

Cesar Caballero
Director
Wireline Legal and USF

One Allied Drive
Little Rock, AR 72202
P.O. Box 2177, 72203-2177

501-905-8142
cesar.caballero@alltel.com



VIA OVERNIGHT MAIL

December 21, 2005

Office of the Clerk
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

RECEIVED

DEC 22 2005

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

RE: Alltel Holding Corporate Services, Inc. – Application for Registration

Enclosed are an original and ten (10) copies of Alltel Holding Corporate Services, Inc.'s Application for Registration as a Provider of Intrastate Telecommunications Services in the State of South Dakota, filed pursuant to SDCL 49-31-3 and ARSD 20:10:24:02. Also enclosed is a check in the amount of \$250 to cover the cost of the filing.

Alltel Communications, Inc. is separating the wireline business from its wireless business. In order to carry out this separation, a new wireline corporation has been developed, Alltel Holding Corp. Alltel Holding Corporate Services, Inc. is a subsidiary of Alltel Holding Corp. Alltel Holding Corp. and Valor Communications Group are merging to form one corporation that is separate and apart from Alltel Communications, Inc.

Once the corporate merger of Alltel Holding Corp. and Valor Communications Group is completed, the interexchange service customers and assets of Alltel Communications, Inc. (ACI), a wholly owned subsidiary of Alltel Corporation, which is currently certified to provide resold interexchange service in the State of South Dakota, will be transferred to Alltel Holding Corporate Services, Inc. This transaction may possibly be completed by the end of 2nd Quarter 2006.

Alltel Holding Corporate Services, Inc. requests permission to transfer the interexchange customers once the merger is approved. Once approved, the current customers of ACI will be notified at least 30 days prior to the actual transfer, in accordance with FCC rules set forth in 47 CFR 64.1120(e).

Please acknowledge receipt of this filing by file-stamping and returning the extra copy of the first page of the Application in the self-addressed, stamped envelope provided for this purpose. Questions regarding this filing may be directed to me.

Sincerely,

A handwritten signature in black ink that reads 'Cesar Caballero'.

Cesar Caballero

Enclosures

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH DAKOTA

RECEIVED

DEC 22 2005

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

)
 In the Matter of the Application of)
 Alltel Holding Corporate Services, Inc. for)
 Registration as a Provider of Intrastate)
 Telecommunications Services on a) NO. _____
 Resold Basis in the State of South Dakota)
)

Pursuant to SDCL § 49-31-3 and ARSD 20:10:24:02, Alltel Holding Corporate Services, Inc. ("Applicant"), by its attorneys, hereby respectfully request that the South Dakota Public Commission ("Commission") (i) grant Applicant certification to provide resold long distance services in South Dakota and (ii) approve the transfer of long distance customers from Alltel Communications, Inc. to Applicant. Applicant's requests will be beneficial to the involved companies as well as the customers of ACI. Approval will not in any way be detrimental to the public interests of this State. In further support of its Application, Applicant provides the following information:

1. Section 20:10:204:02(1). Applicant's name, address, telephone number and facsimile number are:

Alltel Holding Corporate Services, Inc.
 One Allied Dr., Building 2
 Little Rock, AR 72202
 Telephone: (501) 905-8000
 Facsimile: (501) 905-6299

2. Section 20:10:204:02(2). Same as in Paragraph One.

3. Section 20:10:204:02(3)(a). Applicant is a Delaware corporation, incorporated on November 2, 2005. A copy of Applicant's Articles of Incorporation is attached as **Exhibit A**. A copy of its Certificate of Authority to transact business in South Dakota is attached as **Exhibit B**.

4. Section 20:10:204:02(3)(b). Applicant will not establish an office in the State of South Dakota. Applicant's registered agent is:

C T Corporation System
319 South Coteau Street
Pierre, South Dakota 575010

5. Section 20:10:204:02(3)(c). Applicant was formed to allow Alltel Corporation to establish its wireline businesses, including the long distance resale business as a separate publicly traded company. Applicant will become a wholly owned subsidiary of Valor Communications Group, a publicly traded Delaware corporation. Applicant proposes to offer its services throughout the entire State of South Dakota.

6. Section 20:10:204:02(3)(d). Applicant does not own or control any subsidiaries.

7. Section 20:10:204:02(4). Not applicable.

8. Section 20:10:204:02(5). Applicant will be a non-facilities based provider of resold telecommunications services. Applicant will offer interexchange services including "1 plus", 800/888 and calling card services for the direct transmission and reception of voice and data between locations throughout the State of South Dakota.

9. Section 20:10:204:02(6). As a non-facilities based provider of telecommunications services, Applicant relies on the network of its underlying carriers for local access, switching and transport.

10. Section 20:10:204:02(7). Applicant's proposed service will be available throughout the State of South Dakota and therefore no map is included.

11. Section 20:10:204:02(8). A copy of the most recent financial statements of Applicant is attached as **Exhibit C**. Applicant does not issue annual reports. Applicant's terms and conditions of service are included in its tariff, attached hereto as **Exhibit D**.

12. Section 20:10:204:02(9). Correspondence and communications regarding this Application and regulatory matters may be directed to:

Cesar Caballero
Director – Wireline Legal & USF
One Allied Dr.
Little Rock, AR 72202
Telephone: (501) 905-8142
Facsimile: (501) 905-6299
Email: cesar.caballero@alltel.com

Applicant's contact for customer services issues is:

Ken Carter
Manager – Wireline Customer Service
1720 Galleria Blvd.
Charlotte, NC 28270
Telephone: (704) 845-7526
Facsimile: (704) 849-5272
Email: ken.carter@alltel.com

Subscribers may contact Applicant's customer service directly at (888) 925-5835.

13. Section 20:10:204:02(10). Applicant is seeking certification to resale intrastate interexchange telecommunications service in all states except Alaska. Applicant's applications have never been rejected or denied.

14. Section 20:10:204:02(11). Applicant does not intend to actively market its services.

15. Section 20:10:204:02(12). Not applicable. Applicant's proposed service is a competitive service.

16. Section 20:10:204:02(13). Applicant's federal tax identification number is 20-3767982.

17. Section 20:10:204:02(14). None.

18. Section 20:10:204:02(15). Not applicable.

19. Applicant also requests that the Commission grant permission to transfer existing customers of Alltel Communications, Inc. to Applicant. To ensure a seamless transaction and avoid customer confusion or inconvenience, Petitioners will provide advance written notice to the affected customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with the applicable Federal Communications Commission requirements set forth in 47. C.F.R. § 64.1120(e). A copy of the proposed notification letter that will be sent to the affected customers is attached hereto as **Exhibit E**.

WHEREFORE, Alltel Holding Corporate Services, Inc. respectfully requests that Commission grant to it Registration as a Reseller of Intrastate Interexchange Services in the State of South Dakota and grant permission to transfer Alltel Communications, Inc. customers to applicant subject to the notice detailed in Paragraph Nineteen.

Respectfully submitted this 21st day of December, 2005.

Alltel Holding Corporate Services, Inc.

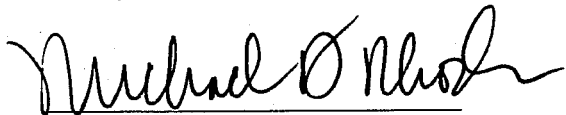
By: 

Cesar Caballero
Director – Wireline Legal and USF
One Allied Dr.
Little Rock, AR 72205
Telephone: (501) 905-8142

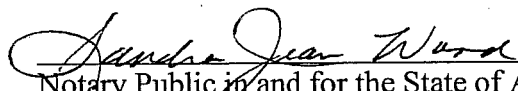
VERIFICATION OF APPLICANT

STATE OF ARKANSAS)
)
COUNTY OF PULASKI) SS.

I, Michael D. Rhoda, being first duly sworn and deposed, state that I am Senior Vice-President Regulatory of Alltel Holding Corporate Services, Inc., that I have read the foregoing Application and know the contents thereof; and as to those matters, that are therein stated on information or belief, I believe them to be true.


Michael D. Rhoda

Subscribed and sworn to before me this 19th day of December, 2005.


Notary Public in and for the State of Arkansas,

My Commission Expires September 1, 2011

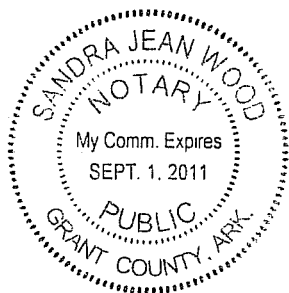


EXHIBIT A

ARTICLES OF INCORPORATION

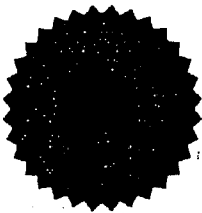
Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "ALLTEL HOLDING CORPORATE SERVICES, INC.", FILED IN THIS OFFICE ON THE SECOND DAY OF NOVEMBER, A.D. 2005, AT 5:23 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4055100 8100

AUTHENTICATION: 4271488

050897347

DATE: 11-02-05

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:23 PM 11/02/2005
FILED 05:23 PM 11/02/2005
SRV 050897347 - 4055100 FILE

CERTIFICATE OF INCORPORATION

OF

ALLTEL HOLDING CORPORATE SERVICES, INC.

FIRST: The name of the Corporation is Alltel Holding Corporate Services, Inc. (hereinafter the "Corporation").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "GCL").

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 1,000 shares of Common Stock, each having a par value of \$.01.

FIFTH: The name and mailing address of the Sole Incorporator is as follows:

<u>Name</u>	<u>Address</u>
Tracey L. Lewis	P.O. Box 636 Wilmington, DE 19899

SIXTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

- (1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.
- (2) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.

(3) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-Laws of the Corporation. Election of directors need not be by written ballot unless the By-Laws so provide.

(4) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article SIXTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

(5) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

SEVENTH: The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article SEVENTH shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition.

The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article SEVENTH to directors and officers of the Corporation.

The rights to indemnification and to the advance of expenses conferred in this Article SEVENTH shall not be exclusive of any other right which any person may have or hereafter acquire under this Certificate of Incorporation, the By-Laws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

Any repeal or modification of this Article SEVENTH by the stockholders of the Corporation shall not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

NINTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

[SIGNATURE PAGE FOLLOWS]

I, THE UNDERSIGNED, being the Sole Incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the GCL, do make this Certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 2nd day of November, 2005.

Tracey L. Lewis

Tracey L. Lewis
Sole Incorporator

EXHIBIT B

CERTIFICATE OF AUTHORITY

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

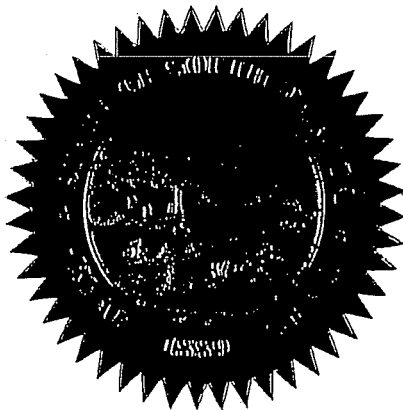
Certificate of Authority

ORGANIZATIONAL ID #: FB030210

I, **Chris Nelson**, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of **ALLTEL HOLDING CORPORATE SERVICES, INC. (DE)** to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application to transact business in this state.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this December 15, 2005.



Chris Nelson

Chris Nelson
Secretary of State



Secretary of State, Corporations Division
 500 E. Capitol Avenue, Pierre SD 57501
 Phone 605-773-4845, Fax 605-773-4550

RECEIVED
 DEC 15 '05

S.D. SEC. OF STATE

Application for Certificate of Authority

Filed this 15th day of December
 FILING FEE: \$550
 1003

FILING INSTRUCTIONS: A foreign corporation may apply for a certificate of authority to transact business in South Dakota by delivering this application to the Office of the Secretary of State for filing. One ORIGINAL and One COPY of the application must be submitted. This application must include a CERTIFICATE OF EXISTENCE, or a document of similar import, duly authenticated by the secretary of state or other official having custody of corporate records in the state or country under whose law it is incorporated.

(1) The name of the corporation is (exact corporate name including corporation, company, incorporated, limited or an abbreviation of one of such words)
ALLTEL HOLDING CORPORATE SERVICES, INC.

(2) State where incorporated DELAWARE (3) The date of its incorporation is 11/02/05
 and the period of its duration is PERPETUAL

(4) The address of its principal office in the state or country under the laws of which it is incorporated is
1209 Orange Street, Wilmington, DE Zip Code 19801
 mailing address if different from above is: N/A
 Zip Code _____

(5) The street address, or a statement that there is no street address, of its registered office in the State of South Dakota is
319 S. Coteau Street, Pierre, SD Zip Code 57501
 and the name of its registered agent in the State of South Dakota at that address is C T Corporation System

(6) The names and usual business addresses of its current directors and officers are:

Name	Officer Title	Street Address	City	State	Zip
<u>JEFFERY R. GARDNER</u>	<u>PRESIDENT AND</u>	<u>ONE ALLIED DRIVE, LITTLE ROCK, AR</u>	<u>72202</u>		
	<u>TREASURER</u>				
<u>FRANCIS X. FRANTZ</u>	<u>EXEC. VP AND</u>	<u>ONE ALLIED DRIVE, LITTLE ROCK, AR</u>	<u>72202</u>		
	<u>SECRETARY</u>				

The application must be signed by an authorized officer of the corporation.

Date: 12/2/05

X Francis X. Frantz
 Signature
Francis X. Frantz
 Printed Name
EVP and Secretary
 Title

The Consent of Appointment below must be signed by the registered agent listed in number five.

Consent of Appointment by the Registered Agent

I, C T Corporation System, hereby give my consent to serve as the registered agent for ALLTEL HOLDING CORPORATE SERVICES, INC.

(name of registered agent)
 (corporate name)

Dated 12/14 20 05

J.L. Miles
 (signature of registered agent) ASST Secy

EXHIBIT C

FINANCIAL STATEMENTS

.....

Note to Financial Statements

Applicant was formed to allow Alltel Corporation to establish its wireline businesses, including the long distance resale business as a separate publicly traded company. Applicant will become a subsidiary of Valor Communications Group, a publicly traded Delaware corporation. Applicant does not have individual audited financial statements available.

In this application, Applicant includes historical financial statements of its current parent Alltel Corporation which include the business that is being transferred to Applicant. The Alltel wireline business will be separated and merged with Valor Communications Group. Also attached is a pro-forma income statement and balance sheet of the new holding company under which Applicant will operate.

ALLTEL CORPORATION
CONSOLIDATED HIGHLIGHTS
BUSINESS SEGMENTS AND OTHER CONSOLIDATED FINANCIAL INFORMATION
(In thousands, except per share amounts)

	THREE MONTHS ENDED				NINE MONTHS ENDED			
	September 30, 2005	September 30, 2004	Increase (Decrease) Amount	%	September 30, 2005	September 30, 2004	Increase (Decrease) Amount	%
UNDER GAAP:								
Revenues and sales:								
Wireless	\$ 1,708,358	\$ 1,313,747	\$ 394,611	30	\$ 4,515,679	\$ 3,751,315	\$ 764,364	20
Wireline	592,283	602,936	(10,653)	(2)	1,780,986	1,812,034	(31,048)	(2)
Communications support services	263,209	227,137	36,072	16	749,144	675,366	73,778	11
Total business segments	2,563,850	2,143,820	420,030	20	7,045,809	6,238,715	807,094	13
Less intercompany eliminations	44,731	40,708	4,023	10	140,601	132,367	8,234	6
Total revenues and sales	<u>\$ 2,519,119</u>	<u>\$ 2,103,112</u>	<u>\$ 416,007</u>	20	<u>\$ 6,905,208</u>	<u>\$ 6,106,348</u>	<u>\$ 798,860</u>	13
Segment income:								
Wireless	\$ 375,945	\$ 287,547	\$ 88,398	31	\$ 954,425	\$ 760,085	\$ 194,340	26
Wireline	218,383	227,782	(9,399)	(4)	648,180	690,325	(42,145)	(6)
Communications support services	20,335	11,489	8,846	77	43,809	48,832	(5,023)	(10)
Total segment income	614,663	526,818	87,845	17	1,646,414	1,499,242	147,172	10
Less: corporate expenses (A)	18,900	9,054	9,846	109	59,143	27,085	32,058	118
restructuring and other charges	18,873	-	18,873	-	18,873	51,765	(32,892)	(64)
Total operating income	<u>\$ 576,890</u>	<u>\$ 517,764</u>	<u>\$ 59,126</u>	11	<u>\$ 1,568,398</u>	<u>\$ 1,420,392</u>	<u>\$ 148,006</u>	10
Operating margin (B):								
Wireless	22.0%	21.9%	.1%	-	21.1%	20.3%	.8%	4
Wireline	36.9%	37.8%	(.9%)	(2)	36.4%	38.1%	(1.7%)	(4)
Communications support services	7.7%	5.1%	2.6%	51	5.8%	7.2%	(1.4%)	(19)
Consolidated	22.9%	24.6%	(1.7%)	(7)	22.7%	23.3%	(.6%)	(3)
Net income	\$ 361,165	\$ 323,219	\$ 37,946	12	\$ 1,076,230	\$ 775,590	\$ 300,640	39
Earnings per share:								
Basic	\$.99	\$1.05	\$(.06)	(6)	\$3.29	\$2.51	\$.78	31
Diluted	\$.98	\$1.05	\$(.07)	(7)	\$3.27	\$2.50	\$.77	31
Weighted average common shares:								
Basic	363,638	306,843	56,795	19	326,752	308,781	17,971	6
Diluted	367,794	307,841	59,953	19	329,186	309,752	19,434	6
Annual dividend rate per common share	\$1.52	\$1.48	\$.04	3				
FROM CURRENT BUSINESSES (NON-GAAP) (C):								
Operating income	\$ 605,921	\$ 517,764	\$ 88,157	17	\$ 1,617,220	\$ 1,472,157	\$ 145,063	10
Operating margin (B)	24.1%	24.6%	(.5%)	(2)	23.4%	24.1%	(.7%)	(3)
Net income	\$ 331,184	\$ 284,025	\$ 47,159	17	\$ 870,490	\$ 768,052	\$ 102,438	13
Earnings per share:								
Basic	\$.91	\$.93	\$(.02)	(2)	\$2.66	\$2.49	\$.17	7
Diluted	\$.90	\$.92	\$(.02)	(2)	\$2.64	\$2.48	\$.16	6

(A) Corporate expenses for the three and nine months ended September 30, 2005 primarily includes \$10.2 million of incremental costs related to Hurricane Katrina. In addition, corporate expenses for the nine months ended September 30, 2005 also includes \$19.8 million primarily related to the effects of a change in accounting for operating leases with scheduled rent increases.

