Sprint Nextel

4Q08 Earnings Conference Call

February 19, 2009

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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 and regulatory 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:

- *our ability to attract and retain subscribers;*
- *the effects of vigorous competition on a highly penetrated market, including the impact of competition on the price we are able to charge subscribers for services and equipment we provide and our ability to attract new subscribers and retain existing subscribers; 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 effect of limiting capital and operating expenditures on our ability to improve and enhance our networks and service offerings, implement our business strategies and provide competitive new technologies;*
- *volatility in the trading price of our common stock, current economic conditions and our ability to access capital;*
- *the impact 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 costs and business risks associated with providing new services and entering new geographic markets;*
- *the financial performance of Clearwire Corporation and its deployment of a WiMAX network;*
- *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 impact of adverse network performance;*
- *the costs and/or potential customer impacts of compliance with regulatory mandates;*
- *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; and*
- *other risks referenced from time to time in our filings with the Securities and Exchange Commission, or SEC, including in our annual report on Form 10-K for the year ended December 31, 2007 in Part I, Item 1A, "Risk Factors" and, when filed, our Form 10-K for the year ended December 31, 2008.*

Sprint Nextel believes these forward-looking statements are reasonable; however, you should not place undue reliance on forward-looking statements, which are based on current expectations and speak only as of the date of this presentation. Sprint Nextel is not obligated to publicly release any revisions to forward-looking statements to reflect events after the date of this presentation.

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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 presentation 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 Net Income (Loss)** is defined as income (loss) from continuing operations before special items, net of tax. **Adjusted Net Income before Amortization** is defined as income (loss) from continuing operations before special items and amortization, net of tax. 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 do not relate 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.*

- ***Adjusted OIBDA** is defined as operating income before depreciation, amortization, severance, exit costs and asset impairments, gains or losses on asset dispositions and exchanges, and other special items. **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.*

- ***Net Debt** is consolidated debt, including current maturities, less cash and cash equivalents, current marketable securities and restricted cash. This non-GAAP measure should be used in addition to, but not as a substitute for, the analysis provided in the balance sheet and statement of cash flows. We believe that Net Debt provides useful information to investors, analysts and credit rating agencies about the capacity of the company to reduce the debt load and improve its capital structure.*

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Normalizing Net Income and EPS

	4Q08		4Q07	
	Net Income (millions)	EPS	Net Income (millions)	EPS
Reported	($1,621)	($0.57)	($29,316)	($10.31)
Special Items, net of tax	$1,307	$0.46	$29,534	$10.39
Amortization, net of tax	$295	$0.10	$430	$0.15
Adjusted	($19)	($0.01)	$648	$0.23

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Dan Hesse
Chief Executive Officer

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4Q08 Highlights

- Delivered on guidance
- Free Cash Flow in excess of $500 million
- Completed Clearwire transaction
- First Dual Mode 3G/4G Device

2009 Momentum

- "Everything" plans
- Boost Monthly Unlimited
- Exclusive Palm® Pre™
- Additional dual mode 4G devices and markets
- Kindle 2

