

# Attachment IV.7.2

## In Response to Request IV.7

# Board of Directors Meeting

November 7, 2008



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# Centennial Communications



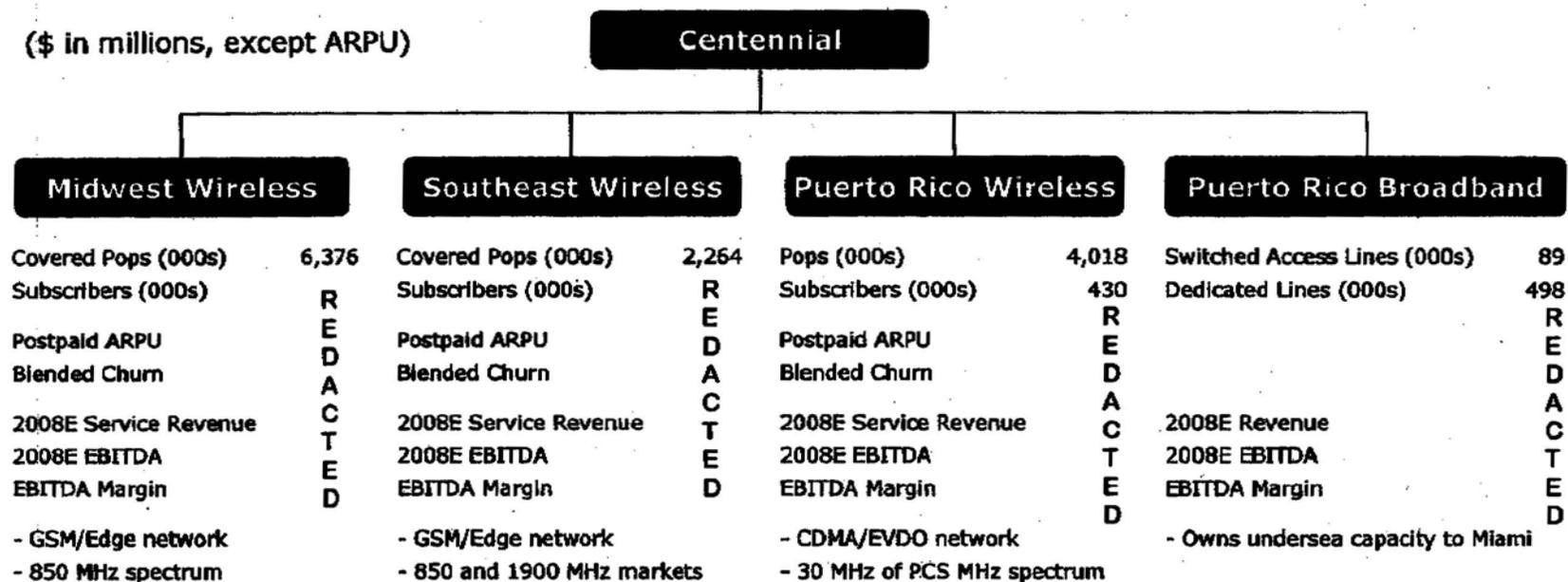
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## **Centennial Overview**

- Publicly traded on the NASDAQ exchange ("CYCL")
- Headquarters in Wall, NJ
- Approximately 3,100 employees
- Regional wireless provider in the U.S.
- Integrated service provider in Puerto Rico
- 13 million total wireless pops
- 1.1 million total wireless subscribers

# Centennial Business Segments Overview

(\$ in millions, except ARPU)



# Strategic Rationale

REDACTED

## Proposed Transaction

- AT&T to acquire 100% of Centennial
- All cash transaction
- Fixed stock price of \$8.50

- Purchased Equity	\$ 944M
- Assumed Net Debt	<u>REDACTED</u>
- Total Consideration	REDACTED

- Premium to:

Nov 5	90 Day
<u>Close</u>	<u>Average</u>
REDACTED	REDACTED

# Comparable Transactions

(\$ in millions)

<b>Buyer/Target</b>	<b>Announced</b>	<b>Purchase Price</b>	<b>Acquisition Year Estimated EBITDA</b>	<b>EBITDA Multiple</b>
Verizon Wireless/Alltel	June 2008	\$28,100	\$3,400	8.3x
T-Mobile/SunCom	September 2007	\$2,400	\$184	13.0x
Verizon Wireless/Rural Cellular	July 2007	\$2,660	\$260	10.2x
AT&T/Dobson	June 2007	\$5,108	\$496	10.3x
Private Equity/Alltel	May 2007	\$28,600	\$2,877	9.9x
AT&T/Centennial	November 2008		<b>REDACTED</b>	

\* Excluding Puerto Rico broadband; if included, multiple is **REDACTED**

# Due Diligence

REDACTED

# Stand Alone Projections – Centennial

(\$ in millions, except ARPU) **2008** **2009** **2010** **2011 ...** **2018**

Wireless Subscribers

Wireless Retail ARPU

Wireless Monthly Churn

Total Revenue

EBITDA

*Service Margin*

Capex

**REDACTED**

## Stand Alone – Centennial Valuation

(in millions, except share value)

U.S. Wireless

Puerto Rico Wireless

Puerto Rico Broadband

REDACTED

Enterprise Value

Less: Net Debt

Equity Value

Diluted Shares

Implied Share Value
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Current Share Price (11/05/2008)
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\$3.40

Premium / (Discount)
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# Synergies Analysis – Summary

(\$ in millions)	<u>U.S. Wireless</u>	<u>Puerto Rico Wireless</u>	<u>Puerto Rico Broadband</u>	
Customer Experience				
ARPU				
Network				
G&A				
Capex		REDACTED		
Billing & Care				
Sales & Marketing				
Advertising				
Roaming				
Other Expenses				
Net Value				

## Pro Forma – Valuation

(\$ in millions)

Stand Alone Enterprise Value

Plus: Synergy Value

REDACTED

Transaction Value

Less: Purchase Price

Other, Net

Potential Value Creation

## Pro Forma – Earnings\*

(\$ in millions, except EPS)	<u>2009</u>	<u>2010</u>	<u>2011</u>
Acquired Net Income			
Financing Cost		REDACTED	
Intangibles Amortization			
Incremental Net Income Impact			
<b>Incremental EPS Impact</b>			
<b>Adjusted EPS Impact</b>			

\* Excludes one-time, non-cash charges for merger-related expenses under new accounting rules (FAS141R)

## Pro Forma – Free Cash Flow

(\$ in millions, except per share amounts)	<u>2009</u>	<u>2010</u>	<u>2011</u>
Acquired Free Cash Flow			
Financing Cost			REDACTED
Incremental Free Cash Flow			
<b>Incremental Free Cash Flow per Share</b>			



# Merger Agreement – Key Terms

REDACTED

# Termination Rights

REDACTED

# **Regulatory Process and Approvals**

**PRIVILEGED MATERIAL REDACTED**  
**SEE STATEMENT OF NON-COMPLIANCE**

# Management Recommendation

REDACTED

REDACTED - FOR PUBLIC INSPECTION

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REDACTED



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## **Verizon/Alltel Divestiture Process**

- Department of Justice and the FCC have cleared Verizon Wireless' acquisition of Alltel with conditions
- Verizon Wireless distributed information memorandum for assets to be divested in mid-October

**REDACTED**

REDACTED - FOR PUBLIC INSPECTION

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