ALLTEL CORP
Form S-4/A
May 27, 2005

Table of Contents

As filed with the Securities and Exchange Commission on May 27, 2005

Registration No. 333-123596

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Amendment No. 2
to
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933
ALLTEL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**4812**	**34-0868285**
(State of other jurisdiction of incorporation or organization)	*(Primary standard industrial classification code number)*	*(IRS Employer Identification Number)*

One Allied Drive, Little Rock, Arkansas 72202
(501) 905-8000
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)
Francis X. Frantz
Executive Vice President and Secretary
One Allied Drive
Little Rock, Arkansas 72202
(501) 905-8111
(Name, address, including zip code and telephone number, including area code of agent for service)

Copies to:

Friedman Kaplan Seiler & Adelman LLP	**Wachtell, Lipton, Rosen & Katz**	**Kutak Rock LLP**
Attention: Barry A. Adelman and Gregg S. Lerner	**Attention: Daniel A. Neff and Mark Gordon**	**Attention: John P. Fletcher**
1633 Broadway	**51 West 52nd Street**	**425 West Capitol Avenue, Suite 1100**
New York, New York 10019	**New York, New York 10019**	**Little Rock, AR 72201**
(212) 833-1100 (TEL)	**(212) 403-1000 (TEL)**	**(501) 975-3000 (TEL)**
(212) 833-1250 (FAX)	**(212) 403-2000 (FAX)**	**(501) 975-3001 (FAX)**

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

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

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

Table of Contents

SUBJECT TO COMPLETION **MAY 27, 2005**

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

[WESTERN WIRELESS CORPORATION LETTERHEAD]
Bellevue, Washington
, 2005

Dear Shareholders:

You are cordially invited to attend the annual meeting of shareholders of Western Wireless Corporation (Western Wireless) on , at a.m. (Pacific Time) at . Directions are provided on the back cover of this document.

On January 9, 2005, the board of directors of Western Wireless unanimously approved an agreement authorizing the merger of Western Wireless with and into a wholly-owned subsidiary of ALLTEL Corporation (ALLTEL). ALLTEL will acquire Western Wireless through the merger of Western Wireless with and into a wholly-owned subsidiary of ALLTEL that will survive the merger. As a result of the merger, the separate corporate existence of Western Wireless will cease and Western Wireless shareholders will no longer be able to trade shares of Western Wireless Class A common stock on the Nasdaq Stock Market or any other exchange. At the annual meeting you will be asked to approve and adopt the merger agreement and the merger. At the annual meeting, you will also be asked to consider and vote on a number of other regular annual meeting proposals, which we describe in the Notice of Annual Meeting of Shareholders on the following page. At the annual meeting, we will also report on Western Wireless operations and respond to any questions you may have.

In the merger, Western Wireless shareholders may elect to receive for each of their shares of Western Wireless common stock: (1) a combination of $9.25 in cash and 0.535 shares of ALLTEL common stock, (2) $40 in cash, subject to proration, or (3) 0.7 shares of ALLTEL common stock, also subject to proration. The cash and stock elections are subject to proration to preserve an overall mix of $9.25 in cash and approximately, but not less than, 0.535 shares of ALLTEL common stock for all of the outstanding shares of Western Wireless common stock taken together. As a result, even if you make the all cash or all stock election you may receive a prorated amount of cash and ALLTEL common stock. Western Wireless shareholders who fail to make an election will be deemed to have made the mixed election. A discussion of the proration mechanism as well as examples of hypothetical prorations can be found in the proxy statement/ prospectus under the heading The Merger Agreement Merger Consideration.

ALLTEL common stock is listed on the New York Stock Exchange and the Pacific Stock Exchange under the trading symbol AT. Western Wireless Class A common stock is listed on the Nasdaq Stock Market under the trading symbol WWCA. On , 2005, the closing prices of a share of ALLTEL common stock and Western Wireless Class A common stock were $ and $, respectively. It is anticipated that ALLTEL will issue up to an aggregate of approximately 59.3 million shares of its common stock to Western Wireless shareholders pursuant to the merger agreement, representing approximately % of the shares of ALLTEL common stock outstanding immediately after the merger. The approximate value of the transaction is $6 billion, taking into account (i) the issuance of up to an aggregate of approximately 59.3 million shares of ALLTEL common stock, (ii) payment by ALLTEL of approximately $1.0 billion in cash to shareholders of Western Wireless, and (iii) the assumption by ALLTEL or its subsidiaries of approximately $2.1 billion of Western Wireless debt.

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

Your board of directors has unanimously determined that the merger agreement and the merger are advisable, fair to and in the best interests of Western Wireless and its shareholders and unanimously recommends that you vote FOR the approval and adoption of the merger agreement and the merger. The merger cannot be completed unless holders of outstanding shares of Western Wireless Class A and Class B common stock, voting together as a single class, representing at least two-thirds of all the votes entitled to be cast by such holders vote to approve and adopt the merger agreement and the merger. **You should be aware that certain shareholders that hold an aggregate of approximately 41% of the aggregate number of votes entitled to be cast have already agreed with ALLTEL to vote or cause to be voted all of the Western Wireless shares they own in favor of the approval and adoption of the merger agreement and the merger.**

No vote of ALLTEL shareholders is required to complete the merger.

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

Very truly yours,

John W. Stanton
Chairman and Chief Executive Officer

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

The proxy statement/ prospectus is dated , 2005, and is being first mailed to Western Wireless shareholders on or about , 2005.

Table of Contents

Western Wireless Corporation

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
, 2005

TO THE SHAREHOLDERS OF WESTERN WIRELESS CORPORATION:

Notice is hereby given that the annual meeting of shareholders of Western Wireless Corporation will be held at on , 2005 at a.m. (Pacific Time), to consider and act upon the following matters:

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of January 9, 2005 (referred to in the proxy statement/ prospectus as the merger agreement), by and among ALLTEL Corporation, a Delaware corporation (ALLTEL), Wigeon Acquisition LLC, a Washington limited liability company and a wholly-owned subsidiary of ALLTEL (Merger Sub), and Western Wireless Corporation, a Washington corporation (Western Wireless), and to approve and adopt the merger contemplated thereby (referred to in the proxy statement/ prospectus as the merger), pursuant to which Western Wireless will merge with and into Merger Sub, after which Merger Sub will survive the transaction and continue to be a wholly-owned subsidiary of ALLTEL and the separate corporate existence of Western Wireless will cease.

2. To elect nine directors to serve until the next annual meeting of shareholders and until their successors are elected and qualified or until the consummation of the merger.

3. To ratify the selection of PricewaterhouseCoopers LLP as Western Wireless independent registered public accounting firm for 2005.

4. To approve the Western Wireless Corporation 2005 Long-Term Equity Incentive Plan.

5. To adjourn or postpone the annual meeting, if necessary, to solicit additional proxies for the approval and adoption of the merger agreement and the merger.

6. To transact such other business as may properly come before the annual meeting or any adjournments thereof.

Western Wireless board of directors has fixed the close of business on May 24, 2005, as the record date for the determination of shareholders entitled to notice of, and to vote at, the annual meeting or any adjournments or postponements of the annual meeting.

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

You are cordially invited to attend the annual meeting. Your proxy is being solicited by Western Wireless board of directors. **Even if you plan to attend the annual meeting, we urge you to submit a valid proxy promptly. If your shares of Western Wireless common stock are registered in your own name, you may submit your proxy by signing, dating and returning the proxy in the enclosed envelope, which requires no postage if mailed in the United States. If your shares are held in street name you should follow the directions your broker or bank provides.**

Granting your proxy will impact your dissenters rights in respect of the merger. Under Washington law, only Western Wireless shareholders who do not vote in favor of the approval and adoption of the merger agreement and the merger and who deliver to Western Wireless before the annual meeting a written notice of dissent and otherwise comply with the provisions of Chapter 23B.13 of the Washington Business Corporation Act will be entitled, if the merger is completed, to statutory appraisal of the fair value of their shares of Western Wireless common stock as discussed in the proxy statement/ prospectus under the heading Dissenters Rights.

Your vote is very important. We urge you to review the enclosed materials and return your proxy card. Your board of directors unanimously recommends that shareholders vote FOR the approval and adoption of the merger agreement and the merger. The Western Wireless board of directors also unanimously recommends that Western Wireless shareholders vote FOR each of the director nominees listed under the heading Election of Directors Information about the Nominees, FOR the ratification of the selection of PricewaterhouseCoopers LLP as Western Wireless independent registered public accounting firm for 2005 and FOR the approval of the Western Wireless Corporation 2005 Long-Term Equity Incentive Plan.

By Order of the Board of Directors,

Jeffrey A. Christianson
Senior Vice President, General Counsel and Secretary

Bellevue, Washington
, 2005

REFERENCES TO ADDITIONAL INFORMATION

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

Western Wireless Corporation:	**ALLTEL Corporation:**
Investor Relations	Investor Relations Department
3650 131st Avenue SE	One Allied Drive
Bellevue, Washington 98006	Little Rock, Arkansas 72202
(425) 586-8700	(877) 446-3628
email address: investor.relations@wwireless.com	email address: alltel.investor.relations@alltel.com

If you would like to request any documents, please do so by , 2005 in order to receive them before the annual meeting.

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

In addition, if you have questions about the merger you may contact:

Mellon Investor Services
44 Wall Street - 7th Floor
New York, NY 10005
Telephone: 1-888-566-9471

INFORMATION INCLUDED IN THE PROXY STATEMENT/ PROSPECTUS REGARDING ALLTEL AND WESTERN WIRELESS (INCLUDING THE FINANCIAL ADVISOR TO WESTERN WIRELESS) WAS PROVIDED BY ALLTEL AND WESTERN WIRELESS, RESPECTIVELY. NEITHER COMPANY WARRANTS THE ACCURACY OF INFORMATION PROVIDED BY THE OTHER COMPANY.

Table of Contents

TABLE OF CONTENTS

TABLE OF CONTENTS (Continued)

TABLE OF CONTENTS (Continued)

Table of Contents

TABLE OF CONTENTS (Continued)

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND THE MERGER

The Merger

Q: What is the proposed transaction?

A: You are being asked to vote to approve and adopt an agreement and plan of merger among ALLTEL, Merger Sub and Western Wireless and approve and adopt the merger contemplated by the agreement and plan of merger (in this proxy statement/prospectus, we refer to the agreement and plan of merger as the merger agreement and the merger contemplated thereby as the merger). In the merger, Western Wireless will merge with and into Merger Sub, a newly formed limited liability company and wholly-owned subsidiary of ALLTEL. After the merger, Merger Sub will be the surviving entity and the separate corporate existence of Western Wireless will cease.

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

A: The basic consideration in the merger is $9.25 in cash and 0.535 shares of ALLTEL common stock for each share of Western Wireless Class A and Class B common stock (which are collectively referred to in this proxy statement/prospectus as the Western Wireless common stock) outstanding immediately prior to completion of the merger, and you are entitled to elect to receive this basic mix. Alternatively, you may elect to receive either $40 in cash or 0.7 shares of ALLTEL common stock for each share of Western Wireless common stock that you own by making a cash election or a stock election, respectively. The cash and stock elections are subject to proration to preserve an overall mix of $9.25 in cash and approximately, but not less than, 0.535 shares of ALLTEL common stock for all of the outstanding shares of Western Wireless common stock taken together. As a result, even if you make the all cash or all stock election you may receive a prorated amount of cash and ALLTEL common stock. If you fail to make an election, you will be deemed to have made the mixed election. A discussion of the proration mechanism as well as examples of hypothetical prorations can be found in this proxy statement/prospectus under the heading The Merger Agreement Merger Consideration.

You will not be entitled to receive any fractional shares of ALLTEL common stock. Instead, you will be entitled to receive cash, without interest, for any fractional share of ALLTEL common stock you might otherwise have been entitled to receive based on the closing price of the ALLTEL common stock on the date the merger occurs.

Q: Do I have dissenters rights in respect of the merger?

A: Yes. If you do not vote in favor of the approval and adoption of the merger agreement and the merger, deliver to Western Wireless before the annual meeting a written notice of dissent and otherwise comply with the requirements of Washington law, you will be entitled to assert dissenters rights. A copy of Chapter 23B.13 of the Washington Business Corporation Act, which sets forth the requirements for perfecting dissenters rights, is attached as Annex D to this proxy statement/ prospectus. If you hold your shares in the name of another person, such as a broker or nominee, you must act promptly to cause the record holder to follow the steps identified properly and in a timely manner (or, alternatively, submit the record holder s written consent to your dissent prior to or at the time you submit your notice of dissent) to perfect dissenters rights. See Dissenters Rights beginning on page .

If any Western Wireless shareholder who demands dissenters rights under Washington law withdraws and does not duly reassert the right to dissent prior to the annual meeting or loses (through failure to perfect or otherwise) the right to dissent, then such shareholder s shares will no longer be dissenting shares and will automatically be converted into the right to receive $9.25 in cash and 0.535 shares of ALLTEL common stock for each of his or her shares of Western Wireless common stock.

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

A: The transaction is intended to be tax-free for United States federal income tax purposes, except with respect to any cash received by Western Wireless shareholders. See The Merger Material United States Federal Income Tax Consequences of the Merger beginning on page .

Table of Contents

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

A: We expect to complete the merger promptly after Western Wireless shareholders approve and adopt the merger agreement and the merger at the annual meeting and after the satisfaction or waiver of all other conditions to the merger, including the receipt of all regulatory approvals that are required to be obtained pursuant to the merger agreement. We currently expect this to occur mid-year 2005.

Q: When must I elect the type of the merger consideration that I prefer to receive?

A: If you are a holder of Western Wireless common stock and wish to elect the type of merger consideration you prefer to receive in the merger, you should carefully review and follow the instructions set forth in the form of election provided to Western Wireless shareholders together with this proxy statement/ prospectus. These instructions require that a properly completed and signed form of election be received by the exchange agent by the election deadline, which we will announce before the expected completion of the merger. If you do not submit a properly completed and signed form of election to the exchange agent by the election deadline, then you will be deemed to have elected to receive $9.25 cash and 0.535 shares of ALLTEL common stock in exchange for each of your shares of Western Wireless common stock.

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

A: No. Please DO NOT send your stock certificates with your proxy card. Rather, prior to the election deadline, you should send your Western Wireless common stock certificates to the exchange agent, together with your completed, signed form of election. If your shares are held in street name, you should follow your broker s or banker s instructions for making an election with respect to your shares.

Q: Can I change my election after I submit an election form?

A: You may revoke your election of merger consideration with respect to all or a portion of the shares of Western Wireless common stock subject thereto by delivering written notice thereof to the exchange agent prior to the election deadline. If you instructed a broker to submit an election for your shares, you must follow your broker s directions for changing those instructions. In addition, any election of merger consideration you make will automatically be revoked if the merger agreement is terminated.

If an election is properly revoked with respect to shares of Western Wireless common stock represented by stock certificates, the certificates representing such shares will be promptly returned to the holder that submitted them to the exchange agent.

Q: Who can help answer my questions?

A: If you have any questions about the merger or if you need additional copies of this proxy statement/ prospectus or the enclosed proxy card you should contact:

Mellon Investor Services
44 Wall Street - 7th Floor
New York, NY 10005
Telephone: 1-888-566-9471

Q: Where can I find more information about Western Wireless and ALLTEL?

A: You can find more information about Western Wireless and ALLTEL from various sources described under the heading Where You Can Find More Information on page .

The Annual Meeting

Q: What matters will we vote on at the annual meeting?

A: You will vote on the following proposals:

- to approve and adopt the merger agreement and the merger;

- to elect nine directors to serve until the next annual meeting of shareholders and until their successors are elected and qualified or until the consummation of the merger;

2

Table of Contents

to ratify the selection of PricewaterhouseCoopers LLP as Western Wireless independent registered public accounting firm for 2005;

to approve the Western Wireless Corporation 2005 Long-Term Equity Incentive Plan;

to adjourn or postpone the annual meeting, if necessary, to solicit additional proxies for the approval and adoption of the merger agreement and the merger; and

to transact such other business as may properly come before the annual meeting.

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

A: The merger agreement and the merger must be approved and adopted by the holders of shares of Western Wireless Class A and Class B common stock outstanding as of the record date, voting together as a single class, representing at least two-thirds of all the votes entitled to be cast by such holders. Abstentions from voting and broker non-votes (shares held by a broker or nominee as to which a broker or nominee indicates on the proxy that it does not have the authority, either express or discretionary, to vote on a particular matter), since they are not affirmative votes, will have the same practical effect as a vote against the proposal to approve and adopt the merger agreement and the merger.

You should be aware that shareholders who hold an aggregate of approximately 41% of the aggregate number of votes entitled to be cast on the record date have already agreed with ALLTEL to vote in favor of the approval and adoption of the merger agreement and the merger at the annual meeting of shareholders.

No vote of the shareholders of ALLTEL is required.

Q: What is the required vote for the other matters at the annual meeting?

A: Ratification of the selection of the independent registered public accounting firm, and approval of the Western Wireless Corporation 2005 Long-Term Equity Incentive Plan, require the affirmative vote of holders of shares of Western Wireless Class A and Class B common stock outstanding as of the record date, voting together as a single class, representing a majority of the votes present at the meeting, in person or by proxy. For the election of directors, if a quorum is present, a nominee for election to a position on the board of directors will be elected as a director if the votes cast for the nominee exceed the votes cast against the nominee and exceed the votes cast for any other nominee for that position. For the election of directors, abstentions from voting and broker non-votes (shares held by a broker or nominee as to which a broker or nominee indicates on the proxy that it does not have the authority, either express or discretionary, to vote on a particular matter) will have the legal effect of neither a vote for nor against the nominee. For all other matters, abstentions from voting and broker non-votes, since they are not affirmative votes, will have the same practical effect as a vote against the respective matters.

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

A: Holders of record of Western Wireless common stock at the close of business on May 24, 2005, which is the date Western Wireless board of directors has fixed as the record date for the annual meeting, are entitled to vote at the annual meeting.

Q: What does the Western Wireless board of directors recommend?

A:

The Western Wireless board of directors has unanimously approved the merger agreement and the merger and has also unanimously determined that the merger agreement and the merger are advisable, fair to and in the best interests of Western Wireless and its shareholders. Accordingly, the Western Wireless board unanimously recommends that Western Wireless shareholders vote FOR the approval and adoption of the merger agreement and the merger at the annual meeting.

The Western Wireless board of directors also unanimously recommends that Western Wireless shareholders vote FOR each of the director nominees listed under the heading Election of Directors Information about the Nominees, FOR the ratification of the selection of PricewaterhouseCoopers LLP as Western Wireless independent registered public accounting firm for

3

Table of Contents

2005 and FOR the approval of the Western Wireless Corporation 2005 Long-Term Equity Incentive Plan at the annual meeting.

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

A: After carefully reading and considering the information included and incorporated by reference in this proxy statement/prospectus, please submit your proxy as soon as possible so that your shares may be voted at the annual meeting. If your shares of Western Wireless common stock are registered in your own name you may submit your proxy by filling out and signing the proxy card, and then mailing your signed proxy card in the enclosed envelope.

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

Your proxy card will instruct the persons named on the proxy card to vote your shares at the annual meeting as you direct. If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be voted FOR the approval and adoption of each of the proposals being considered at the annual meeting, including the merger agreement and the merger.

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

A: You may change your vote at any time before your proxy is voted at the annual meeting. If your shares of Western Wireless common stock are registered in your own name, you can do this in one of three ways. First, you can deliver to Western Wireless prior to the annual meeting a written notice stating that you want to revoke your proxy. Second, you can complete and deliver to Western Wireless prior to the annual meeting a new proxy card. If you choose either of these two methods, Western Wireless must receive your notice of revocation or your new proxy card prior to the annual meeting at the following address: Western Wireless Corporation, Attn: Investor Relations, 3650 131st Avenue SE, Bellevue, Washington 98006. Third, you can attend the Western Wireless annual meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy, as you must vote at the annual meeting in order to revoke a prior proxy.

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

Table of Contents

SUMMARY

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

The Companies (See Page)

ALLTEL Corporation
One Allied Drive, Little Rock, Arkansas 72202
(501) 905-8000

ALLTEL is a customer-focused communications company that provides, among other things, wireless and wireline local, long-distance, network access and Internet services.

Wigeon Acquisition LLC
One Allied Drive, Little Rock, Arkansas 72202
(501) 905-8000

Merger Sub was organized solely for the purpose of effecting the merger with Western Wireless.

Western Wireless Corporation
3650 131st Avenue, S.E., Suite 400, Bellevue, Washington 98006
(425) 586-8700

Western Wireless is one of the largest providers of rural wireless communications services in the United States.

Recent Developments

On May 17, 2005, ALLTEL completed the settlement of the purchase contract component of the equity units that were originally issued by ALLTEL in an underwritten public offering in 2002. In the settlement, ALLTEL received cash proceeds of approximately $1.385 billion and delivered approximately 24.5 million shares of ALLTEL common stock in the aggregate to the holders of the equity units. The proceeds from the settlement are expected to finance the payment by ALLTEL of approximately $1.0 billion in cash to shareholders of Western Wireless in the merger and the repayment of a portion of the $1.2 billion of borrowings outstanding under Western Wireless credit facility that, as a result of a change in control, will become due immediately upon the closing of the merger. The settlement of the purchase contracts completed ALLTEL s obligations under the equity units.

