Sprint Nextel
Quarterly Investor Update
Q2, 2008

August 6, 2008

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Cautionary Statement

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

- *the effects of vigorous competition, including the impact of competition on the price we are able to charge customers for services and equipment we provide and our ability to attract new customers and retain existing customers; the overall demand for our service offerings, including the impact of decisions of new subscribers between our post-paid and prepaid services offerings and between our two network platforms; and the impact of new, emerging and competing technologies on our business;*
- *the impact of overall wireless market penetration on our ability to attract and retain customers with good credit standing and the intensified competition among wireless carriers for those customers;*
- *the uncertainties related to the implementation of our business strategies, investments in our networks, our systems, and other businesses, including current investments and additional investments that may be required in connection with the planned deployment of a next generation broadband wireless network;*
- *the costs and business risks associated with providing new services and entering new geographic markets, including in connection with the planned deployment of a next generation broadband wireless network;*
- *uncertainty regarding satisfaction of the conditions to completion of the transaction with Clearwire Corporation, including receipt of the necessary approvals and satisfaction of the other conditions to closing;*
- *the impact of recent downgrades and potential further downgrades in the ratings afforded our debt securities by ratings agencies;*

the impact of difficulties we may encounter in implementing actions designed to maintain compliance with our financial covenants, including the success of actions involving third parties;

- *the effects of mergers and consolidations and new entrants in the communications industry and unexpected announcements or developments from others in the communications industry;*
- *unexpected results of litigation filed against us or our suppliers or vendors;*
- *the inability of third parties not meeting our business requirements, including a significant adverse change in the ability or willingness of such parties to provide handset devices or infrastructure equipment for our CDMA network, or Motorola, Inc.'s ability or willingness to provide related handset devices, infrastructure equipment and software applications, or to develop new technologies or features for our iDEN®, network;*
- *the impact of adverse network performance;*
- *the costs and/or potential customer impacts of compliance with regulatory mandates, particularly requirements related to the reconfiguration of the 800 MHz band used to operate our iDEN network, as contemplated by the Federal Communications Commission's Report and Order released in August 2004 as supplemented by subsequent memorandums;*
- *equipment failure, natural disasters, terrorist acts, or other breaches of network or information technology security;*
- *one 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 regulatory changes or other external factors over which we have no control;*
- *the impact of difficulties we may continue to encounter in connection with the integration of the pre-merger Sprint and Nextel Communications, Inc. businesses, and the integration of the businesses and assets of Nextel Partners, Inc. and the PCS Affiliates that provide wireless PCS under the Sprint® brand name, that we have acquired, including 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 these integration efforts and the risk that we will be unable to continue to retain key employees;*
- *and 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 December 31, 2007, in Part I, Item 1A, "Risk Factors."*

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Non-GAAP Financial Measures

Sprint Nextel provides financial measures generated using generally accepted accounting principles (GAAP) and using adjustments to GAAP (non-GAAP). The non-GAAP financial measures reflect industry conventions, or standard measures of liquidity, profitability or performance commonly used by the investment community for comparability purposes. These non-GAAP measures are not measurements under accounting principles generally accepted in the United States. These measurements should be considered in addition to, but not as a substitute for, the information contained in our financial statements prepared in accordance with GAAP. We have defined below each of the non-GAAP measures we use, but these measures may not be synonymous to similar measurement terms used by other companies. Sprint Nextel provides reconciliations of these non-GAAP measures in its financial reporting. 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 than that used to prepare GAAP-based financial measures, Sprint Nextel does not provide reconciliations to GAAP of its forward-looking financial measures.

