Sprint Nextel
Investor Quarterly Update - 1Q08

May 12, 2008

Kurt Fawkes

Vice President of Investor Relations

Cautionary Statement

s presentation includes "forward-looking statements" within the meaning of the securities laws. The statements in this presentation regarding the busin ook, expected performance, forward looking guidance, as well as other statements that are not historical facts, are forward-looking statements. The ds "estimate," "project," "forecast," "intend," "expect," "believe," "target," "providing guidance" and similar expressions are intended to identify forward- king statements. Forward-looking statements are estimates and projections reflecting management's judgment based on currently available informatio involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements h respect to these forward-looking statements, management has made assumptions regarding, among other things, customer and network usage, tomer growth and retention, pricing, operating costs, the timing of various events and the economic environment. Future performance cannot be assu ual results may differ materially from those in the forward-looking statements. Some factors that could cause actual results to differ include:

- *effects of vigorous competition, including the impact of competition on the price we are able to charge customers for services and equipment we prov our ability to attract new customers and retain existing customers; the overall demand for our service offerings, including the impact of decisions of ne scribers between our post-paid and prepaid services offerings and between our two network platforms; and the impact of new, emerging and competi nologies on our business;*
- *impact of overall wireless market penetration on our ability to attract and retain customers with good credit standing and the intensified competition ong wireless carriers for those customers;*
- *impact of difficulties we may continue to encounter in connection with the integration of the pre-merger Sprint and Nextel businesses, and the integra e businesses and assets of Nextel Partners, Inc. and the PCS Affiliates that provide wireless PCS under the Sprint® brand name, that we have acqui uding the risk that these difficulties could prevent or delay our realization of the cost savings and other benefits we expect to achieve as a result of thes gration efforts and the risk that we will be unable to continue to retain key employees;*
- *uncertainties related to the implementation of our business strategies, investments in our networks, our systems, and other businesses, including cur estments and additional investments that may be required in connection with the planned deployment of a next generation broadband wireless network*
- *costs and business risks associated with providing new services and entering new geographic markets, including in connection with the planned loyment of a next generation broadband wireless network;*
- *certainty regarding satisfaction of the conditions to completion of the transaction with Clearwire Corporation, including receipt of the necessary approva satisfaction of the other conditions to closing;*
- *impact of recent downgrades and potential further downgrades in the ratings afforded our debt securities by ratings agencies;*
- *impact of difficulties we may encounter in implementing actions designed to maintain compliance with our financial covenants, including the success ons involving third parties;*
- *effects of mergers and consolidations and new entrants in the communications industry and unexpected announcements or developments from other communications industry;*
- *expected results of litigation filed against us;*
- *inability of third parties not meeting our business requirements, including a significant adverse change in the ability or willingness to provide handset ices or infrastructure equipment for our CDMA network, or Motorola, Inc.'s ability or willingness to provide related handset devices, infrastructure ipment and software applications, or to develop new technologies or features for our iDEN®, network;*
- *impact of adverse network performance;*
- *costs and/or potential customer impacts of compliance with regulatory mandates, particularly requirements related to the reconfiguration of the 800 M d used to operate our iDEN network, as contemplated by the Federal Communications Commission's Report and Order released in August 2004 as plemented by subsequent memorandums;*
- *uipment failure, natural disasters, terrorist acts, or other breaches of network or information technology security;*
- *e or more of the markets in which we compete being impacted by changes in political, economic or other factors such as monetary policy, legal and ulatory changes or other external factors over which we have no control;*
- *d other risks referenced from time to time in our filings with the Securities and Exchange Commission, including our Form 10-K for the year ended cember 31, 2007, in Part I, Item 1A, "Risk Factors."*

Non-GAAP Financial Measures

rint Nextel provides financial measures generated using generally accepted accounting principles (GAAP) and using adjustments to GAAP (non-GAAP e non-GAAP financial measures reflect industry conventions, or standard measures of liquidity, profitability or performance commonly used by the estment community for comparability purposes. These non-GAAP measures are not measurements under accounting principles generally accepted in United States. These measurements should be considered in addition to, but not as a substitute for, the information contained in our financial tements prepared in accordance with GAAP. We have defined below each of the non-GAAP measures we use, but these measures may not be onymous to similar measurement terms used by other companies. Sprint Nextel provides reconciliations of these non-GAAP measures in its financial orting. Because Sprint Nextel does not predict special items that might occur in the future, and our forecasts are developed at a level of detail different n that used to prepare GAAP-based financial measures, Sprint Nextel does not provide reconciliations to GAAP of its forward-looking financial asures.

