvall
Severance (1)	$ 0	$ 0	$ 0	$ 0	$ 0
Cash Payment for Continued Health Care (2)	$ 736,609	$ 891,925	$ 788,185	$ 640,881	$ 0
Tax Gross-up (3)	$ 565,971	$ 685,308	$ 605,599	$ 492,419	$ 0
Excise Tax Gross-up (4)	$ 0	$ 578,247	$ 0	$ 266,659	$ 0
Total	$ 1,302,580	$ 2,155,480	$ 1,393,784	$ 1,399,959	$ 0

(1) Because the Named Executive Officers' employment agreements only provide severance benefits (unrelated to a change in control) if the qualifying termination occurs on or after November 16, 2010, the payment of severance benefits is $0.

(2) With respect to the cash payment for health care, upon the Merger, the SERP was terminated. Prior to its termination, the SERP provided an entitlement to lifetime health benefits for its participants and their family. As participants in the SERP and in connection with the Merger, Alltel entered into an agreement with Messrs. Ford, Fox, Massey, Beebe and Ms. Gasaway, to provide a single lump sum cash payment in lieu of the health benefits upon the executive's termination of employment subject to the terms of his or her employment agreement. The

value of this cash benefit (assuming a termination on December 31, 2007) is reflected in the table above. This amount is calculated using a discount rate of 6.51%, the Sex-distinct 1994 Group Annuity Mortality Table, medical and dental trend increase of 9% in 2008 and decreasing to 5% in 2014. Costs include spouse for life and dependent children to age 23.

(3) Income tax gross-up represents the additional payment under the terms of the SERP to cover federal and state income taxes imposed on the receipt of the cash payment in lieu of health benefits. This amount is figured using a 43.45% combined federal and state calculation.

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Item 11. Executive Compensation (Continued)

(4) This column shows the amount of the tax gross-up paid by the Company on behalf of the Named Executive Officer to federal, state and local taxing entities to cover the executive's cost of taxes related to Internal Revenue Code provisions 280G and 4999 as well as income taxes related to this gross up. The tax gross-up was provided pursuant to the terms of the pre-Merger change in control agreements.

A Named Executive Officer is entitled to accelerated vesting of time-based stock options upon his or her involuntary termination without cause or due to death or disability, or upon his or her voluntary termination for good reason. However, we have not included the accelerated vesting of the time-based stock options in the table above (or below relating to payments on a change in control) because all outstanding unvested options were granted with an exercise price equal to $10 per share, which was the fair market value of the shares on November 16, 2007.

In addition, Mr. Ford's employment agreement also includes a provision giving him the authority, for a period ending on November 16, 2010 (or, if a change in control has occurred prior to the end of such period, until the second anniversary of such change in control) to direct Alltel to exercise the call right described in the Management Stockholders Agreement, dated November 16, 2007, with respect to invested equity held by employees (other than Mr. Ford) whose employment is terminated by Alltel without cause, by the employee for good reason or by reason of the employee's death or disability, subject to the approval of the Board.

Voluntary Termination for Good Reason or Involuntary Termination without Cause

None of our Named Executive Officers would have been entitled to any payments or benefits from Alltel if the Company or its affiliates terminated his or her employment without cause or the executive terminated his or her employment with Alltel for good reason on December 31, 2007. The employment agreements described above only provide severance benefits (unrelated to a change in control) if the qualifying termination occurs on or after November 16, 2010.

Voluntary Termination for Good Reason or Involuntary Termination without Cause Following Change in Control

Under the employment agreements described above, each Named Executive Officer would have been entitled to the following estimated payments and benefits from Alltel or its successor if a change in control occurred on December 31, 2007, and Alltel terminated the executive's employment without cause or the executive terminated his or her employment with Alltel for good reason following the change in control.

Payments and Benefits	Ford	Gasaway	Fox	Massey	Duvall
Severance (1)	$ 10,380,000	$ 2,525,250	$ 5,515,875	$ 3,802,500	$ 1,828,575
Prorata Bonus Payment (2)	--	--	--	--	--
Welfare Benefit Values (3)	$ 39,236	$ 39,281	$ 39,230	$ 39,180	$ 39,211
Excise Tax & Gross-Up (4)	--	$ 1,112,971	--	$ 1,673,773	$ 786,271
Aggregate Payments	$ 10,419,236	$ 3,677,502	$ 5,555,105	$ 5,515,453	$ 2,654,057

(1) Severance payments equal to three (3) times the sum of the executive's annual base salary at the time of the termination plus the highest annual bonus earned by the executive in any of the three years prior to the year of termination.

(2) The highest annual bonus earned by the executive in any of the three years prior to the year of termination. No prorated bonus would have been due as of December 31, 2007 because the full year bonus was paid in November 2007.

(3) The medical and dental benefit (computed for 3 years) was calculated in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards No. 106, "Employer's Accounting for Postretirement Benefits Other Than Pensions" ("FAS 106"). Other benefits were calculated (for 3 years post-termination benefit) under existing plans and programs, with a monthly group benefit premium of $135.38 for long-term disability, $83.00 for group life insurance and $11.00 for accidental death and disability.

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Item 11. Executive Compensation (Continued)

(4) Gross-up covering the full cost of excise tax under Internal Revenue Code Sections 280G and 4999. To ensure disclosure of all potential compensation, conservative assumptions regarding the potential excise tax have been applied.

Mr. Beebe's Termination of Employment

Mr. Beebe terminated employment with Alltel on November 16, 2007 in connection with the Merger. Pursuant to the terms of Mr. Beebe's Change in Control Agreement, his equity award agreements and the amended SERP, he received the following payments and benefits:

Payments and Benefits		Amount
Change in Control Payment (1)	$	11,787,604
Prorated Bonus Payment (2)	$	1,224,986
Prorated LTI Payment (3)	$	1,966,678
SERP Payment (4)	$	24,992,397
Cash-out of Health Benefits (5)	$	1,140,290
Cash-Out of Stock Options (6)	$	37,332,512
Cash-Out of Restricted Shares (7)	$	3,813,310
Excise Tax & Gross-Up (8)	$	13,153,473
Aggregate Payments	$	95,411,250

(1) Lump sum change in control payments equal to three (3) times the sum of the executive's annual base salary at the time of the termination plus the maximum short-term incentive plus the maximum long-term incentive, both as defined and required by Mr. Beebe's Change in Control Agreement, and reflecting the enhanced value of the Supplemental Executive Retirement Plan and pension due to 3 years additional service credit, as well as payment equivalent to 3 years of Company contributions to defined contribution plans.

(2) The annual incentive cash award earned under the Performance Incentive Compensation Plan for 2007. As a result of the Merger, this award was calculated assuming maximum performance and the resulting amounts were prorated through November 16, 2007, his date of termination.

(3) The long-term incentive cash award earned under the Long-Term Performance Incentive Compensation Plan for the 2005-2007, 2006-2008 and 2007-2009 performance cycles. In connection with the Merger, these awards were calculated based on maximum performance for the 2007-2009 award, as defined and required in his change in control agreement and the resulting amounts were prorated for each performance cycle based on the period of time

between the first day of the applicable performance cycle and November 16, 2007, his date of termination.

(4) In connection with the Merger, on November 15, 2007, Mr. Beebe elected to receive a lump sum payment of his accrued benefit under the Supplemental Executive Retirement Plan on January 2, 2008.

(5) In connection with the Merger, Mr. Beebe elected to receive a lump sum payment in lieu of receiving lifetime medical and dental coverage as provided under the SERP.