The 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. We believe that these measures are useful because they allow investors to evaluate our performance for different periods on a more comparable basis by 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 comparable 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 by 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 the 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 about 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.*

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Normalizing EPS

	2Q08		2Q07	
	Net (Loss) Income (millions)	EPS	Net (Loss) Income (millions)	EPS
Reported	($344)	($0.12)	$19	$0.01
Special Items	$91	$0.03	$153	$0.05
Amortization	$416	$0.15	$547	$0.19
Adjusted	$163	$0.06	$719	$0.25

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Dan Hesse
Chief Executive Officer

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Progress in Q2 on Top Priorities:

1.Improve the Customer Experience

2.Re-build the Sprint Brand

3.Increase Profitability

Wireless Metrics Improve

- Postpaid churn under 2%
- Stable post paid ARPU of $56
- Adjusted OIBDA margin improves sequentially to 25.7%

Wireline Continues to Deliver

- Adjusted OIBDA margin improves sequentially to 18.6%

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Improving the Customer Experience

- ***Point of Sale focus on satisfying customers and minimizing set up errors***
- ***Wireless networks at best ever performance levels***
- ***Nextel Direct Connect on CDMA EVDO rev A with sub-second latency***
- ***Premier wireline IP network***

Improving the Customer Experience

- ***Completed conversion to our new billing platform***
- ***Enhanced self service capabilities***
- ***Improved interactions with call center reps***

Collective actions across the enterprise reduced calls to care by 15% and contributed to a >45 basis point improvement in post paid churn

Revenue Pressure Continues in Q2

- ***Revenue decreased sequentially from $9.3B to $9.1B***
- ***Post paid subscribers of 38.9M***
- ***Maintained flat ARPU of $56***
- ***Retained higher value subscribers with Simply Everything plans***

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Re-building the Sprint Brand

Position	+	Value	+	Products
Now Network – clear, differentiated position Dependable network PTT leadership 4G leadership Complete solutions for Enterprise customers		**Simply Everything** – superior value for sophisticated voice & data customers Aligned with Sprint's data strengths Postpaid churn and ARPU benefit		**Samsung Instinct** - innovative user interface, GPS & Search capabilities Nextel Direct Connect on CDMA Rev A Sprint Web Handsets for high value customers

Improving MWI, But Brand Perception Will Lag Reality

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Increasing Profitability

- ***Improved the customer experience***
- ***Acquisition focus on high quality gross adds***
- ***Streamlined distribution channels***
- ***Higher-margin IP services***
- ***Simplified the business***

Continued improvement in top 3 priority areas needed to deliver sustained revenue and earnings growth

Bob Brust
Chief Financial Officer

Financial Focus

Cash Position

- Strengthen the balance sheet
- Enhance financial flexibility
- Increase cash production from core operations

Cost Management

- Cash + Cost + Capital Review Committee (CRC)
- Streamlining operations

Deliver Commitments

- Internal accountability for execution
- External accountability to shareholders, customers, stakeholders

