Capital Tests

050938-TP

SUMMARY OF ANALYSES - CASH FLOW STATEMENT AND CREDIT STATISTICS

The following tables summarize values and metrics for a range of assumptions

Balance Sheet and Credit Statistics

(figures in millions)	Base Case			Downside			Difference		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
Balance Sheet Items:									
Total Cash									
Total Debt									
Net Debt									
Total Net PP&E									
Stockholders' Equity									
Credit Statistics									
Interest Coverage Ratio									
Fixed Charge Coverage Ratio [1]									
Net Debt / EBITDA									
Total Debt / EBITDA									
Dividends (% of available FCF)									

(1) Fixed Charge Coverage Ratio (Unadjusted for capital leases).(EBITDA-Capex) divided by interest expense

Assumptions:

Minimum required cash balance of [redacted] and continued payment of [redacted] per share dividend in all years for base and downside scenarios.

Base Case - access lines declines of about [redacted] each year, with revenue declining less than [redacted] per year, as ARPU increases largely due to increased broadband growth, reflecting an increase in rate of core wireline revenue loss from prior years.

Downside - revenue declines of [redacted] in 2006 and [redacted] in 2007 and 2008, reflecting higher line losses and lower than expected broadband growth EBITDA margins are lower dueto a lag in reduction of fixed costs with respect to the reduction in revenues.

Historical Perspective - Alltel experienced annual access line losses of [redacted] in 2003, 2004, and 2005, respectively. In Alltel's most competitive markets (which compose [redacted] of exchanges), line losses were [redacted] in 2005.

Florida Public Service Commission
Request by Pete Lester

Question: Provide the amount of capital expenditures for the Merged Wireline Business in 2004.

Response: Capital expenditures on a pro-forma basis for the Merged Wireline Business in 2004 were [redacted] million.