While the settlement of the purchase contracts provided additional liquidity to ALLTEL, the issuance of ALLTEL common stock in connection therewith increased the total number of shares of ALLTEL common stock outstanding. The merger consideration will not be adjusted as a result of the issuance of these shares. As a result, Western Wireless shareholders receiving ALLTEL common stock in the merger will own a smaller percentage of ALLTEL than they would have owned if the settlement of the purchase contracts had not occurred. Additionally, the market price of ALLTEL s common stock could be negatively impacted by the issuance of the additional shares pursuant to the purchase contracts, which would reduce the value of the ALLTEL common stock Western Wireless shareholders receive as a portion of their merger consideration.

Unless otherwise indicated, all references to shares of ALLTEL common stock issued and outstanding in this proxy statement/ prospectus exclude the shares of ALLTEL common stock that were issued pursuant to the equity units, except that references to shares of ALLTEL common stock estimated to be outstanding after the merger include the approximately 24.5 million shares of ALLTEL common stock that were issued pursuant to the equity units.

What You Will Be Entitled to Receive Pursuant to the Merger Agreement (See Page)

The basic consideration in the merger is $9.25 in cash and 0.535 shares of ALLTEL common stock for each share of Western Wireless common stock outstanding immediately prior to completion of the merger, and you are entitled to elect to receive this basic mix. Alternatively, you may elect to receive either $40 in cash or 0.7 shares of ALLTEL common stock by making a cash election or a stock election. AS EXPLAINED BELOW, HOWEVER, THE CASH AND STOCK ELECTIONS ARE

Table of Contents

SUBJECT TO PRORATION TO PRESERVE AN OVERALL MIX OF $9.25 IN CASH AND APPROXIMATELY, BUT NOT LESS THAN, 0.535 SHARES OF ALLTEL COMMON STOCK FOR ALL OF THE OUTSTANDING SHARES OF WESTERN WIRELESS COMMON STOCK TAKEN TOGETHER. AS A RESULT, EVEN IF YOU MAKE THE ALL CASH OR ALL STOCK ELECTION YOU MAY RECEIVE A PRORATED AMOUNT OF CASH AND ALLTEL COMMON STOCK. If you fail to make an election, you will be deemed to have made the mixed election.

Type of Election	Consideration to be Received per Share of Western Wireless Common Stock
Mixed	$9.25 in cash and 0.535 shares of ALLTEL common stock
Stock	0.7 shares of ALLTEL common stock, before proration
Cash	$40 in cash, before proration

Explanation of Proration

The total amount of cash that will be paid and the total number of shares of ALLTEL common stock that will be issued in the merger to holders of Western Wireless common stock outstanding immediately prior to completion of the merger will be the product of $9.25 and between 0.535 and 0.538 shares of ALLTEL common stock, respectively, multiplied by the total number of shares of Western Wireless common stock outstanding immediately prior to completion of the merger. The stock and cash elections are subject to proration to preserve an overall mix of $9.25 in cash and between 0.535 and 0.538 shares of ALLTEL common stock for all of the outstanding shares of Western Wireless common stock taken together. Therefore, unless the number of stock elections is significantly greater than the number of cash elections, Western Wireless shareholders making the cash election will not receive $40 in cash, but instead will receive a mix of cash and stock calculated to preserve the overall cash and stock mix described above, after taking into account all of the elections made by all of the Western Wireless shareholders. In all cases, the cash election will include at least as much cash as the mixed election. The formula that will be used to determine the actual amount of proration is described on page . Similarly, if the number of stock elections is significantly greater than the number of cash elections, Western Wireless shareholders making the stock election will not receive 0.7 shares of ALLTEL common stock, but instead will receive a mix of cash and stock calculated to preserve the overall cash and stock mix described above, after taking into account all of the elections made by all of the Western Wireless shareholders. In all cases, the stock election will include at least as much stock as the mixed election.

Fractional Shares

You will not be entitled to receive any fractional shares of ALLTEL common stock. Instead, you will be entitled to receive cash, without interest, for any fractional share of ALLTEL common stock you might otherwise have been entitled to receive, based on the closing price of the ALLTEL common stock on the date the merger occurs.

In Order to Make an Election, You Must Properly Complete and Deliver the Form of Election and Your Western Wireless Common Stock Certificates (See Page)

You are receiving together with this proxy statement/ prospectus a form of election with instructions for making your merger consideration election. You must properly complete and deliver to the exchange agent your form of election along with your stock certificates (or a properly completed notice of guaranteed delivery). Do not send your stock certificates or form of election with your proxy card. Once you deliver your stock certificates to the exchange agent, you may not transfer your Western Wireless shares, unless you revoke your election by written notice to the exchange agent that is received prior to the election deadline.

Forms of election must be received by the exchange agent by the election deadline, which we will announce before the expected completion of the merger. If you fail to submit a properly completed form of election prior to the election deadline, you will be deemed to have made the mixed election to receive $9.25 cash and 0.535 shares of ALLTEL common stock in exchange for each of your shares of Western Wireless common stock.

Generally, you may revoke or change your election, but only by submitting written notice that is received by the exchange agent prior to the election deadline. If you properly revoke your election, or the merger agreement is terminated, and you have transmitted certificates to the exchange agent, the exchange agent will promptly return those certificates to you. You will not be entitled to revoke or change your election following the election deadline. As a result, if you make an election you will be unable to revoke your election or sell your shares of Western Wireless common stock during the interval between the election deadline and the date of completion of the merger.

If you own shares of Western Wireless common stock in street name through a bank, broker or other financial institution and you wish to make an election, you should seek instructions from the financial institution holding your shares concerning how to make your election.

The Annual Meeting (See Page)

The Western Wireless annual meeting will take place at , on , 2005, at a.m. (Pacific Time). At the annual meeting, the holders of Western Wireless common stock will be asked to approve and adopt the merger agreement and the merger. The holders of Western Wireless common stock will also be asked to elect nine directors to serve until the next annual meeting of shareholders and until their successors are elected and qualified or until the consummation of the merger, ratify the selection of PricewaterhouseCoopers LLP as Western Wireless independent registered public accounting firm for 2005 and approve the Western Wireless Corporation 2005 Long-Term Equity Incentive Plan. The close of business on May 24, 2005 is the record date for determining if you are entitled to vote at the annual meeting. On that date, there were 93,875,487 shares of Western Wireless Class A common stock outstanding and 6,668,794 shares of Western Wireless Class B common stock outstanding. Each share of Western Wireless Class A common stock is entitled to one vote at the annual meeting and each share of Western Wireless Class B common stock is entitled to ten votes at the annual meeting. The affirmative vote of holders of shares of Western Wireless Class A and Class B common stock outstanding as of the record date, voting together as a single class, representing at least two-thirds of all the votes entitled to be cast by such holders, is required to approve and adopt the merger agreement and the merger. Ratification of the selection of the independent registered public accounting firm, and approval of the Western Wireless Corporation 2005 Long-Term Equity Incentive Plan, require the affirmative vote of holders of shares of Western Wireless Class A and Class B common stock outstanding as of the record date, voting together as a single class, representing a majority of the votes present at the meeting, in person or by proxy. For the election of directors, if a quorum is present, a nominee for election to a position on the board of directors will be elected as a director if the votes cast for the nominee exceed the votes cast against the nominee and exceed the votes cast for any other nominee for that position. On the record date, directors and executive officers of Western Wireless beneficially owned and had the right to vote 9,269,214 shares of Western Wireless Class A common stock and 6,393,968 shares of Western Wireless Class B common stock, entitling them to cast approximately 44.54% of the number of votes entitled to be cast at the annual meeting.

Certain shareholders that hold an aggregate of approximately 41% of the aggregate number of votes entitled to be cast have agreed with ALLTEL to vote, or cause to be voted, all of their shares of Western Wireless common stock to approve and adopt the merger agreement and the merger. See Voting Agreement.

Recommendation of the Western Wireless Board Regarding the Merger; Western Wireless Reasons for the Merger (See Page)

Western Wireless board of directors has unanimously approved the merger agreement. Western Wireless board has also unanimously determined that the merger agreement and the merger are advisable, fair to and in the best interests of Western Wireless and its shareholders and unanimously recommends that you vote FOR the approval and adoption of the merger agreement and the merger. In reaching its decision, the Western Wireless board considered a number of factors that are described in more detail in The Merger Recommendation of the Western Wireless Board; Western Wireless Reasons for the Merger beginning on page . The Western Wireless board of directors did not assign relative weights to the factors described in that section or the other factors considered by it in reaching its decision. In addition, the Western Wireless board did not reach any specific conclusion on each factor considered, but conducted an overall analysis of all of these factors as a whole.

Opinion of Financial Advisor to Western Wireless (See Page)

Bear, Stearns & Co. Inc. delivered its written opinion, dated January 9, 2005, to Western Wireless board of directors that, subject to the assumptions and conditions contained therein, as of the date thereof, the consideration to be received pursuant to the merger is fair, from a financial point of view, to the shareholders of Western Wireless.

The full text of the written opinion of Bear, Stearns & Co. Inc., dated January 9, 2005, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex C to this proxy statement/ prospectus. You should read the opinion in its entirety. Bear, Stearns & Co. Inc. provided its opinion for the information and assistance of Western Wireless board of directors in connection with the board s consideration of the transaction contemplated by the merger agreement. The Bear, Stearns & Co. Inc. opinion is not a recommendation as to how you should vote with respect to the proposal to approve and adopt the merger agreement and the merger.

ALLTEL s Reasons for the Merger (See Page)

The board of directors of ALLTEL met several times to review the merger and unanimously approved the merger agreement on January 9, 2005 after ALLTEL s senior management discussed with the board of directors the potential benefits and risks of the transaction. As a result of the merger, ALLTEL expects to increase its wireless revenue mix from approximately 60 percent to nearly 70 percent of its total consolidated revenues. The merger will also permit ALLTEL to increase its retail position in Western Wireless rural markets where it can bring significant value to customers by offering competitive national rate plans. In addition, ALLTEL will diversify its wireless roaming revenue sources and become a leading independent roaming partner for the four national carriers in the markets served by ALLTEL. For a discussion of additional reasons of ALLTEL for the merger see The Merger ALLTEL s Reasons for the Merger beginning on Page .

Interests of Certain Persons in the Merger (See Page)

Some of Western Wireless directors and executive officers may have interests in the merger that are different from, or in addition to, the interests of Western Wireless shareholders generally. The Western Wireless board of directors was aware of these interests and considered them in approving the merger agreement and the merger. These interests include the requirement of ALLTEL to honor Western Wireless severance program in which executive officers participate, the establishment of a $20 million retention pool in which executive officers will be eligible to receive a cash retention bonus in certain circumstances, ALLTEL s agreement to appoint John W. Stanton to ALLTEL s board of directors following the merger, the acceleration of certain stock option awards in connection with the merger and rights of directors and executive officers to continued indemnification and insurance coverage by ALLTEL after the merger for acts or omissions occurring prior to the merger.

Conditions to the Merger (See Page)

The obligations of each party to complete the merger are conditioned upon the other party s representations and warranties being true and correct, subject to certain materiality and other exceptions, and the other party having complied in all material respects with such party s covenants. In addition, among other things, ALLTEL s and Western Wireless obligations are conditioned on:

- the approval and adoption of the merger agreement and the merger by Western Wireless shareholders;
- the absence of any statute, rule, regulation, executive order, decree, ruling or injunction prohibiting the consummation of the merger;
- the continuing effectiveness of the registration statement of which this proxy statement/ prospectus forms a part;
- the approval of the shares of ALLTEL common stock to be issued in connection with the merger for listing on the New York Stock Exchange;
- the termination or expiration of the applicable waiting periods pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;
- the obtaining of any other regulatory approvals of Western Wireless or ALLTEL required to be obtained for the consummation of the merger, other than regulatory approvals the failure to obtain which would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Western Wireless or ALLTEL;
- the obtaining of all necessary Federal Communications Commission approvals and consents other than any such consents the failure to obtain which would not reasonably be expected to have a material adverse effect on Western Wireless or ALLTEL, on terms that would not, subject to certain exceptions described under the heading The Merger Agreement Covenants Filings; Other Actions , require ALLTEL to divest itself of any businesses, assets or product lines; and
- the receipt by each of ALLTEL and Western Wireless, from its respective legal counsel, of an opinion substantially to the effect that the merger will be treated as a reorganization under section 368(a) of the Internal Revenue Code.

In addition, ALLTEL s obligation to complete the merger is also conditioned on the absence, since January 9, 2005, of any event, occurrence, development or state of circumstances or facts that would reasonably be expected to have a material adverse effect on Western Wireless following the date of the merger agreement, except as disclosed to ALLTEL prior to the date of the merger agreement.

Termination (See Page)

The merger agreement may be terminated by the mutual consent of ALLTEL and Western Wireless. Additionally, either ALLTEL or Western Wireless may terminate the merger agreement if:

- the merger is not consummated by August 31, 2005 (which date can be extended by ALLTEL or Western Wireless to November 30, 2005 if, as of August 31, 2005, all conditions to closing other than certain regulatory approvals have been satisfied) through no fault of the party seeking to terminate the merger agreement;
- there are final, non-appealable legal restraints preventing the merger, through no fault of the party seeking to terminate the merger agreement;
- Western Wireless shareholders fail to approve and adopt the merger agreement and the merger at the annual meeting, except that Western Wireless will not be permitted to terminate the merger agreement because of the failure to obtain such shareholder approval if such failure was caused by (i) Western Wireless actions or inactions that constitute a material breach of the merger agreement or (ii) a breach of the voting agreement by any party

thereto other than ALLTEL; or

Table of Contents

the other party has materially breached a representation, warranty, covenant or agreement of that party contained in the merger agreement, resulting in a failure of a condition to the non-breaching party s obligation to effect the merger and such breach cannot be cured by August 31, 2005 (or November 30, 2005, if extended).

Western Wireless must pay ALLTEL a termination fee of $120 million if:

Western Wireless terminates the merger agreement because the merger has not been completed by August 31, 2005 (or if either party has properly extended the termination date under the merger agreement, by November 30, 2005), which failure to complete was not proximately caused by ALLTEL s breach in any material respect of its obligations under the merger agreement, or either Western Wireless or ALLTEL terminates the merger agreement because the Western Wireless shareholders fail to approve and adopt the merger and the merger agreement at the annual meeting, and

prior to the termination of the merger agreement, a Company Alternative Proposal (defined as any bona fide proposal or offer made by any person, prior to the approval of the merger by Western Wireless shareholders, for the (i) acquisition of Western Wireless by a merger or business combination transaction or for a merger of equals with Western Wireless, (ii) acquisition of more than 20% of the assets of Western Wireless and its subsidiaries, taken as a whole, or (iii) acquisition of more than 20% of the common stock of Western Wireless) shall have been commenced, publicly proposed or publicly disclosed prior to, and in each case, not withdrawn at the time of, the annual meeting, and

Western Wireless enters into an agreement regarding the acquisition of Western Wireless by merger or business combination, or a merger of equals, or the acquisition of 40% or more of its assets or shares of common stock with the third party making such Company Alternative Proposal within nine months after the termination or Western Wireless enters into an agreement regarding the acquisition of Western Wireless by merger or business combination, or a merger of equals, or the acquisition of 40% or more of its assets or shares of common stock with any other party within six months after the termination.

Material United States Federal Income Tax Consequences (See Page)

The United States federal income tax consequences of the merger to a holder of Western Wireless common stock will generally depend on the form of consideration the holder receives in the merger:

if the holder receives only shares of ALLTEL common stock, it will generally not recognize gain or loss;

if the holder receives both shares of ALLTEL common stock and cash, it will generally not recognize any loss and will generally recognize gain in an amount not exceeding the amount of cash received; and

if the holder receives only cash, it will generally recognize gain or loss.

Comparison of Rights of ALLTEL Shareholders and Western Wireless Shareholders (See Page)

After the merger, Western Wireless shareholders (other than shareholders who properly exercise their dissenters rights or who make valid cash elections that do not become subject to proration) will become ALLTEL shareholders and their rights as shareholders will be governed by the certificate of incorporation and by-laws of ALLTEL and the general corporation law of the State of Delaware. There are a number of differences between the certificate of incorporation and by-laws of ALLTEL, the articles of incorporation and by-laws of Western Wireless and the general corporation law of the State of Delaware and the business corporation act of the State of Washington. These differences are summarized under the heading Comparison of Rights of ALLTEL and Western Wireless Shareholders.

Comparative Market Price Information (See Page)

ALLTEL common stock is listed on the New York Stock Exchange and the Pacific Stock Exchange under the trading symbol AT. Western Wireless Class A common stock is listed on the Nasdaq Stock Market under the trading symbol WWCA. On January 7, 2005, the last full trading day prior to the public announcement of the execution of the merger agreement, the closing price of Western Wireless Class A common stock was $36.52 per share and the closing price of ALLTEL common stock was $56.12 per share. On , 2005, the most recent practicable date prior to the printing of this proxy statement/ prospectus, the closing price of Western Wireless Class A common stock was $ per share and the closing price of ALLTEL common stock was $ per share. We urge you to obtain current market quotations.

Listing and Trading of ALLTEL Common Stock (See Page)

Shares of ALLTEL common stock received by Western Wireless shareholders pursuant to the merger will be listed on the New York Stock Exchange.

After completion of the merger, shares of ALLTEL common stock will continue to be traded on the New York Stock Exchange, but shares of Western Wireless common stock will no longer be listed or traded.

Regulatory Approvals (See Page)

A condition to the obligation of ALLTEL and Western Wireless to complete the merger is that the requisite Federal Communications Commission (FCC) consents be granted regarding the transfer of control to ALLTEL of the FCC licenses and authorizations held by Western Wireless. On January 24, 2005, Western Wireless and ALLTEL jointly filed FCC applications, seeking the requisite FCC approvals.

In addition, Western Wireless and ALLTEL must make certain filings and registrations with, and seek, consents, permits, authorizations and approvals from, state or foreign governmental entities, including, without limitation, such entities regulating competition and telecommunications businesses.

As a condition to the merger, The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), requires Western Wireless and ALLTEL to observe the HSR Act s notification and waiting periods. Western Wireless and ALLTEL each filed notification and report forms with the U.S. Department of Justice (DOJ) and the Federal Trade Commission (FTC) on January 24, 2005. On February 23, 2005, Western Wireless and ALLTEL each received an additional request for information and documentary materials (a Second Request) from the DOJ. The HSR Act provides that the transaction may not close during a waiting period of 30 calendar days following certification by Western Wireless and ALLTEL that they have substantially complied with the Second Request.

Litigation Regarding the Merger (See Page)

A purported class action has been filed against Western Wireless, ALLTEL and Western Wireless directors, alleging, among other things, that the directors of Western Wireless breached their fiduciary duties in approving the merger. The complaint seeks various forms of relief, including, without limitation, injunctive relief decreeing that the merger agreement is unlawful and unenforceable. Western Wireless and ALLTEL believe the allegations of the complaint are without merit.

Dissenters Rights (See Page)

Under applicable Washington law, you have the right to dissent from the merger and to receive payment in cash for the appraised value of your shares of Western Wireless common stock. The appraised value of the shares of Western Wireless common stock may be more than, less than or equal to the value

Table of Contents

of the merger consideration. Each Western Wireless shareholder seeking to preserve statutory dissenters rights must:

- deliver to Western Wireless, before the vote is taken at the Western Wireless annual meeting regarding the merger agreement and the merger, written notice of such shareholder s intent to demand payment for such shareholder s Western Wireless common stock if the merger becomes effective;

- not vote such shareholder s shares of Western Wireless common stock in person or by proxy in favor of the proposal to approve and adopt the merger agreement; and

- follow the statutory procedures for perfecting dissenters rights under Washington law, which are described in the section of this proxy statement/ prospectus entitled Dissenters Rights.

Chapter 23B.13 of the Washington Business Corporation Act is reprinted in its entirety and attached as Annex D to this proxy statement/ prospectus. Failure by a Western Wireless shareholder to comply precisely with all procedures required by Washington law may result in the loss of dissenters rights for that shareholder.

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF ALLTEL

The summary below sets forth selected historical consolidated financial data for ALLTEL. This data should be read in conjunction with ALLTEL s consolidated historical financial statements and related notes included in ALLTEL s Annual Report on Form 10-K for the year ended December 31, 2004 and ALLTEL s Quarterly Report on Form 10-Q for the period ended March 31, 2005. See Where You Can Find More Information.