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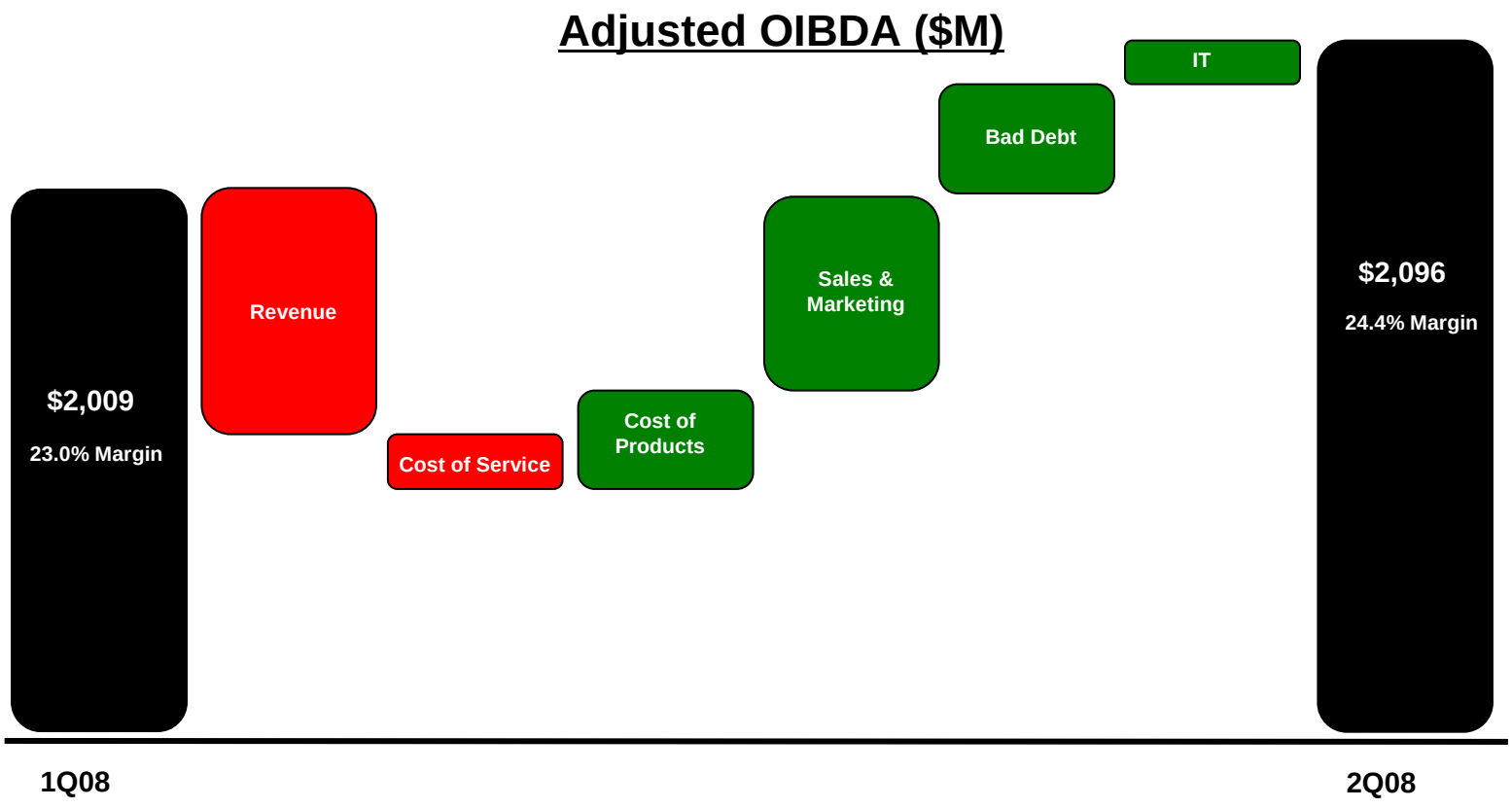
Sequential Improvement in Profitability



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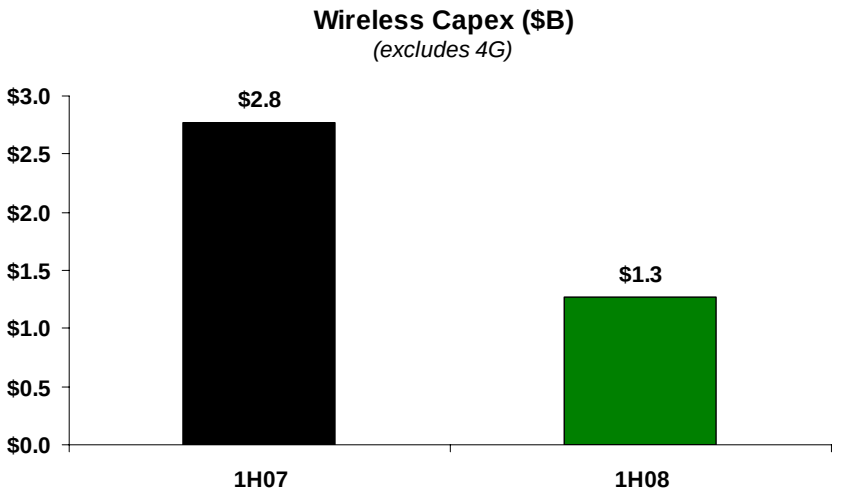
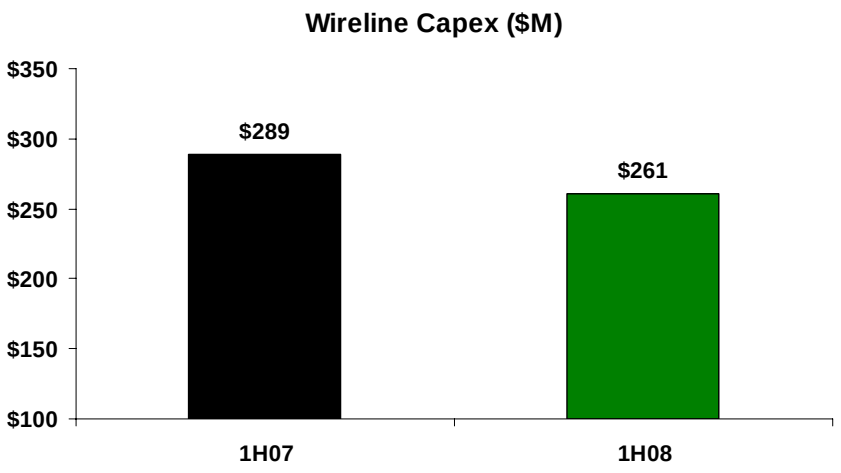
Capital Spending