Continued focus on Value, Simplicity and Productivity

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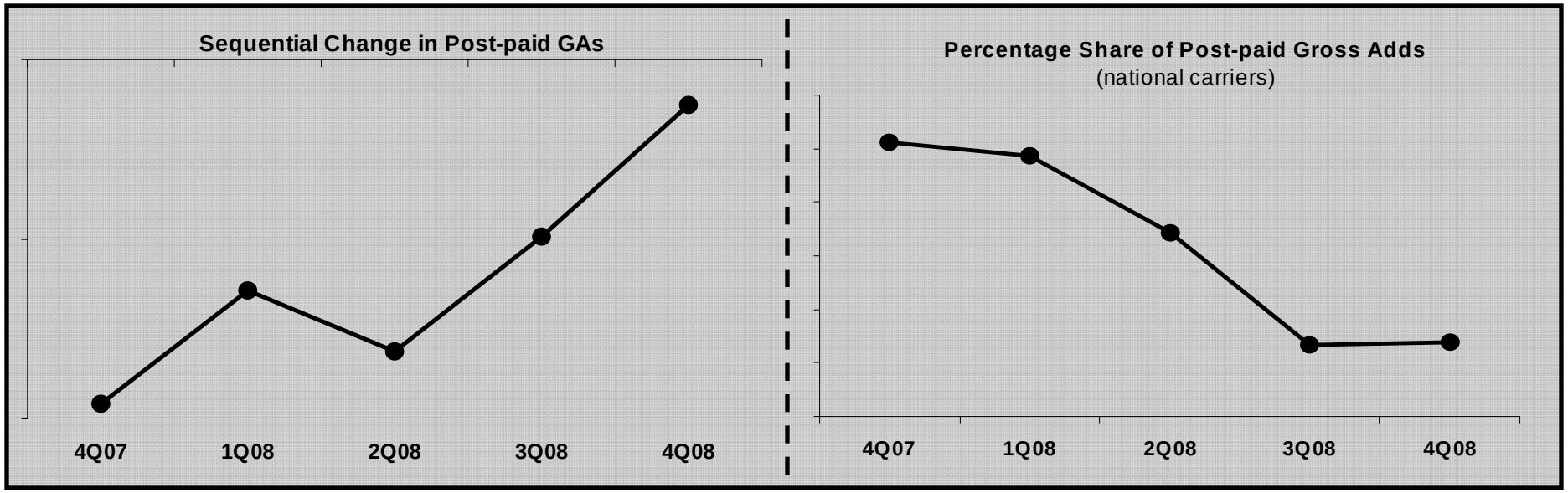
Improvements in Customer Experience

- New CSAT highs achieved across major touchpoints
- Improved performance on Sprint.com
- Network performance remains at best-ever levels for IDEN and CDMA
- Most dependable 3G network
- Wireline network continues to perform

Strengthening the Brand

- Value, simplicity and productivity
- CDMA handsets appeal to customers who want to do more than talk
- Exclusive Palm Pre
- iDEN BlackBerry® Curve™ with plans to launch several new Direct Connect handsets
- Boost Monthly Unlimited national offer – the right product at the right time

Improving Subscriber Performance



- Post-paid gross adds stabilized in 4Q08, best 4Q sequential trend since 2005
- Post-paid churn 13 bps better than 4Q07
- Only major carrier with sequential post-paid net add improvement in 4Q08