	Three Months Ended March 31,		Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
(Millions, except per share data)	(Unaudited)						
Revenues and sales	$ 2,126.0	$ 1,961.2	$ 8,246.1	$ 7,979.9	$ 7,112.4	$ 6,615.8	$ 6,308.9
Operating expenses	1,656.7	1,514.6	6,273.6	6,062.9	5,322.8	4,990.8	4,757.4
Restructuring and other charges		51.8	50.9	19.0	69.9	76.3	15.3
Total costs and expenses	1,656.7	1,566.4	6,324.5	6,081.9	5,392.7	5,067.1	4,772.7
Operating income	469.3	394.8	1,921.6	1,898.0	1,719.7	1,548.7	1,536.2
Non-operating income (expense), net	113.1	2.3	22.9	(3.2)	(5.3)	(14.1)	27.6
Interest expense	(86.7)	(91.7)	(352.5)	(378.6)	(355.1)	(261.2)	(284.3)
Gain on disposal of assets, write- down of investments and other				17.9	1.0	357.6	1,928.5
Income from continuing operations before income taxes	495.7	305.4	1,592.0	1,534.1	1,360.3	1,631.0	3,208.0
Income taxes	182.7	115.6	565.3	580.6	510.2	653.0	1,325.3
Income from continuing operations	313.0	189.8	1,026.7	953.5	850.1	978.0	1,882.7
Discontinued operations, net of tax			19.5	361.0	74.2	69.5	82.7
Income before cumulative effect of accounting change	313.0	189.8	1,046.2	1,314.5	924.3	1,047.5	1,965.4
Cumulative effect of accounting change, net of tax				15.6		19.5	(36.6)
Net income	313.0	189.8	1,046.2	1,330.1	924.3	1,067.0	1,928.8
Preferred dividends			0.1	0.1	0.1	0.1	0.1

Net income applicable to common shares	$	313.0	$	189.8	$	1,046.1	$	1,330.0	$	924.2	$	1,066.9	$	1,928.7
Basic earnings per share:														
Income from continuing operations	$	1.04	$	0.61	$	3.34	$	3.06	$	2.73	$	3.14	$	5.99
Income from discontinued operations						.06		1.16		.24		.22		.26
Cumulative effect of accounting change								.05				.06		.(12)
Net income	$	1.04	$	0.61	$	3.40	$	4.27	$	2.97	$	3.42	$	6.13

13

Table of Contents

(Millions, except per share data)	Three Months Ended March 31, 2005 (Unaudited)	Three Months Ended March 31, 2004 (Unaudited)	Year Ended December 31, 2004	2003	2002	2001	2000
Diluted earnings per share:							
Income from continuing operations	$ 1.03	$ 0.61	$ 3.33	$ 3.05	$ 2.72	$ 3.12	$ 5.94
Income from discontinued operations			.06	1.15	.24	.22	.26
Cumulative effect of accounting change				.05		.06	(.12)
Net income	$ 1.03	$ 0.61	$ 3.39	$ 4.25	$ 2.96	$ 3.40	$ 6.08
Dividends per common share	$ 0.38	$ 0.37	$ 1.49	$ 1.42	$ 1.37	$ 1.33	$ 1.29
Weighted average common shares:							
Basic	302.2	311.5	307.3	311.8	311.0	311.4	314.4
Diluted	303.5	312.5	308.4	312.8	312.3	313.5	317.2
Balance sheet data:							
Total assets	$ 16,773.2	$ 16,539.6	$ 16,603.7	$ 16,661.1	$ 16,244.6	$ 12,500.7	$ 12,087.2
Total shareholders equity	$ 7,240.1	$ 6,898.5	$ 7,128.7	$ 7,022.2	$ 5,998.1	$ 5,565.8	$ 5,095.4
Total redeemable preferred stock and long-term debt (including current maturities)	$ 5,599.3	$ 5,886.4	$ 5,578.3	$ 5,859.4	$ 6,641.1	$ 3,913.0	$ 4,673.3
Cash flows provided by (used in):							
Operating activities	$ 778.7	$ 551.5	$ 2,466.8	$ 2,474.7	$ 2,392.2	$ 1,882.1	$ 1,429.0
Investing activities	$ (307.7)	$ (201.8)	$ (1,258.4)	$ (1,265.9)	$ (4,494.6)	$ (427.0)	$ (1,158.1)
Financing activities	$ (67.5)	$ (370.3)	$ (1,381.2)	$ (1,218.2)	$ 2,079.5	$ (1,479.5)	$ (182.1)

Notes to Selected Financial Information:

A. Net income for the first quarter of 2005 included a special cash dividend of $111.0 million received on March 28, 2005 related to ALLTEL s investment in Fidelity National Financial, Inc. (Fidelity National) common stock. The special cash dividend increased net income $69.8 million or $.23 per share. Net income for the first quarter of 2005 also included a pretax charge of $19.8 million primarily related to a change in accounting for operating leases. This charge decreased net income $12.1 million or $.04 per share.

B. Net income for the first quarter of 2004 included pretax charges of $29.3 million related to a planned workforce reduction and the exit of its competitive local exchange carrier operations in the Jacksonville, Florida market. In addition, ALLTEL recorded a $2.3 million reduction in the liabilities associated with various restructuring activities initiated prior to 2003. ALLTEL also recorded a write-down in the carrying value of certain corporate and regional facilities to fair value in conjunction with the proposed leasing or sale of those facilities of $24.8 million. These transactions decreased net income $31.7 million or $.10 per share.

C. On April 1, 2003, ALLTEL completed the sale of the financial services division of its information services subsidiary, ALLTEL Information Services, Inc., to Fidelity National for $1.05 billion, received as $775.0 million in cash and $275.0 million in Fidelity National common stock. As part of this transaction, Fidelity National acquired ALLTEL s mortgage servicing, retail and wholesale banking and commercial lending operations, as well as the community/regional bank division. In January 2003, ALLTEL completed the termination of its business venture with Bradford & Bingley Group. The

Table of Contents

business venture, ALLTEL Mortgage Solutions, Ltd., a majority-owned consolidated subsidiary of ALLTEL, was created in 2000 to provide mortgage administration and information technology products in the United Kingdom. As a result of these transactions, the financial services division and the operations of ALLTEL Mortgage Solutions, Ltd. have been reflected as discontinued operations for all periods presented. Accordingly, consolidated cash flow information presented above for the year ended December 31, 2000 differs from the amounts reported in ALLTEL s Annual Reports on Form 10-K for each of the three years ended December 31, 2002 through December 31, 2000.

D. Net income for 2004 included pretax charges of $28.4 million related to a planned workforce reduction and the exit of ALLTEL s competitive local exchange carrier operations in the Jacksonville, Florida market. In addition, ALLTEL recorded a $2.3 million reduction in the liabilities associated with various restructuring activities initiated prior to 2003. ALLTEL also recorded a write-down in the carrying value of certain corporate and regional facilities to fair value in conjunction with the proposed leasing or sale of those facilities of $24.8 million. These transactions decreased net income $31.1 million or $.10 per share. Net income for 2004 also reflected a reduction in income tax expense associated with continuing operations of $19.7 million, or $.06 per share, resulting from ALLTEL s adjustment of its income tax contingency reserves to reflect the results of audits of ALLTEL s consolidated federal income tax returns for the fiscal years 1997 through 2001.

E. Net income for 2003 included pretax charges of $8.5 million primarily related to the closing of certain call center locations and the write-off of $13.2 million of certain capitalized software development costs with no alternative future use or functionality. ALLTEL also recorded a $2.7 million reduction in the liabilities associated with various restructuring activities initiated prior to 2003 to reflect differences between estimated and actual costs paid in completing the previous planned restructuring activities. These transactions decreased net income $11.5 million or $.04 per share. Net income for 2003 also included a pretax gain of $31.0 million realized from the sale of certain assets of the telecommunications information services operations, partially offset by pretax write-downs totaling $6.0 million to reflect other-than-temporary declines in the fair value of certain investments in unconsolidated limited partnerships. In addition, ALLTEL incurred pretax termination fees of $7.1 million related to the early retirement of long-term debt. These transactions increased net income $10.7 million or $.04 per share. Effective January 1, 2003, ALLTEL adopted SFAS No. 143 in accounting for asset retirement obligations. The cumulative effect of this accounting change resulted in a one time non-cash credit of $15.6 million, net of income tax expense of $10.3 million, or $.05 per share.

F. Net income for 2002 included pretax charges of $34.0 million incurred in connection with restructuring ALLTEL s competitive local exchange carrier, call center and retail store operations and with the closing of seven product distribution centers. ALLTEL also incurred integration expenses of $28.8 million related to its acquisitions of wireline properties from Verizon Communications, Inc. and wireless properties from CenturyTel, Inc. ALLTEL also recorded write-downs in the carrying value of certain cell site equipment of $7.1 million. These charges decreased net income $42.3 million or $.14 per share. Net income for 2002 included a pretax gain of $22.1 million realized from the sale of a wireless property, partially offset by pretax write-downs of $16.3 million related to investments in marketable securities. ALLTEL also recorded a pretax adjustment of $4.8 million to reduce the gain recognized from the dissolution of a wireless partnership that was initially recorded in 2001. These transactions increased net income $0.6 million or less than $.01 per share.

G. Net income for 2001 included pretax gains of $347.8 million from the sale of PCS licenses, a pretax gain of $9.5 million from the dissolution of a wireless partnership and a pretax gain of $3.2 million from the sale of certain investments. Net income also included pretax termination fees of $2.9 million incurred due to the early retirement of debt. These transactions increased net income $212.7 million or $.68 per share. Net income also included pretax charges of $61.2 million incurred in connection with the restructuring of ALLTEL s regional communications, product distribution and corporate operations. ALLTEL also recorded write-downs in the carrying value of certain cell site equipment totaling $15.1 million. These charges decreased net income $45.3 million or $.14 per share. Effective January 1, 2001, ALLTEL changed its method of accounting for a subsidiary s pension plan to conform to

Table of Contents

ALLTEL s primary pension plan. The cumulative effect of this accounting change resulted in a non-cash credit of $19.5 million, net of income tax expense of $13.0 million, or $.06 per share.

H. Net income for 2000 included pretax gains of $1,345.5 million from the exchange of wireless properties with Bell Atlantic Corporation and GTE Corporation, pretax gains of $36.0 million from the sale of certain PCS assets and pretax gains of $562.0 million from the sale of investments, principally consisting of WorldCom, Inc. common stock. Net income also included a pretax write-down of $15.0 million in ALLTEL s investment in an Internet access service provider. These transactions increased net income $1,124.3 million or $3.58 per share. Net income also included integration costs and other charges of $15.3 million primarily incurred in connection with the acquisition of wireless assets. ALLTEL also incurred a pretax charge of $11.5 million in connection with a litigation settlement. These charges decreased net income $16.1 million or $.05 per share. Effective January 1, 2000, ALLTEL changed its method of recognizing wireless access revenues and certain customer activation fees. The cumulative effect of this accounting change resulted in a non-cash charge of $36.6 million, net of income tax benefit of $23.3 million or $.12 per share.

I. On May 17, 2005, ALLTEL completed the settlement of the purchase contract obligation under its equity units by issuing approximately 24.5 million shares of ALLTEL common stock in exchange for ALLTEL s receipt of cash proceeds of approximately $1,385.0 million.

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF WESTERN WIRELESS

The summary below sets forth selected historical consolidated financial data for Western Wireless. This data should be read in conjunction with Western Wireless consolidated historical financial statements and related notes included in Western Wireless Annual Report on Form 10-K for the year ended December 31, 2004 and Western Wireless Quarterly Report on Form 10-Q for the three months ended March 31, 2005. See Where You Can Find More Information.

	For the Three Months Ended March 31,		For the Years Ended December 31,				
	2005	2004	2004	2003	2002(1)	2001(1)	2000
							(Unaudited)
(Millions, except per share data)	(Unaudited)						
Consolidated statements of operations data:							
Revenues	$ 520.2	$ 446.5	$ 1,917.7	$ 1,503.7	$ 1,186.6	$ 1,038.0	$ 835.0
Operating expenses	(445.6)	(364.8)	(1,609.3)	(1,343.4)	(1,135.2)	(1,016.8)	(666.1)
Other expenses	(29.6)	(33.4)	(155.1)	(128.0)	(151.7)	(176.3)	(105.5)
Minority interests in net (income) loss of consolidated subsidiaries	(3.8)	(2.5)	(11.5)	4.6	8.1	17.8	2.1
Income (loss) from continuing operations before provision for income taxes and cumulative change in accounting principle	41.2	45.8	141.8	36.9	(92.2)	(137.3)	65.5
Benefit (provision) for income taxes	(35.9)	(9.6)	91.1	(37.4)	(121.2)		
Income (loss) from continuing operations before cumulative change in accounting principle	5.3	36.2	232.9	(0.5)	(213.4)	(137.3)	65.5
Total discontinued operations					29.6	(5.9)	
Cumulative change in accounting principle				(2.2)		(5.6)	
Net income (loss)	$ 5.3	$ 36.2	$ 232.9	$ (2.7)	$ (183.8)	$ (148.8)	$ 65.5

Basic income (loss) per share:							
Continuing operations before cumulative change in accounting principle	$ .05	$ .39	$ 2.46	$ (.01)	$ (2.71)	$ (1.74)	$ .84
Discontinued operations					.38	(.08)	
Cumulative change in accounting principle				(.02)		(.07)	
Basic income (loss) per share	$ .05	$ .39	$ 2.46	$ (.03)	$ (2.33)	$ (1.89)	$ .84
Diluted income (loss) per share:							
Continuing operations before cumulative change in accounting principle	$ .05	$ .37	$ 2.27	$ (.01)	$ (2.71)	$ (1.74)	$ .81
Discontinued operations					.38	(.08)	
Cumulative change in accounting principle				(.02)		(.07)	
Diluted income (loss) per share	$ .05	$ .37	$ 2.27	$ (.03)	$ (2.33)	$ (1.89)	$ .81
Consolidated balance sheets data:							
Total assets	$ 2,955.3	$ 2,564.4	$ 3,118.8	$ 2,539.1	$ 2,421.5	$ 2,400.3	$ 2,018.7
Total long-term debt, net of current portion	$ 2,046.0	$ 2,167.6	$ 2,013.2	$ 2,172.9	$ 2,317.1	$ 2,215.6	$ 1,926.4
Total shareholders equity (deficit)	$ 266.3	$ 195.0	$ 264.0	$ (230.8)	$ (476.4)	$ (293.1)	$ (138.7)
Consolidated cash flows provided by (used in):							
Operating activities	$ 124.5	$ 95.1	$ 478.3	$ 317.8	$ 155.0	$ 80.8	$ 167.0

Investing activities	$ (138.4)	$ (97.7)	$ (532.2)	$ (179.3)	$ (308.5)	$ (440.7)	$ (644.3)
Financing activities	$ (180.5)	$ (2.6)	$ 193.6	$ (98.4)	$ 162.8	$ 382.0	$ 468.7
Weighted average common shares (thousands):							
Basic	100,168	91,708	94,665	81,248	78,955	78,625	77,899
Diluted	102,106	101,425	103,932	81,248	78,955	78,625	80,303

(1) Certain amounts in 2002 and 2001 consolidated financial data have been reclassified to properly reflect the discontinued operations of TAL, Western Wireless Icelandic subsidiary.

Table of Contents

SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The summary below sets forth selected unaudited historical pro forma financial data for ALLTEL after giving effect to the merger for the period indicated. The unaudited historical pro forma data presented below for the three months ended March 31, 2005 combines selected unaudited historical financial data of ALLTEL and Western Wireless for the three months ended March 31, 2005. The unaudited historical pro forma data presented below for the year ended December 31, 2004 combines selected audited historical financial data of ALLTEL and Western Wireless for the fiscal year ended December 31, 2004. The following table should be read together with the consolidated financial statements and accompanying notes of ALLTEL and of Western Wireless included in the documents described under Where You Can Find More Information and the unaudited pro forma condensed combined financial statements and accompanying discussion and notes set forth under the heading Unaudited Pro Forma Condensed Combined Financial Information included herein. The pro forma amounts in the table below are presented for illustrative purposes only and do not indicate what the financial position or the results of operations of ALLTEL would have been had the merger occurred as of the date or for the period presented. The pro forma amounts also do not indicate what the financial position or future results of operations of ALLTEL will be. No adjustment has been included in the pro forma amounts for any anticipated cost savings or other synergies. See Unaudited Pro Forma Condensed Combined Financial Information.

	For the Three Months Ended or as of March 31, 2005	For the Year Ended or as of December 31, 2004
	(Millions, except per share data)	
Revenue and sales	$ 2,641.9	$ 10,151.0
Operating income	$ 497.9	$ 2,054.8
Net income from continuing operations	$ 301.3	$ 1,191.8
Basic earnings per share from continuing operations	$ .79	$ 3.09
Diluted earnings per share from continuing operations	$ .78	$ 3.04
Weighted average common shares outstanding:		
Basic	380.5	385.6
Diluted	388.6	393.4
Dividends per common share	$ .38	$ 1.49
Total assets	$ 22,958.6	$ 23,073.1
Total shareholders equity	$ 11,755.3	$ 11,643.9
Total redeemable preferred stock and long-term debt (including current maturities and short-term debt)	$ 6,689.2	$ 6,943.7
Book value per common share	$ 30.87	$ 30.60

Table of Contents

COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA

The summary below sets forth certain audited historical per share information for ALLTEL and Western Wireless and unaudited pro forma information as if ALLTEL and Western Wireless had been combined for the period shown (pro forma combined). The unaudited pro forma combined per share data presented below for the three months ended March 31, 2005 and for the year ended December 31, 2004 combines certain per share financial data of ALLTEL and Western Wireless. No cash dividends have ever been paid on the Western Wireless common stock. The historical data is derived from, and should be read in conjunction with, the consolidated historical financial statements and related notes included in each of ALLTEL s Quarterly Report on Form 10-Q for the period ended March 31, 2005 and Annual Report on Form 10-K for the year ended December 31, 2004 and Western Wireless Quarterly Report on Form 10-Q for the period ended March 31, 2005 and Annual Report on Form 10-K for the year ended December 31, 2004. See Where You Can Find More Information. The pro forma amounts in the table below are presented for illustrative purposes only and do not indicate what the financial position or the results of operations of ALLTEL would have been had the merger occurred as of the date or for the period presented. The pro forma amounts also do not indicate what the financial position or future results of operations of ALLTEL will be. No adjustment has been included in the pro forma amounts for any anticipated cost savings or other synergies.

ALLTEL

	For the Three Months Ended or as of March 31, 2005	For the Year Ended or as of December 31, 2004
ALLTEL Historical		
Basic earnings per common share from continuing operations	$ 1.04	$ 3.34
Diluted earnings per common share from continuing operations	$ 1.03	$ 3.33
Book value per share	$23.93	$23.58
Cash dividends declared per share	$ .38	$ 1.49

WESTERN WIRELESS

	For the Three Months Ended or as of March 31, 2005	For the Year Ended or as of December 31, 2004
Western Wireless Historical		
Basic earnings per common share	$ .05	$2.46
Diluted earnings per common share	$ .05	$2.27
Book value per share	$2.66	$2.64
Cash dividends per share		

ALLTEL AND WESTERN WIRELESS

	For the Three Months Ended or as of March 31, 2005	For the Year Ended or as of December 31, 2004
Pro Forma Combined		
	$ .79	$ 3.09

Basic earnings per common share from continuing operations		
Diluted earnings per common share from continuing operations	$ .78	$ 3.04
Book value per share	$30.87	$30.60
Cash dividends declared per share	$ .38	$ 1.49
Western Wireless Pro Forma Per Share Equivalents(a)(b)		
Basic earnings per common share from continuing operations	$ .42	$ 1.66
Diluted earnings per common share from continuing operations	$ .42	$ 1.63
Book value per share	$16.56	$16.42
Cash dividends per share	$ .20	$ .80

Table of Contents

(a) The Western Wireless pro forma per share equivalent amounts are calculated by multiplying the pro forma combined per common share amounts by a fraction equal to 0.53656. The actual number of shares of ALLTEL common stock to be issued in the merger will equal a fraction ranging from 0.535 to 0.538 multiplied by all of the outstanding shares of Western Wireless common stock taken together. See The Merger Agreement Merger Consideration. Western Wireless shareholders receiving ALLTEL common stock as part of the foregoing exchange ratio will also be entitled to receive $9.25 per share in cash in exchange for their Western Wireless shares.

(b) Solely for illustrative purposes, the Western Wireless pro forma per share equivalent amounts that would result from multiplying the pro forma combined per common share amounts by the fraction equal to 0.7 (representing the exchange ratio, before proration, of the stock election), are as follows:

	For the Three Months Ended or as of March 31, 2005	**For the Year Ended or as of December 31, 2004**
Basic earnings per share from continuing operations	$ .55	$ 2.16
Diluted earnings per share from continuing operations	$ .55	$ 2.13
Book value per share	$21.61	$21.42
Cash dividends per share	$ .27	$ 1.04

Table of Contents

COMPARATIVE STOCK PRICES AND DIVIDENDS

ALLTEL common stock is traded on the New York Stock Exchange (the NYSE) and the Pacific Stock Exchange under the symbol AT. Western Wireless Class A common stock is traded on the Nasdaq Stock Market under the symbol WWCA. The following table sets forth the dividends declared on the ALLTEL common stock and the high and low intra-day sales prices per share for the ALLTEL common stock and the Western Wireless Class A common stock, each as reported on the NYSE Composite Transactions Tape and the Nasdaq Stock Market, respectively, for the periods indicated. No cash dividends have ever been paid on the Western Wireless Class A common stock. There currently is no established public trading market for Western Wireless Class B common stock; however, such shares generally convert automatically into shares of Western Wireless Class A common stock on a share-for-share basis immediately upon any transfer of the Class B common stock.