Wireless

- Initiative driven spending largely completed in 2007
- 2008 investments target capacity and coverage in current footprint
- Capital plan enables current service quality to be sustained

Wireline

- Spending focused on IP expansion
  - MPLS
  - Cable VOIP

2H08 expected to be comparable to 1H08 levels

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Confidence in Liquidity

- **$3.5B in cash & equivalents exiting 2Q08**
- **Retired $1.25B November 2008 maturities**
- **Tower transaction expected to close by 4Q**
- **Free Cash Flow increasing in 2H08**
- **Expect to remain in compliance with debt covenants for the foreseeable future**
- **Plan to retire at least $1B in debt during 3Q08**

Q&A

Non-GAAP Reconciliations

(*Millions, except Margin Data*)

	Quarter Ended		Quarter Ended		Year To Date	
	March 31, 2008	March 31, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Operating (Loss) Income	$ (498)	$ 1	$ (210)	$ 316	$ (708)	$ 317
Special items before taxes						
Merger and integration expense [3]	86	99	44	163	130	262
Severance, exit costs and asset impairments [2]	231	174	105	85	336	259
Contingencies and other [4]	-	41	-	5	-	46
Adjusted Operating (Loss) Income*	(181)	315	(61)	569	(242)	884
Depreciation and amortization	2,190	2,268	2,157	2,313	4,347	4,581
Adjusted OIBDA*	2,009	2,583	2,096	2,882	4,105	5,465
Capital expenditures [5]	1,360	1,607	646	1,666	2,006	3,273
Adjusted OIBDA* less Capex	$ 649	$ 976	$ 1,450	$ 1,216	$ 2,099	$ 2,192
Operating (Loss) Income Margin [6]	-5.7%	0.0%	-2.4%	3.3%	-4.1%	1.7%
Adjusted OIBDA Margin*	23.0%	27.4%	24.4%	30.1%	23.7%	28.8%

See 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		Year To Date	
	March 31, 2008	March 31, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Net (Loss) Income	$ (505)	$ (211)	$ (344)	$ 19	$ (849)	$ (192)
Special items (net of taxes)						
Merger and integration expense [3]	53	60	27	100	80	160
Severance, exit costs and asset impairments [2]	143	109	64	52	207	161
Contingencies and other [4]	-	25	-	12	-	37
Net gains on investment activities and equity in earnings	-	-	-	(11)	-	(11)
Gain on early retirement of debt	-	(2)	-	-	-	(2)
Adjusted Net (Loss) Income*	$ (309)	$ (19)	$ (253)	$ 172	$ (562)	$ 153
Amortization (net of taxes)	421	551	416	547	837	1,099
Adjusted Net Income before Amortization*	$ 112	$ 532	$ 163	$ 719	$ 275	$ 1,252
Diluted (Loss) Earnings Per Common Share	$ (0.18)	$ (0.07)	$ (0.12)	$ 0.01	(0.30)	(0.07)
Special items (net of taxes)	0.07	0.07	0.03	0.05	0.10	0.12
Adjusted (Loss) Earnings Per Share*	$ (0.11)	$ -	$ (0.09)	$ 0.06	$ (0.20)	$ 0.05
Amortization (net of taxes)	0.15	0.18	0.15	0.19	0.30	0.38
Adjusted Earnings Per Share before Amortization*	$ 0.04	$ 0.18	$ 0.06	$ 0.25	$ 0.10	$ 0.43