(B) Operating margin is calculated by dividing segment income by the corresponding amount of segment revenues and sales.

(C) Current businesses excludes the effects of discontinued operations, special cash dividend received on the Company's investment in Fidelity National Financial, Inc. common stock, gain on the exchange or disposal of assets, debt prepayment costs, costs associated with Hurricane Katrina, a change in accounting for operating leases, reversal of certain income tax contingency reserves and restructuring and other charges.

ALLTEL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME UNDER GAAP-Page 2
(In thousands, except per share amounts)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
Revenues and sales:				
Service revenues	\$ 2,229,370	\$ 1,885,405	\$ 6,116,896	\$ 5,476,877
Product sales	289,749	217,707	788,312	629,471
Total revenues and sales	<u>2,519,119</u>	<u>2,103,112</u>	<u>6,905,208</u>	<u>6,106,348</u>
Costs and expenses:				
Cost of services	719,683	624,442	2,006,888	1,769,402
Cost of products sold	343,718	262,604	933,556	775,942
Selling, general, administrative and other	470,966	373,624	1,298,967	1,121,676
Depreciation and amortization	388,989	324,678	1,078,526	967,171
Restructuring and other charges	18,873	-	18,873	51,765
Total costs and expenses	<u>1,942,229</u>	<u>1,585,348</u>	<u>5,336,810</u>	<u>4,685,956</u>
Operating income	576,890	517,764	1,568,398	1,420,392
Equity earnings in unconsolidated partnerships	10,434	24,338	36,391	53,516
Minority interest in consolidated partnerships	(20,573)	(23,647)	(57,838)	(60,869)
Other income, net	27,325	15,652	156,036	23,140
Interest expense	(83,422)	(86,699)	(246,454)	(264,978)
Gain on exchange or disposal of assets and other	30,557	-	218,830	-
Income from continuing operations before income taxes	541,211	447,408	1,675,363	1,171,201
Income taxes	206,068	143,727	625,155	415,149
Income from continuing operations	335,143	303,681	1,050,208	756,052
Discontinued operations:				
Income from discontinued operations (net of income taxes)	26,022	19,538	26,022	19,538
Gain on sale of discontinued operations (net of income taxes)	-	-	-	-
Net income	361,165	323,219	1,076,230	775,590
Preferred dividends	24	25	72	78
Net income applicable to common shares	<u>\$ 361,141</u>	<u>\$ 323,194</u>	<u>\$ 1,076,158</u>	<u>\$ 775,512</u>
Basic earnings per share:				
Income from continuing operations	\$.92	\$.99	\$3.21	\$2.45
Income from discontinued operations	.07	.06	.08	.06
Net income	<u>\$.99</u>	<u>\$1.05</u>	<u>\$3.29</u>	<u>\$2.51</u>
Diluted earnings per share:				
Income from continuing operations	\$.91	\$.99	\$3.19	\$2.44
Income from discontinued operations	.07	.06	.08	.06
Net income	<u>\$.98</u>	<u>\$1.05</u>	<u>\$3.27</u>	<u>\$2.50</u>

-more-

ALLTEL CORPORATION

RECONCILIATION OF RESULTS OF OPERATIONS UNDER GAAP TO RESULTS OF OPERATIONS FROM CURRENT BUSINESSES (NON-GAAP)-Page 3

for the three months ended September 30, 2005

(In thousands, except per share amounts)

	Results of Operations Under GAAP	Items Excluded from Current Businesses	Results of Operations from Current Businesses	Segment Information			Corporate Operations and Intercompany Eliminations
				Wireless	Wireline	Communications Support Services	
Revenues and sales:							
Service revenues	\$ 2,229,370	\$ -	\$ 2,229,370	\$ 1,606,482	\$ 580,561	\$ 84,728	\$ (42,401)
Product sales	289,749	-	289,749	101,876	11,722	178,481	(2,330)
Total revenues and sales	<u>2,519,119</u>	<u>-</u>	<u>2,519,119</u>	<u>1,708,358</u>	<u>592,283</u>	<u>263,209</u>	<u>(44,731)</u>
Costs and expenses:							
Cost of services	719,683	(8,260) (A)	711,423	514,923	176,699	58,964	(39,163)
Cost of products sold	343,718	-	343,718	179,831	10,021	158,860	(4,994)
Selling, general, administrative and other	470,966	(1,898) (A)	469,068	379,806	66,154	16,710	6,398
Depreciation and amortization	388,989	-	388,989	257,853	121,026	8,340	1,770
Restructuring and other charges	18,873	(18,873) (B)	-	-	-	-	-
Total costs and expenses	<u>1,942,229</u>	<u>(29,031)</u>	<u>1,913,198</u>	<u>1,332,413</u>	<u>373,900</u>	<u>242,874</u>	<u>(35,989)</u>
Operating income	576,890	29,031	605,921	\$ 375,945	\$ 218,383	\$ 20,335	\$ (8,742)
Equity earnings in unconsolidated partnerships	10,434	-	10,434				
Minority interest in consolidated partnerships	(20,573)	-	(20,573)				
Other income, net	27,325	(5,000) (A)	22,325				
Interest expense	(83,422)	-	(83,422)				
Gain on exchange or disposal of assets and other	30,557	(30,557) (C)	-				
Income from continuing operations before income taxes	541,211	(6,526)	534,685				
Income taxes	206,068	(2,567) (H)	203,501				
Income from continuing operations	335,143	(3,959)	331,184				
Discontinued operations:							
Income from discontinued operations (net of income taxes)	26,022	(26,022) (J)	-				
Gain on sale of discontinued operations (net of income taxes)	-	-	-				
Net income	361,165	(29,981)	331,184				
Preferred dividends	24	-	24				
Net income applicable to common shares	<u>\$ 361,141</u>	<u>\$ (29,981)</u>	<u>\$ 331,160</u>				
Basic earnings per share:							
Income from continuing operations	\$.92	\$(.01)	\$.91				
Income from discontinued operations	.07	(.07)	-				
Net income	<u>\$.99</u>	<u>\$(.08)</u>	<u>\$.91</u>				
Diluted earnings per share:							
Income from continuing operations	\$.91	\$(.01)	\$.90				
Income from discontinued operations	.07	(.07)	-				
Net income	<u>\$.98</u>	<u>\$(.08)</u>	<u>\$.90</u>				

See notes on pages 7 and 8 for a description of the line items marked (A) - (J).

-more-

ALLTEL CORPORATION

RECONCILIATION OF RESULTS OF OPERATIONS UNDER GAAP TO RESULTS OF OPERATIONS FROM CURRENT BUSINESSES (NON-GAAP)-Page 4

for the three months ended September 30, 2004

(In thousands, except per share amounts)

	Results of Operations Under GAAP	Items Excluded from Current Businesses	Results of Operations from Current Businesses	Segment Information			Corporate Operations and Intercompany Eliminations
				Wireless	Wireline	Communications Support Services	
Revenues and sales:							
Service revenues	\$ 1,885,405	\$ -	\$ 1,885,405	\$ 1,239,409	\$ 592,373	\$ 86,862	\$ (33,239)
Product sales	217,707	-	217,707	74,338	10,563	140,275	(7,469)
Total revenues and sales	<u>2,103,112</u>	<u>-</u>	<u>2,103,112</u>	<u>1,313,747</u>	<u>602,936</u>	<u>227,137</u>	<u>(40,708)</u>
Costs and expenses:							
Cost of services	624,442	-	624,442	406,660	179,719	68,910	(30,847)
Cost of products sold	262,604	-	262,604	139,301	7,822	124,575	(9,094)
Selling, general, administrative and other	373,624	-	373,624	294,070	60,033	13,593	5,928
Depreciation and amortization	324,678	-	324,678	186,169	127,580	8,570	2,359
Restructuring and other charges	-	-	-	-	-	-	-
Total costs and expenses	<u>1,585,348</u>	<u>-</u>	<u>1,585,348</u>	<u>1,026,200</u>	<u>375,154</u>	<u>215,648</u>	<u>(31,654)</u>
Operating income	517,764	-	517,764	<u>\$ 287,547</u>	<u>\$ 227,782</u>	<u>\$ 11,489</u>	<u>\$ (9,054)</u>
Equity earnings in unconsolidated partnerships	24,338	-	24,338				
Minority interest in consolidated partnerships	(23,647)	-	(23,647)				
Other income, net	15,652	-	15,652				
Interest expense	(86,699)	-	(86,699)				
Gain on exchange or disposal of assets and other	-	-	-				
Income from continuing operations before income taxes	447,408	-	447,408				
Income taxes	143,727	19,656 (I)	163,383				
Income from continuing operations	303,681	(19,656)	284,025				
Discontinued operations:							
Income from discontinued operations (net of income taxes)	19,538	(19,538) (I)	-				
Gain on sale of discontinued operations (net of income taxes)	-	-	-				
Net income	323,219	(39,194)	284,025				
Preferred dividends	25	-	25				
Net income applicable to common shares	<u>\$ 323,194</u>	<u>\$ (39,194)</u>	<u>\$ 284,000</u>				
Basic earnings per share:							
Income from continuing operations	\$.99	\$(.06)	\$.93				
Income from discontinued operations	.06	(.06)	-				
Net income	<u>\$1.05</u>	<u>\$(.12)</u>	<u>\$.93</u>				
Diluted earnings per share:							
Income from continuing operations	\$.99	\$(.07)	\$.92				
Income from discontinued operations	.06	(.06)	-				
Net income	<u>\$1.05</u>	<u>\$(.13)</u>	<u>\$.92</u>				

See notes on pages 7 and 8 for a description of the line items marked (A) - (J).

-more-

ALLTEL CORPORATION

RECONCILIATION OF RESULTS OF OPERATIONS UNDER GAAP TO RESULTS OF OPERATIONS FROM CURRENT BUSINESSES (NON-GAAP)-Page 5

for the nine months ended September 30, 2005

(In thousands, except per share amounts)

	Results of Operations Under GAAP	Items Excluded from Current Businesses	Results of Operations from Current Businesses	Segment Information			Corporate Operations and Intercompany Eliminations
				Wireless	Wireline	Communications Support Services	
Revenues and sales:							
Service revenues	\$ 6,116,896	\$ -	\$ 6,116,896	\$ 4,251,948	\$ 1,748,392	\$ 240,342	\$ (123,786)
Product sales	788,312	-	788,312	263,731	32,594	508,802	(16,815)
Total revenues and sales	<u>6,905,208</u>	<u>-</u>	<u>6,905,208</u>	<u>4,515,679</u>	<u>1,780,986</u>	<u>749,144</u>	<u>(140,601)</u>
Costs and expenses:							
Cost of services	2,006,888	(28,051) (A) (E)	1,978,837	1,374,402	540,390	178,083	(114,038)
Cost of products sold	933,556	-	933,556	478,915	26,020	453,319	(24,698)
Selling, general, administrative and other	1,298,967	(1,898) (A)	1,297,069	1,034,026	192,622	48,620	21,801
Depreciation and amortization	1,078,526	-	1,078,526	673,911	373,774	25,313	5,528
Restructuring and other charges	18,873	(18,873) (B)	-	-	-	-	-
Total costs and expenses	<u>5,336,810</u>	<u>(48,822)</u>	<u>5,287,988</u>	<u>3,561,254</u>	<u>1,132,806</u>	<u>705,335</u>	<u>(111,407)</u>
Operating income	1,568,398	48,822	1,617,220	<u>\$ 954,425</u>	<u>\$ 648,180</u>	<u>\$ 43,809</u>	<u>\$ (29,194)</u>
Equity earnings in unconsolidated partnerships	36,391	-	36,391				
Minority interest in consolidated partnerships	(57,838)	-	(57,838)				
Other income, net	156,036	(116,036) (A) (F)	40,000				
Interest expense	(246,454)	-	(246,454)				
Gain on exchange or disposal of assets and other	218,830	(218,830) (C) (D)	-				
Income from continuing operations before income taxes	1,675,363	(286,044)	1,389,319				
Income taxes	625,155	(106,326) (H)	518,829				
Income from continuing operations	1,050,208	(179,718)	870,490				
Discontinued operations:							
Income from discontinued operations (net of income taxes)	26,022	(26,022) (J)	-				
Gain on sale of discontinued operations (net of income taxes)	-	-	-				
Net income	1,076,230	(205,740)	870,490				
Preferred dividends	72	-	72				
Net income applicable to common shares	<u>\$ 1,076,158</u>	<u>\$ (205,740)</u>	<u>\$ 870,418</u>				
Basic earnings per share:							
Income from continuing operations	\$3.21	\$(.55)	\$2.66				
Income from discontinued operations	.08	(.08)	-				
Net income	<u>\$3.29</u>	<u>\$(.63)</u>	<u>\$2.66</u>				
Diluted earnings per share:							
Income from continuing operations	\$3.19	\$(.55)	\$2.64				
Income from discontinued operations	.08	(.08)	-				
Net income	<u>\$3.27</u>	<u>\$(.63)</u>	<u>\$2.64</u>				

See notes on pages 7 and 8 for a description of the line items marked (A) - (J).

ALLTEL CORPORATION

RECONCILIATION OF RESULTS OF OPERATIONS UNDER GAAP TO RESULTS OF OPERATIONS FROM CURRENT BUSINESSES (NON-GAAP)-Page 6

for the nine months ended September 30, 2004

(In thousands, except per share amounts)

	Results of Operations Under GAAP	Items Excluded from Current Businesses	Results of Operations from Current Businesses	Segment Information			Corporate Operations and Intercompany Eliminations
				Wireless	Wireline	Communications Support Services	
Revenues and sales:							
Service revenues	\$ 5,476,877	\$ -	\$ 5,476,877	\$ 3,538,462	\$ 1,783,473	\$ 265,200	\$ (110,258)
Product sales	629,471	-	629,471	212,853	28,561	410,166	(22,109)
Total revenues and sales	<u>6,106,348</u>	<u>-</u>	<u>6,106,348</u>	<u>3,751,315</u>	<u>1,812,034</u>	<u>675,366</u>	<u>(132,367)</u>
Costs and expenses:							
Cost of services	1,769,402	-	1,769,402	1,144,462	531,189	193,548	(99,797)
Cost of products sold	775,942	-	775,942	418,899	20,135	367,242	(30,334)
Selling, general, administrative and other	1,121,676	-	1,121,676	882,821	181,861	39,873	17,121
Depreciation and amortization	967,171	-	967,171	545,048	388,524	25,871	7,728
Restructuring and other charges	51,765	(51,765) (G)	-	-	-	-	-
Total costs and expenses	<u>4,685,956</u>	<u>(51,765)</u>	<u>4,634,191</u>	<u>2,991,230</u>	<u>1,121,709</u>	<u>626,534</u>	<u>(105,282)</u>
Operating income	1,420,392	51,765	1,472,157	\$ 760,085	\$ 690,325	\$ 48,832	\$ (27,085)
Equity earnings in unconsolidated partnerships	53,516	-	53,516				
Minority interest in consolidated partnerships	(60,869)	-	(60,869)				
Other income, net	23,140	-	23,140				
Interest expense	(264,978)	-	(264,978)				
Gain on exchange or disposal of assets and other	-	-	-				
Income from continuing operations before income taxes	1,171,201	51,765	1,222,966				
Income taxes	415,149	39,765 (H) (I)	454,914				
Income from continuing operations	756,052	12,000	768,052				
Discontinued operations:							
Income from discontinued operations (net of income taxes)	19,538	(19,538) (I)	-				
Gain on sale of discontinued operations (net of income taxes)	-	-	-				
Net income	775,590	(7,538)	768,052				
Preferred dividends	78	-	78				
Net income applicable to common shares	<u>\$ 775,512</u>	<u>\$ (7,538)</u>	<u>\$ 767,974</u>				
Basic earnings per share:							
Income from continuing operations	\$2.45	\$.04	\$2.49				
Income from discontinued operations	.06	(.06)	-				
Net income	<u>\$2.51</u>	<u>\$(.02)</u>	<u>\$2.49</u>				
Diluted earnings per share:							
Income from continuing operations	\$2.44	\$.04	\$2.48				
Income from discontinued operations	.06	(.06)	-				
Net income	<u>\$2.50</u>	<u>\$(.02)</u>	<u>\$2.48</u>				

See notes on pages 7 and 8 for a description of the line items marked (A) - (J).