	ALLTEL Common Stock			Western Wireless Class A Common Stock	
Fiscal Year	**High**	**Low**	**Dividends**	**High**	**Low**
2003					
First Quarter	$ 56.22	$ 40.68	$ .35	$ 7.91	$ 5.00
Second Quarter	$ 49.68	$ 43.62	$ .35	$ 12.50	$ 4.55
Third Quarter	$ 50.31	$ 44.51	$ .35	$ 21.08	$ 11.13
Fourth Quarter	$ 49.98	$ 43.75	$ .37	$ 21.20	$ 16.69
2004					
First Quarter	$ 53.28	$ 46.65	$ .37	$ 27.40	$ 18.30
Second Quarter	$ 51.95	$ 48.63	$ .37	$ 33.51	$ 20.46
Third Quarter	$ 55.80	$ 49.23	$ .37	$ 29.29	$ 23.75
Fourth Quarter	$ 60.62	$ 53.40	$ .38	$ 29.95	$ 25.89
2005					
First Quarter	$ 59.85	$ 54.20	$ .38	$ 39.63	$ 30.21
Second Quarter (through May 26, 2005)	$ 58.50	$ 54.82	$ .38	$ 39.80	$ 38.02

Set forth below are the last reported sale prices of ALLTEL common stock and Western Wireless Class A common stock on January 7, 2005, the last trading day prior to the execution of the merger agreement, and on May 26, 2005, as reported on the NYSE Composite Transactions Tape and the Nasdaq Stock Market, respectively. The table also presents implied equivalent per share values for Western Wireless Class A common shares by:

multiplying the price per ALLTEL common share on each of the two dates by the stock election exchange ratio of 0.7, assuming no proration; and

multiplying the price per ALLTEL share on each of the two dates by the mixed election exchange ratio of 0.535 and adding $9.25.

	ALLTEL Share Price	**Western Wireless Share Price**	**Implied per Share Value of Stock Election**	**Implied per Share Value of Mixed Election**
January 7, 2005	$ 56.12	$ 36.52	$ 39.28	$ 39.27
May 26, 2005	$ 57.66	$ 39.55	$ 40.36	$ 40.10

You are urged to obtain current market quotations for shares of ALLTEL common stock and Western Wireless Class A common stock before making a decision with respect to the merger.

Table of Contents

No assurance can be given as to the market prices of ALLTEL common stock or Western Wireless Class A common stock at the closing of the merger. Because the exchange ratio will not be adjusted for changes in the market price of ALLTEL s common stock, the market value of the shares of ALLTEL common stock that holders of Western Wireless common stock will receive at the effective time may vary significantly from the market value of the shares of ALLTEL common stock that holders of Western Wireless common stock would have received if the merger were consummated on the date of the merger agreement or on the date of this proxy statement/ prospectus.

Table of Contents

APPROVAL AND ADOPTION OF THE MERGER AGREEMENT AND THE MERGER (PROPOSAL NO. 1)

Introduction

We are asking Western Wireless shareholders to approve and adopt the merger agreement and the merger, pursuant to which Western Wireless will merge with and into Merger Sub, after which Merger Sub will survive the transaction and continue to be a wholly-owned subsidiary of ALLTEL and the separate corporate existence of Western Wireless will cease. In the merger, Western Wireless shareholders may elect to receive for each of their shares of Western Wireless common stock: (1) a combination of $9.25 in cash and 0.535 shares of ALLTEL common stock, (2) $40 in cash, subject to proration, or (3) 0.7 shares of ALLTEL common stock, also subject to proration. The cash and stock elections are subject to proration to preserve an overall mix of $9.25 in cash and approximately, but not less than, 0.535 shares of ALLTEL common stock for all of the outstanding shares of Western Wireless common stock taken together. As a result, even if you make the all cash or all stock election you may receive a prorated amount of cash and ALLTEL common stock. Western Wireless shareholders who fail to make an election will be deemed to have made the mixed election. A discussion of the proration mechanism as well as examples of hypothetical prorations can be found in this proxy statement/ prospectus under the heading The Merger Agreement Merger Consideration.

The Companies

ALLTEL Corporation

ALLTEL is a customer-focused communications company. ALLTEL owns subsidiaries that provide wireless and wireline local, long-distance, network access and Internet services. Telecommunications products are warehoused and sold by ALLTEL s distribution subsidiary. A subsidiary also publishes telephone directories for affiliates and other independent telephone companies. In addition, a subsidiary provides billing, customer care and other data processing and outsourcing services to telecommunications companies. For the three months ended March 31, 2005, ALLTEL had $2.1 billion in revenues, $470 million in operating income and $313 million in net income. For the year ended December 31, 2004, ALLTEL had $8.2 billion in revenues, $1.9 billion in operating income and $1.0 billion in net income.

As of March 31, 2005, ALLTEL provided wireless communications services to approximately 8.8 million customers in 24 states. At March 31, 2005, ALLTEL s wireless penetration rate (that is, the number of its customers as a percentage of the total population in its service areas) was approximately 13.8%. Wireless revenues and sales comprised 62% of ALLTEL s total operating revenue from business segments in the first quarter of 2005 and comprised 60% of ALLTEL s total operating revenues from business segments in 2004. As a result of ALLTEL s recent acquisition of properties from Cingular Wireless LLC, it currently owns a majority interest in wireless operations in 96 metropolitan statistical areas, or MSAs, covering a population of approximately 43.9 million potential customers, or POPs. ALLTEL also owns a majority interest in wireless operations in 156 rural statistical areas, or RSAs, representing approximately 22.5 million wireless POPs. ALLTEL holds minority interests in operations in 30 other wireless markets, including, without limitation, the Chicago, Illinois and Houston, Texas MSAs.

ALLTEL s wireline operations consist of subsidiaries that are incumbent local exchange carriers, or ILECs, and competitive local exchange carriers, or CLECs. Through these subsidiaries, ALLTEL provides local telephone service to approximately 3.0 million customers primarily located in rural areas in 15 states. Wireline services include basic dial-tone, DSL, or Digital Subscriber Line, Internet and other enhanced services including, without limitation, call waiting, call forwarding, three-way calling and voicemail. ALLTEL s local telephone subsidiaries also offer facilities for private line, high-speed data transmission and other communications services. Wireline revenues, which consist of local service, network access and long-distance and miscellaneous revenues, comprised 27% of ALLTEL s total operating revenues from business segments in the first quarter of 2005 and comprised 29% of ALLTEL s total operating revenues from business segments in 2004.

Table of Contents

ALLTEL s communications support services consist of its long-distance and network management services, communications products, directory publishing operations and the retained telecommunications information services operations of ALLTEL Information Services, Inc. that were not sold in 2003. As of March 31, 2005, ALLTEL provided long-distance service to nearly 1.8 million customers. As of that date, ALLTEL s directory publishing business coordinated advertising, sales, printing and distribution for 412 telephone directory contracts in 37 states. ALLTEL s product distribution business distributes telecommunications equipment and materials. ALLTEL s telecommunications information services operations, or the telecom division, are primarily engaged in the development and marketing of billing services and customer care software to local telephone, wireless and personal communications services, or PCS, companies. Communications support services revenues comprised 11% of ALLTEL s total operating revenues from business segments for both the first quarter of 2005 and the year of 2004.

ALLTEL is incorporated in Delaware. ALLTEL s principal executive offices are located at One Allied Drive, Little Rock, Arkansas 72202, and its telephone number is (501) 905-8000. ALLTEL s website is located at www.alltel.com. Information on ALLTEL s website is not incorporated into this proxy statement/ prospectus.

ALLTEL common stock is listed on the NYSE and the Pacific Stock Exchange under the trading symbol AT.

Wigeon Acquisition LLC

Wigeon Acquisition LLC, a Washington limited liability company and a direct wholly-owned subsidiary of ALLTEL, was organized on January 7, 2005 solely for the purpose of effecting the merger with Western Wireless. It has not carried on any activities other than in connection with the merger agreement. Wigeon Acquisition LLC s principal place of business is located at One Allied Drive, Little Rock, Arkansas 72202, and its telephone number is (501) 905-8000.

Western Wireless Corporation

Western Wireless is one of the largest providers of rural wireless communications services in the United States. Western Wireless domestic wireless operations are primarily in rural areas which it believes provide growth opportunities greater than those that exist in more densely populated urban areas. Western Wireless network covers approximately 25% of the continental United States in 19 western states. Western Wireless operates in 88 rural service areas and 19 metropolitan statistical areas, representing approximately 11.5 million potential customers. As of March 31, 2005, Western Wireless provided wireless services, under the CellularONE® and Western Wireless® brand names, to approximately 1.5 million subscribers in the western United States. For the three months ended March 31, 2005, Western Wireless had $520.2 million in revenues, $41.2 million in income before provisions for income taxes and $5.3 million in net income. For the year ended December 31, 2004, Western Wireless had $1,917.7 million in revenues, $141.8 million in income from continuing operations before provision for income taxes and cumulative change in accounting principle and $232.9 million in net income.

Western Wireless provides voice and data services to both businesses and consumers including its own subscribers and other companies subscribers who roam through its service areas. Western Wireless domestic networks support the four leading technology platforms currently used by the national cellular and PCS carriers. As a result, Western Wireless believes it is well positioned to be the roaming partner of choice for national carriers whose customers roam throughout its service areas. Western Wireless has roaming agreements with most of the major wireless carriers in North America, including Cingular, T-Mobile, Verizon Wireless and Sprint PCS. In addition, Western Wireless believes that its 800 MHz band licenses, utilizing multiple digital and analog technologies, give it superior coverage and efficiency characteristics at these frequencies in rural service areas. Western Wireless has also acquired certain 1900 MHz PCS licenses to supplement its coverage in certain markets.

In addition, through its subsidiary, Western Wireless International Holding Corporation, or WWI, Western Wireless is licensed to provide wireless communications services in seven countries, representing

Table of Contents

approximately over 56 million potential customers. The primary business of WWI is the delivery of mobile telecommunications services in countries outside of the United States, including Austria, Ireland, Slovenia, Bolivia, Haiti, Ghana and Georgia. In certain regions, WWI s operating companies also provide other telecommunications services, including fixed line, wireless local loop, international long distance and mobile data services. As of March 31, 2005, WWI s consolidated subsidiaries served, in aggregate, approximately 1.9 million mobile subscribers. Historically, WWI has focused its investments in regions characterized by inadequate local landline telephone service and areas where local landline telephone service is unavailable to a majority of the population. Western Wireless believes that wireless technology is a more economic means of delivering telephone services in these regions. In addition to investments in underserved regions, WWI has increasingly focused its investments in countries with a more developed telecommunications infrastructure and wireless competition, but where the low entry costs and strong subscriber growth potential provide an attractive investment opportunity. These countries include Austria and Ireland.

Western Wireless was organized in 1994. It is a Washington corporation. Western Wireless principal corporate office is located at 3650 131st Avenue S.E., Bellevue, Washington 98006 and its phone number is (425) 586-8700. Western Wireless website is located at www.wwireless.com. Information on Western Wireless website is not incorporated into this proxy statement/ prospectus.

Western Wireless Class A common stock is listed on the Nasdaq Stock Market under the trading symbol WWCA.

Table of Contents

RISK FACTORS

You should consider the following risk factors in evaluating whether to vote in favor of the merger, together with the other information contained in this proxy statement/ prospectus and the annexes to, and documents incorporated by reference in, this proxy statement/ prospectus.

Risks Related to the Merger

The exchange ratio will not be adjusted in the event the value of ALLTEL common stock declines before the merger is completed. As a result, at the time you vote on the merger and/or make your merger consideration election you will not know the value you will receive for your Western Wireless shares.

The exchange ratio for the portion of the merger consideration to be paid in ALLTEL common stock will not be adjusted in the event the market price of ALLTEL common stock declines. If the market price of ALLTEL common stock declines after you vote and/or make your merger consideration election, and you receive ALLTEL common stock as a portion of the merger consideration, you will be receiving less value than you expected when you voted and/or made your merger consideration election. Neither ALLTEL nor Western Wireless is permitted to terminate the merger agreement or resolicit the vote of Western Wireless shareholders because of changes in the market prices of their respective common stocks.

You may not know the exact form of consideration you will receive and might not be able to exchange your Western Wireless common stock in an entirely tax-free transaction.

The consideration to be received by Western Wireless shareholders in the merger is subject to proration to preserve the overall mix of $9.25 in cash and approximately, but not less than, 0.535 shares of ALLTEL common stock for all outstanding shares of Western Wireless common stock. Accordingly, you may not receive the type of consideration you elect to receive in the merger. If you elect to receive all of the merger consideration in cash and the all cash election is oversubscribed, then you will receive a portion of the merger consideration in shares of ALLTEL common stock. Similarly, if you elect to receive all of the merger consideration in shares of ALLTEL common stock and the stock election is oversubscribed, then you will receive a portion of the merger consideration in cash. In addition, because the receipt of cash in the merger may be taxable to a Western Wireless shareholder, you might not be able to exchange your Western Wireless common stock in an entirely tax-free transaction. A discussion of the proration mechanism as well as examples of hypothetical prorations can be found under the heading The Merger Agreement Merger Consideration.

Regulators may impose conditions that could prevent completion of the merger or reduce the anticipated benefits from the merger. As a result, the price of ALLTEL common stock may be adversely affected.

As a condition to ALLTEL s and Western Wireless respective obligations to complete the merger, the approval of various regulatory authorities, including, without limitation, the FCC, the DOJ and the FTC, must be obtained. Any of these regulators could object to the merger and/or impose conditions or restrictions on their approvals that are materially adverse to ALLTEL and the combined company. Depending on their nature and extent, any objections, conditions or restrictions of regulatory authorities may jeopardize or delay completion of the merger or may lessen the anticipated potential benefits of the merger.

Under the terms of the merger agreement, Western Wireless and ALLTEL are obligated to use all reasonable efforts to resolve any such objections to permit the merger. In no event will ALLTEL be required to, nor will Western Wireless be permitted to, agree to any condition imposed by a regulator that would require ALLTEL to divest itself of any businesses, assets or product lines, including any businesses, assets or product lines it acquires from Western Wireless following completion of the merger, except that ALLTEL is required to, and Western Wireless is permitted to, agree to divest spectrum licenses or systems assets of itself or any of its subsidiaries, and agree to the imposition of any limitation upon such licenses, assets or operations, in any service area in which there is a spectrum overlap where at least one of

Table of Contents

the parties or their respective subsidiaries holds a cellular license in the 850 MHz spectrum band. In connection with the foregoing, subject to the requirements of the relevant regulator in connection with the foregoing, solely as between ALLTEL and Western Wireless, ALLTEL has the right to determine which assets are divested or which licenses become subject to limitation and make all determinations with respect to the terms of any such divestiture or limitation, provided that neither ALLTEL nor Western Wireless, nor any of their respective subsidiaries, shall be required to make any divestiture or agree to any limitation that is not conditioned upon occurrence of the closing of the merger.

ALLTEL may waive its rights and take actions that it is not otherwise required to take in connection with receipt of the necessary regulatory approvals, to proceed with the completion of the merger. If ALLTEL were to proceed with the merger despite the imposition of these conditions or restrictions, ALLTEL s business, operating and financial results and the price of its common stock could be adversely affected.

The merger is subject to certain conditions to closing that could result in the merger being delayed or not completed, which could negatively impact Western Wireless stock price and future business and operations.

Failure to complete the merger could negatively impact Western Wireless stock price and future business and operations. The merger is subject to customary conditions to closing, as set forth in the merger agreement. If any of the conditions to the merger are not satisfied or, if waiver is permissible, not waived, the merger will not be completed. If the merger is not completed for any reason, Western Wireless may be subject to a number of material risks, including the following:

- if the merger agreement is terminated and Western Wireless thereafter enters into an alternative transaction, Western Wireless may be required, in specific circumstances, to pay a termination fee of $120 million;

- the price of Western Wireless common stock may decline to the extent that the current market price of Western Wireless common stock reflects an assumption that the merger will be completed; and

- Western Wireless must pay its expenses related to the merger, including substantial legal, accounting and financial advisory fees, and employee retention bonuses, even if the merger is not completed. This could affect Western Wireless results of operations and potentially its stock price.

Uncertainty about the effect of the merger could adversely affect Western Wireless business. This uncertainty could increase churn, decrease Western Wireless ability to attract new customers and have a negative impact on subscriber growth, revenue, and results of operations. Similarly, current and prospective employees may experience uncertainty about their future role with Western Wireless until ALLTEL s strategies with regard to Western Wireless are announced or executed. This may adversely affect Western Wireless ability to attract and retain key personnel.

Further, if the merger agreement is terminated and Western Wireless board of directors determines to seek another merger or business combination, it may not be able to find a partner willing to pay an equivalent or more attractive price than that which would have been paid in the merger with ALLTEL. See The Merger Agreement beginning on page of this proxy statement/ prospectus for a further description of the terms of the merger agreement, conditions to the merger and termination fee and expenses.

Failure to successfully integrate Western Wireless on a timely basis could reduce ALLTEL s profitability and adversely affect its stock price.

ALLTEL and Western Wireless expect certain benefits to arise from the merger, including, without limitation, revenue and market penetration improvements, and certain operating efficiencies and synergies. See The Merger Western Wireless Reasons for the Merger; ALLTEL s Reasons for the Merger. Achievement of these benefits in the amounts and time periods expected will depend in part upon how and when the businesses of ALLTEL and Western Wireless are integrated. ALLTEL s success in integrating the businesses will involve, among other things, the conversion of network and billing systems, changes in branding and product offerings, and combining ALLTEL s and Western Wireless operations. If ALLTEL is not successful in this integration, its financial results could be adversely impacted. Additionally, integrating Western Wireless business will expose ALLTEL to risks associated with conducting international operations, including, without limitation, increased challenges to maintaining adequate internal controls over geographically dispersed operations, enhanced regulatory risks, exposure to foreign currency fluctuations, and political, social and economic risks associated with foreign countries such as expropriation of assets, natural disasters, and terrorism.

ALLTEL s management may be required to dedicate significant time and effort to this integration process which could divert their attention from other business concerns.

ALLTEL expects to incur significant non-recurring expenses related to the merger.

ALLTEL is developing a plan to integrate the operations of Western Wireless after the merger. In connection with that plan, ALLTEL anticipates that certain non-recurring charges such as branding expenses and billing system conversion costs will be incurred in connection with this integration. ALLTEL cannot identify the timing, nature and amount of all such charges as of the date of this proxy statement/ prospectus. However, any such charge could affect ALLTEL s results of operations in the period in which such charges are recorded.

The price of ALLTEL common stock may be affected by factors different from those affecting the price of Western Wireless common stock.

Holders of Western Wireless common stock will be entitled to receive cash and ALLTEL common stock in the merger and will thus become holders of ALLTEL common stock. ALLTEL s business is different in certain ways from that of Western Wireless, and ALLTEL s results of operations, as well as the price of ALLTEL common stock, may be affected by factors different from those affecting Western Wireless results of operations and the price of Western Wireless common stock. The price of ALLTEL common stock may fluctuate significantly following the merger, including as a result of factors over which ALLTEL has no control. For a discussion of ALLTEL s and Western Wireless businesses and certain factors to consider in connection with such businesses, including Risk Factors for Western Wireless, see ALLTEL s Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and Quarterly Report on Form 10-Q for the three months ended March 31, 2005 and Western Wireless Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and Quarterly Report on Form 10-Q for the three months ended March 31, 2005, which are incorporated by reference in this proxy statement/ prospectus.

If you deliver shares of Western Wireless common stock to make an election, you will not be able to sell those shares unless you revoke your election prior to the election deadline.

If you are a holder of Western Wireless common stock and wish to elect the type of merger consideration you prefer to receive in the merger, you must deliver your stock certificates (or follow the procedures for guaranteed delivery) and a properly completed and signed form of election to the exchange agent prior to the election deadline, which we will announce before the expected completion of the merger. You will not be able to sell any shares of Western Wireless common stock that you have delivered, unless you revoke your election before the deadline by providing written notice to the exchange agent. If you do not revoke your election, you will not be able to liquidate your investment in Western Wireless common stock for any reason until you receive cash and/or ALLTEL common stock in the merger. In the time between delivery of your shares and the closing of the merger, the trading price of Western Wireless or ALLTEL may decrease, and you might otherwise want to sell your shares of Western Wireless to gain access to cash, make other investments, or reduce the potential for a decrease in the value of your investment.

Table of Contents

The date that you will receive your merger consideration depends on the completion date of the merger, which is uncertain. The completion date of the merger might be later than expected due to unforeseen events, such as delays in obtaining required consents and approvals.

Risks Related to ALLTEL

ALLTEL faces intense competition in its businesses that could reduce its market share or adversely affect its financial performance.

Substantial and increasing competition exists in the wireless communications industry. Multiple wireless service providers may operate in the same geographic area, along with any number of resellers that buy bulk wireless services from one of the wireless service providers and resell them to their customers. In January 2003, the FCC lifted its rule imposing limits on the amount of spectrum that can be held by one provider in a specific market. Competition may continue to increase as a result of recent consolidation in the wireless industry and to the extent that there are other consolidations in the future involving its competitors.

