

U.S. Federal Income Tax Information for Alltel Corporation Shareholders

This document contains information on:

- the U.S. federal income tax consequences to an Alltel shareholder of the spin-off of Alltel's wireline business and the merger of that business with and into Valor Communications Group, Inc., which changed its name to Windstream Corporation ("Windstream");
- calculating the U.S. federal income tax basis of your Alltel and Windstream shares; and
- determining the holding period for your Alltel and Windstream shares.

This document also includes:

- a worksheet for calculating your U.S. federal income tax basis of your Alltel and Windstream shares.

The following has been prepared by Alltel Corporation for general information purposes only and does not represent an opinion of counsel or otherwise constitute tax advice. The following assumes that you are a U.S. taxpayer that holds your Alltel stock as a capital asset. You are urged to consult your own tax advisor with respect to the U.S. federal income tax consequences of the spin-off and the merger. We also urge you to read the proxy statement/prospectus-information statement for the spin-off and the merger that was mailed to you, noting especially pp. 76-78 dealing with U.S. federal income tax consequences. You may also access this information statement at our website at www.alltel.com in the Investor Relations section. In the event of any conflict in interpretation between this document and the information statement, you should rely on the information statement.

To ensure compliance with Treasury Department regulations, we advise you that, unless otherwise expressly indicated, the foregoing information was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

U.S. Federal Income Tax Consequences

For every share of Alltel stock that you owned on July 12, 2006 (the "Record Date"), you were entitled to receive 1.0339267 shares of Windstream stock on July 17, 2006 (the "Effective Date"). Fractional shares to which holders were otherwise entitled were distributed to an exchange agent, who accumulated the shares, sold them and distributed the cash proceeds pro rata to the shareholders entitled to receive the fractional shares of Windstream stock.

Alltel obtained a ruling from the Internal Revenue Service (the "IRS") stating that Alltel shareholders will incur no U.S. federal income tax liability upon the spin-off or the merger, except with respect to cash received in lieu of fractional shares of Windstream stock. The ruling stated that cash received in lieu of a fractional share of Windstream stock will be treated as proceeds from a sale by the shareholder of the fractional share. The shareholder will recognize

gain or loss, for U.S. federal income tax purposes, measured by the difference between the allocable tax basis of the fractional share (see discussion of tax basis below) and the amount of cash received. Therefore, you should keep a record of the amount of cash you received, if any, in lieu of a fractional share of Windstream stock for purposes of completing your U.S. federal income tax return for the period including the Effective Date.

U.S. Federal Income Tax Basis

U.S. federal income tax law requires that you allocate your tax basis of the shares of Alltel stock that you owned on the Record Date between (1) those Alltel shares and (2) the Windstream shares received in the merger (including a fractional share). This allocation depends on the ratio of the fair market values of the Alltel and Windstream shares on the Effective Date. Federal tax law does not specifically identify how you should determine the fair market values of the Alltel and Windstream shares. Several alternatives exist, including (1) the closing trading prices of the Alltel shares and the Windstream shares on the Effective Date and (2) the average of the high and low trading prices of the Alltel shares and the Windstream shares on the Effective Date. You should consult your tax advisor for additional guidance with respect to the determination of the fair market values of the Alltel and Windstream shares.

Enclosed is a tax basis worksheet that illustrates how to allocate the tax basis in your Alltel shares immediately before the spin-off and merger between your Alltel and Windstream shares after the spin-off and merger, including any fractional share that you were entitled to receive. The worksheet includes a sample allocation of tax basis between Alltel and Windstream shares. For purposes of this sample allocation, we have assumed that the fair market values for the Alltel and Windstream shares on the Effective Date equal the closing trading prices of those shares on the Effective Date.

To allocate the tax basis of your Alltel shares, you will need:

- the number of shares of Alltel stock that you held on the Effective Date and
- the total tax basis of those shares.

If you held more than one block of Alltel stock (i.e., shares of stock acquired on different dates or at different prices), then the allocation should be made separately for each block. In other words, the calculation should be done separately for each block of Alltel stock and the Windstream shares received with respect to that stock.

Generally, the total tax basis of Alltel stock that you purchased is equal to the total price you paid plus any commissions or other fees you paid. If you acquired your Alltel stock other than by purchase, your tax basis will be determined under rules applicable to the type of transaction in which you acquired them. Please consult your tax advisor for additional guidance with respect to the determination of the tax basis of your Alltel shares.

U.S. Federal Income Tax Holding Period

For U.S. federal income tax purposes, your holding period for your Windstream shares will include your holding period for your Alltel shares with respect to which you received the Windstream shares.

The foregoing is for general information purposes only, and your tax consequences may vary depending on your particular circumstances. You are urged to consult your tax advisor to determine your particular tax consequences arising from the spin-off and the merger.