(6) In connection with the Merger, each outstanding stock option became fully vested and was converted into the right to receive a cash payment equal to the number of shares underlying the option, multiplied by the amount, if any, by which the Merger consideration of $71.50 per share exceeded the option exercise price.

(7) In connection with the Merger, all unvested restricted stock awards became fully vested and were converted into the right to receive a cash payment equal to $71.50, which was the per-share Merger consideration. The above calculation reflects the product of (i) the number of restricted shares held by Mr. Beebe, multiplied by (ii) $71.50.

(8) Gross-up for the excise tax under Internal Revenue Code Section 4999.

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DIRECTOR COMPENSATION

At the beginning of 2007, the Compensation Committee of Alltel Corporation established the compensation levels for non-employee directors. In connection with the Merger, the directors of Alltel prior to the Merger resigned and new directors were appointed by our new stockholders. The new non-employee directors appointed at the time of the Merger do not receive compensation (including equity awards) specifically for acting as directors of the Company. Accordingly, the following discussion summarizes our compensation program during 2007 for the non-employee directors who served prior to the Merger, except where otherwise stated.

Annual Base Fee

In 2007, non-employee directors of Alltel received $60,000 as an annual base fee and $1,750 for each Committee and Board meeting attended. Each non-employee director of Alltel who chaired a Board Committee received an additional annual fee of $7,500. Directors could elect to defer all or a part of their cash compensation under Alltel's deferred compensation plan for directors.

Equity Awards

Under the 1999 Nonemployee Directors Stock Compensation Plan, as amended, a portion of each non-employee director's annual base fee was paid on the annual meeting date in restricted shares of Alltel common stock that were subject to forfeiture until the next annual meeting under certain circumstances. The number of restricted shares issued to each non-employee director was determined by dividing the portion of the annual base fee that was to be paid in restricted shares by the market price per share on the annual meeting date. In 2007, 50% of the annual base fee was paid by the issuance of 460 restricted shares. In connection with the Merger, each outstanding restricted share became fully vested and was converted into the right to receive a lump sum cash payment equal to $71.50 per share.

Under the 1994 Stock Option Plan for Nonemployee Directors, as amended (the "Directors Plan"), each non-employee director automatically received an initial grant of an option to purchase 12,000 shares of Alltel common stock on the date he or she first became a non-employee director. The Director Plan also provided for the automatic grant, following the conclusion of each annual meeting of stockholders, of an option to purchase 7,800 shares of Alltel common stock to each non-employee director (other than a director who was first elected at the annual meeting). The exercise price of options granted under the Directors Plan was the fair market value of the Alltel common stock on the date the option was granted. In connection with the Merger, each outstanding stock option (whether or not vested) became fully vested and was converted into the right to receive a lump sum cash payment equal to the product of (1) the number of shares underlying the option, multiplied by (2) the excess of (x) $71.50, which was the per-share Merger consideration, over (y) the per share exercise price of the stock option.

Both the 1999 Nonemployee Directors Stock Compensation Plan and the 1994 Stock Option Plan for Nonemployee Directors were terminated following the Merger.

Agreement with Mr. Joe T. Ford

Mr. Joe T. Ford's services as Chairman of Alltel's Board of Directors were governed by a written agreement with Alltel. In accordance with the agreement, Mr. Ford served as Chairman of the Board of Directors until his resignation in connection with the Merger.

For his services as Chairman of the Board, Mr. Ford received cash compensation of $20,833.33 per month, and, for purposes of determining the vesting of his stock options outstanding at the time of his retirement as Chief Executive Officer in July 2002, Mr. Ford was treated as if his employment with Alltel had continued during the period he continued to serve as Chairman of the Board. During his tenure as Chairman of the Board, Mr. Ford received reimbursement for country club membership on the same basis as in effect at the time of his retirement as Chief Executive Officer. Mr. Ford also received the following perquisites on the same basis as provided to senior executives of Alltel from time to time: physical exam reimbursement, tax/estate planning reimbursement, and corporate plane usage. The foregoing compensation to Mr. Ford for his services as Chairman of the Board was in lieu of any director fees, director meeting fees, director options, director stock grants, or other amounts otherwise payable to a member of the Board of Directors.

Under the terms of his agreement Mr. Ford received in cash a lump sum change in control payment in the amount of $750,000 as a result of the Merger. Mr. Ford also was eligible for reimbursement of any excise tax under Section 4999 of the Internal Revenue Code (and for any excise, income, or employment tax resulting from that reimbursement, successively, so as to offset the Internal Revenue Code Section 4999 excise tax) imposed on any payments to Mr. Ford from Alltel.

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Director Compensation Table

The following table shows the compensation earned in 2007 by members of Alltel's Board of Directors who served as directors during 2007 prior to the Merger. The directors appointed in 2007 after the Merger do not receive compensation for acting as directors of the Company.

Name	Fees Earned or Paid in Cash	Stock Awards (1)	Option Awards (2)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings	All Other Compensation (3)	Total
John R. Belk	$ 22,750	$ 75,098	$ 177,355	$ 10,594	$ 462	$ 286,259
Peter A. Bridgman	$ 42,500	$ 75,098	$ 199,521	$ 3,401	$ 462	$ 320,982
William H. Crown	$ 29,750	$ 75,098	$ 177,355	$ 6,786	$ 462	$ 289,451
Joe T. Ford	$ 221,154	N/A	N/A	$ 56,565	$ 1,128,711(4)	$ 1,406,430
Lawrence L. Gellerstedt, III	$ 56,750	$ 37,582	$ 177,355	$ 13,852	$ 231	$ 285,770
Emon A. Mahony, Jr.	$ 47,500	$ 37,582	$ 177,355	$ 26,933	$ 231	$ 289,601
John P. McConnell	$ 72,500	$ 37,582	$ 177,355	$ 4,512	$ 231	$ 292,180
Josie C. Natori	$ 52,750	$ 37,582	$ 177,355	$ 23,123	$ 231	$ 291,041
John W. Stanton	$ 17,500	$ 73,552	$ 222,312	--	$ 368	$ 313,732
Warren A. Stephens	$ 17,500	$ 75,098	$ 177,355	$ 5,246	$ 462	$ 275,661
Ronald Townsend	$ 56,250	$ 37,582	$ 177,355	--	$ 231	$ 271,418

(1) This column reflects the aggregate dollar amount recognized for financial statement reporting purposes for the fiscal year ending December 31, 2007, in accordance with FAS 123R, of outstanding restricted stock awards (whether or not granted during 2007). Additional assumptions made in the valuation and expensing of these awards are set forth in footnote 9 to Alltel's Consolidated Financial Statements for the fiscal year ended December 31, 2007.

(2) This column reflects the aggregate dollar amount recognized for financial statement reporting purposes for the fiscal year ending December 31, 2007, in accordance with FAS 123R, of outstanding stock option awards (whether or not granted during 2007). Additional assumptions made in the valuation and expensing of these awards are set forth in footnote 9 to Alltel's Consolidated Financial Statements for the fiscal year ended December 31, 2007.

The grant date fair values of options granted to directors in 2007, as determined in accordance with FAS 123R, are as follows: John R. Belk $139,485; Peter A. Bridgman $139,485; William H. Crown $139,485; Lawrence L. Gellerstedt, III $139,485; Emon A. Mahony, Jr. $139,485; John P. McConnell $139,485; Josie C. Natori $139,485; John W. Stanton $139,485; Warren A. Stephens $139,485; and Ronald Townsend $139,485.