A majority of ALLTEL s wireless markets have multiple carriers. The presence of multiple carriers within ALLTEL s wireless markets has made it increasingly difficult to attract new customers and retain existing ones. While the recent consolidation in the wireless industry may reduce the number of carriers in ALLTEL s markets, the carriers resulting from such consolidation will be larger and potentially more effective in their ability to compete with ALLTEL. As a result of increased competition, ALLTEL anticipates that the price per minute for wireless voice services will decline while costs to acquire customers, including, without limitation, handset subsidies and advertising and promotion costs, may increase. ALLTEL s ability to continue to compete effectively will depend upon its ability to anticipate and respond to changes in technology, customer preferences, new service offerings, demographic trends, economic conditions and competitors pricing strategies. Failure to successfully market its products and services or to adequately and timely respond to competitive factors could reduce ALLTEL s market share or adversely affect its revenue or net income.

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

Some of ALLTEL s incumbent local exchange carrier (ILEC) operations have begun to experience competition in their local service areas. Sources of competition to ALLTEL s local service business include, but are not limited to, resellers of local exchange services, interexchange carriers, satellite transmission service providers, wireless communications providers, cable television companies, competitive access service providers, including, without limitation, those utilizing Unbundled Network Elements-Platform or UNE-P, and voice-over-Internet-protocol, or VoIP, providers and providers using other emerging technologies. To date, this competition has not had a material adverse effect on ALLTEL s results from operations. However, competition, mainly from wireless and broadband substitution, has caused a reduction in the number of ALLTEL s access lines. In the future, ALLTEL expects the number of its access lines served to continue to be adversely affected by wireless and broadband substitution.

ALLTEL is subject to government regulation of the telecommunications industry.

As a provider of wireless communication services, ALLTEL is subject to regulation by the FCC. The FCC has rules governing the construction and operation of wireless communications systems and licensing and technical standards for the provision of wireless communication services. The FCC also regulates the terms under which ancillary services may be provided through wireless facilities. While the FCC has authority to regulate rates for wireless services, it has so far refrained from doing so. States are also permitted to regulate the terms and conditions of wireless services which are unrelated to either rates or market entry. The FCC and various state commissions regulate ALLTEL s status as an Eligible Telecommunications Carrier (ETC), which qualifies ALLTEL to receive support from the Universal Service Fund. In addition, the FCC and Federal Aviation Administration regulate the siting, lighting and construction of transmitter towers and antennae. Tower siting and construction is also subject to state and local zoning as well as federal statutes regarding environmental and historic preservation. The future costs to comply with all relevant regulations are to some extent unknown and could result in higher operating expenses in the future, and changes to other regulations (such as those relating to qualification as an ETC) could result in loss of revenue in the future.

Licenses granted to ALLTEL by the FCC to provide wireless communications services were originally issued for 10-year terms and may be renewed for additional 10-year terms subject to FCC approval of the renewal applications. Failure to comply with FCC requirements in a given service area could result in the revocation of its license for that area or in the imposition of fines.

As a provider of wireline communication services, ALLTEL has been granted franchises by each of the 15 states in which it operates. ALLTEL is subject to regulation from the regulatory commissions in each of these 15 states as well as from the FCC. State regulatory commissions have primary jurisdiction over local and intrastate rates that ALLTEL charges customers, including, without limitation, other telecommunications companies, and service quality standards. The FCC has primary jurisdiction over the interstate access rates that ALLTEL charges other telecommunications companies that use its network and issues related to interstate service. Future revenues, costs, and capital investment in its wireline business could be adversely affected by material changes to these regulations including but not limited to changes in inter-carrier compensation, state and federal USF support, UNE-P pricing and requirements, and VOIP regulation.

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

Technologies for wireless and wireline communications are rapidly changing. In the majority of ALLTEL s wireless markets, it employs Code Division Multiple Access, or CDMA, which is a second-generation digital technology providing expanded channel capacity and the ability to offer advanced services and functionality. ALLTEL is currently deploying CDMA 2000 1XRTT and EV-DO technologies, which are third-generation technologies that increase voice capacity, allow high-speed data services and are capable of addressing more complex data applications. Deployment of third-generation digital technologies will require ALLTEL to make additional capital investments.

New communication technologies may also impact ALLTEL s wireline business. For example, ALLTEL may be unable to retain existing wireline customers who decide to replace their wireline telephone service with wireless telephone service. Furthermore, the development and deployment of cable and DSL broadband technology will likely result in additional local telephone line losses for ALLTEL as its customers shift from dial-up data services to high-speed data services. In addition, VOIP technology, which operates on broadband technology, now provides ALLTEL s competitors with a low-cost alternative to access the home and provide local telephone voice services to ALLTEL s wireline customers.

The need to deploy new technologies in its wireless business, or the proliferation of replacement technologies impacting its wireline business, could require ALLTEL to make significant additional capital investment or could result in reduced demand for its services, both of which could adversely impact its financial performance and results of operations.

Table of Contents

THE MERGER

General

On January 9, 2005, Western Wireless board of directors unanimously approved the merger agreement that provides for the acquisition by ALLTEL of Western Wireless through a merger of Western Wireless with and into Merger Sub, a newly formed and wholly-owned subsidiary of ALLTEL. After the merger, Merger Sub will be the surviving entity and the separate corporate existence of Western Wireless will cease. The basic consideration in the merger is $9.25 in cash and 0.535 shares of ALLTEL common stock for each share of Western Wireless common stock outstanding immediately prior to completion of the merger, and each Western Wireless shareholder is entitled to elect to receive this basic mix. Alternatively, Western Wireless shareholders may elect to receive either $40 in cash or 0.7 shares of ALLTEL common stock by making a cash election or a stock election. THE CASH AND STOCK ELECTIONS ARE SUBJECT TO PRORATION TO PRESERVE AN OVERALL MIX OF $9.25 IN CASH AND APPROXIMATELY, BUT NOT LESS THAN, 0.535 SHARES OF ALLTEL COMMON STOCK FOR ALL OF THE OUTSTANDING SHARES OF WESTERN WIRELESS COMMON STOCK TAKEN TOGETHER. AS A RESULT, EVEN IF WESTERN WIRELESS SHAREHOLDERS MAKE THE ALL CASH OR ALL STOCK ELECTION THEY MAY RECEIVE A PRORATED AMOUNT OF CASH AND ALLTEL COMMON STOCK. Western Wireless shareholders who fail to make an election will be deemed to have made the mixed election. A discussion of the proration mechanism as well as examples of hypothetical prorations can be found in this proxy statement/ prospectus under the heading The Merger Agreement Merger Consideration.

Background of the Merger

During the past few years, Western Wireless board of directors has sought to expand the geographic scope of, and enhance the services provided by, its wireless business to enable it to compete more effectively against national wireless carriers. While Western Wireless is a leader in the rural sector of the U.S. wireless industry, Western Wireless board of directors and management have come to believe that Western Wireless size and financial resources relative to national wireless carriers are a disadvantage. Western Wireless needs to make significant capital expenditures to expand coverage and offer next-generation services to continue to provide a competitive range of products and services to its customers. The capital required to expand Western Wireless business to compete more effectively would be costly and would expose Western Wireless to significant business and financial risks.

During this period, the board of directors of Western Wireless periodically reviewed the state of the wireless industry and considered whether a business combination would be in the best interest of Western Wireless and its shareholders.

As part of the continuous evaluation of its business and plans, ALLTEL regularly considers a variety of strategic options and transactions. During the past few years, executive management at ALLTEL has periodically engaged in discussions with John W. Stanton, Western Wireless chairman and chief executive officer, regarding the telecommunications industry, including a potential acquisition of Western Wireless by ALLTEL. During this time period, management of ALLTEL also considered other acquisition opportunities.

Following the public announcement of the Cingular and AT&T Wireless merger agreement, ALLTEL s executive management determined again to approach Mr. Stanton to discuss a purchase of Western Wireless by ALLTEL. On September 1, 2004, Scott T. Ford, president and chief executive officer of ALLTEL, and Mr. Stanton agreed to meet to discuss the ongoing changes in the telecommunications industry.

On September 7, Mr. Stanton and Mr. Ford met in person in Jackson Hole, Wyoming and engaged in wide-ranging discussions regarding the telecommunications industry in general, both within the United States and globally, and the history, current status and culture of their respective companies. On September 16, 2004, in executive session at a regularly scheduled meeting of the board of directors of Western Wireless, Mr. Stanton informed the Western Wireless board of directors regarding the

September 7 meeting with Mr. Ford and described his plans to continue discussions with Mr. Ford. On September 22, 2004, Mr. Stanton and Mr. Ford met again in Jackson Hole, Wyoming and discussed various consolidation opportunities in the wireless industry. At this meeting, Mr. Stanton and Mr. Ford discussed a possible strategic combination of ALLTEL and Western Wireless. Mr. Stanton provided Mr. Ford a brief overview of Western Wireless management team and international operations, and they discussed other issues associated with a possible combination of their respective companies.

Mr. Stanton and Mr. Ford met briefly in New York, New York on October 4 and 5, 2004 at a financial conference and in Las Vegas, Nevada, on October 12, 2004 at an industry conference. There were no substantive discussions during those meetings regarding consolidation opportunities in the wireless industry or a possible combination of ALLTEL and Western Wireless. On November 22, 2004, Mr. Stanton and Mr. Ford met in Santa Fe, New Mexico. During this meeting, Mr. Ford indicated ALLTEL s interest in acquiring Western Wireless by way of a merger in which holders of shares of Western Wireless common stock would receive shares of ALLTEL s common stock as consideration. Mr. Ford also indicated that ALLTEL could not make an offer to acquire Western Wireless without conducting a preliminary due diligence investigation. Mr. Stanton advised Mr. Ford that he would be willing to support a transaction at a value of $40 per share of Western Wireless common stock and would recommend approval of a transaction at such value by Western Wireless board of directors. Mr. Stanton and Mr. Ford discussed an exchange ratio of approximately 0.7 shares of ALLTEL common stock for each share of Western Wireless common stock, which would result, based on the then-prevailing market prices of the common stock of Western Wireless and ALLTEL, respectively, in a value per share of Western Wireless common stock of approximately $40. This represented a premium of approximately 40% over the then-prevailing market price of the common stock of Western Wireless. They also discussed ALLTEL s desire for the execution of a voting agreement by Mr. Stanton and certain of his affiliates that would obligate them to vote in favor of the merger. On November 24, 2004, Western Wireless and ALLTEL entered into a non-disclosure agreement in connection with the possibility of further exploring a potential transaction, and to permit the exchange of confidential information. On November 29, 2004, Western Wireless retained Bear Stearns to advise it in connection with a potential transaction with ALLTEL and on potential strategic alternatives. Western Wireless and ALLTEL then began exchanging non-public information regarding each other. On December 1 and 2, 2004, members of management from Western Wireless and representatives from its financial advisor, Bear Stearns, and several of ALLTEL s executive officers and representatives from its financial advisor met in Seattle, Washington and Western Wireless management team made presentations on its business to the ALLTEL executives.

On December 6, 2004, Western Wireless board of directors met. Senior members of Western Wireless management and representatives of Bear Stearns also attended. At this meeting, Mr. Stanton advised the board of his recent discussions with Mr. Ford and the possible timing of a proposal from ALLTEL.

On December 15 and 16, 2004, Mr. Stanton and Mr. Ford met in Phoenix, Arizona, to continue their discussions regarding a possible business combination. Mr. Ford indicated that he was satisfied with what ALLTEL had learned in the discussions on December 1 and 2, 2004 and from the information exchanged and that ALLTEL desired to acquire all of the outstanding shares of Western Wireless common stock at an exchange ratio of approximately 0.7 shares of ALLTEL common stock for each share of Western Wireless common stock subject to due diligence, negotiation and documentation of the terms of the transaction, and the consideration and approval of the ALLTEL board of directors. Mr. Stanton and Mr. Ford discussed in general certain other potential terms, pursuant to which ALLTEL would acquire Western Wireless through a merger, including the possible structure of the transaction, the form of consideration, the possibility of the execution of a voting agreement by Mr. Stanton and certain of his affiliates that would obligate them to vote in favor of the merger, the possible use of a price protection mechanism, the possibility of setting aside a pool of money for retention, severance and performance bonus payments in connection with the potential transaction, and the possibility of an agreement by ALLTEL to certain limitations on entering other strategic transactions prior to the closing of the potential transaction with Western Wireless.

Table of Contents

Following the meetings in Phoenix, on December 16, 2004, ALLTEL sent to Western Wireless a draft merger agreement, as well as a draft voting agreement that ALLTEL required Mr. Stanton and certain of his affiliates to enter into as a condition to ALLTEL s agreement to enter into the merger agreement.

On December 17, 2004, Western Wireless board of directors met. Senior members of Western Wireless management also attended. At this meeting, Mr. Stanton reviewed with the board the terms proposed by Mr. Ford during his latest meeting with him in Phoenix. Western Wireless legal advisors also reviewed with the board the legal standards applicable to the board s decision-making process and the key points of the draft merger agreement and the draft voting agreement received from ALLTEL s legal advisors the previous day. Western Wireless management and financial and legal advisors answered the board s questions and Bear Stearns reviewed with the board the range of companies that might be interested in a transaction with Western Wireless. Bear Stearns discussed the reasons why certain potential strategic partners might not be interested in a transaction with Western Wireless at this time, including considerations of business compatibility, recent or ongoing merger or acquisition activity of some potential strategic partners that would likely reduce such entities possible interest in a transaction with Western Wireless, and financial capability. After reviewing the likelihood of an alternative transaction with several of the large wireless communications providers in the United States and abroad, as well as the likelihood and desirability of entertaining any possible financial buyers, and considering the views and recommendations of its financial advisors, the board determined that two large telecommunications providers in the United States would likely be the only serious candidates for an alternative transaction. The board also reviewed again the prospects and risks that Western Wireless would face if it remained a stand-alone entity and, while remaining open to continuing as a stand-alone entity, in view of the ongoing consolidation of the wireless telecommunications industry and Western Wireless relative disadvantage in terms of size and financial resources, determined to continue its support for a possible strategic transaction. At the conclusion of this discussion, the board directed Western Wireless management, with the assistance of its legal and financial advisors, to continue negotiations with and the due diligence investigation of ALLTEL. Based on discussions with its management and financial and legal advisors, Western Wireless board also specifically directed the representatives of Bear Stearns to contact the two large telecommunications companies discussed earlier regarding a possible business combination of Western Wireless.

During the period from late December 2004 through early January 2005, Bear Stearns contacted these two potential purchasers, but was informed that they were not interested in pursuing a possible business combination with Western Wireless.

The companies engaged in due diligence sessions in Little Rock, Arkansas on January 3, 2005 and in Bellevue, Washington on January 4 and 5, 2005. On January 5, 2005, Mr. Stanton, Mr. Ford, members of management of Western Wireless and ALLTEL, with the assistance of their respective financial advisors, also continued to engage in negotiations regarding the terms of the transaction. During that session the parties discussed various price protection mechanisms, including the possibility of adding a collar around the exchange ratio or adding a cash component to the merger consideration. After some discussion, the parties agreed to include a cash component to the merger agreement, which would add some price protection for Western Wireless shareholders while still allowing them to participate in the combined post-merger company and would improve the overall capital structure of the combined company, while also increasing for Western Wireless shareholders the likelihood of consummation of the merger by obviating the need for approval by the shareholders of ALLTEL. Accordingly, the parties then agreed, among other things, to change the consideration for the merger to a combination of stock and cash that would be economically equivalent to approximately 0.7 shares of ALLTEL common stock or $40 per share of Western Wireless common stock. The parties decided not to include any price protection mechanisms because the management team of Western Wireless did not want to impose a ceiling on the potential value of the transaction to Western Wireless shareholders and understood that ALLTEL would not be amenable to allowing Western Wireless to minimize its shareholders downside risk without at the same time imposing such a ceiling.

During the period from December 17, 2004 through January 9, 2005, Western Wireless and ALLTEL exchanged drafts of the merger agreement and the voting agreement and negotiated the terms and conditions of those agreements.

On January 7, 2005, Western Wireless convened another meeting of its board. At the meeting, Mr. Stanton made a presentation to the board regarding the wireless industry in the U.S., the competitive environment in both the U.S. and Europe, and the risks and opportunities facing Western Wireless in the current environment. He also presented a brief overview of ALLTEL, a summary of his recent discussions with Mr. Ford, the business and strategic rationale for the proposed transaction, the proposed structure of the transaction, and a proposed timeline for the transaction. Western Wireless management then presented a report regarding its due diligence investigation of ALLTEL. Representatives of Bear Stearns reviewed with the Western Wireless board ALLTEL s financial status, historical performance and prospects and Bear Stearns findings from its financial due diligence. Western Wireless legal advisors discussed certain legal considerations relating to the proposed transaction and briefed the board on the status of negotiations with ALLTEL s legal advisors regarding the merger agreement and the voting agreement. Western Wireless management and advisors then provided the board an overview of the open issues still remaining. The board also reviewed and considered, with Western Wireless advisors, the various factors described under Recommendation of the Western Wireless Board; Western Wireless Reasons for the Merger as well as regulatory approval risks, shareholder approval risks, and other risks, such as non-consummation or integration, in connection with the proposals. Following these reviews and further discussion, the board instructed management to continue negotiations with ALLTEL, and the board meeting was adjourned until January 9, 2005.

Throughout the day and night of January 8 and 9, 2005, Western Wireless management and financial and legal advisors had a series of discussions and meetings with their counterparts at ALLTEL in order to finalize the proposed merger agreement on mutually agreeable terms. The financial terms were agreed upon late in the day on January 8, 2005.

On the afternoon of January 9, 2005, ALLTEL s board of directors met and, after reviewing all aspects of the proposed transaction, unanimously approved and authorized ALLTEL to enter into the merger agreement and voting agreement.

Following the meeting of the ALLTEL board of directors, Western Wireless board of directors met in New York. Mr. Stanton advised the board that he had received a phone call from Mr. Ford who reported that the ALLTEL board had unanimously approved the merger. At this meeting, Western Wireless legal advisors reviewed the terms of the merger agreement in detail and described how certain open issues identified during the telephonic meeting of the board on January 7, 2005 had been resolved. Representatives of Bear Stearns then presented its financial analyses of the merger and delivered Bear Stearns oral opinion, later confirmed in writing, that as of the date of that opinion, based upon and subject to the assumptions, conditions, limitations and other matters set forth in its opinion, the merger consideration was fair, from a financial point of view, to the shareholders of Western Wireless. The board then reviewed again the various factors described under Recommendation of the Western Wireless Board; Western Wireless Reasons for the Merger, as well as regulatory approval risks, shareholder approval risks, and other risks in connection with the proposals. Following further discussion and consideration, and subject to finalization by the parties respective management teams and legal advisors, Western Wireless board of directors unanimously approved and authorized the execution of the merger agreement and resolved to recommend approval of the merger agreement to the shareholders of Western Wireless on the terms discussed at the Western Wireless board meeting. In addition, during that meeting, the full board also approved the general terms of certain retention and severance plans for agreement by ALLTEL pursuant to the merger agreement, with the text of the plans to still be prepared and presented for review, adoption and determination of awards by the board s compensation committee (which occurred on February 8, 2005) (see The Merger Agreement Covenants Stock Options; Employee Stock Purchase Plan; Employee Matters; Retention Pool; and Severance Program).

Table of Contents

In the evening of January 9, 2005, representatives of Western Wireless and ALLTEL s respective management and legal advisors completed the definitive merger agreement and the voting agreement, and thereafter the parties executed the merger agreement and John Stanton, Theresa E. Gillespie and certain of their affiliates entered into the voting agreement. Theresa E. Gillespie, a director and the Vice Chairman of Western Wireless, and John Stanton are married to each other. Western Wireless and ALLTEL issued a joint press release announcing the execution of the merger agreement and the voting agreement in the morning of January 10, 2005.

Recommendation of the Western Wireless Board; Western Wireless Reasons for the Merger

On January 9, 2005, the board of directors of Western Wireless, by unanimous vote, determined the merger of Western Wireless into a wholly-owned subsidiary of ALLTEL, and the other transactions contemplated by the merger agreement, to be advisable, fair to and in the best interests of Western Wireless and its shareholders and approved and adopted the merger agreement and the merger. THE BOARD OF DIRECTORS OF WESTERN WIRELESS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS OF WESTERN WIRELESS VOTE FOR THE APPROVAL AND ADOPTION OF THE MERGER AGREEMENT AND THE MERGER AT THE WESTERN WIRELESS ANNUAL MEETING.

In the course of reaching its decision to approve and adopt the merger agreement and the merger and to recommend that Western Wireless shareholders vote to approve and adopt the merger agreement and the merger, the Western Wireless board consulted with management, as well as with its outside legal counsel and financial advisors, and considered the following material factors:

Financial Terms Premium Valuation. The Western Wireless board noted that:

Based on the closing market price of shares of ALLTEL common stock on the last trading day prior to the announcement of the merger agreement, the per share value of the merger consideration to be received by Western Wireless shareholders represented a premium of approximately:

40.35% over the closing price of Western Wireless Class A common stock on December 16, 2004, the last trading day prior to the Western Wireless board s decision to contact other potential acquirors and continue negotiations with ALLTEL;

29.03% over the closing price of Western Wireless Class A common stock on January 5, 2005, the last trading day prior to the widespread circulation of rumors of a possible transaction between Western Wireless and ALLTEL;

39.64% and 45.99%, respectively, over the average closing prices of Western Wireless Class A common stock for the three- and six-month periods leading up to the announcement of the merger agreement; and

19.37% over the highest trading price of Western Wireless Class A common stock at any time during the one-year period preceding December 16, 2004.