See accompanying Notes to Financial Data (Unaudited)

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Non-GAAP Reconciliations - Wireless

(*Millions, except Margin Data)*

	Quarter Ended		Quarter Ended		Year To Date	
	March 31, 2008	March 31, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Operating (Loss) Income	$ (508)	$ 35	$ (262)	$ 282	$ (770)	$ 317
Special items before taxes						
Merger and integration expense [3]	66	59	35	122	101	181
Severance, exit costs and asset impairments [2]	189	141	85	85	274	226
Contingencies and other [4]	-	18	-	5	-	23
Adjusted Operating (Loss) Income*	(253)	253	(142)	494	(395)	747
Depreciation and amortization	2,054	2,142	2,010	2,177	4,064	4,319
Adjusted OIBDA*	1,801	2,395	1,868	2,671	3,669	5,066
Capital expenditures [5]	918	1,403	393	1,371	1,311	2,774
Adjusted OIBDA* less Capex	$ 883	$ 992	$ 1,475	$ 1,300	$ 2,358	$ 2,292
Operating (Loss) Income Margin [6]	-6.9%	0.4%	-3.6%	3.4%	-5.3%	2.0%
Adjusted OIBDA Margin*	24.4%	29.7%	25.7%	32.7%	25.1%	31.2%

See accompanying Notes to Financial Data (Unaudited)

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Non-GAAP Reconciliations - Wireline

(*Millions, except per share data*)

	Quarter Ended		Quarter Ended		Year To Date	
	March 31, 2008	March 31, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Operating Income	$ 115	$ 23	$ 143	$ 126	$ 258	$ 149
Special items before taxes						
Severance, exit costs and asset impairments [2]	41	32	17	-	58	32
Contingencies and other [4]	-	23	-	-	-	23
Adjusted Operating Income*	156	78	160	126	316	204
Depreciation	131	127	139	133	270	260
Adjusted OIBDA*	287	205	299	259	586	464
Capital expenditures [5]	148	144	113	145	261	289
Adjusted OIBDA* less Capex	$ 139	$ 61	$ 186	$ 114	$ 325	$ 175
Operating Income Margin	7.1%	1.4%	8.9%	7.7%	8.0%	4.6%
Adjusted OIBDA Margin*	17.6%	12.8%	18.6%	15.9%	18.1%	14.4%

See accompanying Notes to Financial Data (Unaudited)

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Non-GAAP Reconciliations – Free Cash Flow

(Millions)

	Quarter Ended		Quarter Ended		Year-to-Date	
	March 31, 2008	March 31, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Adjusted OIBDA*	$ 2,009	$ 2,583	$ 2,096	$ 2,882	$ 4,105	$ 5,465
Adjust for special items	(317)	(314)	(149)	(253)	(466)	(567)
Other operating activities, net [8]	415	195	(868)	(659)	(453)	(464)
Cash from Operating Activities (GAAP)	2,107	2,464	1,079	1,970	3,186	4,434
Capital expenditures	(1,670)	(1,813)	(899)	(1,577)	(2,569)	(3,390)
Expenditures relating to FCC licenses	(274)	(107)	(194)	(151)	(468)	(258)
Proceeds from sales of investments and assets, net of purchases	8	27	30	15	38	42
Dividends paid	-	(72)	-	(72)	-	(144)
Other investing activities, net	(1)	(2)	(5)	(2)	(6)	(4)
Free Cash Flow*	170	497	11	183	181	680
Purchase of common shares	-	(300)	-	(1,101)	-	(1,401)
Increase (decrease) in debt, net	2,168	27	(1,306)	748	862	775
Proceeds from issuance of common shares, net	9	69	17	243	26	312
Decrease in marketable securities, net	85	7	69	5	154	12
Change in Cash and Cash Equivalents (GAAP)	$ 2,432	$ 300	$ (1,209)	$ 78	$ 1,223	$ 378

See accompanying Notes to Financial Data (Unaudited)

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