(3) Column reflects dividends paid on outstanding restricted stock awards during the 2007 fiscal year, except for Mr. Ford.

(4) With respect to Mr. Ford's service as a director, includes the change in control payment of $750,000, personal use of company-owned aircraft in the amount of $120,895, and $257,816 for future office space and administrative support.

With respect to Mr. Ford's service as an employee of Alltel prior to July 1, 2002, he was entitled to an aggregate annual retirement benefit of $2,500,000 ($2,211,539 of which was paid in 2007 prior to the Merger), which benefit was accelerated upon the change in control to a payment of $27,873,314 in accordance with his agreement with Alltel, and $148,619 for Mr. Ford's stock option expense resulting from stock options issued while he was an employee and reflecting the aggregate dollar amount recognized for financial statement reporting purposes for the fiscal year ending December 31, 2007, in accordance with FAS 123R. Additionally, his former employment contract provided health and welfare benefits for life which were cashed out as follows: $263,386 for the health and welfare benefit and $151,069 for the related tax gross-up payment. The payments attributable to Mr. Ford's services as an employee are not includable in the above table.

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Item 11. Executive Compensation (Continued)

COMPENSATION COMMITTEE REPORT

In connection with its function to oversee Alltel's executive compensation program, the Compensation Committee reviewed and discussed with Alltel's management the Compensation Discussion and Analysis for the year ended December 31, 2007.

Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in Alltel's Annual Report on form 10-K for the fiscal year ended December 31, 2007.

The Compensation Committee
Gene Frantz
Joe Gleberman

Unless the Company specifically states otherwise, this Compensation Committee Report shall not be deemed to be incorporated by reference and shall not constitute soliciting material or otherwise be considered filed under the Securities Act or the Securities Exchange Act.

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Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Set forth below is certain information, as of February 29, 2008, with respect to any person known to Alltel to be the beneficial owner of more than 5% of any class of Alltel's voting securities, all of which are shares of Common Stock:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	Atlantis Holdings, LLC c/o TPG Partners V, L.P. 301 Commerce St., Suite 3300 Fort Worth, TX 76102	447,963,713 shares	97.4%

Set forth below is certain information, as of February 29, 2008, as to shares of each class of Alltel equity securities beneficially owned by each of the directors, each of the executive officers identified in the Summary Compensation Table on page 33, and by all directors and executive officers of Alltel as a group. Except as otherwise indicated by footnote, all shares reported below are shares of Common Stock, and the nature of the beneficial ownership is sole voting and investment power:

	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (if 1% or more)
Named Executive Officers	Scott T. Ford	5,731,667(a)	1.25%
	Sharilyn S. Gasaway	733,333(a)	-
	Jeffrey H. Fox	2,343,333(a)	-
	Richard N. Massey	1,066,667(a)	-
	C.J. Duvall, Jr.	366,667(a)	-
All Directors and Executive Officers as a Group		10,283,337(b)	2.24%

(a) Includes shares that the indicated persons have the right to acquire (through the exercise of options) on or within 60 days after February 29, 2008 as follows: Scott T. Ford (2,926,666); Sharilyn S. Gasaway (533,333); Jeffrey H. Fox (1,333,333); Richard N. Massey (266,666); C.J. Duvall, Jr. (266,666).

(b) Includes a total of 5,393,330 shares that members of the group have the right to acquire (through the exercise of options) on or within 60 days after February 29, 2008.

Set forth below is additional information as of December 31, 2007 about shares of the Company's Common Stock that may be issued upon the exercise of options under the Company's existing equity compensation plan.

(Thousands, except per share amounts)	(a) Number of securities to be issued upon	(b) Weighted-average exercise price of	(c) Number of securities available

	exercise of outstanding options		outstanding options	for future issuance under equity compensation plans, excluding securities reflected in column (a)
Equity compensation plans approved by security holders (1)	33,590.0	$	8.21	6,527.6
Equity compensation plans not approved by security holders	-		-	-
Totals	33,590.0	$	8.21	6,527.6

(1) Consists of the Alltel Corporation 2007 Stock Option Plan.

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Alltel Corporation
Form 10-K, Part III

Item 13. Certain Relationships and Related Transactions and Director Independence

Management Agreement

Upon completion of the Merger, Alltel and Parent entered into a management agreement with affiliates of each of the Sponsors, pursuant to which such entities or their affiliates will provide on-going consulting and management advisory services. In exchange for these services, affiliates of certain of the Sponsors will receive an aggregate annual management fee equal to one percent of Alltel's consolidated Adjusted EBITDA, as that term is defined within the senior credit facilities of Alltel Communications Inc. ("ACI"), and reimbursement for out-of-pocket expenses incurred by them or their affiliates in connection with services provided pursuant to the agreement. The fees are payable semi-annually in arrears. A portion of the annual management fee (0.1 percent) is contributed to the Alltel Special Annual Bonus Plan and made available for payout as incentive compensation to certain management employees. For the period November 16, 2007 to December 31, 2007, Alltel recorded management fees of $3.9 million, which are included in selling, general, administrative and other expenses in the consolidated statement of operations for that period.

The management agreement also provides that affiliates of the Sponsors will be entitled to receive a fee in connection with certain subsequent financing, acquisition, disposition and change of control transactions based on a percentage of the gross transaction value of any such transaction, as well as, a termination fee based on the net present value of future payment obligations under the management agreement, under certain circumstances. The management agreement includes customary exculpation and indemnification provisions in favor of the Sponsors and their affiliates. Affiliates of the Sponsors received aggregate transaction fees of approximately $270.9 million for services provided by such entities in connection with the Merger.

Stockholders' Agreements

On November 16, 2007, the Company, Parent, TPG Media V-AIV 1, L.P., GS Capital Partners VI Parallel, L.P. and certain affiliates of the Sponsors entered into stockholders' agreements (the "Stockholders' Agreements"). The Stockholders' Agreements contain agreements among the parties with respect to the election of the directors of Parent, the Company and its subsidiaries, restrictions on the issuance or transfer of shares, including tag-along and drag-along rights, other special corporate governance provisions (including the right to approve various corporate actions) and registration rights (including customary indemnification and contribution provisions). The management participants who currently hold equity interests (including through the exercise of options) in the Company are also party to a Stockholders' Agreement.

Registration Rights Agreement

On November 16, 2007, TPG Media V-AIV 1, L.P., GS Capital Partners VI Parallel, L.P. and certain affiliates of the Sponsors entered into a registration rights agreement with the Company and Parent (the "Registration Rights Agreement"). The Registration Rights Agreement provides for registration rights with respect to the equity securities of Parent and the Company in the event of a future registered public offering of such equity securities under the Securities Act of 1933 that meets specified criteria.

Employment Arrangements

In connection with the Merger, the Company entered into Employment Agreements (each an "Employment Agreement") with eight of its executives (each an "Executive"). Pursuant to the Employment Agreements, each of the Executives will continue to act in the position he or she held during the six months preceding the closing date of the Merger for a three-year employment term renewable annually unless terminated by either party in accordance with the Employment Agreement. Each Executive will be entitled to the same annual base salary as that is in effect during the six months preceding the closing date of the Merger, together with annual increases. The Executives will also be eligible to participate in the Alltel Performance Incentive Bonus Plan that will entitle each Executive to a bonus based on achievement of performance targets in a given year and, in addition, will participate in the Alltel Special Annual Bonus Plan, which permits the Executives to share in certain payments by the Company under the Management Agreement. The Employment Agreements also contain non-compete and confidentiality covenants. The non-compete period is two years.