Please see page [ ] for information about the current trading price of ALLTEL common stock and the current per share value of the merger consideration to be received by Western Wireless shareholders.

Opportunity to Participate in a Stronger Combined Company After the Merger. Because most of the merger consideration will be payable in the form of ALLTEL shares, Western Wireless shareholders will have the opportunity to participate in the future performance of the combined post-merger company. In this regard, the Western Wireless board noted that:

The combined company would be the leading nationwide 850 MHz operator for rural markets and that the addition of Western Wireless operations would complement ALLTEL s geographic coverage and provide greater scale and purchasing power;

Table of Contents

- The combined company would have a strong balance sheet and substantial cash flow to finance future expansion as well as to invest in improving and adding new services for customers; and

- The larger geographic footprint and increased number of subscribers of the combined company would make it attractive as an acquisition target to a greater number of national operators than Western Wireless would be as an independent company.

Alternatives to the Merger and Advantages of the ALLTEL Transaction. The Western Wireless board considered a number of strategic alternatives available to Western Wireless, including:

- remaining an independent company and continuing Western Wireless strategy of expanding the geographic scope of its services and expanding the scope of the products and services offered to its customers, in order to be able to compete effectively with larger wireless carriers in the U.S.;

- pursuing one or more significant acquisitions of other wireless telecommunications providers; and

- entering into a combination with or being acquired by a major telecommunications company of national scale.

When the Western Wireless board approved the proposed merger, the board did not give material consideration, if any, to the potential acceleration of its credit facilities and potential changed treatment of its deferred tax attributes as a result of the proposed merger.

After investigating and discussing these strategic alternatives (see Background of the Merger) and comparing these strategic alternatives to the proposed merger with ALLTEL, the Western Wireless board concluded, based on its familiarity with the wireless business in which Western Wireless competes and general industry, economic and market conditions, both historical and prospective, and based on presentations by Western Wireless management and financial advisors, that the merger represented the most desirable strategic alternative for Western Wireless. In reaching this conclusion, the board reviewed and took into consideration:

- the risks and uncertainties associated with the strategic alternatives available to Western Wireless, including the competitive challenges in view of the emergence of a few national wireless providers, the increasing capital costs that would be required to maintain Western Wireless multiple technologies strategy in rural areas as the industry evolved to next generation technologies, as compared with the potential shareholder value that the board believed might result from a merger with ALLTEL on the proposed terms;

- the strong strategic fit between Western Wireless mobile telecommunications business and operations, resulting from the geographical contiguity between Western Wireless domestic properties and ALLTEL s existing wireless operations, which combined with minimal overlap of their markets would enable the combined company to serve a much larger geographic area in the United States, ranging from the Southeast to the Western and mountain states of the country;

- the fact that efforts by Western Wireless financial advisor to contact other potential acquirors did not result in any indications of interest; and

- the material terms of the merger agreement.

Opinion of Financial Advisor to Western Wireless. Representatives of Bear Stearns, Western Wireless financial advisor, presented its financial analyses of the merger and the various strategic alternatives available to Western Wireless and delivered Bear Stearns oral opinion, later confirmed in writing, that as of the date of that opinion, based upon and subject to the assumptions, conditions, limitations and other matters set forth in its opinion, the merger consideration was fair, from a financial point of view, to the shareholders of Western Wireless. In this regard, the Board was aware that Bear Stearns would receive an aggregate fee for its services of approximately $22 million, of which approximately $20 million is contingent on successful consummation of the merger (see Opinion of Financial Advisor to Western Wireless).

Table of Contents

Likelihood of Completion. The Western Wireless board believed, after reviewing the terms of the merger agreement with Western Wireless legal advisors, that the nature and relatively limited number of conditions to the completion of the merger, and the strength of ALLTEL s obligations to fulfill those conditions, would increase the likelihood of the merger being completed (see Conditions to the Merger and Regulatory Approvals).

Tax-Free Treatment. It is expected that the portion of the merger consideration to be received by Western Wireless shareholders in the form of ALLTEL common stock will be tax-free to those shareholders for U.S. federal income tax purposes, although the Western Wireless board was also mindful of the fact that the cash portion of the merger consideration may be taxable for U.S. federal income tax purposes (see Material United States Federal Income Tax Consequences).

The Western Wireless board also considered the following potentially negative factors associated with the merger:

- the risks of the type and nature described under Risk Factors ;
- the possibility that the FTC, FCC or state or foreign regulatory authorities might seek to impose conditions on or enjoin or otherwise prevent or delay the merger, which possibility the board considers to be low;
- the risks and costs to Western Wireless if the merger does not close, including the diversion of management and employee attention, potential employee attrition, employee retention costs and the potential effect on business and customer relationships;
- the restrictions on the conduct of Western Wireless business prior to the consummation of the merger, requiring Western Wireless to conduct its business in the ordinary course, subject to specific limitations, which may delay or prevent Western Wireless from undertaking business opportunities that may arise pending completion of the merger;
- the requirement that Western Wireless submit the merger agreement to its shareholders even if the Western Wireless board withdraws its recommendation, to the extent permitted by applicable law, which could delay or prevent Western Wireless ability to pursue a superior proposal if one were to become available;
- the fact that holders of approximately 41% of the aggregate number of votes entitled to be cast have agreed with ALLTEL to vote in favor of the transaction and against any competing proposal, which could contribute to the merger being approved even if a superior proposal were to become available;
- the requirement that Western Wireless pay to ALLTEL a termination fee of $120 million, if the merger agreement were to be terminated and if, under specified circumstances and during specified periods thereafter, Western Wireless were to enter into an agreement regarding the acquisition of Western Wireless by merger or business combination, or a merger of equals, or an acquisition of 40% or more of its assets or shares of common stock with a third party; and
- the risk that because the exchange ratios for the stock election and the stock portion of the mixed election will not be adjusted in the event the market price of ALLTEL common stock declines and the cash and stock elections are subject to proration, the dollar value of the merger consideration to Western Wireless shareholders receiving ALLTEL common stock in the merger could decrease prior to the completion of the merger. The merger agreement does not contain a collar or other mechanism that could mitigate the effect of a decrease in the trading price of ALLTEL shares.

The Western Wireless board believed and continues to believe, however, that these potential risks and drawbacks are greatly outweighed by the potential benefits that the board expects Western Wireless and its shareholders to achieve as a result of the merger.

In considering the proposed merger, Western Wireless directors were aware of the interests of certain officers and directors of Western Wireless in the merger, described under Interests of Certain Persons in the Merger.

The foregoing discussion addresses the material information and factors that the board of directors of Western Wireless reviewed in its consideration of the merger. The board conducted numerous discussions of the factors discussed above, including asking questions of Western Wireless management and its financial and legal advisors. In view of the variety of factors and the amount of information considered, the Western Wireless board did not find it practicable to, and did not, make specific assessments of, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination. In addition, the board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination. The Western Wireless board made its determination after considering all of the factors as a whole; and individual members of the board may have given different weights to different factors.

Opinion of Financial Advisor to Western Wireless

Pursuant to an engagement letter, dated as of November 29, 2004, Western Wireless engaged Bear Stearns as its financial advisor in connection with the merger. At a meeting of Western Wireless board of directors held on January 9, 2005, at which the Western Wireless board of directors considered and approved the merger agreement and the merger, Bear Stearns rendered its oral opinion (which was subsequently confirmed in a written opinion, dated January 9, 2005) that, as of such date and based upon and subject to the matters reviewed with Western Wireless board of directors and the assumptions and limitations contained in the written Bear Stearns opinion, the merger consideration was fair, from a financial point of view, to the shareholders of Western Wireless.

The full text of the Bear Stearns opinion is attached hereto as Annex C. The description of the Bear Stearns opinion set forth herein is qualified in its entirety by reference to the full text of the Bear Stearns opinion. Western Wireless shareholders are urged to read the Bear Stearns opinion in its entirety for a description of the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Bear Stearns in connection therewith. The Western Wireless board of directors did not impose any limitations on the review undertaken by Bear Stearns. The Bear Stearns opinion is subject to the assumptions and conditions contained therein and is necessarily based on economic, market and other conditions and the information made available to Bear Stearns as of the date of the Bear Stearns opinion. Bear Stearns assumes no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of the Bear Stearns opinion. The Bear Stearns opinion is intended for the benefit and use of the board of directors of Western Wireless and does not constitute a recommendation to the board of directors of Western Wireless or any holders of Western Wireless common stock as to how to vote or take any other action in connection with the merger. The Bear Stearns opinion did not address Western Wireless underlying business decision to pursue the merger, the relative merits of the merger as compared to any alternative business strategies that might have existed for Western Wireless or the effects of any other transaction in which Western Wireless might engage.

In the course of performing its review and analyses for rendering its opinion, Bear Stearns:

- reviewed the Agreement and Plan of Merger, dated January 9, 2005, among ALLTEL, Merger Sub and Western Wireless and the Voting Agreement, dated January 9, 2005, among ALLTEL and the shareholders of Western Wireless named therein;

- reviewed Western Wireless and ALLTEL s Annual Reports to Shareholders and Annual Reports on Form 10-K for the years ended December 31, 2001, 2002 and 2003, their Quarterly Reports on Form 10-Q for the periods ended March 31, 2004, June 30, 2004 and September 30, 2004, their Current Reports on Form 8-K for the three years ended January 9, 2005 and the preliminary results of Western Wireless and ALLTEL for the quarter ended December 31, 2004 provided to Bear Stearns by the managements of Western Wireless and ALLTEL, respectively;

Table of Contents

reviewed certain operating and financial information relating to Western Wireless and ALLTEL s business and prospects. This information included projections (described below as Case 1 and Case 2) for the six years ending December 31, 2009 for Western Wireless prepared by Western Wireless management and for the year ending December 31, 2004 for ALLTEL prepared by ALLTEL s management. Bear Stearns also reviewed publicly available research analyst projections for the five years ending December 31, 2009 for ALLTEL and reviewed and discussed such projections with the managements of ALLTEL and Western Wireless;

reviewed certain estimates of cost savings and other combination benefits expected to result from the merger, prepared and provided to Bear Stearns by ALLTEL s management;

met with certain members of Western Wireless and ALLTEL s senior managements to discuss each entity s respective businesses, operations, historical and projected financial results and future prospects;

reviewed the historical prices, trading multiples and trading volumes of the common stock of each of Western Wireless and ALLTEL;

reviewed publicly available financial data, stock market performance data and trading multiples of companies which Bear Stearns deemed generally comparable to each of Western Wireless and ALLTEL;

reviewed the terms of recent mergers and acquisitions of companies which Bear Stearns deemed generally comparable to Western Wireless and the merger;

performed discounted cash flow analyses based on the projections for each of Western Wireless and ALLTEL and synergy estimates for the combined company furnished to Bear Stearns;

reviewed the pro forma financial results, financial condition and capitalization of ALLTEL giving effect to the merger; and

conducted such other studies, analyses, inquiries and investigations as Bear Stearns deemed appropriate.

Bear Stearns relied upon and assumed, without independent verification, the accuracy and completeness of the financial and other information provided to Bear Stearns or discussed with Bear Stearns by Western Wireless and ALLTEL, including, without limitation, the projections and synergy estimates. With respect to the projected financial results for Western Wireless and ALLTEL and the potential synergies that could be achieved upon consummation of the merger, Bear Stearns assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the persons who prepared such projected financial results and projected synergies (and with respect to the publicly available research projections for ALLTEL reviewed by Bear Stearns, were also prepared on bases that are consistent with the best currently available estimates and judgments of ALLTEL management), as to the expected future performance of Western Wireless and ALLTEL, as the case may be. Bear Stearns did not assume any responsibility for the independent verification of any such information or any such projections and synergy estimates, and Bear Stearns further relied upon the assurances of the senior managements of Western Wireless (with respect to information relating to Western Wireless) and ALLTEL (with respect to information relating to ALLTEL) that they are unaware of any facts that would make the information, and projections and synergy estimates, reviewed by Bear Stearns incomplete or misleading.

In arriving at its opinion, Bear Stearns did not perform or obtain any independent appraisal of the assets or liabilities (contingent or otherwise) of Western Wireless and ALLTEL, nor was Bear Stearns furnished with any such appraisals. Bear Stearns assumed that the merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Bear Stearns also assumed that the merger would be consummated in a timely manner and in accordance with the terms of the merger agreement without any limitations, restrictions, conditions, amendments or modifications,

Table of Contents

regulatory or otherwise, that collectively would have a material effect on Western Wireless, ALLTEL or Merger Sub.

Summary of Financial Analyses

The following is a summary of the material financial analyses performed by Bear Stearns in connection with the rendering of its fairness opinion to the Western Wireless board of directors. Some of the financial analyses summarized below include information presented in tabular format. In order to understand fully Bear Stearns financial analyses, the tables must be read together with the text of the summary. The tables alone are not a complete description of the financial analyses. Considering the tables alone could create a misleading or incomplete view of Bear Stearns financial analyses.

In connection with its role as Western Wireless financial advisor and as directed by Western Wireless board of directors, during the period from late December 2004 through early January 2005, Bear Stearns contacted the two parties it deemed most likely to be interested in a potential business combination with Western Wireless in addition to ALLTEL, but was informed that they were not interested in pursuing a possible business combination with Western Wireless.

Western Wireless Valuation

Bear Stearns analyzed the value of Western Wireless using implied trading multiples of selected public companies and using implied multiples from selected precedent merger and acquisition transactions. Bear Stearns also valued Western Wireless using a discounted cash flow analysis. For purposes of Bear Stearns review, Bear Stearns utilized, among other things, projections of the future financial performance of Western Wireless, as prepared by the management of Western Wireless. Information in the following analyses referred to as Case 1 for Western Wireless means the financial projections of the future performance of Western Wireless through December 31, 2009 that were prepared by the management of Western Wireless in Fall 2004 to help prospective lenders of Western Wireless assess debt financing alternatives and assumed certain base operating results with respect to Western Wireless revenue, EBITDA (as defined below) and capital expenditures. Information referred to as Case 2 for Western Wireless means the financial projections of the future performance of Western Wireless through December 31, 2009 that were prepared by the management of Western Wireless and assumed certain more favorable operating results for Western Wireless with respect to Western Wireless revenue, EBITDA and capital expenditures. For purposes of the following analyses, Bear Stearns assumed an implied merger consideration of $39.27 per share, equal to $9.25 in cash plus the value of 0.535 shares of ALLTEL common stock as of January 7, 2005.

Selected Comparable Public Companies Analysis. Bear Stearns reviewed and analyzed selected public companies in the wireless communications business that it viewed as reasonably comparable to Western Wireless based on Bear Stearns knowledge of the domestic and international wireless communications industry. In performing these analyses, Bear Stearns reviewed and analyzed certain financial information (including equity value, enterprise value and EBITDA) valuation multiples and market trading data relating to Western Wireless and compared such information to the corresponding information of the selected comparable companies.

Specifically, Bear Stearns compared Western Wireless to six publicly traded domestic wireless companies and two publicly traded international wireless companies. To the extent publicly available, Bear Stearns reviewed the enterprise value as of January 7, 2005 as a multiple of 2005 estimated earnings before interest, income taxes, depreciation and amortization, also referred to as EBITDA , of each of these comparable companies.

The domestic wireless companies were:

Centennial Communications Corp.;

Dobson Communications Corporation;

Nextel Partners, Inc. (valuation is as of November 30, 2004 prior to public disclosure of Nextel s transaction with Sprint);

Rural Cellular Corporation;

Triton PCS Holdings, Inc.; and

United States Cellular Corporation.

The international wireless companies were:

Millicom International Cellular S.A.; and

Orascom Telecom Holding S.A.E.

Bear Stearns calculated the following trading multiples for the above comparable companies:

Selected Comparable Public Companies Trading Multiples

	Enterprise Value as a Multiple of CY 2005E EBITDA
Domestic Wireless Companies	
High	14.7x
Mean	9.0x
Low	6.6x
International Wireless Companies	
High	5.1x
Mean	4.8x
Low	4.5x

Based on the foregoing, Bear Stearns determined an enterprise value to estimated 2005 EBITDA multiple reference range of 6.4x to 7.0x and applied such range to the projected 2005 EBITDA for Western Wireless to calculate an enterprise value range for Western Wireless under each of Case 1 and Case 2. Bear Stearns then used these enterprise value ranges to calculate implied equity value per share ranges for Western Wireless, both assuming a 30% transaction control premium (which reflects the approximate historical average transaction premium over the four weeks prior to announcement for all merger and acquisition transactions in excess of $1 billion announced in calendar year 2004 based on information provided by Thomson Financial Securities Data Corporation) paid to Western Wireless shareholders and assuming no transaction control premium, as follows:

Implied Equity Value Ranges

	No Premium		30% Control Premium	
	Low	High	Low	High
Case 1	$ 28.10	$ 32.21	$ 36.53	$ 41.87
Case 2	$ 30.39	$ 34.71	$ 39.51	$ 45.12
Merger Consideration				$ 39.27

Selected Precedent Merger and Acquisition Transactions. Bear Stearns reviewed and analyzed selected precedent merger and acquisition transactions involving wireless companies based on Bear Stearns determination that these transactions were reasonably comparable to the merger. In performing these analyses, Bear Stearns reviewed and analyzed certain financial information (including enterprise value before and after announcement of the transaction) and transaction multiples relating to Western Wireless and compared such information to the corresponding information of the companies involved in the selected transactions.

Table of Contents

Specifically, Bear Stearns reviewed 12 merger and acquisition transactions since December 23, 1998 in which a wireless communications company or the wireless assets of a communications company was sold to either a strategic or financial buyer. Bear Stearns divided the precedent transactions universe into three groups (listed by the acquirer followed by the acquired company and the date these transactions were publicly announced): (a) Current Market Transactions , (b) Most Comparable Transactions and (c) Other Transactions. To the extent publicly available, Bear Stearns reviewed the enterprise values for the acquired companies (which is a measure of a company s equity value plus debt and minority interest and less cash and unconsolidated investments) implied by the precedent transactions as a multiple of the projected EBITDA of the acquired company for the most applicable 12 month period following the announcement of the transaction, or forward EBITDA.

The precedent transactions in the Current Market Transactions group were:

Sprint Corporation/Nextel Communications, Inc. December 15, 2004;

Alamosa Holdings, Inc./AirGate PCS, Inc. December 8, 2004;

Rogers Wireless Communications Inc./Microcell Telecommunications Inc. September 20, 2004;

Cingular Wireless LLC/AT&T Wireless Services, Inc. February 17, 2004; and

Dobson Communications Corporation/American Cellular Corporation July 14, 2003.

The precedent transactions in the Most Comparable Transactions group were:

Sprint Corporation/Nextel Communications Inc. December 15, 2004;

Alamosa Holdings, Inc./AirGate PCS, Inc. December 8, 2004;

Cingular Wireless LLC/AT&T Wireless Services, Inc. February 17, 2004;

Dobson Communications Corporation/American Cellular Corporation July 14, 2003;

ALLTEL Corporation/CenturyTel, Inc. (wireless operations) March 19, 2002; and

Verizon Communications Inc./Price Communications Wireless, Inc. November 15, 2000.

The precedent transactions in the Other Transactions group were:

Rural Cellular Corporation/Triton Cellular Partners, L.P. November 8, 1999;

Dobson Communications Corporation/American Cellular Corporation October 6, 1999;

Vodafone Group PLC/CommNet Cellular Inc. July 19, 1999;

Welsh, Carson, Anderson & Stowe VIII, L.P./Centennial Cellular Corp. July 2, 1998; and

Dobson Communications Corporation/Sygnet Wireless, Inc. July 29, 1998.

Table of Contents

Bear Stearns calculated the following multiples for the selected transactions used in its analysis:

Selected Merger and Acquisition Transaction Multiples

	Enterprise Value as a Multiple of 1-Year Forward EBITDA
Current Market Transactions	
High	10.8x
Mean	8.0x
Low	6.5x
Most Comparable Transactions	
High	12.1x
Mean	8.1x
Low	6.5x
All Transactions (including Other Transactions)	
High	13.1x
Mean	8.8x
Low	6.5x

Based on the foregoing, Bear Stearns determined a forward EBITDA multiple reference range of 7.0x to 8.0x and applied such range to the projected 2005 EBITDA for Western Wireless to calculate an enterprise value range for Western Wireless under each of Case 1 and Case 2. Bear Stearns then used these enterprise value ranges to calculate implied equity value ranges for Western Wireless as follows:

	Low	High
Case 1	$ 32.21	$ 39.05
Case 2	$ 34.71	$ 41.90
Merger Consideration		$ 39.27

Discounted Cash Flow Analysis. Bear Stearns performed an analysis of the present value of the cash flows available to equity holders that Western Wireless could generate over fiscal years 2005 through 2009. For this analysis, Bear Stearns analyzed separately the cash flows for Western Wireless domestic wireless business and international wireless business.