e measures used in this release include the following:

- ***Adjusted Earnings (Loss) per Share (EPS)** is defined as net income (loss) before special items, net of tax and the diluted EPS calculated thereon. Adjusted EPS before Amortization is defined as net income (loss) before special items and amortization, net of tax, and the diluted EPS calculated thereon. These non-GAAP measures should be used in addition to, but not as a substitute for, the analysis provided in the statement of operations. W believe that these measures are useful because they allow investors to evaluate our performance for different periods on a more comparable basis b excluding items that relate to acquired amortizable intangible assets and not to the ongoing operations of our businesses.*
- ***Adjusted Operating Income (Loss)** is defined as operating income (loss) before special items. This non-GAAP measure should be used in addition to, but not as a substitute for, the analysis provided in the statement of operations. We believe this measure is useful because it allows investors to evaluate our operating results for different periods on a more comparable basis by excluding special items.for different periods on a more comparabl basis by excluding items that do not relate to the ongoing operations of our businesses.*
- ***Adjusted OIBDA** is defined as operating income before depreciation, amortization, severance, exit costs and asset impairments, and special items. **Adjusted OIBDA less Cap Ex** represents Adjusted OIBDA less our capital expenditures. **Adjusted OIBDA Margin** represents Adjusted OIBDA divided by non-equipment net operating revenues adjusted for certain non-recurring revenue adjustments for Wireless and Adjusted OIBDA divided b net operating revenues for Wireline. These non-GAAP measures should be used in addition to, but not as a substitute for, the analysis provided in th statement of operations. We believe that Adjusted OIBDA and Adjusted OIBDA Margin provide useful information to investors because they are an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, spectrum acquisitions and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Adjusted OIBDA and Adjusted OIBDA Margin are calculations commonly used as a basis for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the telecommunications industry.*
- ***Free Cash Flow** is defined as the change in cash and cash equivalents less the change in debt, investment in certain securities, proceeds from common stock and other financing activities, net. This non-GAAP measure should be used in addition to, but not as a substitute for, the analysis provided in the statement of cash flows. We believe that Free Cash Flow provides useful information to investors, analysts and our management abo the cash generated by our core operations after interest and dividends and our ability to fund scheduled debt maturities and other financing activities, including discretionary refinancing and retirement of debt and purchase or sale of investments.*

Normalizing EPS

	1Q08		1Q07	
	Net Income (millions)	**EPS**	**Net Income** (millions)	**EPS**
Reported	($505)	($0.18)	($211)	($0.07)
Special Items	$196	$0.07	$192	$0.07
Amortization	$421	$0.15	$551	$0.18
Adjusted	$112	$0.04	$532	$0.18

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Dan Hesse

President and CEO

1Q08 Highlights

Results largely as expected

- *Churn and ARPU pressure wireless profitability*
- *Solid wireline performance*