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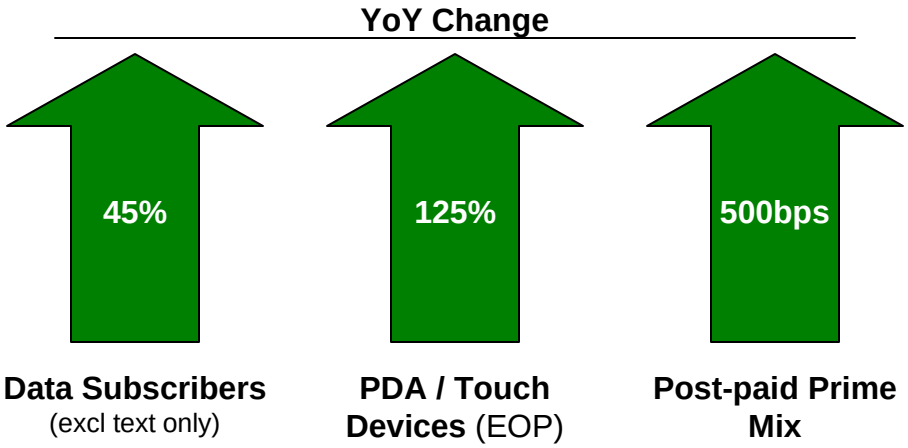
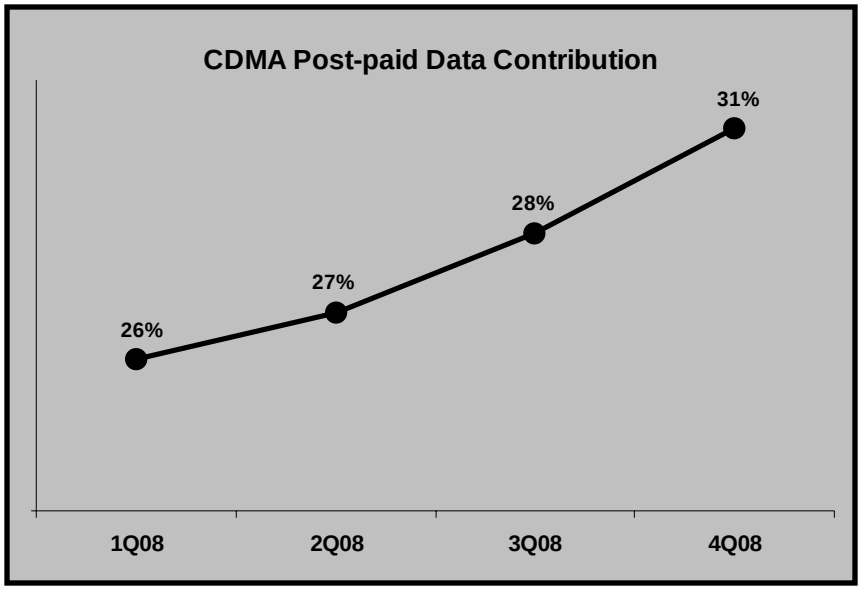
Growth in Data Continues

High value customers continue to choose Sprint





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Bob Brust
Chief Financial Officer

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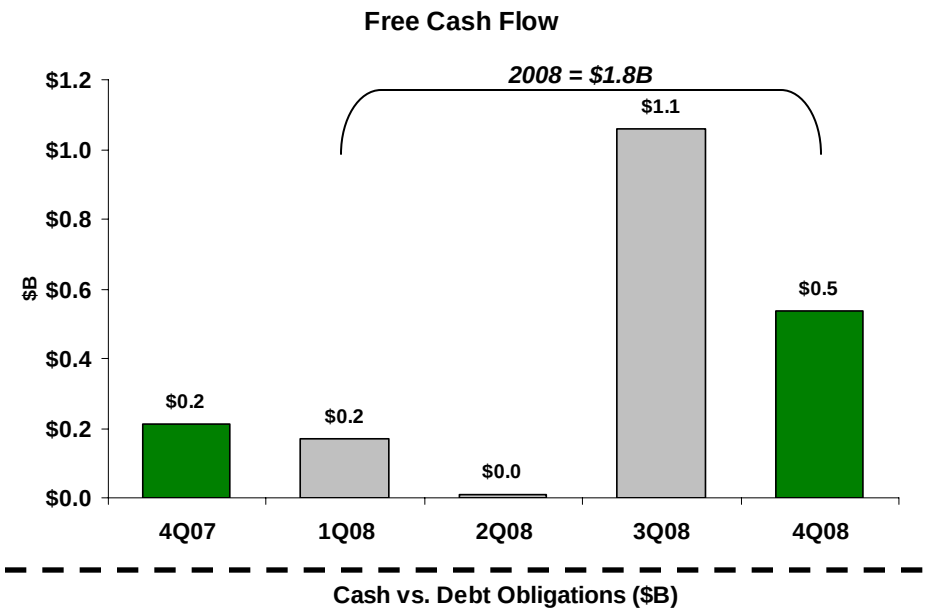
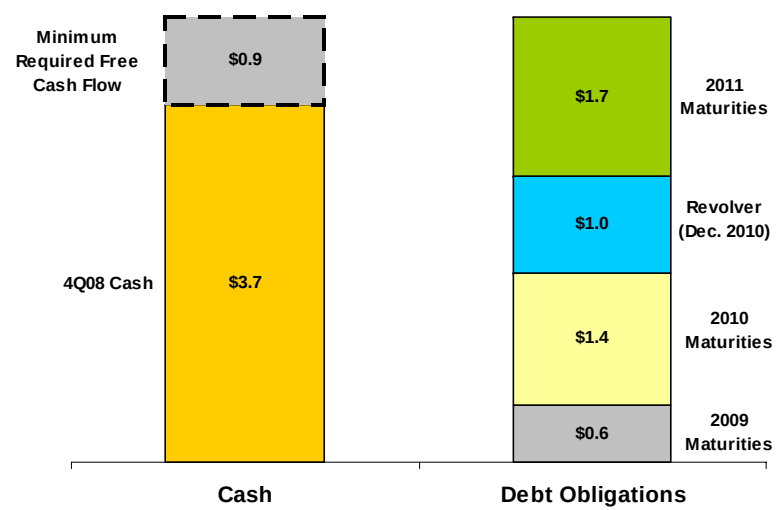
Solid Cash Position