For Western Wireless domestic wireless business, Bear Stearns applied terminal value multiples ranging from 6.0x to 6.5x (based on the corresponding range of implied perpetual growth rates of free cash flow that Bear Stearns determined to be reasonable) to Western Wireless domestic wireless business forward EBITDA for Case 1 and Case 2, as provided by the management of Western Wireless. Bear Stearns chose these terminal value multiples based on (i) the implied perpetual growth rates of free cash flow derived from such multiples, (ii) Bear Stearns review of trading data for comparable public companies and (iii) Bear Stearns overall experience in valuing domestic wireless companies. The cash flows were then discounted to present value using a weighted average cost of capital, or WACC, of 10.5% (based on a range of unlevered betas between 0.800 and 1.000, determined by observing the betas of selected regional and national wireless service providers, and debt-to-total capitalization ratios between 20.0% and 50.0%). Unlevered beta is a measure of the volatility in a company s stock market price relative to the broader stock market that is calculated assuming that the company being analyzed has no debt in its capital structure. Based on the foregoing, Bear Stearns calculated an implied equity value range for Western Wireless domestic wireless business of

$13.27 to $14.96 per share under Case 1 and $15.77 to $17.62 per share under Case 2.

For Western Wireless international wireless business, Bear Stearns applied terminal value multiples ranging from 5.5x to 6.0x (based on the corresponding range of implied perpetual growth rates of free cash flow that Bear Stearns determined to be reasonable) to Western Wireless international wireless business forward EBITDA for Case 1 and Case 2, as provided by the management of Western Wireless. Bear Stearns chose these terminal value multiples based on (i) the implied perpetual growth rates of free cash flow derived from such multiples, (ii) Bear Stearns review of trading data for comparable public companies and (iii) Bear Stearns overall experience in valuing wireless companies. The cash flows were then discounted to present value using a WACC ranging from 12.5% to 13.0% (based on a range of costs of equity of 18.0% to 19.0%, determined by observing the implied costs of equity in countries where Western Wireless international wireless business operates, and debt-to-total capitalization ratios between 20.0% and 50.0%). Based on the foregoing, Bear Stearns calculated an implied equity value range for Western Wireless international wireless business of $20.78 to $22.70 per share under Case 1 and $25.41 to $27.76 per share under Case 2.

Bear Stearns then combined the implied equity value ranges for Western Wireless domestic wireless business and international wireless business to calculate aggregate implied equity value ranges for Western Wireless of $34.05 to $37.66 per share under Case 1 and $41.19 to $45.38 per share under Case 2, as compared to the implied merger consideration of $39.27.

ALLTEL Valuation

Since Western Wireless shareholders are receiving ALLTEL common stock in the merger, Bear Stearns analyzed the value of ALLTEL using implied trading multiples of selected public companies and using implied multiples from selected precedent merger and acquisition transactions. Bear Stearns also valued ALLTEL using a discounted cash flow analysis. For purposes of Bear Stearns review, Bear Stearns utilized, among other things, projections of the future financial performance of ALLTEL for fiscal year 2004 prepared by the management of ALLTEL and publicly available research analyst projections for fiscal years 2005 to 2009 for ALLTEL.

Selected Comparable Public Companies Analysis. Bear Stearns reviewed and analyzed selected public companies in the wireline communications business and the wireless communications business that it viewed as reasonably comparable to ALLTEL based on Bear Stearns knowledge of the wireline communications industry and the wireless communications industry. In performing these analyses, Bear Stearns reviewed and analyzed certain financial information (including equity value, enterprise value and EBITDA), valuation multiples and market trading data relating to ALLTEL and compared such information to the corresponding information of the selected comparable companies.

Specifically, Bear Stearns compared ALLTEL to five publicly traded wireline companies and six publicly traded wireless companies. To the extent publicly available, Bear Stearns reviewed the enterprise value as of January 7, 2005 as a multiple of 2005 estimated EBITDA of each of these comparable companies.

The wireline companies were:

- Citizens Communications Company;
- CenturyTel, Inc.;
- Commonwealth Telephone Enterprises, Inc.;
- Qwest Communications International Inc.; and
- Telephone and Data Systems, Inc.

The wireless companies were the same companies used in the Selected Comparable Public Companies Analysis for Western Wireless, with the exception of the international wireless companies noted above.

Table of Contents

Bear Stearns calculated the following trading multiples for the above comparable companies:

Selected Comparable Public Companies Trading Multiples

	Enterprise Value as a Multiple of 2005E EBITDA
Wireline Comparable Companies	
High	7.9x
Mean	6.4x
Low	5.2x

Based on the foregoing, Bear Stearns determined an enterprise value to estimated 2005 EBITDA multiple reference range of 6.0x to 6.5x for wireline companies and applied the range to the projected 2005 EBITDA for ALLTEL s wireline business and an enterprise value to estimated 2005 EBITDA multiple reference range of 6.4x to 7.0x for wireless companies and applied the range to the projected 2005 EBITDA for ALLTEL s wireless business. The resulting wireline and wireless enterprise values were then aggregated to calculate an enterprise value range for ALLTEL. Using this enterprise value range, Bear Stearns calculated an implied equity value range for ALLTEL of $53.26 to $58.96 per share, as compared to ALLTEL s stock price of $56.12 on January 7, 2005.

Selected Precedent Merger and Acquisition Transactions. Bear Stearns reviewed and analyzed selected precedent merger and acquisition transactions involving recent wireline and wireless communications transactions based on Bear Stearns determination that the transactions were reasonably comparable to the merger. In performing these analyses, Bear Stearns reviewed and analyzed certain financial information (including transaction value) and transaction multiples relating to ALLTEL and compared such information to the corresponding information of the companies involved in such precedent transactions.

Specifically, for wireline transactions Bear Stearns reviewed 36 access line purchase transactions since August 3, 2000. Bear Stearns divided the transactions universe into two groups (listed by the acquirer followed by the acquired company and the date these transactions were publicly announced): (a) Most Comparable Transactions and (b) Other Transactions. To the extent publicly available, Bear Stearns reviewed the transaction enterprise values as a multiple of EBITDA for the last twelve months, or LTM. This is in contrast to the selected wireless merger and acquisition transactions reviewed by Bear Stearns, where Bear Stearns calculated transaction multiples based on the projected EBITDA of the acquired company for the 12 month period following announcement of the transaction, or forward EBITDA . Bear Stearns believed that due to the relatively higher EBITDA growth profile of most wireless service providers as compared to wireline service providers, forward EBITDA was a more appropriate metric for wireless companies than LTM EBITDA, which Bear Stearns believed was a more appropriate metric for wireline companies due to their more stable EBITDA profiles.

The precedent transactions in the Most Comparable Transactions group were:

Carlyle Group/Verizon Hawaii Inc. May 21, 2004;

Consolidated Communications, Inc./TXU Corp. April 14, 2004;

Homebase Acquisition Texas Corp./Illinois Consolidated Telephone Co. July 17, 2002; and

Valor Telecommunications, LLC/Kerrville Communications Corp. February 14, 2002.

For wireless transactions, Bear Stearns reviewed the same transactions used in the Selected Precedent Merger and Acquisition Transactions Analysis for Western Wireless.

Table of Contents

Bear Stearns calculated the following multiples for the recent wireline transactions used in its analysis:

Recent Wireline Transaction Multiples

	Enterprise Value as a Multiple of LTM EBITDA
Most Comparable Transactions	
High	7.4x
Mean	7.2x
Low	6.9x
Other Transactions	
High	12.0x
Mean	8.5x
Low	6.2x
All Transactions	
High	12.0x
Mean	8.2x
Low	6.2x

Based on the foregoing, Bear Stearns determined a forward EBITDA multiple reference range of 6.5x to 7.3x for the wireline transactions and applied the range to the projected 2005 EBITDA for ALLTEL s wireline business and a reference range of 7.0x to 8.0x for the wireless transactions and applied the range to the projected 2005 EBITDA for ALLTEL s wireless business. The resulting wireline and wireless enterprise values were then aggregated to calculate an enterprise value range for ALLTEL. Using this enterprise value range, Bear Stearns calculated an implied equity value range for ALLTEL of $58.96 to $68.09 per share, as compared to ALLTEL s stock price of $56.12 on January 7, 2005.

Discounted Cash Flow Analysis. Bear Stearns performed an analysis of the present value of the cash flows available to equity holders that ALLTEL could generate over fiscal years 2005 through 2009. For this analysis, Bear Stearns analyzed separately the cash flows for ALLTEL s wireline business and wireless business.

For ALLTEL s wireline business, Bear Stearns applied terminal value multiples ranging from 6.0x to 6.5x (based on the corresponding range of implied perpetual growth rates of free cash flow that Bear Stearns determined to be reasonable) to ALLTEL s wireline business forward EBITDA, based on publicly available research analyst projections. Bear Stearns chose these terminal values multiples based on (i) the implied perpetual growth rates of free cash flow derived from such multiples, (ii) Bear Stearns review of trading data for comparable public companies and (iii) Bear Stearns overall experience in valuing wireline companies. The cash flows were then discounted to present value using a WACC of 8.0% (based on a range of unlevered betas between 0.550 and 0.750, determined by observing the betas of selected regional wireline service providers, and debt-to-total capitalization ratios between 20.0% and 50.0%). Based on the foregoing, Bear Stearns calculated an implied equity value range for ALLTEL s wireline business of $11.63 to $12.98 per share.

For ALLTEL s wireless business, Bear Stearns applied terminal value multiples ranging from 6.5x to 7.0x (based on the corresponding range of implied perpetual growth rates of free cash flow that Bear Stearns determined to be reasonable) to ALLTEL s wireless business forward EBITDA, based on publicly available research analyst projections. Bear Stearns chose these terminal values multiples based on (i) the implied perpetual growth rates of cash available to equity holders derived from such multiples, (ii) Bear Stearns review of trading data for comparable public companies and (iii) Bear Stearns overall experience in valuing wireless companies. The cash flows were then discounted to present value using a WACC ranging from 9.0% to 9.5% (based on a range of unlevered betas between 0.750 and 0.950, determined by observing the betas of selected regional and national wireless service providers, and debt-to-total

Table of Contents

capitalization ratios between 20.0% and 50.0%). Unlevered beta is a measure of the volatility in a company s stock market price relative to the broader stock market that is calculated assuming that the company being analyzed has no debt in its capital structure. Based on the foregoing, Bear Stearns calculated an implied equity value range for ALLTEL s wireless business of $41.33 to $44.34 per share.

Bear Stearns then combined the implied equity value ranges for ALLTEL s wireline business and wireless business to calculate an aggregate implied equity value ranges for ALLTEL of $52.96 to $57.32 per share, as compared to ALLTEL s stock price of $56.12 on January 7, 2005.

Merger Consequences

Synergies. Bear Stearns reviewed ALLTEL management s estimates of the potential operating expense synergies resulting from the merger. These estimates were prepared by ALLTEL s management, assumed upfront costs associated with the merger of $100 million and estimated potential operating expense synergies ranging from $50 million in 2006 to $80 million in 2009. Based on this information, Bear Stearns estimated that the net present value to ALLTEL of the potential synergies in the merger would be approximately $694.9 million to $908.5 million.

Discounted Cash Flow Accretion/Dilution Analysis. Bear Stearns range of assumptions for each of the Western Wireless and ALLTEL discounted cash flow analyses (using different terminal values and discount rates) caused multiple outcomes when assessing the consideration received by Western Wireless shareholders in the merger. Bear Stearns used the stand-alone discounted cash flow analyses of Western Wireless and ALLTEL to calculate a low to high range of implied values of the consideration to be received by Western Wireless shareholders from ALLTEL. This range of values was then compared to the respective low to high range of Western Wireless stand-alone discounted cash flow analyses implied per share values to assess the accretion or dilution that the Western Wireless shareholders could potentially experience. The analysis was performed assuming both synergies and no synergies from the merger and with the Case 1 and Case 2 projections:

	Case 1			
	No Synergies		**With Synergies**	
Western Wireless Shareholder Value Accretion/(Dilution):				
Western Wireless:ALLTEL Western Wireless:ALLTEL				
Low:Low High:High	8.2%	4.5%	11.4%	7.4%
Low:High High:Low	14.0%	(0.7%)	17.2%	2.2%

As illustrated above, under Case 1, Bear Stearns concluded that in every possible combination, the merger is projected to be accretive to Western Wireless shareholder value, except in one case which was projected to be mildly dilutive to Western Wireless shareholder value.

	Case 2			
	No Synergies		**With Synergies**	
Western Wireless Shareholder Value Accretion/(Dilution):				
Western Wireless:ALLTEL Western Wireless:ALLTEL				
Low:Low High:High	(7.9%)	(10.7%)	(5.3%)	(8.3%)
Low:High High:Low	(3.1%)	(15.0%)	(0.5%)	(12.6%)

As illustrated above, under Case 2, Bear Stearns concluded that in every possible combination, the merger is projected to be dilutive to Western Wireless shareholder value.

Relative Contribution Analysis. Bear Stearns performed a contribution analysis, assuming no synergies, showing the percentages of net income, EBITDA and free cash flow (EBITDA less capital expenditures) that are estimated to be contributed by Western Wireless and ALLTEL to the pro forma

47

results for the combined company for fiscal years 2004 through 2007 under each of Case 1 and Case 2 for Western Wireless. The following tables set forth the results of such analysis:

	Net Income Contribution			
	2004E	**2005P**	**2006P**	**2007P**
Case 1				
Western Wireless	13.6%	18.1%	20.2%	21.3%
ALLTEL	86.4%	81.9%	79.8%	78.7%

	EBITDA Contribution			
	2004E	**2005P**	**2006P**	**2007P**
Western Wireless	16.1%	18.3%	20.4%	22.0%
ALLTEL	83.9%	81.7%	79.6%	78.0%

	Free Cash Flow Contribution			
	2004E	**2005P**	**2006P**	**2007P**
Western Wireless	12.3%	25.4%	26.2%	28.1%
ALLTEL	87.7%	74.6%	73.8%	71.9%

	Net Income Contribution			
	2004E	**2005P**	**2006P**	**2007P**
Case 2				
Western Wireless	16.4%	22.6%	27.5%	30.0%
ALLTEL	83.6%	77.4%	72.5%	70.0%

	EBITDA Contribution			
	2004E	**2005P**	**2006P**	**2007P**
Western Wireless	16.1%	19.0%	22.0%	24.1%
ALLTEL	83.9%	81.0%	78.0%	75.9%

	Free Cash Flow Contribution			
	2004E	**2005P**	**2006P**	**2007P**
Western Wireless	12.4%	17.0%	21.5%	22.8%
ALLTEL	87.9%	83.0%	78.5%	77.2%

The percentage of net income, set forth in the above table that is estimated to be contributed to the pro forma combined company by Western Wireless was then compared to the 19.3% interest that Western Wireless common shareholders will have in ALLTEL s equity value (assuming that Western Wireless was acquired entirely with ALLTEL stock). Further, the percentages of EBITDA and free cash flow (EBITDA less capital expenditures) set forth in the tables above that are estimated to be contributed to the pro forma combined company by Western Wireless were compared to the 22.3% interest that Western Wireless common shareholders will have in ALLTEL s enterprise value (assuming that Western Wireless was acquired entirely with ALLTEL stock).

Bear Stearns also performed a contribution analysis, assuming operating expense synergies, showing the percentage of net income, EBITDA and free cash flow (EBITDA less capital expenditures) that will be contributed by Western Wireless and ALLTEL to the pro forma results for the combined company for fiscal years 2004 through 2007 under each of Case 1 and Case 2 for Western Wireless. The results of this analysis did not materially differ from the results of the contribution analysis, assuming no synergies, shown above.

Pro Forma Financial Analysis. Bear Stearns analyzed the potential pro forma impact of the merger on ALLTEL s estimated earnings per share for fiscal years 2005 through 2007, based on publicly available research analyst projections. Under Case 1 for Western Wireless, Bear Stearns noted that the merger would be accretive to ALLTEL s projected earnings per share in 2006 and 2007 with and without estimated synergies. Under Case 2 for Western Wireless, Bear Stearns noted that the merger would be accretive to ALLTEL s projected earnings per share in 2005, 2006 and 2007 with and without estimated synergies.

In connection with rendering its opinion, Bear Stearns performed a variety of financial analyses. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods to the particular circumstances and, therefore, such an opinion is not readily susceptible to a partial analysis or summary description. Bear Stearns arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and believes that the totality of the factors considered and analyses performed by Bear Stearns in connection with its opinion operated collectively to support its determination as to the fairness of the merger consideration to the shareholders of Western Wireless. Accordingly, notwithstanding the analyses summarized above, Bear Stearns believes that its analyses must be considered as a whole and that selecting portions of the analyses and factors considered by them, without considering all such analyses and factors, or attempting to ascribe relative weights to some or all such analyses and factors, could create an incomplete view of the evaluation process underlying the Bear Stearns opinion. Bear Stearns did not assign any specific weight to any of the analyses described above and did not draw any specific conclusions from or with regard to any one method of analysis.

In performing its analyses, Bear Stearns considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Western Wireless, ALLTEL and Bear Stearns. The analyses performed by Bear Stearns are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. Accordingly, such analyses are inherently subject to substantial uncertainty.

The type and amount of consideration payable in the merger were determined through negotiations between Western Wireless and ALLTEL and approved by the Western Wireless board of directors. Bear Stearns did not express any opinion as to the price or range of prices at which the shares of common stock of Western Wireless and ALLTEL may trade subsequent to the announcement or consummation of the merger. Bear Stearns also did not express any opinion as to the fairness of the merger consideration to the holders of Western Wireless common stock who properly exercise dissenters rights. The decision to enter into the merger agreement was solely that of the Western Wireless board of directors. The analyses do not purport to be appraisals or to reflect the prices at which any securities may trade at the present time or at any time in the future. In addition, the Bear Stearns opinion was just one of the many factors taken into consideration by Western Wireless board of directors. Consequently, Bear Stearns analysis should not be viewed as determinative of the decision of Western Wireless board of directors or Western Wireless management with respect to the fairness of the merger consideration.

Bear Stearns is an internationally recognized investment banking firm and is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, leveraged buyouts and valuations for estate, corporate and other purposes.

Bear Stearns was selected by the Western Wireless board of directors to act as Western Wireless financial advisor and to render a fairness opinion because of its expertise and reputation in investment banking and mergers and acquisitions and its familiarity with Western Wireless, ALLTEL and the wireless industry. Bear Stearns will receive an aggregate fee for such services of approximately $22 million, of which $2 million was payable upon delivery of Bear Stearns fairness opinion and approximately $20 million is contingent on successful consummation of the merger. Western Wireless also agreed to reimburse Bear Stearns for certain out-of-pocket expenses incurred in connection with the engagement, including the reasonable fees of and disbursements to its legal counsel. In addition, Western Wireless agreed to indemnify Bear Stearns against certain liabilities, including liabilities under the federal securities laws, relating to or arising out of its engagement.

Bear Stearns had been previously engaged by Western Wireless to provide certain investment banking and financial advisory services, but has not received any compensation for such services during the past two years. In addition, during the past two years, Bear Stearns has not provided investment banking or financial advisory services to ALLTEL. In the ordinary course of business, Bear Stearns and its affiliates may actively trade the equity and debt securities and/or bank debt of Western Wireless and ALLTEL for its own account and for the account of its customers and, accordingly, may at any time hold a long or short position in such securities or bank debt.

ALLTEL s Reasons for the Merger

The board of directors of ALLTEL met several times to review the merger and unanimously approved the merger agreement on January 9, 2005 after ALLTEL s senior management discussed with the board of directors the potential benefits and risks of the transaction. The ALLTEL board of directors believes the merger will provide ALLTEL a number of opportunities and benefits, including as follows. As a result of the merger, ALLTEL expects to increase its wireless revenue mix from approximately 60 percent to nearly 70 percent of its total consolidated revenues. ALLTEL will achieve additional scale by adding approximately 1.5 million domestic wireless customers (excluding reseller customers) in 19 midwestern and western states that are contiguous to ALLTEL s existing wireless properties, increasing the number of wireless customers served by ALLTEL to more than 10 million customers in 33 states. ALLTEL also will add approximately 1.9 million international wireless customers in six countries. In addition, the merger will permit ALLTEL to increase its retail position in these domestic, rural markets where it can leverage ALLTEL s brand and marketing experience and bring significant value to customers by offering competitive national rate plans. ALLTEL also will diversify its wireless roaming revenue sources and, as a result of offering multiple technologies, ALLTEL will become a leading independent roaming partner for the four national carriers in the markets served by ALLTEL. ALLTEL also will enhance its strategic options as the wireless industry continues to restructure while preserving ALLTEL s strong financial position. Finally, ALLTEL expects that centralized operations costs and interest expense for the combined company will be lower than those costs and expenses for the two companies operating independently.