Top priorities unchanged

- *Customer experience*
- *Brand identity*
- *Profitability*

Acting quickly and decisively to improve performance

Improving the Customer Experience

Enhanced life-cycle management

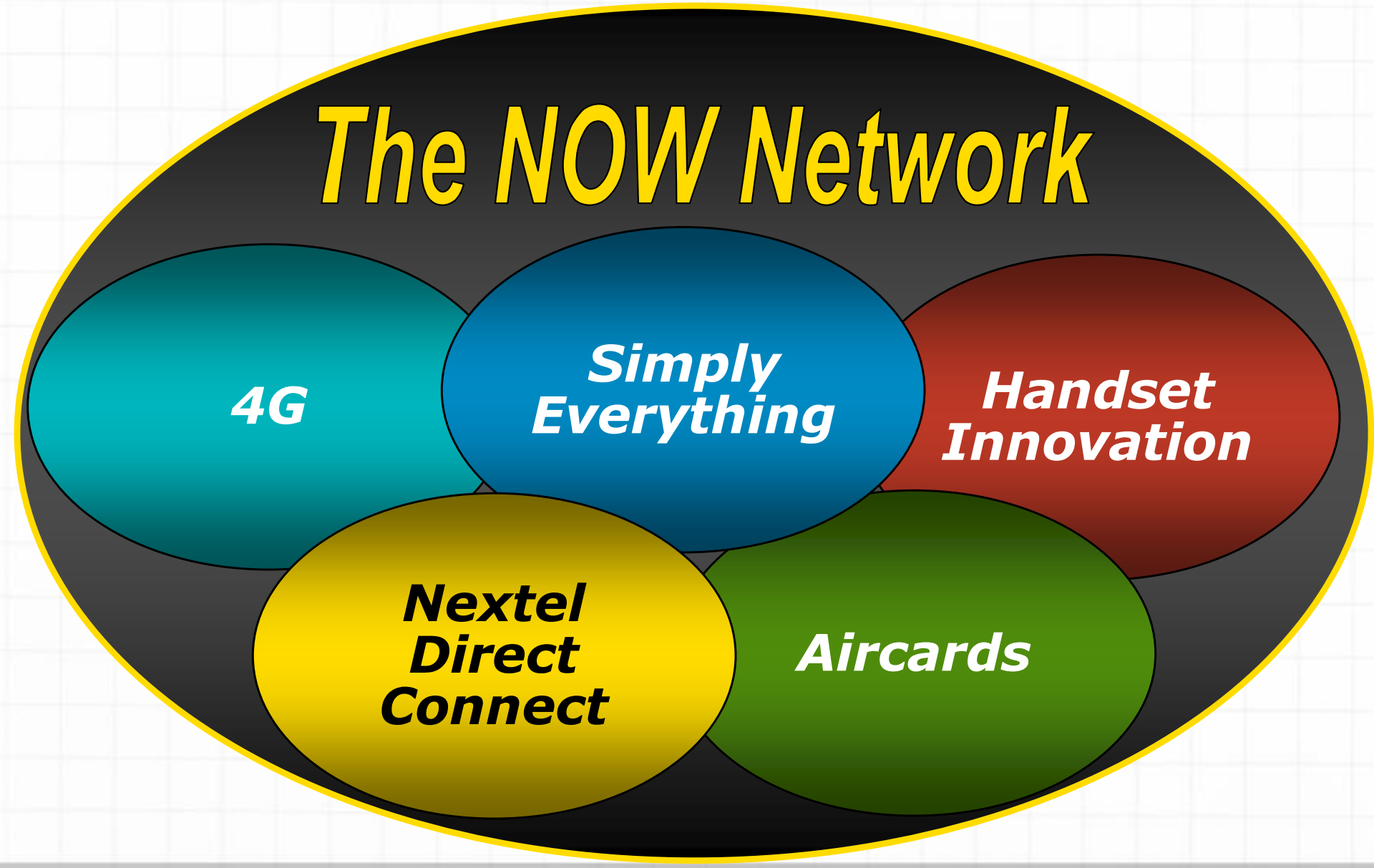
Network performance remains strong

Care metrics improving

Billing conversion materially complete

Increasing service focus in retail

Clarifying Our Brand Position



Leading Next Generation Wireless

Maximizes the value of our position in the 2.5 GHz spectrum band

Continues the momentum of WiMax and maintains our time to market advantage

Drives natural synergies between our 4G deployment and our existing 3G infrastructure

Combines world class partners that are best in class at developing device and applications and providing distribution to customers

Preserves financial flexibility for Sprint by obtaining attractive financing from investors

Allows Sprint management to focus on core operations

Focus on Profitability

- ***Enhanced customer segmentation***
- ***Prioritizing customer value vs. volume***
- ***Rebalancing resources toward retention***
- ***On track to achieve or exceed cost commitments***
  - *Streamlining distribution*
  - *Labor reductions*