The Company also established the Alltel 2007 Stock Option Plan (the "Option Plan") for the Company's management and key employees. The Option Plan provides for the award of stock options with respect to up to 6.5% of the Company's stock on a fully diluted basis. The equity awards granted under this incentive compensation plan will vest partially based on continued employment and partially through the attainment of performance-based goals.

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Alltel Corporation
Form 10-K, Part III

Item 13. Certain Relationships and Related Transactions and Director Independence (Continued)

Employment Arrangements (Continued)

If, after November 16, 2010, an Executive is terminated by the Company without "cause" or if any of the Executives terminates his or her employment for "good reason," each as defined in the relevant Employment Agreement, the Executive will be entitled to a lump-sum payment representing his or her base salary for the remainder of the employment term (or one year if greater) and a pro-rata portion of any bonuses he or she has earned. The Employment Agreements and Option Plan also include provisions triggered by a qualifying change in control, including accelerated vesting of options in certain circumstances.

In connection with their continued employment, certain members of management were also offered the opportunity to reinvest in the Company the value of some of their former shares of the Company's Common Stock and certain other payments to which they were entitled as a result of the Merger and exchange their former stock options into new stock options, instead of receiving a cash payment for any such shares, payments or options. In the aggregate, approximately $120 million was invested, through a combination of such exchanges and cash investments, in continued ownership of the Company's equity and vested equity options. In certain circumstances, the Company will have the right to purchase shares back from certain members of management at no more than fair market value, and in certain circumstances, which are in the Company's control, Mr. Scott Ford will have the right to sell a portion of his shares and vested equity options to the Company at fair market value.

Other Transactions

Prior to the Merger, Warren A. Stephens, an executive officer and director of Stephens Inc. and co-chairman of SF Holding Corp., was a director of Alltel. During the period January 1, 2007 through December 31, 2007, Alltel engaged Stephens Inc. to render investment banking and investment management services to Alltel and its subsidiaries, for which Alltel paid Stephens Inc. fees totaling $25.3 million.

In December 2007, the Company consummated an unregistered debt offering consisting of $1.0 billion aggregate principal amount of 10.375/11.125 percent senior unsecured Pay In-Kind ("PIK") toggle notes due 2017. Of the total notes sold, $810.0 million were purchased by affiliates of one of the Sponsors.

Director Independence

None of the members of our Board of Directors are independent under the NYSE independence standards due to their affiliations with the Sponsors and the Company as further described in Item 10, "Directors, Executive Officers and Corporate Governance".

Item 14. Principal Accountant Fees and Services

PricewaterhouseCoopers LLP ("PwC") has been selected as Alltel's independent auditors for 2008. The following discussion presents fees for services rendered by PwC for 2007 and 2006.

Audit Fees

The aggregate fees incurred for professional services rendered for the audit of Alltel's annual financial statements for the fiscal years ended December 31, 2007 and 2006, and the review of the financial statements included in Alltel's Forms 10-Q for the fiscal years ended December 31, 2007 and 2006, were $4,882,035 and $5,706,171, respectively. These audit fees include services rendered for the audits of certain subsidiaries and wireless partnerships. The 2006 audit fees also include services rendered for the audit of Alltel's wireline business debt registration, which was undertaken in connection with the spin-off of the wireline business.

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Alltel Corporation
Form 10-K, Part III

Item 14. Principal Accountant Fees and Services (Continued)

Audit-Related Fees

The aggregate fees incurred for assurance and related services by PwC that were reasonably related to the performance of the audit or review of Alltel's financial statements and are not reported above under the caption "Audit Fees" for the fiscal years ended December 31, 2007 and 2006, were $210,800 and $132,290, respectively, which amounts were incurred for the following categories of services:

	2007	2006
State regulatory assistance	$ 85,300	$ 25,200
Review of executive compensation disclosures	34,000	-
Due diligence related to the acquisition of Alltel	91,500	-
Wireline business audit	-	98,640
Convertible debt procedures	-	8,450
Totals	$ 210,800	$ 132,290

Tax Fees

The aggregate fees incurred by Alltel for tax compliance, tax consulting and tax planning services by PwC for the fiscal year ended December 31, 2006 were $224,966. The foregoing tax-related services include review of tax returns, tax payment planning services and tax advice related to acquisitions.

All Other Fees

The aggregate fees incurred during the fiscal years ended December 31, 2007 and 2006 for services rendered to Alltel by PwC, other than those services covered in the sections captioned "Audit Fees", "Audit-Related Fees", and "Tax Fees", were $43,665 and $10,500, respectively. Fees of $33,165 were incurred in 2007 in connection with litigation support services. In addition, fees of $10,500 were incurred in 2007 and 2006 for subscriptions to PwC's on-line accounting research software.

Not included in the 2007 amounts discussed above were fees of $1,760,000 paid to PwC by Alltel on behalf of the Sponsors for services provided to the Sponsors pursuant to an agreement associated with the private equity transaction.

In making its determination regarding the independence of PwC, the Audit Committee considered whether the provision of the services covered in the sections herein regarding "Audit-Related Fees", "Tax Fees" and "All Other Fees" was compatible with maintaining such independence. All services to be performed for Alltel by PwC must be preapproved by the Audit Committee or a designated member of the Audit Committee pursuant to the Committee's Pre-Approval Policies and Procedures. The Audit Committee's pre-approval policy prohibits Alltel from engaging PwC for any non-audit services other than the following tax-related services: tax return preparation and review; advice on income tax, tax accounting, sales/use tax, excise tax and other miscellaneous tax matters; tax advice and implementation assistance on restructurings, mergers and acquisition matters and other tax strategies.

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Alltel Corporation
Form 10-K, Part III

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as a part of this report:

1. Financial Statements:
The following Consolidated Financial Statements of Alltel Corporation and subsidiaries for the year ended December 31, 2007, included in the Financial Supplement, which is incorporated by reference herein:

	Financial Supplement Page Number
Management's Report on Internal Control Over Financial Reporting	F-42
Report of Independent Registered Public Accounting Firm	F-43 – F-44
Consolidated Balance Sheets – as of December 31, 2007 and 2006	F-45
Consolidated Statements of Operations	F-46
Consolidated Statements of Cash Flows	F-47 – F-48
Consolidated Statements of Shareholders' Equity	F-49 – F-50
Notes to Consolidated Financial Statements	F-51 – F-94

2. Financial Statement Schedules:	Form 10-K Page Number
Report of Independent Registered Public Accounting Firm	63
Schedule II. Valuation and Qualifying Accounts	64 – 65
3. Exhibits:	
Exhibit Index	66 – 72

Separate condensed financial statements of Alltel Corporation have been omitted since the Company meets the tests set forth in Regulation S-X Rule 4-08(e)(3). All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Alltel Corporation
Registrant

By /s/ Scott T. Ford Date: June 16, 2008
Scott T. Ford, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By	/s/ Sharilyn S. Gasaway Sharilyn S. Gasaway, Executive Vice President - Chief Financial Officer (Principal Financial Officer)	Date: June 16, 2008
By	/s/ Scott T. Ford Scott T. Ford, President, Chief Executive Officer and Director	

*Sue P. Mosley, Controller
(Principal Accounting Officer)

By /s/ Sharilyn S. Gasaway
* (Sharilyn S. Gasaway, Attorney-in-fact)
Date: June 16, 2008

