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Fidelity Equity-Income Fund

66,081,286

59,157,583

BGI Money Market Fund

64,290,151

68,728,460

BGI Daily Equity Index Fund

35,028,547

32,859,213

BGI U.S. Debt Index Fund

32,381,904

39,832,844

**Payment of Benefits**

Benefit payments to participants are recorded upon distribution.

**Plan Expenses**

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As outlined in the Plan document, expenses related to the Plan's operations are paid from the Plan's assets unless ALLTEL elects to pay these expenses. ALLTEL paid substantially all of the administrative expenses related to the Plan in 2003.

### **Reclassifications**

Certain reclassifications have been made to the 2002 amounts in order to conform to the 2003 financial statement presentation.

### **3. EMPLOYER CONTRIBUTIONS RECEIVABLE**

Contributions in the amount of \$7,159,331 due to the Plan from the Company had not been funded or allocated among the Plan's funds as of December 31, 2003. The employer contributions receivable were funded in cash by the Company and allocated among the Plan's investment funds, according to participant elections, during April 2004.

**4. SALE OF FINANCIAL SERVICES BUSINESS**

On April 1, 2003, ALLTEL completed the sale of the financial services division of its information services subsidiary, AIS, to Fidelity National Financial Inc. ("Fidelity National") for \$1.05 billion received as \$775.0 million in cash and \$275.0 million in Fidelity National common stock. Approximately 5,500 employees of the Company and participants of the Plan transitioned to Fidelity National as part of the transaction. The Plan's obligation for the undistributed net assets of AIS employees approximated \$148,592,000 and \$210,236,000 as of December 31, 2003 and 2002, respectively.

**5. PARTICIPANT LOANS**

Participants can borrow from their account balances amounts not to exceed 50 percent of their account balance, up to a maximum loan amount of \$50,000 in accordance with section 72(p) of the Code. Such loans must be repaid through payroll deductions within five years, unless used to purchase a principal residence. Principal and interest is paid ratably through payroll deductions over the term of the loan. If a participant's employment terminates with an outstanding loan, the entire loan must be repaid in full within the time prescribed by the IRS. If the loan is not repaid on time, the unpaid portion will be considered taxable income to the individual. Loans are secured by the balance in the participant's account and bear interest at rates determined by the Administrator upon execution of the loan. Interest rates on the loans outstanding at December 31, 2003 ranged from 2.75 percent to 9.75 percent.

**6. PLAN AMENDMENTS**

During 2003, the Plan was amended to provide that former employees of AIS who transferred employment to Fidelity National ceased participation in the Plan as of April 1, 2003, and accordingly, were entitled to receive distribution of their account balances upon the closing of the sale transaction (see Note 4). Former AIS employees with outstanding participant loans were not eligible for the small balance cash out provisions of the Plan until the loan was paid in full or defaulted and were allowed to repay their outstanding loans either in their entirety or through continued monthly loan repayments remitted to the Plan. The Plan was also amended to provide for eligibility and service crediting under the Plan to former employees of Cellular XL Associates and Western Wireless Corporation who became participants of the Plan during 2003. The Plan was further amended in 2003 to eliminate the employer matching contribution for certain unionized employees in the State of Kentucky effective on either January 1, 2004 or 2005, in accordance with terms of new collective bargaining agreements ratified on October 3, 2003 and February 6, 2004, respectively.

During 2002, the Plan was amended to provide for matching employer contributions for certain employees covered by collective bargaining agreements in the State of Kentucky who transferred employment to ALLTEL during 2002 and became participants in the Plan. During 2002, the Plan was further amended to provide for catch-up contributions for eligible participants who have attained fifty (50) years of age prior to the end of the applicable Plan year. The catch-up contributions are subject to the limitations of Section 414(v) of the Code and are not eligible for determining non-elective or matching employer contributions. The Plan was also amended to provide for eligibility and service crediting under the Plan to former employees of Euronet USA, Inc., EFT Network Services, LLC, Accenture LLP, Accucomm Telecommunications Inc., CenturyTel, Inc., Verizon South Inc. and Harris Trust and Savings Bank who became participants of the Plan during 2002.



**7. TAX STATUS**

The Plan has received a favorable determination letter from the IRS dated November 7, 2003, which states that the Plan, as restated January 1, 2001, is "qualified" for the purposes of Section 401(a) of the Code. The Plan has been amended since receiving the determination letter. The Administrator believes that the Plan is designed and operating in accordance with applicable IRS requirements, and therefore believes the Plan is qualified and is tax-exempt as of the financial statement date. Employer contributions and income of the Plan are generally not taxable to the participants until withdrawals or distributions are made.