- $536M Free Cash Flow in 4Q08
- Reduced debt by $1B in 4Q08
- $3.7B cash and $5.1B total liquidity exiting 4Q08
- Expect to generate positive Free Cash Flow in 2009





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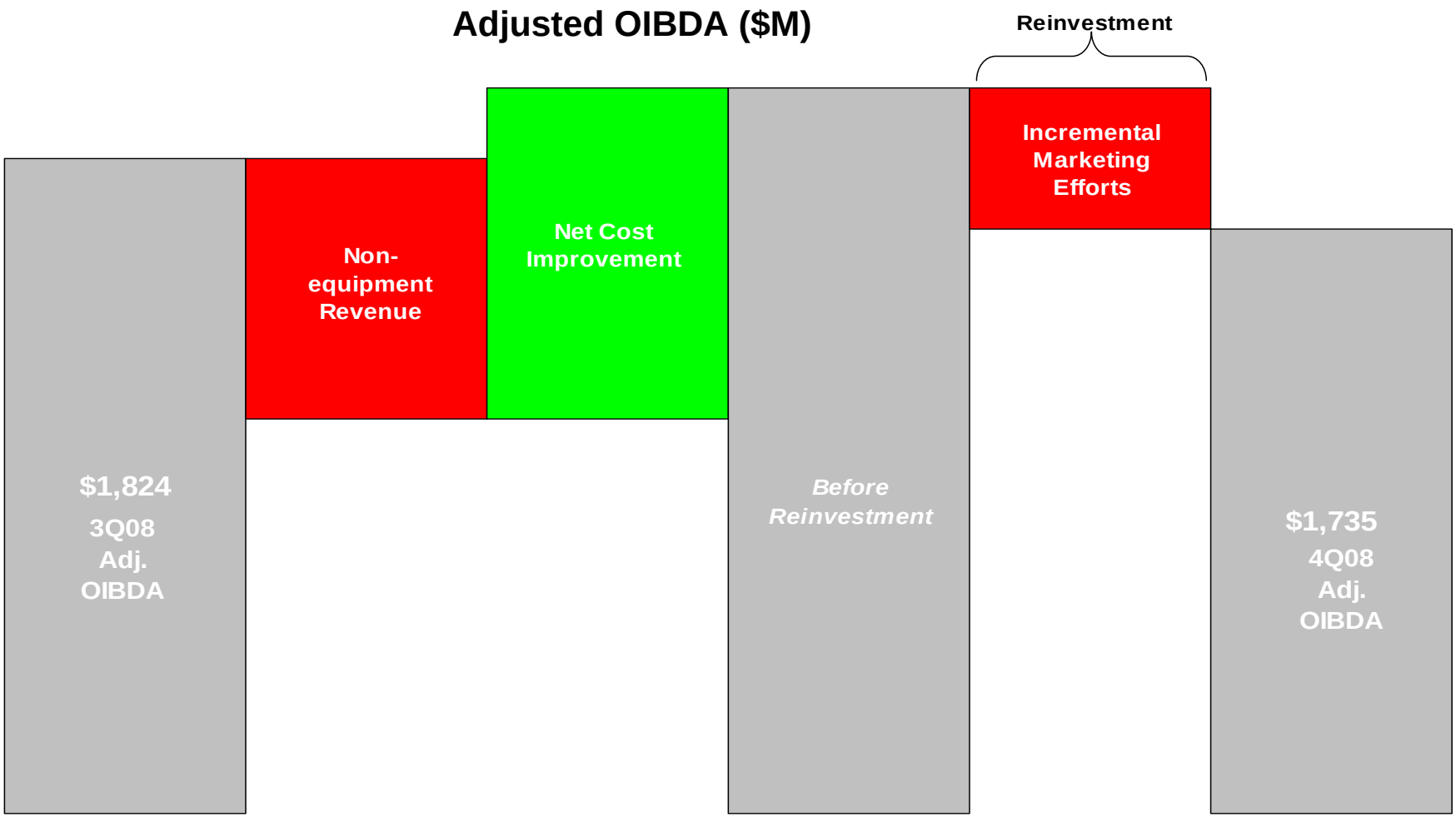
Cost Discipline Mitigates Revenue Pressure