Other Topics of Interest

Operating structure drives accountability

Senior leadership in place

Seeking balanced solution for re-banding

Outlook for 2Q08

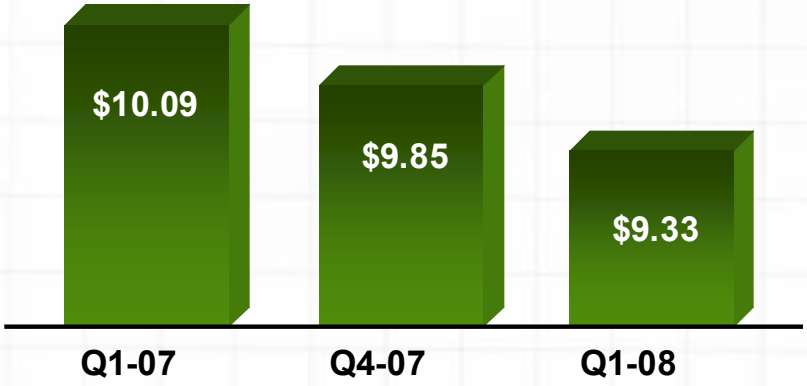
- *Marginal improvement in postpaid subscriber losses*
- *Continued ARPU erosion*
- *Downward pressure on Adjusted OIBDA*