*Scott T. Ford, CEO and Director

*James Coulter, Director

*Gene Frantz, Director

*Joseph H. Gleberman, Director

*John W. Marren, Director

*Leo F. Mullin, Director

*Peter Perrone, Director

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Report of Independent Registered Public Accounting Firm on
Financial Statement Schedule

To the Board of Directors of Alltel Corporation:

Our audits of the consolidated financial statements and of the effectiveness of internal control over financial reporting referred to in our reports dated March 20, 2008 appearing in this 2007 Annual Report on Form 10-K of the Company also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Little Rock, Arkansas
March 20, 2008

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ALLTEL CORPORATION
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(Dollars in Millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Cost and Expenses	Charged to Other Accounts	Deductions Describe	Balance at End of Period
Allowance for doubtful accounts, customers and other:					
Successor:					
For the period November 16, 2007 to December 31, 2007	$ -	$ 32.6	$ -	$ -	$ 32.6
Predecessor:					
For the period January 1, 2007 to November 15, 2007	$ 54.9	$ 171.6	$ -	$ 152.1(A)	$ 74.4
For the year ended December 31, 2006	$ 70.6	$ 227.3	$ -	$ 243.0(A)	$ 54.9
For the year ended December 31, 2005	$ 37.0	$ 192.5	$ -	$ 158.9(A)	$ 70.6
Valuation allowance for deferred tax assets:					
Successor:					
For the period November 16, 2007 to December 31, 2007	$ 16.6	$ 0.2	$ -	$ -	$ 16.8
Predecessor:					
For the period January 1, 2007 to November 15, 2007	$ 18.8	$ -	$ -	$ 2.2(B)	$ 16.6
For the year ended December 31, 2006	$ 14.2	$ 4.6	$ -	$ -	$ 18.8
For the year ended December 31, 2005	$ 16.2	$ 2.6	$ 0.7	$ 5.3(B)	$ 14.2
Accrued liabilities related to restructuring and other charges:					
Successor:					
For the period November 16, 2007 to December 31, 2007	$ 554.6	$ 5.2(C)	$ -	$ 377.5(D)	$ 182.3
Predecessor:					
For the period January 1, 2007 to November 15, 2007	$ 0.1	$ 667.0(E)	$ -	$ 112.5(F)	$ 554.6
For the year ended December 31, 2006	$ 0.2	$ 13.7(G)	$ -	$ 13.8(H)	$ 0.1
For the year ended December 31, 2005	$ 0.7	$ 23.0(I)	$ -	$ 23.5(J)	$ 0.2

Notes:

(A) Accounts charged off net of recoveries of amounts previously written off.

(B) Reduction in valuation allowance due to utilization of state net operating loss carryforwards.

(C) During the Successor period from November 16, 2007 to December 31, 2007, Alltel incurred $5.2 million of incremental expenses related to the completion of the Merger, which included insurance premiums of $4.2 million to obtain retroactive indemnification coverage for departing directors and officers for events that occurred prior to the Merger and $1.0 million in employee retention bonuses.

(D) Includes cash outlays of $377.5 million for expenses paid during the period November 16, 2007 to December 31, 2007.

Notes to Schedule II – Valuation and Qualifying Accounts: (Continued)

(E) During the Predecessor period from January 1, 2007 to November 15, 2007, Alltel recorded integration expenses of $12.0 million related to its 2006 acquisitions of Midwest Wireless and properties in Illinois, Texas and Virginia and recorded restructuring and other charges of $7.1 million in connection with the closing of two call centers. In connection with its acquisition by two private investment firms, Alltel also incurred $647.9 million of incremental costs, which included financial advisory, legal, accounting, regulatory filing, and other fees of $177.6 million, stock-based compensation expense of $63.8 million related to the accelerated vesting of employee stock option and restricted stock awards, a curtailment charge of $118.6 million resulting from the termination and payout of the supplemental executive retirement plan, and additional compensation-related costs of $287.9 million primarily related to change-in-control payments to certain executives, bonus payments and related payroll taxes.

(F) Includes cash outlays of $106.5 million for expenses paid and other non-cash adjustments of $6.0 million during the Predecessor period January 1, 2007 to November 15, 2007.

(G) During 2006, Alltel recorded integration expenses of $13.7 million related to its acquisition of Western Wireless Corporation (“Western Wireless”) in 2005 and the acquisitions of Midwest Wireless and wireless properties in Illinois, Texas and Virginia completed during 2006.

(H) Included cash outlays of $13.8 million for expenses paid in 2006, primarily consisting of branding, signage and computer system conversion costs related to the acquisitions discussed in Note (G).

(I) During 2005, Alltel recorded integration expenses of $23.0 million in connection with its exchange of wireless assets with AT&T Mobility LLC (formerly known as Cingular Wireless LLC) (“AT&T”), merger with Western Wireless and the acquisition of wireless properties in Alabama and Georgia.

(J) Included cash outlays of $8.5 million for expenses paid in 2005 and non-cash charges of $15.0 million, primarily consisting of handset subsidies incurred to migrate the customer base to CDMA handsets in the markets acquired from AT&T and those acquired in Alabama and Georgia. The handset subsidies were included in the total amount of integration expenses discussed in Note (I).

See Note 11 on pages F-73 to F-75 of the Financial Supplement, which is incorporated herein by reference, for additional information regarding the restructuring and other charges recorded by Alltel in 2007, 2006 and 2005.

EXHIBIT INDEX

Number and Name

(3)(a)(1)	Amended and Restated Certificate of Incorporation of Alltel Corporation (incorporated herein by reference to Exhibit 3.1 to Current Report on Form 8-K dated November 20, 2007 and filed with the Commission on November 21, 2007).	*
(b)	Bylaws of Alltel Corporation (amended and restated as of January 25, 2008) (incorporated herein by reference to Exhibit 3(b) to Form 10-K for the year ended December 31, 2007)	*
(4)(a)(1)	Form of Indenture, dated January 1, 1987 between Alltel Corporation and Ameritrust Company National Association (incorporated herein by reference to Exhibit 4-a of Alltel Corporation Registration Statement on Form S-3 dated December 16, 1986).	*
(a)(2)	Senior Notes Indenture dated as of December 3, 2007 among Alltel Communications, Inc. and Alltel Communications Finance, Inc., Alltel Corporation and Wells Fargo Bank, National Association (incorporated herein by reference to Exhibit 10.1 to Current Report on Form 8-K dated December 7, 2007 and filed with the Commission on December 7, 2007).	*
(a)(3)	First Supplemental Indenture dated as of December 14, 2007, among Alltel New License Sub, LLC, a subsidiary of Alltel Communications Inc., Alltel Communications Finance, Inc. and Wells Fargo Bank, National Association, as trustee (incorporated herein by reference to Exhibit 4(a)(3) to Form 10-K for the year ended December 31, 2007).	*
(a)(4)	Second Supplemental Indenture dated as of January 25, 2008 to indenture dated as of December 3, 2007 among Alltel Communications, LLC and Alltel Communications Finance, Inc., as issuers, the Guarantors listed in the Indenture and Wells Fargo Bank, National Association, as Trustee Senior Cash-Pay Notes due 2015 and Senior Toggle Notes due 2017 (incorporated herein by reference to Exhibit 4(a)(4) to Form 10-K for the year ended December 31, 2007).	*
(b)(1)	Registration Rights Agreement, dated as of December 3, 2007, among ALLTEL Communications, Inc. and Alltel Communications Finance, Inc., Alltel Corporation, the subsidiary guarantors named therein and the Initial Purchasers (incorporated herein by reference to Exhibit 10.2 to Current Report on Form 8-K dated December 7, 2007 and filed with the Commission on December 7, 2007).	*
(b)(2)	Registration Rights Agreement, dated as of December 3, 2007, among ALLTEL Communications, Inc. and Alltel Communications Finance, Inc., Alltel Corporation, the subsidiary guarantors named therein, GSMP V Onshore US, Ltd., GSMP V Offshore US, Ltd. and GSMP V	*