In addition to the foregoing potential benefits of the merger, the ALLTEL board of directors considered the potential risks of the transaction, including as follows. The merger is subject to various regulatory approval processes and accordingly there is a possibility that the merger could not be completed on a timely basis or receive all necessary regulatory approvals without conditions. Roaming revenues are a material source of Western Wireless revenues and the sustainability of such revenues depends on whether Western Wireless roaming partners choose to continue under applicable roaming agreements to use Western Wireless networks to roam or build out their networks in the Western Wireless markets following the merger. ALLTEL has limited experience deploying or maintaining a GSM network or operating in developing countries that face significant political, social, and economic uncertainties. Finally, following the merger, the expected cost reductions and interest savings may not be achieved.

The ALLTEL board of directors considered the above factors together with various other factors when approving the merger agreement. The ALLTEL board did not assign relative weights to the above factors or the other factors considered by it. Further, individual members of the ALLTEL board may have given different weight to different factors.

Interests of Certain Persons in the Merger

In considering the recommendation of Western Wireless board of directors with respect to the merger, Western Wireless shareholders should be aware that some of Western Wireless directors and executive officers may have interests in the merger that are different from, or in addition to, the interests of Western Wireless shareholders generally. The Western Wireless board of directors was aware of these interests and considered them in approving the merger agreement and the merger.

ALLTEL Board Seat. Following the effective time of the merger, John W. Stanton, Western Wireless chairman and chief executive officer, is expected to be elected, for a three year term, by the directors of ALLTEL to fill a vacancy on the ALLTEL board of directors.

Table of Contents

Director and Officer Indemnification. Under the terms of the merger agreement, ALLTEL has agreed that all rights to exculpation and indemnification for acts occurring prior to the merger in Western Wireless articles of incorporation or by-laws, or in any indemnification agreement, in favor of persons who were Western Wireless directors or officers will survive for a period of six years following the merger. ALLTEL also agreed that for a period of six years following the merger, ALLTEL will indemnify the former directors, officers or employees of Western Wireless to the fullest extent permitted by applicable law. The merger agreement further requires that, for six years following the effective time of the merger, subject to certain limitations, the surviving company maintain coverage under a director and officer liability insurance policy, with respect to claims arising from facts or events that occurred on or before the effective time of the merger, at a level at least equal to that which Western Wireless is maintaining for its officers and directors prior to the merger.

Treatment of Equity Awards. The merger agreement provides that at the effective time of the merger, each outstanding unexpired and unexercised option to purchase a share of Western Wireless common stock will be converted into an option to purchase a fraction of a share of ALLTEL common stock equal to the sum of (i) 0.535, plus (ii) the fraction resulting from dividing $9.25 by the closing price of ALLTEL common stock on the NYSE on the last trading day preceding the closing of the merger. Under Western Wireless existing stock option agreements with its directors and certain of its officers, if during the one year period following completion of the merger the optionee s employment is involuntarily terminated for any reason other than death, disability or cause, or the optionee terminates his or her employment for good reason, the optionee s options will, to the extent not already vested, become fully vested and exercisable immediately prior to the merger. The stock option agreements define good reason as: (i) the assignment to the optionee of duties, or limitation of the optionee s responsibilities, inconsistent with his or her title, position, duties, responsibilities and status with Western Wireless immediately prior to the completion of the merger, (ii) the failure to pay, or reduction in, the optionee s compensation, (iii) the relocation of the optionee s place of employment, and (iv) the breach by the optionor of any material provision of the option agreement. Under the foregoing terms of the existing option agreements all unvested options of Western Wireless directors and executive officers would generally be accelerated upon or shortly after the merger. Accordingly, Western Wireless and ALLTEL agreed in the merger agreement that Western Wireless would be permitted to amend the existing stock option agreements with directors and executive officers to provide explicitly that all of their options will, to the extent not already vested, become fully vested and exercisable immediately prior to consummation of the merger. The Compensation Committee of Western Wireless board of directors has so amended these stock option agreements. Assuming that at the completion of the merger the value of a share of ALLTEL common stock is $. , which was the price of a share of ALLTEL common stock on the NYSE on , 2005, the value of the unvested options held by Western Wireless directors and executive officers subject to these

Table of Contents

agreements (which, if the above-described circumstances occur, would become fully vested and exercisable) would be as follows:

Directors and Executive Officers	Position	Value of Options
John W. Stanton	Chairman, Director and Chief Executive Officer	
Donald Guthrie	Vice Chairman	
Theresa E. Gillespie	Vice Chairman and Director	
John L. Bunce, Jr.	Director	
Mitchell R. Cohen	Director	
Daniel J. Evans	Director	
Jonathan M. Nelson	Director	
Peggy V. Phillips	Director	
Peter H. Van Oppen	Director	
Mikal J. Thomsen	President and Director	
Eric Hertz	Chief Operating Officer	
M. Wayne Wisehart	Executive Vice President and Chief Financial Officer	
Bradley J. Horwitz	Executive Vice President and President, Western Wireless International	
Gerald J. Jerry Baker	Senior Vice President	
Jeffrey A. Christianson	Senior Vice President, General Counsel and Secretary	
Thorpe M. Chip Kelly, Jr.	Senior Vice President	
Scott A. Soley	Vice President and Controller (Chief Accounting Officer)	

Retention Pool. The merger agreement provides for Western Wireless to establish a $20 million retention pool for retaining the services of key Western Wireless employees, including executive officers, pursuant to which Western Wireless adopted a Retention Bonus Plan on February 8, 2005. Western Wireless most senior executive officers (its chairman and chief executive officer, two vice chairmen, president and president international) will not, however, participate in the Retention Bonus Plan. Under the Retention Bonus Plan, executive officers of Western Wireless will be eligible to receive a cash retention bonus equal to 12 months of their monthly base salary, 50% of which will be paid at the next payroll period after the completion of the merger and 50% of which will be paid at the next payroll period following the date that is six months thereafter, subject to the executive officer s continued employment with ALLTEL or Western Wireless through such dates. The retention bonuses will be paid regardless of whether the merger is consummated. If the merger agreement is terminated, executive officers will be paid 50% of their retention bonus at the next payroll period after the one-month anniversary of the termination and 50% at the next payroll period after the seven-month anniversary of the termination, subject to each executive officer s continued employment with Western Wireless through such payment dates. The Retention Bonus Plan also provides other employees with cash retention bonuses of varying amounts payable at different intervals. If the employment of a participant in the Retention Bonus Plan is terminated by Western Wireless or its successor without cause or terminated by the participant for good reason (defined in the Retention Bonus Plan as a failure to pay, or a reduction in, the participant s compensation, or a relocation of the participant s place of employment) or terminated as a result of death or disability, prior to the scheduled payment date of any retention bonus to which the participant would otherwise have been entitled if the participant had remained employed until such payment date, the participant will receive the full amount of his or her cash retention bonus at the next payroll period after such termination of employment. Participants who voluntarily resign without good reason or whose

Table of Contents

employment is terminated for cause will not receive any cash retention bonus that had not already been paid. ALLTEL has agreed to honor the terms of the Retention Bonus Plan following the completion of the merger. The Retention Bonus Plan will be administered by John W. Stanton, Western Wireless chairman and chief executive officer, or his designee.

The amount to be received by those Western Wireless executive officers participating in the Retention Bonus Plan would be as follows:

Executive Officer		Retention Amount
Eric Hertz	$	325,000
M. Wayne Wisehart	$	240,000
Gerald J. Jerry Baker	$	182,000
Jeffrey A. Christianson	$	220,000
Thorpe M. Chip Kelly, Jr.	$	168,000
Scott A. Soley	$	140,200

Severance Program. The merger agreement requires ALLTEL to honor Western Wireless severance program, set forth in a Severance Plan adopted by Western Wireless on February 8, 2005, under which all employees as of January 10, 2005, including executive officers, will be entitled to certain benefits in the event of a qualifying termination of their employment within two years after the merger. Under the Severance Plan, the severance payments for executive officers will be equal to one year of such executive officer s total compensation (base salary and target bonus). Severance payments will be paid if the employment of a participant is terminated by Western Wireless or its successor without cause or terminated by the participant for good reason (defined in the Severance Plan as a failure to pay, or a reduction in, the participant s compensation, or a relocation of the participant s place of employment) during the two year period following the closing of the merger. Participants who voluntarily resign without good reason or whose employment is terminated for cause will not receive any severance payments. The Severance Plan also provides other employees with severance payments of varying amounts payable upon a qualifying termination. If a Severance Plan participant is entitled to greater benefits under any agreement with Western Wireless which provides for severance pay, he or she would be paid in accordance with such agreement and not under the Severance Plan. None of the executive officers who have employment agreements with Western Wireless are entitled to severance payments of greater than one year of total compensation under such employment agreements. No severance payments will be made under the Severance Plan in the event the merger is not consummated. Mr. Stanton (or his designee) will also administer the Severance Plan.

The Retention Bonus Plan and Severance Program are described in greater detail under the heading The Merger Agreement Covenants Stock Options; Employee Stock Purchase Plan; Employee Matters; Retention Bonus Plan; and Severance Program.

Stock Exchange Listing

ALLTEL has received authorization, subject to official notice of issuance, from the NYSE for the listing of ALLTEL common stock issuable pursuant to the merger in exchange for Western Wireless common stock. The trading symbol for ALLTEL common stock is AT. Following the merger, Western Wireless shareholders will no longer be able to trade shares of Western Wireless Class A common stock on the Nasdaq Stock Market or any other exchange because the existing Western Wireless common stock will cease to exist and therefore will no longer be listed on any exchange.

Resale of Shares of ALLTEL Common Stock Issued In The Merger

Shares of ALLTEL common stock received in the merger by Western Wireless shareholders generally will be freely transferable, except that ALLTEL shares of common stock received by persons who are deemed to be affiliates of Western Wireless under the Securities Act of 1933 at the time of the annual meeting may be resold by them only in transactions permitted by Rule 145 under the Securities Act or as

53

otherwise permitted under the Securities Act. Persons who may be deemed to be affiliates of Western Wireless for these purposes generally include individuals or entities that control, are controlled by, or are under common control with, Western Wireless, and include Western Wireless directors and executive officers. In accordance with the merger agreement, Western Wireless caused each of its affiliates to deliver to ALLTEL on or prior to the mailing of this proxy statement a signed agreement to the effect that the affiliate will not sell, transfer or dispose of any ALLTEL shares of common stock issued to the affiliate in the merger unless such sale, transfer or disposition has been registered under the Securities Act, is made in compliance with Rule 145 or will not violate or is otherwise exempt from registration under the Securities Act.

Accounting Treatment

The merger will be accounted for as a purchase, as that term is used under United States generally accepted accounting principles (GAAP), for accounting and financial reporting purposes. Western Wireless will be treated as the acquired corporation for accounting and financial reporting purposes. Western Wireless assets, liabilities and other items will be adjusted to their estimated fair value on the closing date of the merger and combined with the historical book values of the assets and liabilities of ALLTEL. Applicable income tax effects of these adjustments will be included as a component of the combined company s deferred tax asset or liability. The difference between the estimated fair value of the assets, liabilities and other items (adjusted as discussed above) and the purchase price will be recorded as goodwill. Financial statements of ALLTEL issued after the merger will reflect the values and will not be restated retroactively to reflect the historical financial position or results of operations of Western Wireless.

Material United States Federal Income Tax Consequences of the Merger

The following discussion addresses the material United States federal income tax consequences of the merger to holders of Western Wireless common stock. The discussion is based on provisions of the Internal Revenue Code of 1986, as amended (which we refer to as the Code), Treasury regulations, administrative rulings and judicial decisions, all as currently in effect and all of which are subject to change, possibly with retroactive effect, and to differing interpretations. This discussion applies only to Western Wireless shareholders that hold their Western Wireless common stock as a capital asset within the meaning of Section 1221 of the Code, each of which we refer to in this section as a holder. Further, this discussion does not address all aspects of United States federal income taxation that may be relevant to a particular holder in light of its personal circumstances or to holders subject to special treatment under the United States federal income tax laws, including, for example:

- banks or other financial institutions,
- tax-exempt organizations,
- insurance companies,
- dealers in securities or foreign currency,
- traders in securities who elect to apply a mark-to-market method of accounting,
- pass-through entities and investors in such entities,
- foreign persons, foreign entities and U.S. expatriates,
- persons whose functional currency is not the U.S. dollar,
- holders who received their Western Wireless common stock through the exercise of employee stock options, through a tax-qualified retirement plan or otherwise as compensation, and

holders who hold Western Wireless common stock as part of a hedge, straddle, constructive sale, conversion transaction or other integrated investment.

In addition, the discussion does not address any alternative minimum tax or any state, local or foreign tax consequences of the merger.

Holders of Western Wireless common stock should consult their tax advisors with respect to the particular tax consequences of the merger to such holders.

Skadden, Arps, Slate, Meagher & Flom LLP, counsel to ALLTEL, has delivered to ALLTEL its legal opinion, attached as Exhibit 8.1 to this Registration Statement, and Jones Day, counsel to Western Wireless, has delivered to Western Wireless its legal opinion, attached as Exhibit 8.2 to this Registration Statement, that, on the basis of the Code, Treasury regulations, Internal Revenue Service pronouncements, and judicial authorities in effect on the date the opinion was delivered, all of which are subject to change on a retroactive basis, and on the basis of the facts, assumptions, and representations set forth in each of such opinions and the representations and covenants set forth in certificates obtained from officers of ALLTEL and Western Wireless, respectively, the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code and each of ALLTEL and Western Wireless will be treated as a party to the reorganization within the meaning of Section 368(b) of the Code. In addition, the completion of the merger is conditioned upon the delivery by each of Jones Day or Wachtell, Lipton, Rosen & Katz, counsel to Western Wireless, and Skadden, Arps, Slate, Meagher & Flom LLP, counsel to ALLTEL, of legal opinions substantially to the same effect. None of these opinions will be binding on the Internal Revenue Service or the courts, and neither ALLTEL nor Western Wireless intends to request a ruling from the Internal Revenue Service regarding the United States federal income tax consequences of the merger. Consequently, no assurance can be given that the Internal Revenue Service will not assert, or that a court would not sustain, a position contrary to the opinions or to the discussion set forth below. In addition, if any of the representations, assumptions or covenants upon which such opinions are based are inconsistent with the actual facts, the United States federal income tax consequences of the merger could be adversely affected. The remainder of this discussion is based on the opinions of Skadden, Arps, Slate, Meagher & Flom LLP and Jones Day, attached as Exhibits 8.1 and 8.2 to this Registration Statement, respectively.

The United States federal income tax consequences of the merger to a holder generally will depend on whether the holder exchanges its Western Wireless common stock for cash, for ALLTEL common stock or for a combination of cash and ALLTEL common stock.

Exchange Solely for Cash. In general, if, pursuant to the merger, a holder exchanges all of the shares of Western Wireless common stock actually owned by it solely for cash, that holder will recognize gain or loss equal to the difference between the amount of cash received and its adjusted tax basis in the shares of Western Wireless common stock surrendered. Such gain or loss generally will be long-term capital gain or loss if the holder s holding period with respect to the Western Wireless common stock surrendered is more than one year at the effective time of the merger. If, however, the holder constructively owns shares of Western Wireless common stock that are exchanged for shares of ALLTEL common stock in the merger or owns shares of ALLTEL common stock actually or constructively after the merger, the consequences to that holder may be similar to the consequences described below under the heading Exchange for ALLTEL Common Stock and Cash, except that the amount of consideration, if any, deemed to be a dividend may not be limited to the amount of that holder s gain.

Exchange Solely for ALLTEL Common Stock. If, pursuant to the merger, a holder exchanges all of the shares of Western Wireless common stock actually owned by it solely for shares of ALLTEL common stock, that holder will not recognize any gain or loss except in respect of cash received instead of a fractional share of ALLTEL common stock (as discussed below). The aggregate adjusted tax basis of the shares of ALLTEL common stock received in the merger (including fractional shares deemed received and redeemed as discussed below) will be equal to the aggregate adjusted tax basis of the shares of Western Wireless common stock surrendered for the ALLTEL common stock, and a holder s holding period of the ALLTEL common stock (including fractional shares deemed received and redeemed as discussed below) will include the period during which the shares of Western Wireless common stock surrendered were held.

Table of Contents

Exchange for ALLTEL Common Stock and Cash. If, pursuant to the merger, a holder exchanges all of the shares of Western Wireless common stock actually owned by it for a combination of ALLTEL common stock and cash, the holder will generally recognize gain (but not loss) in an amount equal to the lesser of (1) the amount of gain realized (that is, the excess of the sum of the amount of cash and the fair market value of the ALLTEL common stock received pursuant to the merger over that holder s adjusted tax basis in its shares of Western Wireless common stock surrendered) and (2) the amount of cash received pursuant to the merger. For this purpose, gain or loss must be calculated separately for each identifiable block of shares surrendered in the exchange, and a loss realized on one block of shares may not be used to offset a gain realized on another block of shares. Holders should consult their tax advisors regarding the manner in which cash and ALLTEL common stock should be allocated among different blocks of Western Wireless common stock. Any recognized gain will generally be long-term capital gain if the holder s holding period with respect to the Western Wireless common stock surrendered is more than one year at the effective time of the merger. If, however, the cash received has the effect of the distribution of a dividend, the gain will be treated as a dividend to the extent of the holder s ratable share of accumulated earnings and profits as calculated for United States federal income tax purposes. See Possible Treatment of Cash as a Dividend below.

The aggregate tax basis of ALLTEL common stock received (including fractional shares deemed received and redeemed as discussed below) by a holder that exchanges its shares of Western Wireless common stock for a combination of ALLTEL common stock and cash pursuant to the merger will be equal to the aggregate adjusted tax basis of the shares of Western Wireless common stock surrendered for ALLTEL common stock and cash, reduced by the amount of cash received by the holder pursuant to the merger (excluding any cash received instead of a fractional share of ALLTEL common stock) and increased by the amount of gain, if any, recognized by the holder on the exchange (including any portion of the gain that is treated as a dividend as discussed below, but excluding any gain or loss resulting from the deemed receipt and redemption of fractional shares as discussed below). A holder s holding period of the ALLTEL common stock (including fractional shares deemed received and redeemed as discussed below) will include such holder s holding period of the shares of Western Wireless common stock surrendered.

Possible Treatment of Cash as a Dividend. In general, the determination of whether the gain recognized in the merger exchange will be treated as capital gain or has the effect of a distribution of a dividend depends upon whether and to what extent the exchange reduces the holder s deemed percentage stock ownership of ALLTEL. For purposes of this determination, the holder is treated as if it first exchanged all of its shares of Western Wireless common stock solely for ALLTEL common stock and then ALLTEL immediately redeemed, which we refer to in this document as the deemed redemption, a portion of the ALLTEL common stock in exchange for the cash the holder actually received. The gain recognized in the deemed redemption will be treated as capital gain if the deemed redemption is (1) substantially disproportionate with respect to the holder or (2) not essentially equivalent to a dividend.

The deemed redemption will generally be substantially disproportionate with respect to a holder if the percentage described in (2) below is less than 80% of the percentage described in (1) below. Whether the deemed redemption is not essentially equivalent to a dividend with respect to a holder will depend upon the holder s particular circumstances. At a minimum, however, in order for the deemed redemption to be not essentially equivalent to a dividend, the deemed redemption must result in a meaningful reduction in the holder s deemed percentage stock ownership of ALLTEL. In general, that determination requires a comparison of (1) the percentage of the outstanding stock of ALLTEL that the holder is deemed actually and constructively to have owned immediately before the deemed redemption and (2) the percentage of the outstanding stock of ALLTEL that is actually and constructively owned by the holder immediately after the deemed redemption. In applying the above tests, a holder may, under the constructive ownership rules, be deemed to own stock that is owned by other persons or stock underlying a holder s option to purchase such stock in addition to the stock actually owned by the holder.

Table of Contents

The Internal Revenue Service has ruled that a shareholder in a publicly held corporation whose relative stock interest is minimal and who exercises no control with respect to corporate affairs is generally considered to have a meaningful reduction if that shareholder has any reduction in its percentage stock ownership under the above analysis. Accordingly, the gain recognized in the exchange by such a shareholder would be treated as capital gain.

These rules are complex and dependent upon the specific factual circumstances particular to each holder. Consequently, each holder that may be subject to these rules should consult its tax advisor as to the application of these rules to the particular facts relevant to such holder.

Cash Received Instead of a Fractional Share. A holder who receives cash instead of a fractional share of ALLTEL common stock will generally be treated as having received such fractional share and then as having received such cash in redemption of the fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash received instead of the fractional share and the portion of the holder s aggregate adjusted tax basis of the shares of Western Wireless common stock exchanged in the merger which is allocable to the fractional share. Such gain or loss generally will be long-term capital gain or loss if the holding period for such shares of Western Wireless common stock is more than one year at the effective time of the merger.

Reporting Requirements. A holder of Western Wireless common stock receiving ALLTEL common stock as a result of the merger is required to retain records related to such holder s Western Wireless common stock and file with its United States federal income tax return a statement setting forth facts relating to the merger.

Backup Withholding and Information Reporting. Payments of cash to a holder of Western Wireless common stock may, under certain circumstances, be subject to information reporting and backup withholding at a rate of 28% of the cash payable to the holder, unless the holder provides proof of an applicable exemption satisfactory to ALLTEL and the exchange agent or furnishes its taxpayer identification number, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a holder under the back