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As disclosed in the ALLTEL Corporation ("Alltel" or the "Company") Form 8-K filed on October 21, 2005, Alltel has presented in this earnings release results of operations from current businesses which exclude the effects of discontinued operations, a special cash dividend received on the Company's investment in Fidelity National Financial, Inc. ("Fidelity National") common stock, gain on exchange or disposal of assets, termination fees associated with the early retirement of long-term debt, costs associated with Hurricane Katrina, a change in accounting for certain operating leases, reversal of certain income tax contingency reserves and restructuring and other charges. Alltel's purpose for excluding items from the current business measures is to focus on Alltel's true earnings capacity associated with providing telecommunication services. Management believes the items excluded from the current business measures are related to strategic activities or other events, specific to the time and opportunity available, and, accordingly, should be excluded when evaluating the trends of the Company's operations.

Alltel believes that presenting the current business measures assists investors in assessing the true business performance of the Company by clarifying for investors the effects that certain items such as asset sales, restructuring expenses and other business consolidation costs arising from past acquisition and restructuring activities had on the Company's GAAP consolidated results of operations. The Company uses results from current businesses as management's primary measure of the performance of its business segments. Alltel management, including the chief operating decision-maker, uses the current business measures consistently for all purposes, including internal reporting purposes, the evaluation of business objectives, opportunities and performance and the determination of management compensation.

As the Company evaluates segment performance based on segment income, which is computed as revenues and sales less operating expenses, the special cash dividend, gain on the exchange or disposal of assets, early termination of debt, costs associated with Hurricane Katrina, the effects of the change in accounting for operating leases and restructuring and other charges have not been allocated to the business segments. In addition, none of the non-operating items such as equity earnings in unconsolidated partnerships, minority interest expense, other income, net, interest expense and income taxes have been allocated to the segments.

- (A) Alltel incurred \$10.2 million of incremental costs related to Hurricane Katrina consisting of increased long distance and roaming expenses due to providing these services to affected customers at no charge, system maintenance costs to restore network facilities and additional losses from bad debts. These incremental costs also included Company donations to support the hurricane relief efforts. These incremental expenses were partially offset by \$5.0 million of insurance proceeds received to date by Alltel.
- (B) The Company incurred \$2.4 million of integration expenses related to its acquisition completed on August 1, 2005 of Western Wireless Corporation ("Western Wireless"). These expenses primarily consisted of system conversion and relocation costs. In addition, the Company incurred \$11.9 million of integration expenses related to the exchange of certain wireless assets with Cingular Wireless LLC ("Cingular") completed during the second and third quarters of 2005. These expenses consisted of handset subsidies incurred to migrate the acquired customer base to CDMA handsets. The Company also incurred \$4.6 million in restructuring charges associated with its wireline operations. These charges consisted of severance and employee benefit costs related to a planned workforce reduction.
- (C) Primarily due to certain minority partners' right-of-first-refusal, three of the wireless partnership interests to be exchanged between Alltel and Cingular, as discussed in Note D below, were not completed until July 29, 2005. As a result of completing the exchange transaction, Alltel recorded an additional pretax gain of \$30.5 million.
- (D) On April 15, 2005, Alltel and Cingular completed the exchange of certain wireless assets. In connection with this transaction, Alltel recorded a pretax gain of \$127.5 million. On April 6, 2005, Alltel recorded a pretax gain of \$75.8 million from the sale of all of its shares of Fidelity National common stock. In addition, on April 8, 2005, Alltel retired all of its issued and outstanding 7.50 percent senior notes due March 1, 2006, representing an aggregate principal amount of \$450.0 million. Concurrent with the debt redemption, Alltel also terminated the related pay variable/receive fixed, interest rate swap agreement that had been designated as a fair value hedge against the \$450.0 million senior notes. In connection with the early termination of the debt and interest rate swap agreement, Alltel incurred net pretax termination fees of approximately \$15.0 million.
- (E) Effective January 1, 2005, Alltel changed its accounting for operating leases with scheduled rent increases. Certain of the Company's operating lease agreements for cell sites and for office and retail locations include scheduled rent escalations during the initial lease term and/or during succeeding optional renewal periods. Previously, the Company had not recognized the scheduled increases in rent expense on a straight-line basis in accordance with the provisions of Statement of Financial Accounting Standards No. 13, "Accounting for Leases" and Financial Accounting Standards Board Technical Bulletin No. 85-3, "Accounting for Operating Leases with Scheduled Rent Increases". The effects of this change, which are included in corporate expenses, were not material to the Company's previously reported consolidated results of operations, financial position or cash flow.

- (F) On March 9, 2005, Fidelity National declared a special \$10 per share cash dividend to Fidelity National stockholders. The special cash dividend was received by Alltel on March 28, 2005.
- (G) The Company announced its plans to reorganize its operating structure and exit its competitive local exchange carrier operations in the Jacksonville, Florida market. In connection with these activities, the Company recorded a restructuring charge of \$29.3 million consisting of severance and employee benefit costs related to a planned workforce reduction, employee relocation costs, lease termination and other restructuring-related costs. The Company also recorded a \$2.3 million reduction in the liabilities associated with various restructuring activities initiated prior to 2003. In addition, the Company recorded a write-down of \$24.8 million in the carrying value of certain corporate and regional facilities to fair value in conjunction with the proposed leasing or sale of those facilities.
- (H) Tax-related effect of the items discussed in Notes A - G above.
- (I) During the third quarter of 2004, the Internal Revenue Service ("IRS") completed its fieldwork related to the audits of the Company's consolidated federal income tax returns for the fiscal years 1997 through 2001. As a result of the IRS completing this phase of their audits, Alltel reassessed its income tax contingency reserves related to the periods under examination. Based upon this reassessment, Alltel recorded a \$129.3 million reduction in its income tax contingency reserves in the third quarter of 2004. The corresponding effects of the reversal of these tax contingencies resulted in a reduction in goodwill of \$94.5 million and a reduction in income tax expense associated with continuing operations of \$19.7 million. In addition, \$15.1 million of the income tax contingency reserves reversed related to the financial services division of Alltel's information services subsidiary, ALLTEL was sold to Fidelity National on April 1, 2003. Pursuant to the terms of the sale agreement, Alltel retained, as of the date of sale, all income tax liabilities related to the sold operations and agreed to indemnify Fidelity National from any future tax liability imposed on the financial services division for periods prior to the date of sale. The adjustment of the tax contingency reserves related to the disposed financial services division has been reported as "discontinued operations" in the Company's interim consolidated financial statements for the three and nine months ended September 30, 2004. Discontinued operations for the three and nine months ended September 30, 2004 also included a tax benefit of \$4.4 million attributable to a foreign tax credit carryback recognized as a result of the IRS audits.
- (J) Eliminates the effects of discontinued operations. On August 1, 2005, Alltel completed its acquisition of Western Wireless. As a condition of receiving approval for the acquisition from the Department of Justice and the Federal Communications Commission, Alltel agreed to divest certain wireless operations of Western Wireless in 16 markets in Arkansas, Kansas and Nebraska. In September 2005, Alltel completed the sale of international operations in Georgia and Ghana acquired from Western Wireless. Alltel also has entered into definitive agreements to sell the Austria and Irish operations acquired from Western Wireless and Alltel is actively pursuing the disposition of all remaining international operations and interests acquired from Western Wireless. As a result, the acquired international operations and interests of Western Wireless and the 16 markets to be divested in Arkansas, Kansas and Nebraska have been classified as discontinued operations and assets held for sale in the accompanying consolidated financial statements.

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ALLTEL CORPORATION
SUPPLEMENTAL OPERATING INFORMATION-Page 9
(Dollars in thousands, except per customer amounts)

	THREE MONTHS ENDED				NINE MONTHS ENDED			
	September 30, 2005	September 30, 2004	Increase (Decrease) Amount	%	September 30, 2005	September 30, 2004	Increase (Decrease) Amount	%
Wireless:								
Controlled POPs	75,410,320	61,313,088	14,097,232	23				
Customers	10,424,710	8,394,727	2,029,983	24				
Penetration rate	13.8%	13.7%	.1%	1				
Average customers	9,956,726	8,369,785	1,586,941	19	9,229,636	8,234,494	995,142	12
Gross customer additions:								
Internal	729,618	641,994	87,624	14	1,992,367	2,029,528	(37,161)	(2)
Acquired	1,336,315	-	1,336,315	-	1,602,806	-	1,602,806	-
Total	2,065,933	641,994	1,423,939	222	3,595,173	2,029,528	1,565,645	77
Net customer additions:								
Internal	20,887	58,254	(37,367)	(64)	195,417	371,302	(175,885)	(47)
Acquired	1,336,315	-	1,336,315	-	1,602,806	-	1,602,806	-
Total	1,357,202	58,254	1,298,948	2,230	1,798,223	371,302	1,426,921	384
Customer acquisition costs:								
Cost of products sold	\$ 83,821	\$ 78,043	\$ 5,778	7	\$ 216,034	\$ 242,180	\$ (26,146)	(11)
Selling and marketing expenses	231,886	181,505	50,381	28	615,816	545,317	70,499	13
Less product sales	61,611	55,235	6,376	12	162,516	159,344	3,172	2
Total	\$ 254,096	\$ 204,313	\$ 49,783	24	\$ 669,334	\$ 628,153	\$ 41,181	7
Cost to acquire a new customer (A)	\$348	\$318	\$30	9	\$336	\$310	\$26	8
Cash costs:								
Cost of services	\$ 514,923	\$ 406,660	\$ 108,263	27	\$ 1,374,402	\$ 1,144,462	\$ 229,940	20
Cost of products sold	179,831	139,301	40,530	29	478,915	418,899	60,016	14
Selling, general, administrative and other	379,806	294,070	85,736	29	1,034,026	882,821	151,205	17
Less product sales	101,876	74,338	27,538	37	263,731	212,853	50,878	24
Total	972,684	765,693	206,991	27	2,623,612	2,233,329	390,283	17
Less customer acquisition costs	254,096	204,313	49,783	24	669,334	628,153	41,181	7
Total	\$ 718,588	\$ 561,380	\$ 157,208	28	\$ 1,954,278	\$ 1,605,176	\$ 349,102	22
Cash cost per unit per month, excluding customer acquisition costs (B)	\$24.06	\$22.36	\$1.70	8	\$23.53	\$21.66	\$1.87	9
Revenues:								
Service revenues	\$ 1,606,482	\$ 1,239,409	\$ 367,073	30	\$ 4,251,948	\$ 3,538,462	\$ 713,486	20
Less wholesale revenues	170,221	103,356	66,865	65	373,514	277,698	95,816	35
Retail revenues	\$ 1,436,261	\$ 1,136,053	\$ 300,208	26	\$ 3,878,434	\$ 3,260,764	\$ 617,670	19
Average revenue per customer per month (C)	\$53.78	\$49.36	\$4.42	9	\$51.19	\$47.75	\$3.44	7
Retail revenue per customer per month (D)	\$48.08	\$45.24	\$2.84	6	\$46.69	\$44.00	\$2.69	6
Retail minutes of use per customer per month (E)	614	516	98	19	586	480	106	22
Postpay churn	1.92%	1.80%	.12%	7	1.75%	1.77%	(.02%)	(1)
Total churn	2.37%	2.33%	.04%	2	2.17%	2.24%	(.07%)	(3)
Service revenue operating margin (F)	23.4%	23.2%	.2%	1	22.4%	21.5%	.9%	4
Capital expenditures (G)	\$233,788	\$200,337	\$33,451	17	\$707,530	\$526,870	\$180,660	34

(A) Cost to acquire a new customer is calculated by dividing the sum of the GAAP reported cost of products sold and sales and marketing expenses (included within "Selling, general, administrative and other") less product sales, as reported in the Consolidated Statements of Income, by the number of internal gross customer additions in the period. Customer acquisition costs exclude amounts related to the Company's customer retention efforts.

(B) Cash cost per unit per month, excluding customer acquisition costs, is calculated by dividing the sum of the GAAP reported cost of services, cost of products sold, selling, general, administrative and other expenses less product sales, as reported in the Consolidated Statements of Income, less customer acquisition costs, by the number of average customers for the period.

(C) Average revenue per customer per month is calculated by dividing wireless service revenues by average customers for the period.

(D) Retail revenue per customer per month is calculated by dividing wireless retail revenues (service revenues less wholesale revenues) by average customers for the period.

(E) Retail minutes of use per customer per month represents the average monthly minutes that Alltel's customers use on both the Company's network and while roaming on other carriers' networks.

(F) Service revenue operating margin is calculated by dividing wireless segment income by wireless service revenues.

(G) Includes capitalized software development costs.

ALLTEL CORPORATION
 SUPPLEMENTAL OPERATING INFORMATION-Page 10
 (Dollars in thousands, except per customer amounts)

	THREE MONTHS ENDED				NINE MONTHS ENDED			
	September 30, 2005	September 30, 2004	Increase (Decrease) Amount	%	September 30, 2005	September 30, 2004	Increase (Decrease) Amount	%
Wireline:								
Customers	2,919,862	3,040,512	(120,650)	(4)				
Average customers	2,937,588	3,052,548	(114,960)	(4)	2,966,491	3,074,185	(107,694)	(4)
Broadband customers	359,975	216,885	143,090	66				
Net broadband additions	40,660	22,351	18,309	82	116,650	63,857	52,793	83
Average revenue per customer per month (H)	\$67.21	\$65.84	\$1.37	2	\$66.71	\$65.49	\$1.22	2
Capital expenditures (G)	\$78,172	\$80,659	\$(2,487)	(3)	\$236,596	\$235,768	\$828	-
Communications support services:								
Long-distance customers	1,757,069	1,739,974	17,095	1				
Capital expenditures (G)	\$4,208	\$4,500	\$(292)	(6)	\$9,827	\$9,412	\$415	4
Consolidated:								
Equity free cash flow (I)	\$403,738	\$323,183	\$80,555	25	\$994,554	\$954,379	\$40,175	4
Capital expenditures (G)	\$316,435	\$285,520	\$30,915	11	\$954,462	\$780,844	\$173,618	22
Total assets	\$23,796,703	\$16,368,782	\$7,427,921	45				

(G) Includes capitalized software development costs.

(H) Average revenue per customer per month is calculated by dividing total wireline revenues by average customers for the period.

(I) Equity free cash flow is calculated as the sum of net income from current businesses plus depreciation and amortization less capital expenditures which includes capitalized software development costs as indicated in Note G.