	Institutional US, Ltd. (incorporated herein by reference to Exhibit 10.3 to Current Report on Form 8-K dated December 7, 2007 and filed with the Commission on December 7, 2007).	
(c)(1)	Guaranty dated as of November 16, 2007 among Alltel Corporation, as Parent, Alltel Communications, Inc., as the Borrower, Certain Subsidiaries of Alltel Corporation and Citibank, N.A., as Administrative Agent (incorporated herein by reference to Exhibit 4(c)(1) to Form 10-K for the year ended December 31, 2007).	*
(c)(2)	Supplement No.1 dated as of December 14, 2007 to the Guaranty dated as of November 16, 2007 among Alltel Corporation, as Parent, Alltel Communications, Inc., as the Borrower, Certain Subsidiaries of Alltel Corporation and Citibank, N.A., as Administrative Agent (incorporated herein by reference to Exhibit 4(c)(2) to Form 10-K for the year ended December 31, 2007.	*
(c)(3)	Senior Interim Loan Guarantee dated as of November 16, 2007 among Alltel Corporation, as Parent, Alltel Communications, Inc. and Alltel Communications Finance, Inc., as the Borrowers, Certain Subsidiaries of Alltel Corporation and Citibank, N.A., as Administrative Agent (incorporated herein by reference to Exhibit 4(c)(3) to Form 10-K for the year ended December 31, 2007.	*

* Incorporated herein by reference as indicated.
(a) Filed herewith.

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EXHIBIT INDEX, Continued

Number and Name

(4)(c)(4)	Supplement No.1 dated as of December 14, 2007 to the Senior Interim Loan Guarantee dated as of November 16, 2007 among Alltel Corporation, as Parent, Alltel Communications, Inc. and Alltel Communications Finance, Inc., as the Borrowers, Certain Subsidiaries of Alltel Corporation and Citibank, N.A., as Administrative Agent (incorporated herein by reference to Exhibit 4(c)(4) to Form 10-K for the year ended December 31, 2007.	*
	The Company agrees to provide to the Commission, upon request, copies of any agreement defining rights of long-term debt holders.	*
(10)(a)(1)	Credit Agreement dated as of November 16, 2007, among Alltel Communications, Inc., Alltel Corporation, Citibank, N.A., Goldman Sachs Credit Partners, L.P., Barclays Bank PLC, Citigroup Global Markets, Inc., Barclays Capital and RBS Securities Corporation (incorporated herein by reference to Exhibit 10.1 to Current Report on Form 8-K dated November 20, 2007 and filed with the Commission on November 21, 2007).	*
(a)(2)	Pledge and Security Agreement dated as of November 16, 2007 among Alltel Communications, Inc., Certain Subsidiaries of Alltel Corporation and Alltel Communications, Inc. and Citibank, N.A. (incorporated herein by reference to Exhibit 10.2 to Current Report on Form 8-K dated November 20, 2007 and filed with the Commission on November 21, 2007).	*
(a)(3)	Senior Interim Loan Credit Agreement dated November 16, 2007 among Alltel Communications, Inc., Alltel Communications Finance, Inc., Alltel Corporation, Citibank, N.A., Goldman Sachs Credit Partners L.P., Barclays Bank PLC and The Royal Bank of Scotland PLC, Citigroup Global Markets Inc., Barclays Capital and RBS Securities Corporation (incorporated herein by reference to Exhibit 1032 to Current Report on Form 8-K dated November 20, 2007 and filed with the Commission on November 21, 2007).	*
(b)(1)	Management Services Agreement dated November 16, 2007, by and among Atlantis Merger Sub, Inc., Atlantis Holdings LLC, Goldman, Sachs & Co. and TPG Capital, L.P. (incorporated herein by reference to Exhibit 10(b)(1) to Form 10-K for the year ended December 31, 2007).	*
(c)(1)	Employment Agreement by and between Alltel Corporation and Scott T. Ford effective as of November 16, 2007 (incorporated herein by reference to Exhibit 10(c)(1) to Form 10-K for the year ended December 31, 2007).	*

(c)(2)	Employment Agreement by and between Alltel Corporation and Jeffrey H. Fox effective as of November 16, 2007 (incorporated herein by reference to Exhibit 10(c)(2) to Form 10-K for the year ended December 31, 2007).	*
(c)(3)	Employment Agreement by and between Alltel Corporation and Sharilyn S. Gasaway effective as of November 16, 2007 (incorporated herein by reference to Exhibit 10(c)(3) to Form 10-K for the year ended December 31, 2007).	*
(c)(4)	Employment Agreement by and between Alltel Corporation and Richard N. Massey effective as of November 16, 2007 (incorporated herein by reference to Exhibit 10(c)(4) to Form 10-K for the year ended December 31, 2007).	*
(c)(5)	Employment Agreement by and between Alltel Corporation and C.J. Duvall, Jr. effective as of November 16, 2007 (incorporated herein by reference to Exhibit 10(c)(5) to Form 10-K for the year ended December 31, 2007).	*
(d)(1)	Management Stockholder's Agreement dated as of November 16, 2007, among Alltel Corporation, Atlantis Holdings LLC and Scott T. Ford (incorporated herein by reference to Exhibit 10(d)(1) to Form 10-K for the year ended December 31, 2007).	*

* Incorporated herein by reference as indicated.
(a) Filed herewith.

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EXHIBIT INDEX, Continued

Number and Name

(10)(d)(2)	Form of Management Stockholders' Agreement dated as of November 16, 2007, among Alltel Corporation, Atlantis Holdings LLC and the Majority Stockholders and certain management investors.	*
(e)(1)	Alltel Corporation 2007 Stock Option Plan (incorporated herein by reference to Exhibit 10(e)(1) to Form 10-K for the year ended December 31, 2007).	*
(f)(1)	Alltel Corporation 1998 Management Deferred Compensation Plan, effective June 23, 1998 (incorporated herein by reference to Exhibit 10(f)(5) to Form 10-Q for the period ended June 30, 1998).	*
(f)(2)	Amendment No. 1 to the Alltel Corporation 1998 Management Deferred Compensation Plan effective June 23, 1998 (incorporated herein by reference to Exhibit 10(f)(11) to Form 10-K for the fiscal year ended December 31, 2002).	*
(f)(3)	Amendment No. 2 to the Alltel Corporation 1998 Management Deferred Compensation Plan effective April 25, 2002 (incorporated herein by reference to Exhibit 10(f)(12) to Form 10-K for the fiscal year ended December 31, 2002).	*
(f)(4)	Amendment No. 3 to the Alltel Corporation 1998 Management Deferred Compensation Plan effective December 8, 2005 (incorporated herein by reference to Exhibit 10(e)(15) to Form 10-K for the fiscal year ended December 31, 2005).	*
(f)(5)	Amendment No. 4 to the Alltel Corporation 1998 Management Deferred Compensation Plan effective July 16, 2006 (incorporated herein by reference to Exhibit 10.7 to Current Report on Form 8-K dated July 17, 2006 and filed with the Commission on July 21, 2006).	*
(f)(6)	Amendment No. 5 to the Alltel Corporation 1998 Management Deferred Compensation Plan effective November 1, 2006 (incorporated herein by reference to Exhibit 10(f)(6) to Form 10-K for the year ended December 31, 2007).	*
(f)(7)	Amendment No. 6 to the Alltel Corporation 1998 Management Deferred Compensation Plan effective June 23, 1998 (incorporated herein by reference to Exhibit 10(f)(7) to Form 10-K for the year ended December 31, 2007).	*
(f)(8)	Amendment No. 7 to the Alltel Corporation 1998 Management Deferred Compensation Plan effective August 1, 2007 (incorporated herein by reference to Exhibit 10(f)(8) to Form 10-K for the year ended December 31, 2007).	*
(f)(9)	Amendment No. 8 to the Alltel Corporation 1998 Management Deferred Compensation Plan effective January 1, 2008 (incorporated herein by reference to Exhibit 10(f)(9) to Form 10-K for the year ended December 31, 2007).	*
(g)(1)	Alltel Corporation Performance Incentive Compensation Plan, as amended and restated effective as of November 16, 2007 (incorporated herein by reference to Exhibit 10(g)(1) to Form 10-K for the	*