Bill Arendt

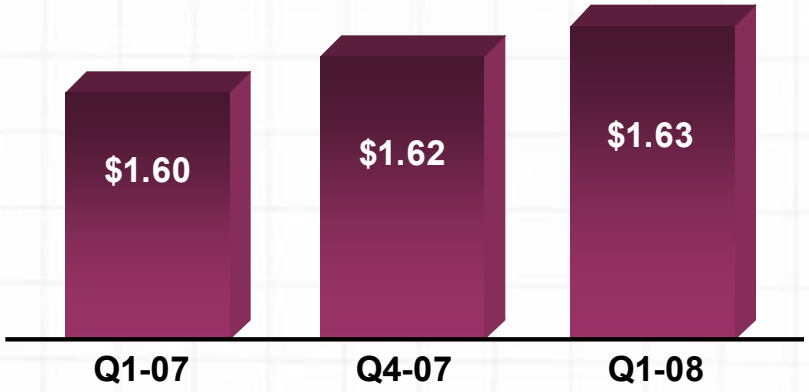
SVP & Corporate Controller

Revenue Performance *(billions)*

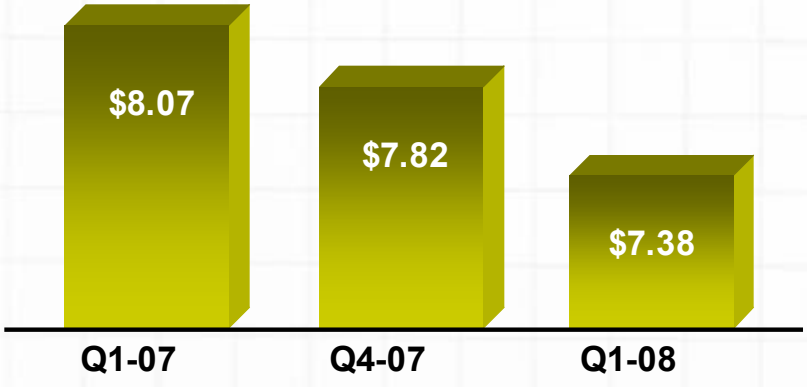
Total Revenues



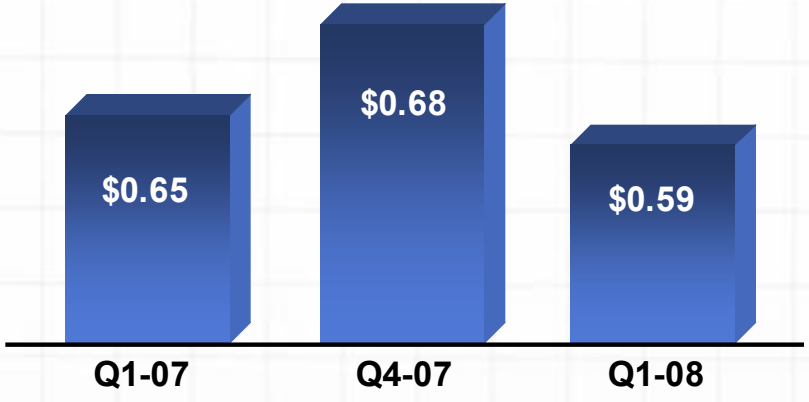
Wireline



Wireless Service

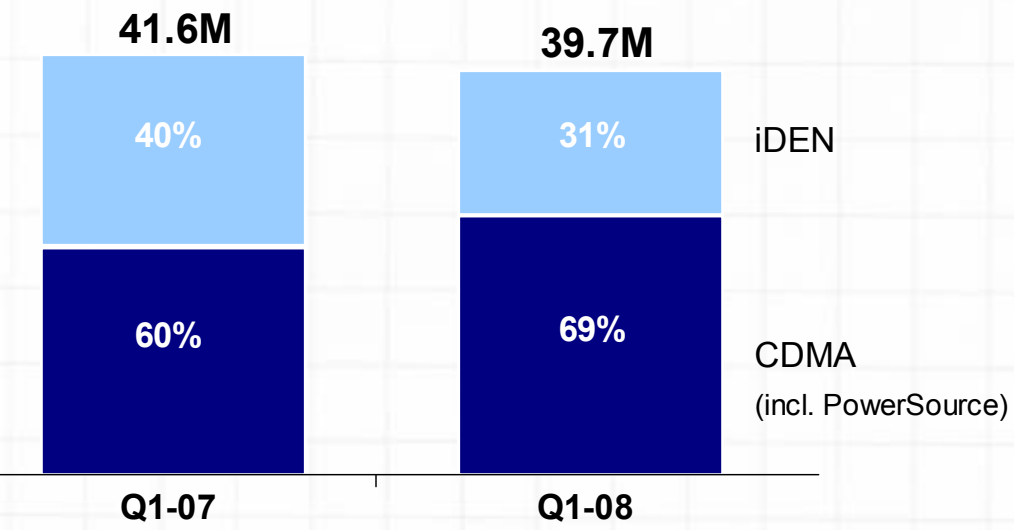


Wireless Equipment



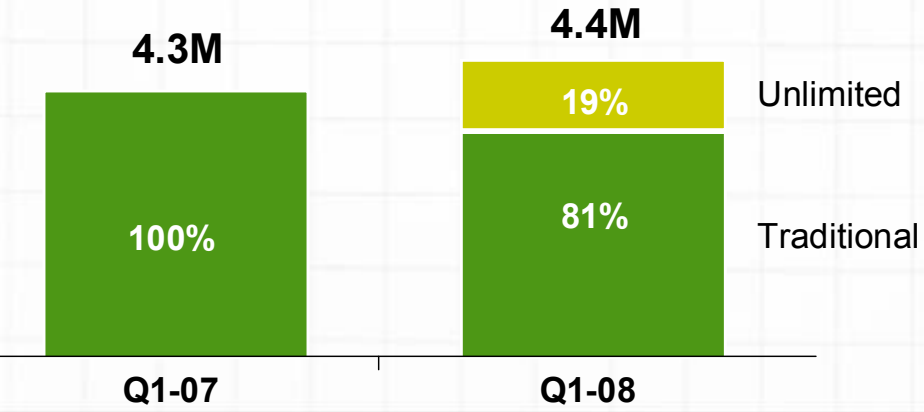