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ALLTEL CORPORATION
CONSOLIDATED BALANCE SHEETS UNDER GAAP-Page 11
(In thousands)

ASSETS

	September 30, 2005	December 31, 2004
CURRENT ASSETS:		
Cash and short-term investments	\$ 69,428	\$ 484,934
Accounts receivable (less allowance for doubtful accounts of \$76,414 and \$53,606, respectively)	1,116,991	912,665
Inventories	177,026	156,785
Prepaid expenses and other	131,159	62,383
Assets held for sale	<u>2,739,566</u>	<u>-</u>
Total current assets	<u>4,234,170</u>	<u>1,616,767</u>
Investments	359,295	804,861
Goodwill	8,827,913	4,875,718
Other intangibles	1,977,344	1,306,140
PROPERTY, PLANT AND EQUIPMENT:		
Land	287,618	278,084
Buildings and improvements	1,189,690	1,134,824
Wireline	6,886,844	6,735,748
Wireless	6,664,603	5,763,965
Information processing	1,150,249	1,048,446
Other	494,307	489,936
Under construction	<u>494,266</u>	<u>385,283</u>
Total property, plant and equipment	17,167,577	15,836,286
Less accumulated depreciation	<u>9,158,549</u>	<u>8,288,195</u>
Net property, plant and equipment	<u>8,009,028</u>	<u>7,548,091</u>
Other assets	<u>388,953</u>	<u>452,159</u>
TOTAL ASSETS	<u>\$ 23,796,703</u>	<u>\$ 16,603,736</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30, 2005	December 31, 2004
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 137,920	\$ 224,958
Accounts payable	496,027	448,161
Advance payments and customer deposits	224,152	219,338
Accrued taxes	224,125	158,197
Accrued dividends	145,481	105,922
Accrued interest	81,300	120,259
Current deferred income taxes	490,491	-
Other current liabilities	244,090	183,523
Liabilities related to assets held for sale	<u>397,965</u>	<u>-</u>
Total current liabilities	<u>2,441,551</u>	<u>1,460,358</u>
Long-term debt	5,805,200	5,352,422
Deferred income taxes	1,681,917	1,715,119
Other liabilities	955,756	947,172
SHAREHOLDERS' EQUITY:		
Preferred stock	287	307
Common stock	382,917	302,268
Additional paid-in capital	5,313,384	197,902
Unrealized holding gain on investments	23,512	153,926
Foreign currency translation adjustment	26,895	482
Retained earnings	<u>7,165,284</u>	<u>6,473,780</u>
Total shareholders' equity	<u>12,912,279</u>	<u>7,128,665</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 23,796,703</u>	<u>\$ 16,603,736</u>

ALLTEL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS UNDER GAAP-Page 12
(In thousands)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
Net Cash Provided from Operations:				
Net income	\$ 361,165	\$ 323,219	\$ 1,076,230	\$ 775,590
Adjustments to reconcile net income to net cash provided from operations:				
Income from discontinued operations	(26,022)	(19,538)	(26,022)	(19,538)
Cumulative effect of accounting change				
Depreciation and amortization	388,989	324,678	1,078,526	967,171
Provision for doubtful accounts	61,360	48,504	152,019	137,270
Non-cash portion of gain on exchange or disposal of assets and other	(30,557)	-	(232,742)	-
Non-cash portion of restructuring and other charges	10,000	-	10,000	25,569
Increase in deferred income taxes	11,786	42,672	18,067	188,596
Reversal of income tax contingency reserves	-	(19,656)	-	(19,656)
Other, net	941	(8,305)	12,057	(8,475)
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions:				
Accounts receivable	(99,575)	(98,737)	(205,408)	(164,276)
Inventories	18,520	(14,894)	16,225	10,908
Accounts payable	27,815	(17,718)	(3,480)	(93,028)
Other current liabilities	(94,407)	24,239	6,210	64,112
Other, net	28,495	11,427	428	(20,185)
Net cash provided from operations	<u>658,510</u>	<u>595,891</u>	<u>1,902,110</u>	<u>1,844,058</u>
Cash Flows from Investing Activities:				
Additions to property, plant and equipment	(304,406)	(276,742)	(915,545)	(757,280)
Additions to capitalized software development costs	(12,029)	(8,778)	(38,917)	(23,564)
Additions to investments	(75)	(279)	(957)	(2,805)
Purchases of property, net of cash acquired	(912,317)	-	(1,136,049)	-
Proceeds from the sale of assets	-	-	36,162	-
Proceeds from the sale of investments	436	-	353,881	-
Proceeds from the return on investments	10,569	30,169	30,957	67,115
Other, net	4,848	3,637	7,951	(594)
Net cash used in investing activities	<u>(1,212,974)</u>	<u>(251,993)</u>	<u>(1,662,517)</u>	<u>(717,128)</u>
Cash Flows from Financing Activities:				
Dividends on preferred and common stock	(124,449)	(114,047)	(345,169)	(345,347)
Reductions in long-term debt	(2,203,727)	(2,044)	(2,656,640)	(254,994)
Distributions to minority investors	(17,799)	(16,994)	(44,808)	(49,677)
Long-term debt issued	877,700	-	927,700	-
Repurchases of common stock	-	(263,898)	-	(506,931)
Common stock issued	43,477	14,074	1,442,790	20,727
Net cash used in financing activities	<u>(1,424,798)</u>	<u>(382,909)</u>	<u>(676,127)</u>	<u>(1,136,222)</u>
Net cash provided from discontinued operations	36,189	-	36,189	-
Effect of exchange rate changes on cash and short-term investments	(15,161)	(22)	(15,161)	(87)
Decrease in cash and short-term investments	<u>(1,958,234)</u>	<u>(39,033)</u>	<u>(415,506)</u>	<u>(9,379)</u>
Cash and Short-term Investments:				
Beginning of the period	2,027,662	687,418	484,934	657,764
End of the period	<u>\$ 69,428</u>	<u>\$ 648,385</u>	<u>\$ 69,428</u>	<u>\$ 648,385</u>

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ALLTEL CORPORATION

RECONCILIATIONS OF RESULTS OF OPERATIONS UNDER GAAP TO RESULTS OF OPERATIONS FROM CURRENT BUSINESSES (NON-GAAP)-Page 13

(In thousands)

	<u>THREE MONTHS ENDED</u>		<u>NINE MONTHS ENDED</u>	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
Net cash provided from operations	\$ 658,510	\$ 595,891	\$ 1,902,110	\$ 1,844,058
Adjustments to reconcile to net income under GAAP:				
Income from discontinued operations	26,022	19,538	26,022	19,538
Depreciation and amortization expense	(388,989)	(324,678)	(1,078,526)	(967,171)
Provision for doubtful accounts	(61,360)	(48,504)	(152,019)	(137,270)
Non-cash portion of gain on exchange or disposal of assets and other	30,557	-	232,742	-
Non-cash portion of restructuring and other charges	(10,000)	-	(10,000)	(25,569)
Change in deferred income taxes	(11,786)	(42,672)	(18,067)	(188,596)
Reversal of income tax contingency reserves	-	19,656	-	19,656
Other non-cash changes, net	(941)	8,305	(12,057)	8,475
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions	119,152	95,683	186,025	202,469
Net income under GAAP	<u>361,165</u>	<u>323,219</u>	<u>1,076,230</u>	<u>775,590</u>
Adjustments to reconcile to net income from current businesses:				
Restructuring and other charges, net of tax	11,569	-	11,569	31,656
Gain on exchange or disposal of assets and other, net of tax	(18,681)	-	(136,720)	-
Special dividend received on Fidelity National common stock, net of tax	-	-	(69,812)	-
Change in accounting for operating leases, net of tax	-	-	12,092	-
Hurricane-related costs, net of insurance recoveries and tax	3,153	-	3,153	-
Reversal of income tax contingency reserves	-	(19,656)	-	(19,656)
Income from discontinued operations	(26,022)	(19,538)	(26,022)	(19,538)
Net income from current businesses	<u>331,184</u>	<u>284,025</u>	<u>870,490</u>	<u>768,052</u>
Adjustments to reconcile to equity free cash flow from current businesses:				
Depreciation and amortization expense	388,989	324,678	1,078,526	967,171
Capital expenditures	(316,435)	(285,520)	(954,462)	(780,844)
Equity free cash flow from current businesses	<u>\$ 403,738</u>	<u>\$ 323,183</u>	<u>\$ 994,554</u>	<u>\$ 954,379</u>

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On April 1, 2003, ALLTEL Corporation ("Alltel" or the "Company") completed the sale of the financial services division of its information services subsidiary, ALLTEL Information Services, Inc., to Fidelity National Financial Inc. As a result of this transaction, the financial services division has been reflected in the accompanying supplemental financial data as discontinued operations for all periods presented. The telecom division of ALLTEL Information Services, Inc. was retained by the Company and was not part of the transaction. The operations of the retained telecom division are included in the communications support services segment.

On August 1, 2005, Alltel completed its acquisition of Western Wireless. As a condition of receiving approval for the acquisition from the Department of Justice and the Federal Communications Commission, Alltel agreed to divest certain wireless operations of Western Wireless in 16 markets in Arkansas, Kansas and Nebraska. In September 2005, Alltel completed the sale of international operations in Georgia and Ghana acquired from Western Wireless. Alltel also has entered into definitive agreements to sell the Austria and Irish operations acquired from Western Wireless and Alltel is actively pursuing the disposition of all remaining international operations and interests acquired from Western Wireless. As a result, the acquired international operations and interests of Western Wireless and the 16 markets to be divested in Arkansas, Kansas and Nebraska have been classified as discontinued operations and assets held for sale in the accompanying consolidated financial statements.

The supplemental financial data contain disclosure of non-GAAP financial measures. A reconciliation of each of the non-GAAP financial measures to its most directly comparable financial measure calculated and presented in accordance with GAAP is posted on the Investor Relations page of the Company's web site under "Quarterly Reports and Financial Statistics".

Alltel claims the protection of the safe-harbor for forward-looking statements contained in 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. 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; changes in communications technology; the risks associated with pending acquisitions and dispositions, including the pending acquisition of the Idaho markets and the pending dispositions of Western Wireless' Kansas and Nebraska markets and international assets; the risks associated with the integration of acquired businesses, including the integration of Western Wireless; the uncertainties related to any discussions or negotiations regarding the sale of any of the international assets or the wireline repositioning; adverse changes in the terms and conditions of the wireless roaming agreements of Alltel; the uncertainties related to Alltel's strategic investments; the effects of litigation; and the effects of federal and state legislation, rules, and regulations governing the communications industry. In addition to these factors, actual future performance, outcomes, and results may differ materially because of more general factors including (without limitation) general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes.

TEL Corporation
Consolidated Quarterly Statements of Income From Current Businesses (Non-GAAP)
For quarterly periods in the years 2005, 2004 and 2003

(Thousands, except per share amounts)	2005				2004					2003				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Revenues and Sales:														
Service revenues	\$ 6,116,896	\$ 2,229,370	\$ 1,989,264	\$ 1,898,262	\$ 7,374,279	\$ 1,897,402	\$ 1,885,405	\$ 1,825,894	\$ 1,765,578	\$ 7,156,067	\$ 1,806,026	\$ 1,836,059	\$ 1,797,520	\$ 1,716,462
Product sales	788,312	289,749	270,842	227,721	871,862	242,391	217,707	216,170	195,594	823,843	207,650	214,125	212,732	189,336
Total revenues and sales	6,905,208	2,519,119	2,260,106	2,125,983	8,246,141	2,139,793	2,103,112	2,042,064	1,961,172	7,979,910	2,013,676	2,050,184	2,010,252	1,905,798
Costs and Expenses:														
Cost of services	1,978,837	711,423	660,945	606,469	2,374,220	604,818	624,442	584,189	560,771	2,273,598	567,946	602,609	565,612	537,431
Cost of products sold	933,556	343,718	308,065	281,773	1,075,545	299,603	262,604	256,055	257,283	1,043,468	262,058	272,344	271,354	237,712
Selling, general, administrative and other	1,297,069	469,068	420,536	407,465	1,524,165	402,489	373,624	372,859	375,193	1,498,122	388,290	376,285	372,458	361,089
Depreciation and amortization	1,078,526	388,989	348,320	341,217	1,299,691	332,520	324,678	321,151	321,342	1,247,748	321,330	312,183	310,712	303,523
Total costs and expenses	5,287,988	1,913,198	1,737,866	1,636,924	6,273,621	1,639,430	1,585,348	1,534,254	1,514,589	6,062,936	1,539,624	1,563,421	1,520,136	1,439,755
Operating Income	1,617,220	605,921	522,240	489,059	1,972,520	500,363	517,764	507,810	446,583	1,916,974	474,052	486,763	490,116	466,043
Equity earnings in unconsolidated partnerships	36,391	10,434	15,214	10,743	68,486	14,970	24,338	15,926	13,252	64,373	16,401	13,778	16,689	17,505
Minority interest in consolidated partnerships	(57,838)	(20,573)	(18,918)	(18,347)	(80,096)	(19,227)	(23,647)	(21,651)	(15,571)	(78,604)	(17,093)	(22,287)	(21,390)	(17,834)
Other income, net	40,000	22,325	7,976	9,699	34,500	11,360	15,652	2,875	4,613	11,068	3,596	3,391	3,634	447
Interest expense	(246,454)	(83,422)	(76,343)	(86,689)	(352,490)	(87,512)	(86,699)	(86,543)	(91,736)	(378,627)	(90,881)	(91,164)	(93,210)	(103,372)
Income before income taxes	1,389,319	534,685	450,169	404,465	1,642,920	419,954	447,408	418,417	357,141	1,535,184	386,075	390,481	395,839	362,789
Income taxes	518,829	203,501	166,147	149,181	604,810	149,896	163,383	155,889	135,642	580,789	146,081	147,718	151,823	135,167
Net income	870,490	331,184	284,022	255,284	1,038,110	270,058	284,025	262,528	221,499	954,395	239,994	242,763	244,016	227,622
Preferred dividends	72	24	24	24	103	25	25	26	27	111	27	28	28	28
Net income applicable to common shares	\$ 870,418	\$ 331,160	\$ 283,998	\$ 255,260	\$ 1,038,007	\$ 270,033	\$ 284,000	\$ 262,502	\$ 221,472	\$ 954,284	\$ 239,967	\$ 242,735	\$ 243,988	\$ 227,594
Earnings Per Share:														
Basic	\$2.66	\$.91	\$.90	\$.84	\$3.38	\$.89	\$.93	\$.85	\$.71	\$3.06	\$.77	\$.78	\$.78	\$.73
Diluted	\$2.64	\$.90	\$.90	\$.84	\$3.37	\$.89	\$.92	\$.85	\$.71	\$3.05	\$.77	\$.78	\$.78	\$.73

Current businesses excludes the effects of discontinued operations, debt prepayment costs, costs associated with Hurricane Katrina, restructuring and other charges, gain (loss) on exchange or disposal of assets, write-down of investments, special cash dividend received on the Company's investment in Fidelity National Financial, Inc. common stock, reversal of certain income tax contingency reserves, and the cumulative effect of accounting changes.

ALLTEL Corporation
Consolidated Quarterly Statements of Income Under GAAP
for quarterly periods in the years 2005, 2004 and 2003

in thousands, except per share amounts	2005				2004					2003				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Revenues and Sales:														
Service revenues	\$ 6,116,896	\$ 2,229,370	\$ 1,989,264	\$ 1,898,262	\$ 7,374,279	\$ 1,897,402	\$ 1,885,405	\$ 1,825,894	\$ 1,765,578	\$ 7,156,067	\$ 1,806,026	\$ 1,836,059	\$ 1,797,520	\$ 1,716,462
Product sales	788,312	289,749	270,842	227,721	871,862	242,391	217,707	216,170	195,594	823,843	207,650	214,125	212,732	189,336
Total revenues and sales	6,905,208	2,519,119	2,260,106	2,125,983	8,246,141	2,139,793	2,103,112	2,042,064	1,961,172	7,979,910	2,013,676	2,050,184	2,010,252	1,905,798
Costs and Expenses:														
Cost of services	2,006,888	719,683	660,945	626,260	2,374,220	604,818	624,442	584,189	560,771	2,273,598	567,946	602,609	565,612	537,431
Cost of products sold	933,556	343,718	308,065	281,773	1,075,545	299,603	262,604	256,055	257,283	1,043,468	262,058	272,344	271,354	237,712
Selling, general, administrative and other	1,298,967	470,966	420,536	407,465	1,524,165	402,489	373,624	372,859	375,193	1,498,122	388,290	376,285	372,458	361,089
Depreciation and amortization	1,078,526	388,989	348,320	341,217	1,299,691	332,520	324,678	321,151	321,342	1,247,748	321,330	312,183	310,712	303,523
Restructuring and other charges	18,873	18,873	-	-	50,892	(873)	-	-	51,765	18,979	-	-	18,979	-
Total costs and expenses	5,336,810	1,942,229	1,737,866	1,656,715	6,324,513	1,638,557	1,585,348	1,534,254	1,566,354	6,081,915	1,539,624	1,563,421	1,539,115	1,439,755
Operating Income														
	1,568,398	576,890	522,240	469,268	1,921,628	501,236	517,764	507,810	394,818	1,897,995	474,052	486,763	471,137	466,043
Equity earnings in unconsolidated partnerships	36,391	10,434	15,214	10,743	68,486	14,970	24,338	15,926	13,252	64,373	16,401	13,778	16,689	17,505
Minority interest in consolidated partnerships	(57,838)	(20,573)	(18,918)	(18,347)	(80,096)	(19,227)	(23,647)	(21,651)	(15,571)	(78,604)	(17,093)	(22,287)	(21,390)	(17,834)
Other income, net	156,036	27,325	7,976	120,735	34,500	11,360	15,652	2,875	4,613	11,068	3,596	3,391	3,634	447
Interest expense	(246,454)	(83,422)	(76,343)	(86,689)	(352,490)	(87,512)	(86,699)	(86,543)	(91,736)	(378,627)	(90,881)	(91,164)	(93,210)	(103,372)
Gain (loss) on exchange or disposal of assets, write-down of investments and other	218,830	30,557	188,273	-	-	-	-	-	-	17,933	30,999	-	(13,066)	-
Income from continuing operations before income taxes	1,675,363	541,211	638,442	495,710	1,592,028	420,827	447,408	418,417	305,376	1,534,138	417,074	390,481	363,794	362,789
Income taxes	625,155	206,068	236,381	182,706	565,331	150,182	143,727	155,889	115,533	580,609	158,139	147,718	139,585	135,167
Income from continuing operations	1,050,208	335,143	402,061	313,004	1,026,697	270,645	303,681	262,528	189,843	953,529	258,935	242,763	224,209	227,622
Discontinued operations:														
Income from discontinued operations (net of income taxes)	26,022	26,022	-	-	19,538	-	19,538	-	-	37,072	-	-	-	37,072
Gain on sale of discontinued operations (net of income taxes)	-	-	-	-	-	-	-	-	-	323,927	-	-	323,927	-
Income before cumulative effect of accounting change	1,076,230	361,165	402,061	313,004	1,046,235	270,645	323,219	262,528	189,843	1,314,528	258,935	242,763	548,136	264,694
Cumulative effect of accounting change (net of income taxes)	-	-	-	-	-	-	-	-	-	15,591	-	-	-	15,591
Net income	1,076,230	361,165	402,061	313,004	1,046,235	270,645	323,219	262,528	189,843	1,330,119	258,935	242,763	548,136	280,285
Preferred dividends	72	24	24	24	103	25	25	26	27	111	27	28	28	28
Net income applicable to common shares	\$ 1,076,158	\$ 361,141	\$ 402,037	\$ 312,980	\$ 1,046,132	\$ 270,620	\$ 323,194	\$ 262,502	\$ 189,816	\$ 1,330,008	\$ 258,908	\$ 242,735	\$ 548,108	\$ 280,257
Earnings Per Share:														
Basic:														
Income from continuing operations	\$3.21	\$.92	\$1.28	\$1.04	\$3.34	\$.89	\$.99	\$.85	\$.61	\$3.06	\$.83	\$.78	\$.72	\$.73
Income from discontinued operations	.08	.07	-	-	.06	-	.06	-	-	1.16	-	-	1.04	.12
Cumulative effect of accounting change	-	-	-	-	-	-	-	-	-	.05	-	-	-	.05
Net income	\$3.29	\$.99	\$1.28	\$1.04	\$3.40	\$.89	\$1.05	\$.85	\$.61	\$4.27	\$.83	\$.78	\$1.76	\$.90
Diluted:														
Income from continuing operations	\$3.19	\$.91	\$1.27	\$1.03	\$3.33	\$.89	\$.99	\$.85	\$.61	\$3.05	\$.83	\$.78	\$.72	\$.73
Income from discontinued operations	.08	.07	-	-	.06	-	.06	-	-	1.15	-	-	1.03	.12
Cumulative effect of accounting change	-	-	-	-	-	-	-	-	-	.05	-	-	-	.05
Net income	\$3.27	\$.98	\$1.27	\$1.03	\$3.39	\$.89	\$1.05	\$.85	\$.61	\$4.25	\$.83	\$.78	\$1.75	\$.90