	year ended December 31, 2007).	
(g)(2)	Alltel Corporation Special Annual Bonus Plan effective as of November 16, 2007 (incorporated herein by reference to Exhibit 10(g)(2) to Form 10-K for the year ended December 31, 2007).	*
(h)(1)	Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(k) to Form 10-K for the fiscal year ended December 31, 2001).	*

* Incorporated herein by reference as indicated.
(a) Filed herewith.

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EXHIBIT INDEX, Continued

Number and Name

(10)(h)(2)	Amendment No. 1 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(k)(1) to Form 10-Q for the period ended September 30, 2002).	*
(h)(3)	Amendment No. 2 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(k)(3) to Form 10-K for the fiscal year ended December 31, 2002).	*
(h)(4)	Amendment No. 3 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(k)(4) to Form 10-Q for the period ended June 30, 2003).	*
(h)(5)	Amendment No. 4 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(k)(9) to Form 10-Q for the period ended June 30, 2004).	*
(h)(6)	Amendment No. 5 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(k)(5) to Form 10-K for the fiscal year ended December 31, 2003).	*
(h)(7)	Amendment No. 6 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit (10)(k)(6) to Form 10-K for the fiscal year ended December 31, 2003).	*
(h)(8)	Amendment No. 7 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit (10)(k)(7) to Form 10-K for the fiscal year ended December 31, 2003).	*
(h)(9)	Amendment No. 8 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit (10)(k)(8) to Form 10-K for the fiscal year ended December 31, 2003).	*
(h)(10)	Amendment No. 9 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit (10)(k)(10) to Form 10-K for the fiscal year ended December 31, 2004).	*
(h)(11)	Amendment No. 10 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit (10)(k)(11) to Form 10-K for the fiscal year ended December 31, 2004).	*
(h)(12)	Amendment No. 11 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit (10)(k)(12) to Form 10-K for the fiscal year ended December 31, 2004).	*
(h)(13)		*

	Amendment No. 12 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit (10)(k)(13) to Form 10-Q for the period ended September 30, 2005).	
(h)(14)	Amendment No. 13 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit (10)(j)(14) to Form 10-K for the fiscal year ended December 31, 2005).	*
(h)(15)	Amendment No. 14 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit (10)(j)(15) to Form 10-K for the fiscal year ended December 31, 2005).	*
(h)(16)	Amendment No. 15 to Alltel Corporation Pension Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit (10)(j)(16) to Form 10-Q for the period ended June 30, 2006).	*

* Incorporated herein by reference as indicated.
(a) Filed herewith.

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EXHIBIT INDEX, Continued

Number and Name

(10)(i)(1)	Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit 10(l) to Form 10-Q for the period ended March 31, 2002).	*
(i)(2)	Amendment No. 1 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit 10(l)(2) to Form 10-K for the fiscal year ended December 31, 2002).	*
(i)(3)	Amendment No. 2 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit 10(I)(3) to Form 10-K for the fiscal year ended December 31, 2003).	*
(i)(4)	Amendment No. 3 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit 10(I)(4) to Form 10-K for the fiscal year ended December 31, 2003).	*
(i)(5)	Amendment No. 4 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit 10(I)(5) to Form 10-K for the fiscal year ended December 31, 2003).	*
(i)(6)	Amendment No. 5 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit (10)(l)(6) to Form 10-K for the fiscal year ended December 31, 2004).	*
(i)(7)	Amendment No. 6 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit (10)(l)(7) to Form 10-Q for the period ended September 30, 2005).	*
(i)(8)	Amendment No. 7 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit (10)(k)(8) to Form 10-K for the fiscal year ended December 31, 2005).	*
(i)(9)	Amendment No. 8 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit (10)(k)(9) to Form 10-Q for the period ended June 30, 2006).	*
(i)(10)	Amendment No. 9 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit (10)(k)(10) to Form 10-Q for the period ended June 30, 2006).	*
(i)(11)	Amendment No. 10 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit 10(k)(11) to Form 10-K for the fiscal year ended December 31, 2006).	*
(i)(12)		*

	Amendment No. 11 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit 10(k)(12) to Form 10-K for the fiscal year ended December 31, 2006).	
(i)(13)	Amendment No. 12 to Alltel Corporation Profit Sharing Plan (January 1, 2002 Restatement) (incorporated herein by reference to Exhibit 10(k)(13) to Form 10-K for the fiscal year ended December 31, 2006).	*
(j)(1)	Alltel Corporation Benefit Restoration Plan (January 1, 1996 Restatement) (incorporated herein by reference to Exhibit 10(m) to Form 10-K for the fiscal year ended December 31, 1995).	*

* Incorporated herein by reference as indicated.
(a) Filed herewith.

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EXHIBIT INDEX, Continued

Number and Name

(10)(j)(2)	Amendment No. 1 to Alltel Corporation Benefit Restoration Plan (January 1, 1996 Restatement) (incorporated herein by reference to Exhibit 10(l)(2) to Form 10-K for the fiscal year ended December 31, 2006).	*
(j)(3)	Amendment No. 2 to Alltel Corporation Benefit Restoration Plan (January 1, 1996 Restatement) (incorporated herein by reference to Exhibit 10(l)(3) to Form 10-K for the fiscal year ended December 31, 2006).	*
(j)(4)	Amendment No. 3 to Alltel Corporation Benefit Restoration Plan (January 1, 1996 Restatement) (incorporated herein by reference to Exhibit 10.5 to Current Report on Form 8-K dated July 17, 2006 and filed with the Commission on July 21, 2006).	*
(j)(5)	Amendment No. 4 to Alltel Corporation Benefit Restoration Plan (January 1, 1996 Restatement) (incorporated herein by reference to Exhibit 10(l)(5) to Form 10-K for the fiscal year ended December 31, 2006).	*
(j)(6)	Amendment No. 5 to Alltel Corporation Benefit Restoration Plan (January 1, 1996 Restatement) (incorporated herein by reference to Exhibit 10(j)(6) to Form 10-K for the year ended December 31, 2007).	*
(k)(1)	Alltel Corporation Comprehensive Plan of Group Insurance (January 1, 2006 Restatement) (incorporated herein by reference to Exhibit 10(m)(1) to Form 10-K for the fiscal year ended December 31, 2006).	*
(k)(2)	Amendment No. 1 to Alltel Corporation Comprehensive Plan of Group Insurance (January 1, 2006 Restatement) (incorporated herein by reference to Exhibit 10(m)(2) to Form 10-Q for the period ended June 30, 2007).	*
(l)(1)	Amended and Restated Alltel Corporation Supplemental Medical Expense Reimbursement Plan (incorporated herein by reference to Exhibit 10(p) to Form 10-K for the fiscal year ended December 31, 1990).	*
(l)(2)	First Amendment to Alltel Corporation Supplemental Medical Expense Reimbursement Plan (incorporated herein by reference to Exhibit 10(n)(1) to Form 10-K for the fiscal year ended December 31, 2001).	*
(l)(3)	Amendment No. 2 to Alltel Corporation Supplemental Medical Expense Reimbursement Plan (incorporated herein by reference to Exhibit 10.8 to Current Report on Form 8-K dated July 17, 2006 and filed with the	*