Wireless Subscribers

Postpaid Subscribers



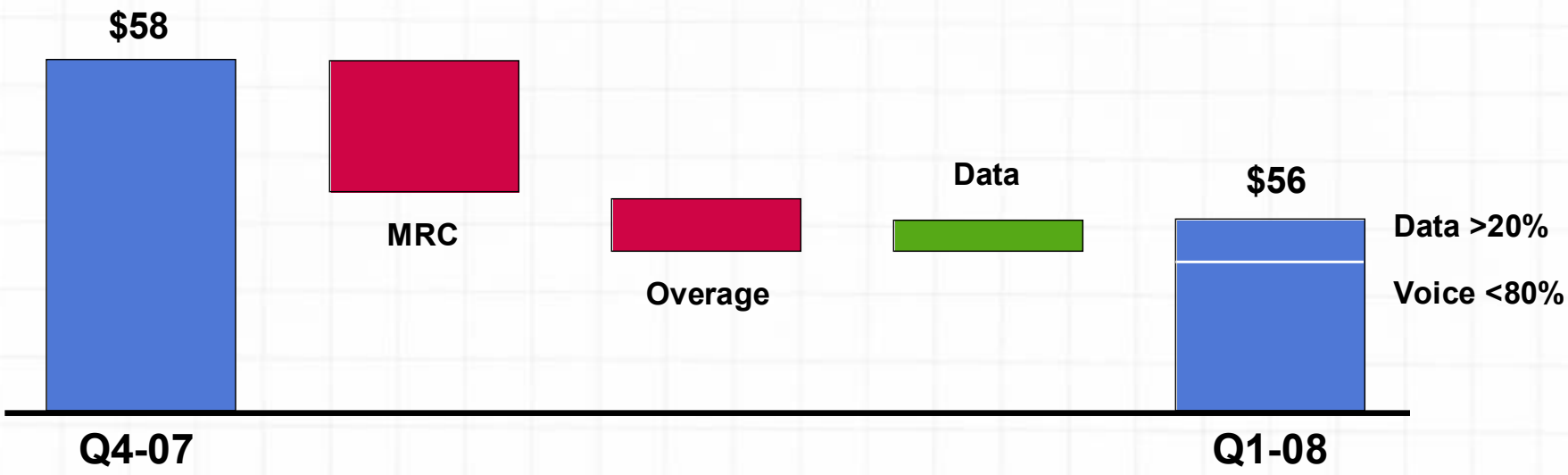
- Gross adds declines
  - Q1 seasonality
  - Competitive market conditions
  - Tighter credit requirements
- Higher voluntary churn

Prepaid Subscribers



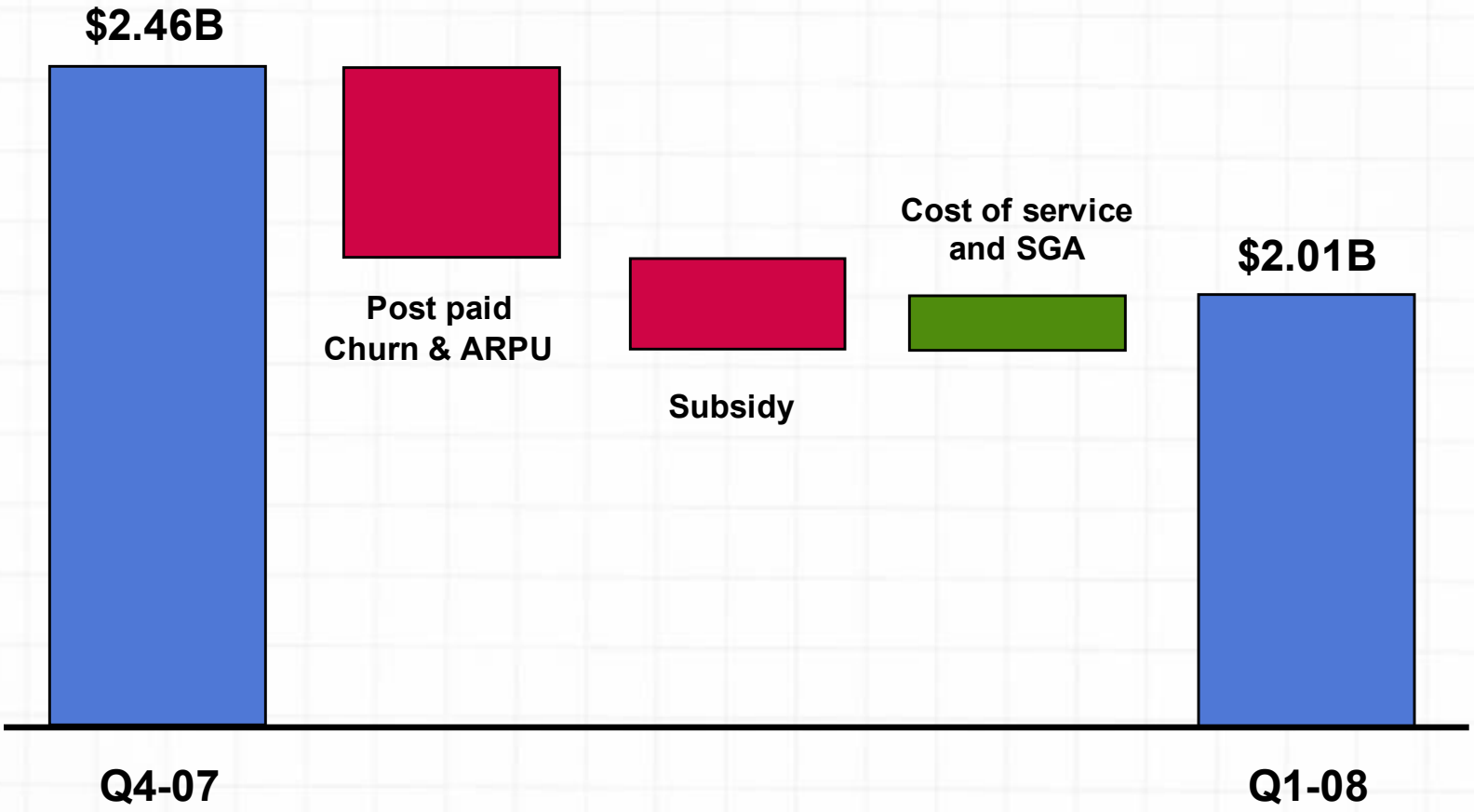
- Selectively marketing Unlimited
- Traditional prepaid challenged