LTTEL CORPORATION
 QUARTERLY SUPPLEMENTAL BUSINESS SEGMENT INFORMATION FROM CURRENT BUSINESSES (NON-GAAP)
 for the quarterly periods in the years 2005, 2004 and 2003
 (thousands)

	2005				2004					2003				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Wireless:														
Revenues and sales:														
Service revenues	\$ 4,251,948	\$ 1,606,482	\$ 1,371,089	\$ 1,274,377	\$ 4,791,235	\$ 1,252,773	\$ 1,239,409	\$ 1,183,549	\$ 1,115,504	\$ 4,466,462	\$ 1,128,024	\$ 1,163,786	\$ 1,127,642	\$ 1,047,010
Product sales	263,731	101,876	84,223	77,632	286,852	73,999	74,338	69,533	68,982	261,937	63,908	69,446	67,774	60,809
Total revenues and sales	<u>4,515,679</u>	<u>1,708,358</u>	<u>1,455,312</u>	<u>1,352,009</u>	<u>5,078,087</u>	<u>1,326,772</u>	<u>1,313,747</u>	<u>1,253,082</u>	<u>1,184,486</u>	<u>4,728,399</u>	<u>1,191,932</u>	<u>1,233,232</u>	<u>1,195,416</u>	<u>1,107,819</u>
Costs and expenses:														
Cost of services	1,374,402	514,923	453,806	405,673	1,543,576	399,114	406,660	382,060	355,742	1,367,812	350,603	361,107	339,730	316,372
Cost of products sold	478,915	179,831	150,278	148,806	573,646	154,747	139,301	135,048	144,550	536,648	131,243	141,712	141,246	122,447
Selling, general, administrative and other	1,034,026	379,806	331,743	322,477	1,201,789	318,968	294,070	293,009	295,742	1,154,961	303,033	292,999	287,085	271,844
Depreciation and amortization	673,911	257,853	212,560	203,498	738,837	193,789	186,169	181,350	177,529	670,978	175,446	168,999	165,364	161,169
Total costs and expenses	<u>3,561,254</u>	<u>1,332,413</u>	<u>1,148,387</u>	<u>1,080,454</u>	<u>4,057,848</u>	<u>1,066,618</u>	<u>1,026,200</u>	<u>991,467</u>	<u>973,563</u>	<u>3,730,399</u>	<u>960,325</u>	<u>964,817</u>	<u>933,425</u>	<u>871,832</u>
Segment income	<u>\$ 954,425</u>	<u>\$ 375,945</u>	<u>\$ 306,925</u>	<u>\$ 271,555</u>	<u>\$ 1,020,239</u>	<u>\$ 260,154</u>	<u>\$ 287,547</u>	<u>\$ 261,615</u>	<u>\$ 210,923</u>	<u>\$ 998,000</u>	<u>\$ 231,607</u>	<u>\$ 268,415</u>	<u>\$ 261,991</u>	<u>\$ 235,987</u>
Wireline:														
Revenues and sales:														
Service revenues	\$ 1,748,392	\$ 580,561	\$ 584,016	\$ 583,815	\$ 2,380,788	\$ 597,315	\$ 592,373	\$ 599,567	\$ 591,533	\$ 2,395,625	\$ 605,665	\$ 595,319	\$ 597,109	\$ 597,532
Product sales	32,594	11,722	11,055	9,817	39,021	10,460	10,563	10,065	7,933	40,454	10,119	9,876	9,135	11,324
Total revenues and sales	<u>1,780,986</u>	<u>592,283</u>	<u>595,071</u>	<u>593,632</u>	<u>2,419,809</u>	<u>607,775</u>	<u>602,936</u>	<u>609,632</u>	<u>599,466</u>	<u>2,436,079</u>	<u>615,784</u>	<u>605,195</u>	<u>606,244</u>	<u>608,856</u>
Costs and expenses:														
Cost of services	540,390	176,699	182,667	181,024	704,335	173,146	179,719	178,599	172,871	737,161	173,751	195,747	185,580	182,083
Cost of products sold	26,020	10,021	9,001	6,998	28,711	8,576	7,822	7,158	5,155	29,131	7,495	7,375	6,319	7,942
Selling, general, administrative and other	192,622	66,154	62,662	63,806	244,327	62,466	60,033	60,908	60,920	259,406	65,644	63,410	64,143	66,209
Depreciation and amortization	373,774	121,026	125,445	127,303	516,445	127,921	127,580	128,610	132,334	526,508	132,064	131,234	133,376	129,834
Total costs and expenses	<u>1,132,806</u>	<u>373,900</u>	<u>379,775</u>	<u>379,131</u>	<u>1,493,818</u>	<u>372,109</u>	<u>375,154</u>	<u>375,275</u>	<u>371,280</u>	<u>1,552,206</u>	<u>378,954</u>	<u>397,766</u>	<u>389,418</u>	<u>386,068</u>
Segment income	<u>\$ 648,180</u>	<u>\$ 218,383</u>	<u>\$ 215,296</u>	<u>\$ 214,501</u>	<u>\$ 925,991</u>	<u>\$ 235,666</u>	<u>\$ 227,782</u>	<u>\$ 234,357</u>	<u>\$ 228,186</u>	<u>\$ 883,873</u>	<u>\$ 236,830</u>	<u>\$ 207,429</u>	<u>\$ 216,826</u>	<u>\$ 222,788</u>
Communications support services:														
Revenues and sales														
Service revenues	\$ 240,342	\$ 84,728	\$ 77,772	\$ 77,842	\$ 346,662	\$ 81,462	\$ 86,862	\$ 84,583	\$ 93,755	\$ 428,983	\$ 105,910	\$ 108,808	\$ 106,708	\$ 107,557
Product sales	508,802	178,481	183,458	146,863	577,193	167,027	140,275	144,596	125,295	530,078	141,229	135,155	136,127	117,567
Total revenues and sales	<u>749,144</u>	<u>263,209</u>	<u>261,230</u>	<u>224,705</u>	<u>923,855</u>	<u>248,489</u>	<u>227,137</u>	<u>229,179</u>	<u>219,050</u>	<u>959,061</u>	<u>247,139</u>	<u>243,963</u>	<u>242,835</u>	<u>225,124</u>
Costs and expenses:														
Cost of services	178,083	58,964	62,776	56,343	257,845	64,297	68,910	58,679	65,959	299,006	74,876	76,820	73,458	73,852
Cost of products sold	453,319	158,860	161,399	133,060	514,239	146,997	124,575	127,799	114,868	486,936	131,568	123,596	124,088	107,684
Selling, general, administrative and other	48,620	16,710	16,982	14,928	54,729	14,856	13,593	13,050	13,230	60,511	13,896	14,361	15,682	16,572
Depreciation and amortization	25,313	8,340	8,501	8,472	34,325	8,454	8,570	8,755	8,546	36,191	9,176	8,843	8,806	9,366
Total costs and expenses	<u>705,335</u>	<u>242,874</u>	<u>249,658</u>	<u>212,803</u>	<u>861,138</u>	<u>234,604</u>	<u>215,648</u>	<u>208,283</u>	<u>202,603</u>	<u>882,644</u>	<u>229,516</u>	<u>223,620</u>	<u>222,034</u>	<u>207,474</u>
Segment income	<u>\$ 43,809</u>	<u>\$ 20,335</u>	<u>\$ 11,572</u>	<u>\$ 11,902</u>	<u>\$ 62,717</u>	<u>\$ 13,885</u>	<u>\$ 11,489</u>	<u>\$ 20,896</u>	<u>\$ 16,447</u>	<u>\$ 76,417</u>	<u>\$ 17,623</u>	<u>\$ 20,343</u>	<u>\$ 20,801</u>	<u>\$ 17,650</u>
Corporate expenses:														
Cost of services	\$ 1,865	\$ 574	\$ 590	\$ 701	\$ 3,023	\$ 787	\$ 767	\$ 730	\$ 739	\$ 4,001	\$ 1,647	\$ 802	\$ 788	\$ 764
Selling, general, administrative and other	21,801	6,398	9,149	6,254	23,320	6,199	5,928	5,892	5,301	23,244	5,717	5,515	5,548	6,464
Depreciation and amortization	5,528	1,770	1,814	1,944	10,084	2,356	2,359	2,436	2,933	14,071	4,644	3,107	3,166	3,154
Total costs and expenses	<u>\$ 29,194</u>	<u>\$ 8,742</u>	<u>\$ 11,553</u>	<u>\$ 8,899</u>	<u>\$ 36,427</u>	<u>\$ 9,342</u>	<u>\$ 9,054</u>	<u>\$ 9,058</u>	<u>\$ 8,973</u>	<u>\$ 41,316</u>	<u>\$ 12,008</u>	<u>\$ 9,424</u>	<u>\$ 9,502</u>	<u>\$ 10,382</u>

TEL CORPORATION
 QUARTERLY SUPPLEMENTAL BUSINESS SEGMENT INFORMATION FROM CURRENT BUSINESSES (NON-GAAP)
 for the quarterly periods in the years 2005, 2004 and 2003
 (in thousands)

	2005				2004					2003				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Company eliminations:														
Revenues and sales														
Service revenues	\$ (123,786)	\$ (42,401)	\$ (43,613)	\$ (37,772)	\$ (144,406)	\$ (34,148)	\$ (33,239)	\$ (41,805)	\$ (35,214)	\$ (135,003)	\$ (33,573)	\$ (31,854)	\$ (33,939)	\$ (35,637)
Product sales	(16,815)	(2,330)	(7,894)	(6,591)	(31,204)	(9,095)	(7,469)	(8,024)	(6,616)	(8,626)	(7,606)	(352)	(304)	(364)
Total revenues and sales	<u>(140,601)</u>	<u>(44,731)</u>	<u>(51,507)</u>	<u>(44,363)</u>	<u>(175,610)</u>	<u>(43,243)</u>	<u>(40,708)</u>	<u>(49,829)</u>	<u>(41,830)</u>	<u>(143,629)</u>	<u>(41,179)</u>	<u>(32,206)</u>	<u>(34,243)</u>	<u>(36,001)</u>
Costs and expenses:														
Cost of services	(115,903)	(39,737)	(38,894)	(37,272)	(134,559)	(32,526)	(31,614)	(35,879)	(34,540)	(134,382)	(32,931)	(31,867)	(33,944)	(35,640)
Cost of products sold	(24,698)	(4,994)	(12,613)	(7,091)	(41,051)	(10,717)	(9,094)	(13,950)	(7,290)	(9,247)	(8,248)	(339)	(299)	(361)
Selling, general, administrative and other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total costs and expenses	<u>(140,601)</u>	<u>(44,731)</u>	<u>(51,507)</u>	<u>(44,363)</u>	<u>(175,610)</u>	<u>(43,243)</u>	<u>(40,708)</u>	<u>(49,829)</u>	<u>(41,830)</u>	<u>(143,629)</u>	<u>(41,179)</u>	<u>(32,206)</u>	<u>(34,243)</u>	<u>(36,001)</u>
Operating income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unconsolidated:														
Revenues and sales														
Service revenues	6,116,896	2,229,370	1,989,264	1,898,262	7,374,279	1,897,402	1,885,405	1,825,894	1,765,578	7,156,067	1,806,026	1,836,059	1,797,520	1,716,462
Product sales	788,312	289,749	270,842	227,721	871,862	242,391	217,707	216,170	195,594	823,843	207,650	214,125	212,732	189,336
Total revenues and sales	<u>\$ 6,905,208</u>	<u>\$ 2,519,119</u>	<u>\$ 2,260,106</u>	<u>\$ 2,125,983</u>	<u>\$ 8,246,141</u>	<u>\$ 2,139,793</u>	<u>\$ 2,103,112</u>	<u>\$ 2,042,064</u>	<u>\$ 1,961,172</u>	<u>\$ 7,979,910</u>	<u>\$ 2,013,676</u>	<u>\$ 2,050,184</u>	<u>\$ 2,010,252</u>	<u>\$ 1,905,798</u>
Costs and expenses:														
Cost of services	1,978,837	711,423	660,945	606,469	2,374,220	604,818	624,442	584,189	560,771	2,273,598	567,946	602,609	565,612	537,431
Cost of products sold	933,556	343,718	308,065	281,773	1,075,545	299,603	262,604	256,055	257,283	1,043,468	262,058	272,344	271,354	237,712
Selling, general, administrative and other	1,297,069	469,068	420,536	407,465	1,524,165	402,489	373,624	372,859	375,193	1,498,122	388,290	376,285	372,458	361,089
Depreciation and amortization	1,078,526	388,989	348,320	341,217	1,299,691	332,520	324,678	321,151	321,342	1,247,748	321,330	312,183	310,712	303,523
Total costs and expenses	<u>5,287,988</u>	<u>1,913,198</u>	<u>1,737,866</u>	<u>1,636,924</u>	<u>6,273,621</u>	<u>1,639,430</u>	<u>1,585,348</u>	<u>1,534,254</u>	<u>1,514,589</u>	<u>6,062,936</u>	<u>1,539,624</u>	<u>1,563,421</u>	<u>1,520,136</u>	<u>1,439,755</u>
Operating income	<u>\$ 1,617,220</u>	<u>\$ 605,921</u>	<u>\$ 522,240</u>	<u>\$ 489,059</u>	<u>\$ 1,972,520</u>	<u>\$ 500,363</u>	<u>\$ 517,764</u>	<u>\$ 507,810</u>	<u>\$ 446,583</u>	<u>\$ 1,916,974</u>	<u>\$ 474,052</u>	<u>\$ 486,763</u>	<u>\$ 490,116</u>	<u>\$ 466,043</u>
Operating Margin: (A)														
Wireless	21.1%	22.0%	21.1%	20.1%	20.1%	19.6%	21.9%	20.9%	17.8%	21.1%	19.4%	21.8%	21.9%	21.3%
Wireline	36.4%	36.9%	36.2%	36.1%	38.3%	38.8%	37.8%	38.4%	38.1%	36.3%	38.5%	34.3%	35.8%	36.6%
Communications Support Services	5.8%	7.7%	4.4%	5.3%	6.8%	5.6%	5.1%	9.1%	7.5%	8.0%	7.1%	8.3%	8.6%	7.8%
Consolidated	23.4%	24.1%	23.1%	23.0%	23.9%	23.4%	24.6%	24.9%	22.8%	24.0%	23.5%	23.7%	24.4%	24.5%
SUPPLEMENTAL REVENUE INFORMATION:														
Wireline:														
Revenues and sales:														
Local service	\$ 817,306	\$ 271,824	\$ 272,798	\$ 272,684	\$ 1,115,761	\$ 276,456	\$ 278,598	\$ 280,782	\$ 279,925	\$ 1,136,820	\$ 282,702	\$ 283,959	\$ 284,301	\$ 285,858
Network access and long-distance	776,502	258,529	257,078	260,895	1,047,894	260,812	263,549	262,816	260,717	1,055,497	271,503	260,280	261,533	262,181
Miscellaneous	187,178	61,930	65,195	60,053	256,154	70,507	60,789	66,034	58,824	243,762	61,579	60,956	60,410	60,817
Total revenues and sales	<u>\$ 1,780,986</u>	<u>\$ 592,283</u>	<u>\$ 595,071</u>	<u>\$ 593,632</u>	<u>\$ 2,419,809</u>	<u>\$ 607,775</u>	<u>\$ 602,936</u>	<u>\$ 609,632</u>	<u>\$ 599,466</u>	<u>\$ 2,436,079</u>	<u>\$ 615,784</u>	<u>\$ 605,195</u>	<u>\$ 606,244</u>	<u>\$ 608,856</u>
Communications support services:														
Revenues and sales:														
Long-distance and network management services	\$ 227,550	\$ 80,658	\$ 74,253	\$ 72,639	\$ 304,870	\$ 75,797	\$ 77,188	\$ 72,848	\$ 79,037	\$ 320,165	\$ 78,003	\$ 80,048	\$ 81,083	\$ 81,031
Product distribution	402,763	146,063	136,163	120,537	421,253	117,018	109,268	95,907	99,060	407,397	106,235	107,253	100,790	93,119
Directory publishing	106,039	32,417	47,296	26,326	155,940	50,009	31,007	48,689	26,235	122,573	34,982	27,860	35,308	24,423
Telecommunications information services	12,792	4,071	3,518	5,203	41,792	5,665	9,674	11,735	14,718	108,926	27,919	28,802	25,654	26,551
Total revenues and sales	<u>\$ 749,144</u>	<u>\$ 263,209</u>	<u>\$ 261,230</u>	<u>\$ 224,705</u>	<u>\$ 923,855</u>	<u>\$ 248,489</u>	<u>\$ 227,137</u>	<u>\$ 229,179</u>	<u>\$ 219,050</u>	<u>\$ 959,061</u>	<u>\$ 247,139</u>	<u>\$ 243,963</u>	<u>\$ 242,835</u>	<u>\$ 225,124</u>

Current businesses excludes costs associated with Hurricane Katrina, restructuring and other charges and the effects of a change in accounting for operating leases with scheduled rent increases.