**8. PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments are shares of mutual funds managed by JPMorgan. Since JPMorgan is the Plan trustee, these transactions qualify as party-in-interest transactions. The Plan permits participants to make loans from the Plan in accordance with section 72(p) of the Code. The Plan also invests in ALLTEL's common stock. These transactions also qualify as party-in-interest transactions.

**9. RECONCILIATION TO FORM 5500**

As of December 31, 2003 and 2002, the Plan had pending distributions to participants who elected to withdraw from the Plan of \$2,906,945 and \$1,037,334, respectively. These amounts are recorded as a liability in the Plan's Form 5500; however, these amounts are not recorded as a liability in the accompanying statements of net assets available for benefits in accordance with accounting principles generally accepted in the United States of America.

The following table reconciles the financial statements to the Plan's Form 5500 as filed by the Company as of December 31, 2003 and 2002 and for the year ended December 31, 2003:

	Benefits Payable	Distributions to Participants	Net Assets Available for Benefits	
			2003	2002
Per financial statements	\$	\$ 130,592,064	\$ 491,194,166	\$ 509,294,275
Accrued benefits payable	2,906,945	2,906,945	(2,906,945)	(1,037,334)
Reversal of prior year benefit payments accrual		(1,037,334)		
Per Form 5500	\$ 2,906,945	\$ 132,461,675	\$ 488,287,221	\$ 508,256,941

**10. SUBSEQUENT EVENTS**

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Pursuant to the terms of a trust agreement entered into as of June 1, 2004, Merrill Lynch Trust Company, FSB became trustee of the Plan. Effective June 1, 2004, the Radiofone Services, L.L.C. 401(k)/Profit Sharing Plan (the "Radiofone Plan") and the Cellular One/F.E.A. 401(k) Plan (the "F.E.A. Plan") were merged with and into the Plan. As a result of these mergers, assets from the Radiofone and F.E.A. Plans in the amount of \$2,115,232 were transferred to the Plan as of the effective date. Effective as of the merger date, the general provisions of the Plan will govern with respect to the interests of the participants of the merged plans, to the extent not inconsistent with any provision of the merged plans that may not be eliminated under Section 411(d)(6) of the Code.

## Schedule I

## ALLTEL CORPORATION 401(k) PLAN

## Schedule H, Line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Plan No. 009, EIN 34-0868285

As of December 31, 2003

(a)	(b) Identity of issue, borrower, lessor similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost (1)	(e) Current value
	Barclays Global Investors, N.A.	Daily Equity Index Fund	\$	35,028,547
	Barclays Global Investors, N.A.	U.S. Debt Index Fund		32,381,904
	Barclays Global Investors, N.A.	LifePath Income Fund		4,095,912
	Barclays Global Investors, N.A.	LifePath 2010 Fund		7,482,317
	Barclays Global Investors, N.A.	LifePath 2020 Fund		17,299,484
	Barclays Global Investors, N.A.	LifePath 2030 Fund		10,166,226
	Barclays Global Investors, N.A.	LifePath 2040 Fund		9,103,434
	Total Common Collective Trust Funds			115,557,824
	Fidelity Investments	Equity-Growth Fund		10,942,042
	Fidelity Investments	Equity-Income Fund		66,081,286
	Fidelity Investments	Magellan Fund		96,015,953
	T. Rowe Price Investments	International Stock Fund		4,375,916
	T. Rowe Price Investments	Small Cap Fund		18,172,407
	AIM Equity Funds, Inc.	Constellation Fund		5,728,593
	Harris Associates, L.P.	Harris/Oakmark International Fund		4,188,420
	Vanguard Investments	Explorer Fund		11,852,434
	Total Mutual Funds			217,357,051
	Barclays Global Investors, N.A.	Money Market Fund		64,290,151
*	JP Morgan Chase Bank	Cash Investment Money Market Fund		932,809
	Total Money Market Funds			65,222,960
*	ALLTEL Corporation	Common stock, \$1 par value		73,529,977
*	Participants	Loans with interest rates ranging from 2.75 percent to 9.75 percent		11,303,626
	Total Investments		\$	482,971,438

\* Indicates a party-in-interest.

(1) Not required as investments are participant-directed.



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The accompanying notes are an integral part of this schedule.

**ALLTEL Corporation 401(k) Plan**

**Form 11-K**

**Index of Exhibits**

Exhibit No.	Description of Exhibits	
(23)(a)	Consent of Moore Stephens Frost.	(a)
(23)(b)	Consent of PricewaterhouseCoopers LLP.	(a)

(a) Filed herewith.