Postpaid ARPU Pressure



- MRC
  - Unfavorable mix of deactivations vs. acquisitions
  - Migrations w/in the base
- Moderating fees
- Seasonally lower overage
- Wireless data growth
  - Aircards, text messaging, & PowerVision bundles

Sequential Changes to Adjusted OIBDA



Easing Capital Spend in 2008

- Q1-08 core capital spend of $1.12B
- Moderating EVDO rev A expansion
- Continued focus on quality network
- Supporting MPLS and Cable VOIP growth

ote: Capital spend figures do not include the non-network portion of re-banding expenditures or capital for the WiMAX network.

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Maintaining Financial Flexibility

- $4.8B of cash & marketable securities
- $170M of free cash flow in Q1-2008
- Current liquidity of approximately $1.2B
- Expect continued positive free cash flow
  - Optimizing capital spend
  - Managing working capital requirements

Q&A

- *Dan Hesse, President and CEO*
- *Bill Arendt, SVP and Corporate Controller*
- *Paget Alves, President of Sales & Distribution*
- *John Garcia, Acting Chief Marketing Officer*
- *Bob Johnson, Chief Service Officer*
- *Kathy Walker, Chief Network Officer*
- *Kurt Fawkes, Vice President of Investor Relations*

Non-GAAP Reconciliations

(Millions, except Margin Data)

	Quarter Ended		Quarter Ended	
	December 31, 2007	December 31, 2006	March 31, 2008	March 31, 2007
perating (Loss) Income	$ (29,416)	$ 569	$ (498)	$ 1
Special items before taxes				
Merger and integration expense [3]	119	117	86	99
Severance, exit costs and asset impairments [2]	56	79	231	174
Goodwill impairment [4]	29,520	-	-	-
Contingencies and other [5]	(44)	5	-	41
djusted Operating (Loss) Income*	235	770	(181)	315
Depreciation and amortization	2,220	2,404	2,190	2,268
djusted OIBDA*	2,455	3,174	2,009	2,583
Capital expenditures [6]	2,009	2,612	1,360	1,607
djusted OIBDA* less Capex	$ 446	$ 562	$ 649	$ 976
perating (Loss) Income Margin [7]	-320.5%	5.9%	-5.7%	0.0%
djusted OIBDA Margin*	26.8%	33.0%	23.0%	27.4%

ee accompanying Notes to Financial Data (Unaudited).