	Commission on July 21, 2006).	
(m)(1)	Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o) to Form 10-K for the fiscal year ended December 31, 2001).	*
(m)(2)	Amendment No. 1 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(2) to Form 10-K for the fiscal year ended December 31, 2002).	*
(m)(3)	Amendment No. 2 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(3) to Form 10-K for the fiscal year ended December 31, 2002).	*
(m)(4)	Amendment No. 3 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(4) to Form 10-Q for the period ended June 30, 2003).	*

* Incorporated herein by reference as indicated.
(a) Filed herewith.

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EXHIBIT INDEX, Continued

Number and Name

(10)(m)(5)	Amendment No. 4 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(5) to Form 10-K for the fiscal year ended December 31, 2003).	*
(m)(6)	Amendment No. 5 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(6) to Form 10-K for the fiscal year ended December 31, 2003).	*
(m)(7)	Amendment No. 6 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(7) to Form 10-Q for the period ended June 30, 2004).	*
(m)(8)	Amendment No. 7 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(8) to Form 10-K for the fiscal year ended December 31, 2004).	*
(m)(9)	Amendment No. 8 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(9) to Form 10-Q for the period ended September 30, 2005).	*
(m)(10)	Amendment No. 9 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(n)(10) to Form 10-K for the fiscal year ended December 31, 2005).	*
(m)(11)	Amendment No. 10 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(n)(11) to Form 10-Q for the period ended June 30, 2006).	*
(m)(12)	Amendment No. 11 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(n)(12) to Form 10-Q for the period ended June 30, 2006).	*
(m)(13)	Amendment No. 12 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(n)(13) to Form 10-Q for the period ended June 30, 2006).	*
(m)(14)	Amendment No. 13 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(14) to Form 10-K for the fiscal year ended December 31, 2006).	*
(m)(15)	Amendment No. 14 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(15) to Form 10-K for the fiscal year ended December 31, 2006).	*
(m)(16)		*

	Amendment No. 15 to Alltel Corporation 401(k) Plan (January 1, 2001 Restatement) (incorporated herein by reference to Exhibit 10(o)(16) to Form 10-Q for the period ended March 31, 2007).	
(12)	Statements Re: Computation of ratios (incorporated herein by reference to Exhibit 12 to Form 10-K for the year ended December 31, 2007).	*
(21)	Subsidiaries of Alltel Corporation (incorporated herein by reference to Exhibit 21 to Form 10-K for the year ended December 31, 2007).	*
(24)	Powers of attorney (incorporated herein by reference to Exhibit 24 to Form 10-K for the year ended December 31, 2007).	*
31(a)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	(a)
31(b)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	(a)
32(a)	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	(a)
32(b)	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	(a)

* Incorporated herein by reference as indicated.
(a) Filed herewith.

ALLTEL CORPORATION

FINANCIAL SUPPLEMENT
AMENDMENT NO. 1 TO THE ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2007

ALLTEL CORPORATION

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AMENDMENT NO. 1 TO THE ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2007

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Executive Summary

Alltel Corporation ("Alltel" or the "Company") provides wireless voice and data communications services to approximately 12.8 million customers in 35 states. Through roaming arrangements with other carriers, Alltel is able to offer its customers wireless services covering more than 95 percent of the U.S. population. Alltel manages its wireless business as a single operating segment, wireless communications services. As further discussed below, on November 16, 2007, Alltel was acquired by Atlantis Holdings LLC, a Delaware limited liability company ("Atlantis Holdings" or "Parent") and an affiliate of private investment funds TPG Partners V, L.P. and GS Capital Partners VI Fund, L.P. (together the "Sponsors"). The acquisition was completed through the merger of Atlantis Merger Sub, Inc. ("Merger Sub"), a Delaware corporation and majority-owned subsidiary of Parent, with and into Alltel (the "Merger"), with Alltel surviving the merger as a privately-held, majority-owned subsidiary of Parent. As a result of the Merger, Alltel's outstanding common stock is owned by Atlantis Holdings, certain members of management and other key employees. Alltel's common stock is no longer registered with the Securities and Exchange Commission ("SEC") and is no longer traded on a national securities exchange.

Although Alltel continues as the same legal entity after the Merger, Atlantis Holdings' cost of acquiring Alltel has been pushed-down to establish a new accounting basis for Alltel. Accordingly, the accompanying consolidated financial statements are presented for two periods, Predecessor and Successor, which relate to the accounting periods preceding and succeeding the consummation of the Merger. The Predecessor and Successor periods have been separated by a vertical line on the face of the consolidated financial statements to highlight the fact that the financial information for such periods has been prepared under two different historical-cost bases of accounting. The Company has prepared its discussion of the results of operations by comparing the results of operations of the Predecessor for the years ended December 31, 2006 and 2005 to the Predecessor period of January 1, 2007 to November 15, 2007. A comparative discussion of the operating results of the Successor period of November 16, 2007 to December 31, 2007 has not been provided due to the lack of a comparable 2006 operating period for the Predecessor; however, Alltel has included a brief discussion of the factors that materially affected the Company's operating results in the Successor period. To supplement its discussion and analysis on a historical basis, Alltel has also included a discussion comparing its operating results for the years ended December 31, 2007 and 2006, prepared on a pro forma basis. Management believes that the inclusion of this supplemental pro forma information is helpful in highlighting annual operational trends affecting Alltel's ongoing business operations.

Among Alltel's operating highlights for fiscal year 2007:

- Revenues and sales, on a pro forma basis, increased 12 percent over 2006 driven by postpay customer growth, increased revenues derived from data services and additional Eligible Telecommunications Carrier ("ETC") support. On a pro forma basis, average monthly revenue per customer and monthly retail revenue per customer increased 3 percent year-over-year to $54.09 and $48.19, respectively, as the growth in data and ETC revenues discussed above was partially offset by decreases in voice revenues per customer. Average revenue per customer for 2007 also reflected additional wholesale transport revenues earned from charging third parties, principally Windstream Corporation ("Windstream"), for use of Alltel's fiber-optic network.

- On a pro forma basis, gross customer additions were 3.6 million in 2007 and net customer additions were 961,000. Excluding the effects of acquisitions and dispositions, the 3.6 million in gross customer additions in 2007 represented a 9 percent increase from a year ago, while the net customer additions of 966,000 represented a 51 percent increase from 2006. On a pro forma basis, Alltel added 721,000 net postpay customers and 245,000 net prepaid customers during 2007. The net gain in prepaid customers included the addition of 124,000 net customers in the fourth quarter of 2007, driven by continued success of Alltel's "U" prepaid service offering, Alltel's

phone-in-the-box prepay service that is sold primarily through