(A) Operating margin is calculated by dividing segment income by the corresponding amount of segment revenues and sales.

INTEL CORPORATION
 QUARTERLY SUPPLEMENTAL BUSINESS SEGMENT INFORMATION UNDER GAAP
 for the quarterly periods in the years 2005, 2004 and 2003
 (thousands)

	2005				2004					2003				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Wireless:														
Revenues and sales:														
Service revenues	\$ 4,251,948	\$ 1,606,482	\$ 1,371,089	\$ 1,274,377	\$ 4,791,235	\$ 1,252,773	\$ 1,239,409	\$ 1,183,549	\$ 1,115,504	\$ 4,466,462	\$ 1,128,024	\$ 1,163,786	\$ 1,127,642	\$ 1,047,010
Product sales	263,731	101,876	84,223	77,632	286,852	73,999	74,338	69,533	68,982	261,937	63,908	69,446	67,774	60,809
Total revenues and sales	4,515,679	1,708,358	1,455,312	1,352,009	5,078,087	1,326,772	1,313,747	1,253,082	1,184,486	4,728,399	1,191,932	1,233,232	1,195,416	1,107,819
Costs and expenses:														
Cost of services	1,374,402	514,923	453,806	405,673	1,543,576	399,114	406,660	382,060	355,742	1,367,812	350,603	361,107	339,730	316,372
Cost of products sold	478,915	179,831	150,278	148,806	573,646	154,747	139,301	135,048	144,550	536,648	131,243	141,712	141,246	122,447
Selling, general, administrative and other	1,034,026	379,806	331,743	322,477	1,201,789	318,968	294,070	293,009	295,742	1,154,961	303,033	292,999	287,085	271,844
Depreciation and amortization	673,911	257,853	212,560	203,498	738,837	193,789	186,169	181,350	177,529	670,978	175,446	168,999	165,364	161,169
Total costs and expenses	3,561,254	1,332,413	1,148,387	1,080,454	4,057,848	1,066,618	1,026,200	991,467	973,563	3,730,399	960,325	964,817	933,425	871,832
Segment income	\$ 954,425	\$ 375,945	\$ 306,925	\$ 271,555	\$ 1,020,239	\$ 260,154	\$ 287,547	\$ 261,615	\$ 210,923	\$ 998,000	\$ 231,607	\$ 268,415	\$ 261,991	\$ 235,987
Wireline:														
Revenues and sales:														
Service revenues	\$ 1,748,392	\$ 580,561	\$ 584,016	\$ 583,815	\$ 2,380,788	\$ 597,315	\$ 592,373	\$ 599,567	\$ 591,533	\$ 2,395,625	\$ 605,665	\$ 595,319	\$ 597,109	\$ 597,532
Product sales	32,594	11,722	11,055	9,817	39,021	10,460	10,563	10,065	7,933	40,454	10,119	9,876	9,135	11,324
Total revenues and sales	1,780,986	592,283	595,071	593,632	2,419,809	607,775	602,936	609,632	599,466	2,436,079	615,784	605,195	606,244	608,856
Costs and expenses:														
Cost of services	540,390	176,699	182,667	181,024	704,335	173,146	179,719	178,599	172,871	737,161	173,751	195,747	185,580	182,083
Cost of products sold	26,020	10,021	9,001	6,998	28,711	8,576	7,822	7,158	5,155	29,131	7,495	7,375	6,319	7,942
Selling, general, administrative and other	192,622	66,154	62,662	63,806	244,327	62,466	60,033	60,908	60,920	259,406	65,644	63,410	64,143	66,209
Depreciation and amortization	373,774	121,026	125,445	127,303	516,445	127,921	127,580	128,610	132,334	526,508	132,064	131,234	133,376	129,834
Total costs and expenses	1,132,806	373,900	379,775	379,131	1,493,818	372,109	375,154	375,275	371,280	1,552,206	378,954	397,766	389,418	386,068
Segment income	\$ 648,180	\$ 218,383	\$ 215,296	\$ 214,501	\$ 925,991	\$ 235,666	\$ 227,782	\$ 234,357	\$ 228,186	\$ 883,873	\$ 236,830	\$ 207,429	\$ 216,826	\$ 222,788
Communications support services:														
Revenues and sales														
Service revenues	\$ 240,342	\$ 84,728	\$ 77,772	\$ 77,842	\$ 346,662	\$ 81,462	\$ 86,862	\$ 84,583	\$ 93,755	\$ 428,983	\$ 105,910	\$ 108,808	\$ 106,708	\$ 107,557
Product sales	508,802	178,481	183,458	146,863	577,193	167,027	140,275	144,596	125,295	530,078	141,229	135,155	136,127	117,567
Total revenues and sales	749,144	263,209	261,230	224,705	923,855	248,489	227,137	229,179	219,050	959,061	247,139	243,963	242,835	225,124
Costs and expenses:														
Cost of services	178,083	58,964	62,776	56,343	257,845	64,297	68,910	58,679	65,959	299,006	74,876	76,820	73,458	73,852
Cost of products sold	453,319	158,860	161,399	133,060	514,239	146,997	124,575	127,799	114,868	486,936	131,568	123,596	124,088	107,684
Selling, general, administrative and other	48,620	16,710	16,982	14,928	54,729	14,856	13,593	13,050	13,230	60,511	13,896	14,361	15,682	16,572
Depreciation and amortization	25,313	8,340	8,501	8,472	34,325	8,454	8,570	8,755	8,546	36,191	9,176	8,843	8,806	9,366
Total costs and expenses	705,335	242,874	249,658	212,803	861,138	234,604	215,648	208,283	202,603	882,644	229,516	223,620	222,034	207,474
Segment income	\$ 43,809	\$ 20,335	\$ 11,572	\$ 11,902	\$ 62,717	\$ 13,885	\$ 11,489	\$ 20,896	\$ 16,447	\$ 76,417	\$ 17,623	\$ 20,343	\$ 20,801	\$ 17,650
Corporate expenses:														
Cost of services	\$ 29,916	\$ 8,834	\$ 590	\$ 20,492	\$ 3,023	\$ 787	\$ 767	\$ 730	\$ 739	\$ 4,001	\$ 1,647	\$ 802	\$ 788	\$ 764
Selling, general, administrative and other	23,699	8,296	9,149	6,254	23,320	6,199	5,928	5,892	5,301	23,244	5,717	5,515	5,548	6,464
Depreciation and amortization	5,528	1,770	1,814	1,944	10,084	2,356	2,359	2,436	2,933	14,071	4,644	3,107	3,166	3,154
Restructuring and other charges	18,873	18,873	-	-	50,892	(873)	-	-	51,765	18,979	-	-	18,979	-
Total costs and expenses	\$ 78,016	\$ 37,773	\$ 11,553	\$ 28,690	\$ 87,319	\$ 8,469	\$ 9,054	\$ 9,058	\$ 60,738	\$ 60,295	\$ 12,008	\$ 9,424	\$ 28,481	\$ 10,382

LTTEL CORPORATION
 QUARTERLY SUPPLEMENTAL BUSINESS SEGMENT INFORMATION UNDER GAAP
 for the quarterly periods in the years 2005, 2004 and 2003
 (thousands)

	2005				2004					2003				
	Total	3rd.Qtr.	2nd.Qtr.	1st.Qtr.	Total	4th.Qtr.	3rd.Qtr.	2nd.Qtr.	1st.Qtr.	Total	4th.Qtr.	3rd.Qtr.	2nd.Qtr.	1st.Qtr.
Intercompany eliminations:														
Revenues and sales														
Service revenues	\$ (123,786)	\$ (42,401)	\$ (43,613)	\$ (37,772)	\$ (144,406)	\$ (34,148)	\$ (33,239)	\$ (41,805)	\$ (35,214)	\$ (135,003)	\$ (33,573)	\$ (31,854)	\$ (33,939)	\$ (35,637)
Product sales	(16,815)	(2,330)	(7,894)	(6,591)	(31,204)	(9,095)	(7,469)	(8,024)	(6,616)	(8,626)	(7,606)	(352)	(304)	(364)
Total revenues and sales	<u>(140,601)</u>	<u>(44,731)</u>	<u>(51,507)</u>	<u>(44,363)</u>	<u>(175,610)</u>	<u>(43,243)</u>	<u>(40,708)</u>	<u>(49,829)</u>	<u>(41,830)</u>	<u>(143,629)</u>	<u>(41,179)</u>	<u>(32,206)</u>	<u>(34,243)</u>	<u>(36,001)</u>
Costs and expenses:														
Cost of services	(115,903)	(39,737)	(38,894)	(37,272)	(134,559)	(32,526)	(31,614)	(35,879)	(34,540)	(134,382)	(32,931)	(31,867)	(33,944)	(35,640)
Cost of products sold	(24,698)	(4,994)	(12,613)	(7,091)	(41,051)	(10,717)	(9,094)	(13,950)	(7,290)	(9,247)	(8,248)	(339)	(299)	(361)
Selling, general, administrative and other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total costs and expenses	<u>(140,601)</u>	<u>(44,731)</u>	<u>(51,507)</u>	<u>(44,363)</u>	<u>(175,610)</u>	<u>(43,243)</u>	<u>(40,708)</u>	<u>(49,829)</u>	<u>(41,830)</u>	<u>(143,629)</u>	<u>(41,179)</u>	<u>(32,206)</u>	<u>(34,243)</u>	<u>(36,001)</u>
Operating income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Consolidated:														
Revenues and sales														
Service revenues	6,116,896	2,229,370	1,989,264	1,898,262	7,374,279	1,897,402	1,885,405	1,825,894	1,765,578	7,156,067	1,806,026	1,836,059	1,797,520	1,716,462
Product sales	788,312	289,749	270,842	227,721	871,862	242,391	217,707	216,170	195,594	823,843	207,650	214,125	212,732	189,336
Total revenues and sales	<u>\$ 6,905,208</u>	<u>\$ 2,519,119</u>	<u>\$ 2,260,106</u>	<u>\$ 2,125,983</u>	<u>\$ 8,246,141</u>	<u>\$ 2,139,793</u>	<u>\$ 2,103,112</u>	<u>\$ 2,042,064</u>	<u>\$ 1,961,172</u>	<u>\$ 7,979,910</u>	<u>\$ 2,013,676</u>	<u>\$ 2,050,184</u>	<u>\$ 2,010,252</u>	<u>\$ 1,905,798</u>
Costs and expenses:														
Cost of services	2,006,888	719,683	660,945	626,260	2,374,220	604,818	624,442	584,189	560,771	2,273,598	567,946	602,609	565,612	537,431
Cost of products sold	933,556	343,718	308,065	281,773	1,075,545	299,603	262,604	256,055	257,283	1,043,468	262,058	272,344	271,354	237,712
Selling, general, administrative and other	1,298,967	470,966	420,536	407,465	1,524,165	402,489	373,624	372,859	375,193	1,498,122	388,290	376,285	372,458	361,089
Depreciation and amortization	1,078,526	388,989	348,320	341,217	1,299,691	332,520	324,678	321,151	321,342	1,247,748	321,330	312,183	310,712	303,523
Restructuring and other charges	18,873	18,873	-	-	50,892	(873)	-	-	51,765	18,979	-	-	18,979	-
Total costs and expenses	<u>5,336,810</u>	<u>1,942,229</u>	<u>1,737,866</u>	<u>1,656,715</u>	<u>6,324,513</u>	<u>1,638,557</u>	<u>1,585,348</u>	<u>1,534,254</u>	<u>1,566,354</u>	<u>6,081,915</u>	<u>1,539,624</u>	<u>1,563,421</u>	<u>1,539,115</u>	<u>1,439,755</u>
Operating income	<u>\$ 1,568,398</u>	<u>\$ 576,890</u>	<u>\$ 522,240</u>	<u>\$ 469,268</u>	<u>\$ 1,921,628</u>	<u>\$ 501,236</u>	<u>\$ 517,764</u>	<u>\$ 507,810</u>	<u>\$ 394,818</u>	<u>\$ 1,897,995</u>	<u>\$ 474,052</u>	<u>\$ 486,763</u>	<u>\$ 471,137</u>	<u>\$ 466,043</u>

OPERATING MARGIN (A):														
Wireless	21.1%	22.0%	21.1%	20.1%	20.1%	19.6%	21.9%	20.9%	17.8%	21.1%	19.4%	21.8%	21.9%	21.3%
Wireline	36.4%	36.9%	36.2%	36.1%	38.3%	38.8%	37.8%	38.4%	38.1%	36.3%	38.5%	34.3%	35.8%	36.6%
Communications support services	5.8%	7.7%	4.4%	5.3%	6.8%	5.6%	5.1%	9.1%	7.5%	8.0%	7.1%	8.3%	8.6%	7.8%
Consolidated	22.7%	22.9%	23.1%	22.1%	23.3%	23.4%	24.6%	24.9%	20.1%	23.8%	23.5%	23.7%	23.4%	24.5%

SUPPLEMENTAL REVENUE INFORMATION:														
Wireline:														
Revenues and sales:														
Local service	\$ 817,306	\$ 271,824	\$ 272,798	\$ 272,684	\$ 1,115,761	\$ 276,456	\$ 278,598	\$ 280,782	\$ 279,925	\$ 1,136,820	\$ 282,702	\$ 283,959	\$ 284,301	\$ 285,858
Network access and long-distance	776,502	258,529	257,078	260,895	1,047,894	260,812	263,549	262,816	260,717	1,055,497	271,503	260,280	261,533	262,181
Miscellaneous	187,178	61,930	65,195	60,053	256,154	70,507	60,789	66,034	58,824	243,762	61,579	60,956	60,410	60,817
Total revenues and sales	<u>\$ 1,780,986</u>	<u>\$ 592,283</u>	<u>\$ 595,071</u>	<u>\$ 593,632</u>	<u>\$ 2,419,809</u>	<u>\$ 607,775</u>	<u>\$ 602,936</u>	<u>\$ 609,632</u>	<u>\$ 599,466</u>	<u>\$ 2,436,079</u>	<u>\$ 615,784</u>	<u>\$ 605,195</u>	<u>\$ 606,244</u>	<u>\$ 608,856</u>
Communications support services:														
Revenues and sales:														
Long-distance and network management services	\$ 227,550	\$ 80,658	\$ 74,253	\$ 72,639	\$ 304,870	\$ 75,797	\$ 77,188	\$ 72,848	\$ 79,037	\$ 320,165	\$ 78,003	\$ 80,048	\$ 81,083	\$ 81,031
Product distribution	402,763	146,063	136,163	120,537	421,253	117,018	109,268	95,907	99,060	407,397	106,235	107,253	100,790	93,119
Directory publishing	106,039	32,417	47,296	26,326	155,940	50,009	31,007	48,689	26,235	122,573	34,982	27,860	35,308	24,423
Telecommunications information services	12,792	4,071	3,518	5,203	41,792	5,665	9,674	11,735	14,718	108,926	27,919	28,802	25,654	26,551
Total revenues and sales	<u>\$ 749,144</u>	<u>\$ 263,209</u>	<u>\$ 261,230</u>	<u>\$ 224,705</u>	<u>\$ 923,855</u>	<u>\$ 248,489</u>	<u>\$ 227,137</u>	<u>\$ 229,179</u>	<u>\$ 219,050</u>	<u>\$ 959,061</u>	<u>\$ 247,139</u>	<u>\$ 243,963</u>	<u>\$ 242,835</u>	<u>\$ 225,124</u>

Corporate expenses for the three and nine months ended September 30, 2005 primarily includes \$10.2 million of incremental costs related to Hurricane Katrina. In addition, corporate expenses for the nine months ended September 30, 2005 also includes \$19.8 million primarily related to the effects of a change in accounting for operating leases with scheduled rent increases.