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Non-GAAP Reconciliations

RECONCILIATIONS OF EARNINGS PER SHARE (Unaudited)

(Millions, except per Share Data)

	Quarter Ended		Quarter Ended	
	December 31, 2007	December 31, 2006	March 31, 2008	March 31, 2007
(Loss) Income	$ (29,243)	$ 261	$ (505)	$ (21
cial items (net of taxes)				
erger and integration expense [3]	72	71	53	6
verance, exit costs and asset impairments [2]	35	52	143	10
odwill impairment [4]	29,362	-	-	
ntingencies and other [5]	(27)	6	-	2
t gains on investment activities and equity in earnings	(37)	(92)	-	
x audit settlement	-	(16)	-	
in on early retirement of debt	-	-	-	(
usted Net Income (Loss)*	$ 162	$ 282	$ (309)	$ (1
ortization (net of taxes)	430	560	421	55
usted Net Income before Amortization*	$ 592	$ 842	$ 112	$ 53
uted (Loss) Earnings Per Common Share	$ (10.28)	$ 0.09	$ (0.18)	$ (0.0
cial items (net of taxes)	10.34	-	0.07	0.0
usted Earnings (Loss) Per Share*	$ 0.06	$ 0.09	$ (0.11)	$ -
ortization (net of taxes)	0.15	0.20	0.15	0.1
usted Earnings Per Share before Amortization*	$ 0.21	$ 0.29	$ 0.04	$ 0.1

accompanying Notes to Financial Data (Unaudited).

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Non-GAAP Reconciliations - Wireless

(Millions, except Margin Data)

	Quarter Ended		Quarter Ended	
	December 31, 2007	December 31, 2006	March 31, 2008	March 31, 2007
erating (Loss) Income	$ (29,465)	$ 488	$ (508)	$ 35
pecial items before taxes				
Merger and integration expense [3]	87	86	66	59
Severance, exit costs and asset impairments [2]	41	73	189	141
Goodwill impairment [4]	29,520	-	-	-
Contingencies and other [5]	(15)	5	-	18
justed Operating Income (Loss)*	168	652	(253)	253
epreciation and amortization	2,077	2,257	2,054	2,142
justed OIBDA*	2,245	2,909	1,801	2,395
apital expenditures [6]	1,404	2,238	875	1,403
justed OIBDA* less Capex	$ 841	$ 671	$ 926	$ 992
erating (Loss) Income Margin [7]	-376.5%	5.9%	-6.9%	0.4%
justed OIBDA Margin*	28.7%	35.5%	24.4%	29.7%

e accompanying Notes to Financial Data (Unaudited).

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Non-GAAP Reconciliations - Wireline

(Millions, except Margin Data)

	Quarter Ended		Quarter Ended	
	December 31, 2007	December 31, 2006	March 31, 2008	March 31, 2007
erating Income	$ 194	$ 111	$ 115	$ 23
pecial items before taxes				
Severance, exit costs and asset impairments [2]	13	5	41	32
Contingencies and other [5]	(29)	-	-	23
justed Operating Income*	178	116	156	78
epreciation and amortization	142	147	131	127
justed OIBDA*	320	263	287	205
apital expenditures [6]	205	274	191	144
justed OIBDA* less Capex	$ 115	$ (11)	$ 96	$ 61
erating Income Margin	12.0%	6.8%	7.1%	1.4%
justed OIBDA Margin*	19.8%	16.1%	17.6%	12.8%

e accompanying Notes to Financial Data (Unaudited).

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Non-GAAP Reconciliation – Free Cash Flow

(Millions)

	Quarter Ended		
	December 31, 2007	March 31, 2008	March 31, 2007
djusted OIBDA*	$ 2,455	$ 2,009	$ 2,583
Adjust for special items	(29,651)	(317)	(314)
Other operating activities, net [8]	29,293	415	195
ash from Operating Activities (GAAP)	2,097	2,107	2,464
Capital expenditures	(1,671)	(1,670)	(1,813)
Expenditures relating to FCC Licenses	(373)	(274)	(107)
Proceeds from sales of investments and assets, net of purchases	206	8	27
Dividends paid	(71)	-	(72)
Other investing activities, net	23	(1)	(2)
ree Cash Flow*	211	170	497
Purchase of common shares	-	-	(300)
(Decrease) increase in debt, net	(27)	2,168	27
Proceeds from issuance of common shares, net	7	9	69
(Increase) decrease in marketable securities, net	(188)	85	7
hange in Cash and Cash Equivalents (GAAP)	$ 3	$ 2,432	$ 300

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