(A) Operating margin is calculated by dividing segment income by the corresponding amount of segment revenues and sales.

Merged Wireline Business
Unaudited Pro Forma Combined Condensed Statement of Income
For the Year Ended December 31, 2004
Dollars and shares in millions

Revenues and sales:	\$ 3,449.4
Costs and expenses:	
Cost of services	963.3
Cost of products sold	333.8
Selling, general, administrative and other	430.6
Depreciation and amortization	607.6
Restructuring and other charges	<u>11.8</u>
Operating income	1,102.3
Other income, net	(80.0)
Interest expense	<u>(366.0)</u>
Income (loss) before income taxes	656.3
Income taxes	<u>274.7</u>
Net income (loss)	<u><u>\$ 381.6</u></u>
Earnings per share:	
Basic	\$ 0.81
Diluted	\$ 0.81
Average common shares outstanding:	
Basic	473.7
Diluted	473.7

Note: This financial statement is unaudited. It represents the combination of Alltel Corporation's wireline business and Valor Communications Group.

Merged Wireline Business
 Unaudited Pro Forma Combined Condensed Balance Sheet
 As of December 31, 2004
 Dollars in millions

Assets

Cash and short-term investments	\$ 122.5
Other current assets	460.1
Total current assets	<u>582.6</u>
Investments	2.3
Goodwill	5,360.6
Other intangibles	671.5
Property, plant and equipment, net	3,941.1
Other assets	290.2
Total assets	<u>\$ 10,848.3</u>

Liabilities and Shareholders' Equity

Current liabilities	\$ 365.3
Long-term debt	5,454.0
Deferred income taxes	986.0
Other liabilities	197.1
Common stock	-
Additional paid-in capital	5,868.4
Treasury stock	(3.2)
Accumulated other comprehensive income	0.5
Deferred equity compensation	(18.3)
Retained earnings (deficit)	(2,001.5)
Total liabilities and shareholders' equity	<u>\$ 10,848.3</u>

Note: This financial statement is unaudited. It represents the combination of Alltel Corporation's wireline business and Valor Communications Group.

EXHIBIT D

TARIFF

REGULATIONS AND SCHEDULE OF CHARGES
APPLYING TO INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS
SERVICE BETWEEN POINTS IN THE STATE OF SOUTH DAKOTA.

Intrastate Long Distance Message Telecommunications Service
is furnished by means of wire, radio, satellite
or any other suitable technology or combination thereof.

Issued:

Issued by:

Vice President

Effective:

CHECK SHEET

The Title Sheet and Sheets 1 through 28 inclusive of this tariff are effective as of the dates shown. Original and revised sheets, as named below, comprise all changes from the original tariff in effect on the date indicated.

<u>SHEET</u>	<u>REVISION</u>
Title	Original
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original

*Indicates tariff sheets submitted with this filing.

Issued:

Issued by:

Vice President

Effective:

TABLE OF CONTENTS

Sheet No.

	Title
TITLE SHEET.....	1
CHECK SHEET.....	1
TABLE OF CONTENTS.....	2
TARIFF FORMAT.....	4
EXPLANATION OF SYMBOLS.....	5
APPLICATION OF TARIFF.....	6
DEFINITIONS.....	7
GENERAL REGULATIONS.....	9
Service Description.....	9
Interconnection with Other Common Carriers.....	9
Availability of Services.....	9
Use of Services.....	10
Undertaking of the Company.....	10
Liability of the Company.....	11
Assignment.....	13
Responsibilities of the Customer.....	13
Cancellation or Interruption of Services.....	14
Calculation of Distance.....	16
Customer Service and Complaint Resolution.....	16
PAYMENT AND CREDIT REGULATIONS.....	17
Billing and Collection of Charges.....	17
Payment for Service.....	17
Deposits and Advance Payments.....	18
Billing Entity Conditions.....	19
Denial of Access to Service by the Company.....	19
Customer's Liability in the Event of Denial of Access to Service by the Company.....	20
Reinstitution of Service.....	20
Right to Backbill for Improper Use of the Company's Services.....	20
Disconnection and Reconnection Fees.....	20

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Effective:

TABLE OF CONTENTS (Cont'd)

Sheet No.

RATES FOR SERVICE.....	21
Types of Offerings.....	21
Rate Schedules.....	23
Prepaid Calling Card Service.....	24
Rate Period Chart.....	26
Promotional Activities.....	26
SPECIALIZED SERVICES, RATES AND REGULATIONS.....	27

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Vice President

Effective:

TARIFF FORMAT

- A. Sheet Numbering** - Sheet numbers appear in the right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 13 and 14 would be 13.1.
- B. Sheet Revision Numbers** - Sheet Revision Numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
 - 2.1
 - 2.1.1
 - 2.1.1.A
 - 2.1.1.A.1
 - 2.1.1.A.1.(a)
 - 2.1.1.A.1.(a).I
 - 2.1.1.A.1.(a).I.(i)
 - 2.1.1.A.1.(a).I.(i).(1)
- D. Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The Tariff user should refer to the latest Check Sheet to find if a particular sheet is the most current on file with the Commission.

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Vice President

Effective:

EXPLANATION OF SYMBOLS

C - to signify a changed regulation.

D - to signify a discontinued rate or regulation.

I - to signify a rate increase.

M - to signify matter relocated without change.

N - to signify a new rate or regulation.

R - to signify a rate reduction.

S - to signify reissued matter.

T - to signify a change in text but no change in rate of regulation.

X - to signify a waiver of F.C.C.'s Rules.

Y - to signify reference to other published tariffs.

Z - to signify a correction.

Issued:

Issued by:

Vice President

Effective:

1. Application of Tariff

This tariff contains the regulations and rates applicable to the provision of Intrastate Long Distance Message Telecommunications Service ("LDMTS") as defined herein, by ALLTEL Holding Corporate Services, Inc. (the "Company"), from its Points of Presence to other points in the State of South Dakota. Service is furnished subject to the availability of facilities and subject to transmission, atmospheric, and like conditions.

Issued:

Issued by:

Vice President

Effective:

2. Definitions

Certain terms used generally throughout this tariff are defined below:

Access Code - A sequence of numbers that, when dialed, connect the caller to the provider of services associated with that sequence.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the service used so that the Company may rate and bill the call. All Authorization Codes shall be the sole property of the Company and no Customer shall have any property or other right or interest in the use of any particular Authorization Code. Automatic Numbering Identification ("ANI") may be used as or in connection with the Authorization Code.

Billed Party - The person or entity responsible for payment for use of the Company's services. For a Direct Dialed Call, the person or entity responsible for payment is the Customer responsible for payment for local telephone service at the telephone used to originate the call. In the case of a credit card call, the person or entity responsible for payment is the person to whom it is issued and the holder of the credit card used. In the case of third party call, the person or entity responsible for payment is the person responsible for payment for local telephone service at the telephone number that agrees to accept charges for the call. In the case of a Room Charge Call, the entity responsible for payment is the Aggregator controlling the telephone used to originate the call. In the case of all Operator Assisted Calls not involving credit cards, third party calls or Room Charge Calls, the person or entity responsible for payment is the Customer responsible for payment for local telephone service at the telephone used to originate the call.

Central Office - A Local Exchange Carrier switching system where Local Exchange Carrier customer station loops are terminated for purposes of interconnection to each other and to trunks.

Channel - A path for electrical transmission between two or more points, the path having a band width designed to carry voice grade transmission.

Commission - The South Dakota Public Utilities Commission.

Common Carrier - A company or entity providing telecommunications services to the public.

Credit Card Call - A Direct Dialed or Operator Assisted Call for which charges are billed not to the originating telephone number, but to a credit card, such as Visa or MasterCard, or to a LEC or interexchange carrier calling card.

Customer - The person, partnership, association, joint stock company, trust, corporation, governmental entity or other entity, that is responsible for payment of charges and for compliance with this tariff.

Issued:

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Vice President

Effective:

2. Definitions (Cont'd)

Customer - Provided Facilities - All communications facilities provided by the Customer and/or Authorized User other than those provided by the Company.

Exchange - A unit established by the Local Exchange Carrier for the administration of communications service in a specified area which usually embraces a city, town or village and its environments. It consists of one or more Central Offices together with the associated facilities used in furnishing communications service within that area.

Direct Dialed Call - A telephone call which is automatically completed and billed to the telephone number from which the call originated without the automatic or live assistance of an operator. This includes calls forwarded by call forwarding equipment.

FCC - Federal Communications Commission

Local Exchange Carrier (LEC) - A telephone company which provides local telephone service to Customers within a defined exchange.

Long Distance Message Telecommunications Service - The furnishing of direct dialed and operator assisted switched services to the Customer for the completion of long distance voice and dial-up low speed data transmissions over voice grade channels from the Company's Points of Presence to points as specified herein.

Other Common Carrier - A common carrier, other than the Company, providing domestic or international communications service to the public.

Payphone Surcharge - A surcharge that applies to completed intrastate, interstate and international long distance calls placed from any domestic payphone used to access the Company's services. This includes calling card service, toll-free service, and prepaid calling card service. The Payphone Surcharge is in addition to any other applicable service charges or surcharges. The Payphone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for the service by inserting coins during the progress of the call.

Personal Identification Numbers (PINS) - Code numbers used in connection with designated telephone numbers which allow calls to be categorized for various applications.

Points of Presence - The sites where the Company provides a network interface with facilities provided by Other Common Carriers, Local Exchange Carriers or Customers for access to the Company's network.

Premises - A building or buildings on contiguous property (except railroad rights-of-way, etc.) not separated by a public street or highway.

Services - Telecommunications services provided to a Customer or Authorized User by the Company.

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the Service, the transmission of data, facsimile, signaling, metering or any other form of intelligence.

Travel Card - A billing mechanism which enables a subscriber or customer to access the services of the carrier while away from home or office.

Issued:

Issued by:

Vice President

Effective:

3. General Regulations

3.1 Service Description

Intrastate Long Distance Message Telecommunications Service ("LDMTS") is offered to residential and business Customers of the Company to provide direct dialed calls placed between points in the United States. The Company provides switchless long distance network services for voice grade and low speed dial-up data transmission services. The Company does not undertake to transmit messages but furnishes the use of its services to its Customers for communications. All services are provided subject to the terms and conditions set out in this tariff.

3.2 Interconnection with Other Common Carriers

The Company reserves the right to interconnect its services with those of any Other Common Carrier, Local Exchange Carrier, or alternate access provider of its election, and to utilize such services concurrently with its own services for the provision of services offered herein.

3.3 Availability of Services

3.3.1 Services are furnished subject to the availability of the Service components required. The Company will: (1) determine which of those components shall be used and (2) make modifications to those components at its option.

3.3.2 Services are available twenty-four hours per day, seven days per week.

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Vice President

Effective:

3. General Regulations (Cont'd)

3.4 Use of Services

- 3.4.1 The Company's Services may be used for any lawful purpose consistent with the transmission parameters of the telecommunications facilities utilized in the provision of the Services. All such usage shall be subject to the provisions of this tariff and the applicable rules, regulations and policies of the Public Utilities Commission. Customers and Authorized Users are prohibited from using, and by their acceptance or use of Service agree not to use, the Services furnished by the Company for any unlawful purpose or for any purpose prohibited under the provisions of any regulatory order.
- 3.4.2 The use of the Company's Services to make calls which might reasonably be expected to frighten, abuse, torment or harass another, or in such a way as to unreasonably interfere with use by others, is prohibited.
- 3.4.3 The use of the Company's Services without payment for Service, and all attempts to avoid payment for Service by, for example, fraudulent means or devices, schemes, false or invalid numbers or false calling or credit cards, are prohibited.

3.5 Undertaking of the Company

The Company undertakes to provide Intrastate Long Distance Message Telecommunications Service in accordance with the terms and conditions set forth in this tariff.

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3. General Regulations (Cont'd)

3.6 Liability of the Company

- 3.6.1 Except as stated in this Section 3.6, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this tariff.
- 3.6.2 The liability of the Company, if any, for damages resulting in whole or in part from or arising in connection with the furnishing of Service under this tariff (including but not limited to mistakes, omissions, interruptions, delays, errors or other defects in transmission, or failures or defects in facilities furnished by the Company) or arising out of any failure to furnish Service, shall be determined in accordance with SDCL section 49-13-1 and 49-13-1.1 and any other applicable law. However, any such mistakes, omissions, interruptions, delays, errors, or defects in transmission or service which are caused by the negligence or willful act or omission of Customer, or which arise from the use of Customer-provided facilities or equipment, shall not result in the imposition of any liability whatsoever upon the Company.
- 3.6.3 The Company is not liable for any act, omission or negligence of any Local Exchange Carrier or other provider whose facilities are used concurrently in furnishing any portion of the services received by Customer, or for the unavailability of or any delays in the furnishing of any services or facilities which are provided by any Local Exchange Carrier. Should the Company employ the service of any Other Common Carrier in furnishing the services provided to Customer, the Company's liability shall be limited according to the provisions of Section 3.6.2 above.
- 3.6.4. No agents or employees of connecting, concurring or other participating carriers or Company shall be deemed to be agents or employees of the Company without written authorization.

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3. General Regulations (Cont'd)

3.6 Liability of the Company (Cont'd)

- 3.6.5 The Company shall not be liable for any damages, including usage charges, that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over the Company's network services without the authorization of the Customer. The Customer shall be fully liable for all such charges.
- 3.6.6 The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including but not limited to fire, flood, or other catastrophes; Acts of God; atmospheric conditions or other phenomena of nature, such as radiation; any law, regulation, directive, order or request of the United States Government, or any other government including state and local governments having any jurisdiction over the Company or the services provided hereunder; national emergencies; civil disorder, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor problems or regulations established or actions taken by any court or government agency having jurisdiction over the Company.
- 3.6.7 The Company shall not be liable for any act or omission of any other entity furnishing to the Customer Facilities or equipment used with the service furnished hereunder; nor shall the Company be liable for any damages or losses due in whole or in part to the fault or negligence of the Customer or due in whole or in part to the failure of Customer-provided equipment or facilities.
- 3.6.8 The Company shall be indemnified and held harmless by the Customer and Authorized User from and against all loss, liability, damage, and expense, including reasonable attorney's fees, due to claims for libel, slander, or infringement of copyright or trademark in connection with any material transmitted by any person using the Company's Services and any other claim resulting from any act or omission of the Customer or Authorized User relating to the use of the Company's facilities.

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Effective:

3. General Regulations (Cont'd)

3.7 Assignment

Customer shall not assign or transfer the use of the Company's Services except with the prior written consent of the Company in each and every instance. Consent to such assignment or transfer will not be unreasonably withheld.

3.8 Responsibilities of the Customer

3.8.1 The Customer is responsible for placing any necessary orders; for complying with tariff regulations; and for ensuring that Authorized Users comply with tariff regulations. The Customer is also responsible for the payment of charges for calls originated at the Customer's premises which are not collect, third party, or credit card calls.

3.8.2 The Customer must pay for the loss through theft of any of the Company's LDMTS services.

3. General Regulations (Cont'd)

3.9 Cancellation or Interruption of Services

3.9.1 Upon ten (10) days' written notice and without incurring liability, the Company may discontinue Services to a Customer or to a particular Customer location, or may withhold the provision of ordered or contracted Services under the following conditions provided that the Customer shall be allowed a reasonable time in which to comply with the rule before service is disconnected:

- (a) For nonpayment of any sum due to Company for more than thirty (30) days after issuance of the bill of the amount due provided that the telephone utility has made a reasonable attempt to effect collection and has given the Customer written notice that he has five (5) days in which to make settlement on his account or have his service disconnected;
- (b) For violation of any of the provisions of this tariff;
- (c) For violation of any law, rule, regulation, or policy of any governing authority having jurisdiction over the Company's Services; or
- (d) By reason of any order or decision of a court having competent jurisdiction, public service commission or federal regulatory body or other governing authority prohibiting the Company from furnishing its Services.
- (e) For the Customer tampering with equipment furnished and owned by the Company.
- (f) For failure of the Customer to permit the Company reasonable access to its equipment.
- (g) Where there is probable cause to believe that there is illegal or willful misuse of the Company's service.

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Effective:

3. General Regulations (Cont'd)

3.9 Cancellation or Interruption of Services (Cont'd)

3.9.2 The Company may discontinue Services to a Customer or to a particular Customer location, or may withhold the provision of ordered or contracted Services under the following conditions:

- (a) In the event of a condition determined by the Company to be hazardous or dangerous.
- (b) In the event of Customer use of equipment in such a manner as to adversely affect the Company's service to others.
- (c) In the event of unauthorized use of telephone service.

3.9.3 Service may be discontinued by the Company, without notice to the Customer, by blocking traffic to certain points, or by blocking calls using certain Customer Authorization Codes, when the Company deems it necessary to take action to prevent unlawful use of its Service. The Company may restore service as soon as it can be provided without undue risk.

3.9.4 If, for any reason, Service is interrupted, the Customer will be charged only for the Service that was actually used.

3.9.5 Service will be terminated only on Monday through Friday between the hours of 8:00AM and 4:00PM, unless provisions have been made to have someone available to accept payment and reconnect service.

3.9.6 Without incurring liability, the Company may interrupt the provision of Services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of the Customer's and/or the Company's equipment and facilities, and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.

3.9.7 The Company will promptly honor a verbal or written Customer request for cancellation of service.

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3. General Regulations (Cont'd)

3.10 Calculation of Distance

All measured usage charges are based on the airline distance between rate centers associated with the originating and terminating points of the call.

3.11 Customer Service and Complaint Resolution

- (a) The Company's toll-free customer service telephone number is 1-800-255-8351. The Customer may also contact the Company by mail at One Allied Drive, Building II, Mailstop: B5F4-ALD STARS, Little Rock, AR 72202. The Company's customer service manager is Cynthia Hunt.
- (b) Disputed charges must be presented to the Company in writing within 180 days from the date the bill is rendered.
- (c) The Company will handle all Customer complaints courteously and promptly. The Company will fully investigate and attempt to resolve Customer complaints in a timely manner and in full compliance with all Commission rules and regulations. In addition, the Company will notify all Customers making a complaint that the telephone utility is under the jurisdiction of the Commission and that the Customer may wish to contact the Commission about the complaint. The Commission's address and telephone numbers are:

South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

Telephone:(605) 773-3201
Telephone:(800) 332-1782
Telephone:(800) 877-1113 (TDD)

4. Payment and Credit Regulations

4.1 Billing and Collection of Charges

Charges are due when billed, and are billed and collected by the Company or its authorized agent, or the connecting Company from whose service point the messages were sent paid or at whose service point the messages were received collect. The Company will not bill for incomplete calls.

4.2 Payment for Service

The Customer is responsible for payment of all charges for Services, including charges for Services originated or charges accepted at the Customers' Service point.

4.2.1 Charges for third party calls which are charged to a domestic telephone number will be included on the Billed Party's local exchange telephone company bill pursuant to billing and collection agreements established by the Company or its intermediary with the applicable telephone company.

4.2.2 Charges for credit card calls will be included on the Billed Party's regular monthly statement from the card issuing company or will be included on the Billed Party's local exchange telephone company bill.

4.2.3 Any applicable federal, state and local use, excise, sales or privilege taxes or similar liabilities chargeable to or against the Company as a result of the provision of the Company's services hereunder to Customer shall be charged to and payable by Customer in addition to the rates indicated in this tariff.

4.2.4 The Customer shall remit payment of all charges in the return envelope supplied with the bill or to any agency authorized by the Company to receive such payment.

4.2.5 If the bill is not paid within thirty (30) calendar days following the mailing of the bill, the account will be considered delinquent.

4. Payment and Credit Regulations (Cont'd)

4.2 Payment for Service (Cont'd)

- 4.2.6 A delinquent account may subject the Customer's Service to temporary disconnection. The Company is responsible for notifying the Customer at least ten (10) days before Service is disconnected.
- 4.2.7 Failure to receive a bill which has been sent will not exempt a Customer from prompt payment of any sum or sums due the Company.
- 4.2.8 In the event the Company must employ the services of attorneys for collection of charges due under this tariff or under any contract for special services, Customer shall be liable for all costs of collection, including reasonable attorney's fees.

4.3 Deposits and Advance Payments

The Company does not collect deposits or advance payments from its Customers.

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4. Payment and Credit Regulations (Cont'd)

4.4 Billing Entity Conditions

When billing functions on behalf of the Company are performed by local exchange telephone companies, credit card companies or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charges. In the case of any disputed charges which cannot be resolved by the billing company, the Billed Party may contact the Company directly. If there is still a disagreement about the disputed amount after investigation and review by the Company or other service provider, the Billed Party may file an appropriate complaint with the Public Utilities Commission.

4.5 Denial of Access to Service by the Company

The Company expressly retains the right to immediately deny access to its Services without incurring any liability for any of the following reasons:

- (a) Nonpayment of any sum due for service provided hereunder, where Customer's charges remain unpaid more than ten (10) days following notice of nonpayment from the Company. Notice shall be deemed to be effective upon mailing of written notice, postage prepaid, to Customer's last known address;
- (b) Customer's acts or omissions which constitute a violation of, or a failure to comply with, any regulation stated in this tariff governing the furnishing of service, but which violation or failure to comply does not constitute a material breach or does not pose any actual or threatened interference to the Company's operations or its furnishing of services. The Company agrees to give Customer ten (10) days notice of such violation or failure to comply prior to service; or
- (c) The implementation of any order of a court of competent jurisdiction, or federal or state regulatory authority of competent jurisdiction, prohibiting the Company from furnishing such service; or
- (d) Where Customer has failed or neglected to tender any additional or required security deposit within ten (10) days of demand by the Company.

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4. Payment and Credit Regulations (Cont'd)

4.6 Customer's Liability in the Event of Denial of Access to Service by the Company

In the event Customer's service is disconnected by the Company for any of the reasons stated in Section 4.5, Customer shall be liable for all unpaid charges due and owing to the Company associated with the service. Customer's deposit and accrued interest shall be applied to all cancellation charges applicable to the service offering received by Customer.

4.7 Reinstitution of Service

If Customer seeks reinstatement of service following denial of service by the Company, Customer shall pay to the Company prior to the time service is reinstated: (1) all accrued and unpaid charges, and (2) a deposit per section 4.3 in order to reinstate service.

4.8 Right to Backbill for Improper Use of the Company's Services

Any person or entity which uses, appropriates or secures the use of services from the Company, whether directly or indirectly, in any unlawful manner or through the providing of any misleading or false information to the Company and which use, appropriation, or securing of services is inconsistent with the stated uses, intents, and purposes of this tariff or any restrictions, conditions, and limitations stated herein, shall be liable for an amount equal to the accrued and unpaid charges that would have been applicable to the use of the Company's services actually made by Customer.

4.9 Disconnection and Reconnection Fees

Whenever telephone service is denied or discontinued for violation of the Commission's rules and regulations, non-payment of bills, or fraudulent use of service, the Company may charge a fee not to exceed \$20.00 to disconnect and/or reconnect service.

5. Rates for Service

5.1 Types of Offerings

5.1.1 Description of Services

The following Direct Dialed Intrastate Long Distance Message Telecommunications Services are available at the rates listed in 5.2:

- (a) Direct-Dialed LDMTS is a presubscribed switched access service, offering users outbound "1 plus" interexchange long distance telecommunications services from points originating and terminating throughout the State of South Dakota. Access may be provided by the Company, or the Customer may utilize local exchange Company access.
- (b) Residential Toll-Free Service is a presubscribed switched access service, offering users inbound, toll free long distance telecommunications services from points originating and terminating within the State of South Dakota. This service enables the caller to contact the Customer toll free, through the use of a special "800" or "888" number. Access may be provided by the Company, or the Customer may utilize local exchange Company access.
- (c) Calling Card Service enables subscribers to place calls from locations other than their presubscribed call locations. Subscribers are billed on a monthly basis at the Company's tariffed rates.
- (d) Directory Assistance is provided by ALLTEL Holding Corporate Services, Inc.'s underlying carrier to subscribers of record. The Customer may access the underlying carrier's Directory Assistance by dialing the area code plus 555-1212. The Customer will be billed for such service by ALLTEL Holding Corporate Services, Inc.

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5. Rates for Service (Cont'd)

5.1.2 Determination of Duration

- (a) For Direct Dialed calls, chargeable time begins when the connection is established between the calling station and the desired telephone.
- (b) Chargeable time ends when the connection is terminated.
- (c) Chargeable time does not include the time lost because of faults or defects in the service.

5.1.3 Determination of Time of Day

- (a) Peak, and Off Peak periods are determined by the local time of the location of the rate center of the calling service point. A rate period (e.g. 6:30AM-6:30PM) begins with the first stated hour (6:30AM) and continues to, but does not include, the second stated hour (6:30PM). Calls originating in one time period and terminating in another will be billed at the rate applicable for each period.
- (b) The Off Peak rate applies to the holidays listed below unless a lower rate period is in effect.
 - New Year's Day
 - Memorial Day
 - Independence Day
 - Labor Day
 - Thanksgiving Day
 - Christmas Day

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5. Rates for Service (Cont'd)

5.1.4 Calculation of Billable Time for Service

The charge for each call is equal to the Company's applicable rate for the Initial Period of the call, plus the Company's applicable rate for each Additional Period of the duration of the call.

5.1.5 Initial Period

The initial period for Direct-Dialed calls and Calling Card calls is one (1) minute, or fraction thereof.

5.1.6 Additional Periods

Each additional period for Direct-Dialed calls and Calling Card calls is one (1) minute, or fraction thereof.

5.2 Rate Schedules

5.2.1 Direct Dialed LDMTS Rates

Peak, Per Minute Rate	\$.20
Off Peak, Per Minute Rate	\$.15

5.2.2 Residential Toll-Free Service

Per Minute Rate	\$.25
Monthly Maintenance Fee	\$2.50

Note: The monthly fee shall be waived if Customer chooses ALLTEL Holding Corporate Services, Inc. as its primary outbound toll carrier and the rate per minute will be \$.20.

5.2.3 Calling Card Service

Peak, Per Minute Rate	\$.35
Off-Peak, Per Minute Rate	\$.35

5.2.4 Directory Assistance

Rate Per Access	\$.85
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5.2.5 Payphone Surcharge Rates

Calling Card Service (Residential and Business)	\$.60
Toll-Free Service (Residential and Business)	\$.60
10 Minute Prepaid Calling Cards	\$.00
30 Minute Prepaid Calling Cards	\$.35
60 and 90 Minute Prepaid Calling Cards	\$.60

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5. Rates for Service (Cont'd)

5.3 Prepaid Card Services

5.3.1 ALLTEL Prepaid Card

ALLTEL Prepaid Card Service provides an outbound voice grade communications service for calls charged to an ALLTEL Prepaid Card.

5.3.1.A Exclusions

The following types of calls may not be completed with the ALLTEL Prepaid Card Service:

- Calls to 500 Numbers
- Calls to 700 Numbers
- Calls to 800 Numbers
- Calls to 900 Numbers
- Directory Assistance Calls
- All Operator Service Calls
- Busy-Line Verification and Interrupt Services

Unless stated otherwise herein, ALLTEL Prepaid Cards may not be included on any ALLTEL Calling Plans.

5.3.1.B Availability of Service

ALLTEL Prepaid Card Service is available twenty-four hours a day, seven days a week. The availability of such cards are subject to technical limitations and will be offered on a first come, first service basis.

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5. Rates for Service (Cont'd)

5.3 Prepaid Card Services (Cont'd)

5.3.2 ALLTEL Prepaid Card Service Regulations

5.3.2.A The ALLTEL Prepaid Calling Card Service is accessed using the ALLTEL toll-free number printed on the card.

5.3.2.B A Customer's call will be interrupted with an announcement when the balance is about to be depleted.

5.3.2.C All calls must be charged against an ALLTEL Prepaid Card that has a sufficient available balance.

5.3.2.D Calls in progress will be terminated by the Company if the balance of the Prepaid Card is insufficient to continue the call.

5.3.2.E The Customer shall not indicate or suggest to any other party, including the Customer's own subscribers if any, that any business relationship exists between the Customer, its agents, distributors, or subscribers and ALLTEL, except that the customer may inform its subscribers that calls placed using the ALLTEL Prepaid Card account number will be carried over the ALLTEL network. The Customer is NOT granted any rights whatsoever in the trade names or logos of ALLTEL or any of its corporate affiliates and the Customer is granted no right to modify the physical appearance of the ALLTEL Prepaid Card. Customers who desire to produce their own version of the card used to charge ALLTEL Prepaid Card Service shall be provided only with the ALLTEL Prepaid Card Service account numbers.

5.3.3 Rates and Charges

5.3.3.A ALLTEL Prepaid Cards are available in various denominations of units as specified by the Company. This price is inclusive of all taxes. Prepaid Cards will be sold at prices rounded to the nearest cent.

<u>Domestic</u> <u>Denominations</u>	<u>Price Per Unit</u>
All Units	Maximum of \$.15

Cards will be decremented by one unit for each minute or fractional part of a minute for interstate and intrastate calls. These rates apply twenty-four hours per day, seven days per week.

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5. Rates for Service (Cont'd)

5.4 Rate Period Chart refer to Section 5.1.3 (a) for Time of Day Determination criteria.

	Mon	Tue	Wed	Thu	Fri	Sat	Sunday
6:30AM to 6:30PM	PEAK PERIOD						
6:30PM to 6:30AM	OFF PEAK PERIOD						

5.5 Promotional Activities

ALLTEL Holding Corporate Services, Inc. may upon occasion offer various promotional/savings opportunities to Customers. These promotional offerings may apply to certain services and may be limited to certain dates, times, and locations. Such promotional offerings will be filed with the Commission and are subject to prior Commission approval.

6. Specialized Services, Rates and Regulations

6.1 Business Circle Plan 1

This plan allows Customers to select a month to month plan, a six (6) month plan, or an eighteen (18) month plan. A Business Circle Customer selecting a term commits to a minimum monthly usage as depicted below. This minimum usage threshold applies to every billing period during the term and is paid regardless of the Customer's amount of usage during other periods. Customers selecting a term may change plans or terminate the service if the Customer provides written notice within ninety (90) days of the initiation of service. Business Circle Customers that do not provide such written notification within the required time period are obligated to the Company for the minimum monthly commitment for the remaining time period left in the term. The following is a list of contract term lengths and associated rates per minute. The per minute rates are effective all times of the day. This plan is only available to existing customers at existing locations.

6.1.A. Business Circle Plan Rates Per Minute

Month to Month Time Commitment:

Usage Per Month	1Plus/Outgoing	1-8XX/Incoming	Calling Card
\$0 - \$99	\$0.160	\$0.135	\$0.250
\$100 - \$499	\$0.155	\$0.130	\$0.250
\$500 - \$2,499	\$0.150	\$0.125	\$0.250
\$2,500 +	\$0.145	\$0.120	\$0.250

Six (6) Month Time Commitment:

Usage Per Month	1Plus/Outgoing	1-8XX/Incoming	Calling Card
\$100 - \$499	\$0.140	\$0.120	\$0.250
\$500 - \$2,499	\$0.140	\$0.115	\$0.250
\$2,500 +	\$0.140	\$0.110	\$0.250

Eighteen (18) Month Time Commitment:

Usage Per Month	1Plus/Outgoing	1-8XX/Incoming	Calling Card
\$100 - \$499	\$0.130	\$0.110	\$0.200
\$500 - \$2,499	\$0.130	\$0.105	\$0.200
\$2,500 +	\$0.130	\$0.100	\$0.200

A \$5.00 monthly fee will be added for each 8XX number.

All 1+ and 1-8XX calls are billed in six (6) second increments with a thirty (30) second minimum. All calling card calls are billed in sixty (60) second increments with a sixty (60) second minimum.

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6. Specialized Services, Rates and Regulations

6.2 Business Circle Plan 2

The following rates are available to business customers of intrastate LDMTS. Customers may select a month-to-month plan or a 12-month plan. The per minute rates listed below are applicable at all times for calls made within the State of South Dakota where technically available.

Switched Rates

Time Commitments	1+ Outgoing Rate Per Minute	1-8XX Incoming Rate Per Minute	Calling Card Rate Per Minute
Month to Month	\$0.115	\$0.080	\$0.25
12 Months	\$0.110	\$0.075	\$0.20

All 1+ and 1-8XX calls are billed in 6-second increments with an 18-second minimum. All calling card calls are billed in 6-second increments with a 60-second minimum.

A \$5.00 monthly fee will be added for each 8XX number.

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EXHIBIT E

CUSTOMER NOTIFICATION LETTER

AHCSI
One Allied Drive
Little Rock, AR 72202

June __, 200__

NAME
ADDRESS 1
ADDRESS 2
CITY, STATE ZIP

**IMPORTANT:
NOTICE OF CHANGE IN LONG DISTANCE SERVICE PROVIDER**

Dear NAME:

Alltel Holding Corporate Services, Inc (AHCSI) soon will succeed Alltel Communications as your long distance service provider. AHCSI is excited about this chance to provide you service, and we look forward to serving you beginning [EFFECTIVE DATE].

Rest assured that there will be no change in your current rates or in the terms and conditions of your service. Also, there will be no charges associated with transitioning your long distance service to AHCSI.

You have the right to choose your long distance provider and are free to choose another carrier for your long distance service. If you choose to select another carrier, you need to contact that carrier immediately to ensure that your services are transferred before [EFFECTIVE DATE]. You may have to pay a transfer charge to the new carrier if you change carriers.

As a customer of Alltel Communications, Inc., you will be transferred automatically to AHCSI, unless you select another long distance carrier before [EFFECTIVE DATE]. If you have a PIC freeze on your account, you will need to contact your local telephone company to arrange a new PIC freeze after your long distance service is transferred to your new provider.

Customer service is the foundation of our business. Please let us know how we can work with you to meet your needs. If you have questions about the transition of your long distance service to AHCSI, please contact us at 1-800-222-6825.

Please watch for upcoming communications from AHCSI. Thank you for letting us serve you!

Sincerely,