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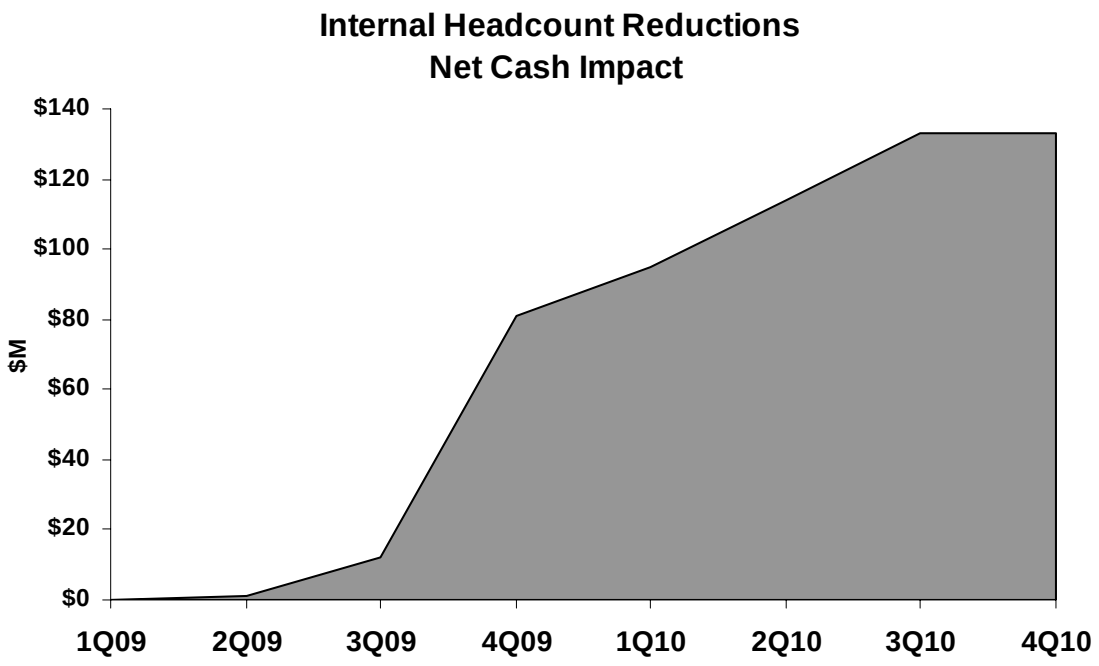
Restructuring Impact

- $1.2B from restructuring plan, includes internal and external labor annualized cost savings
- 8,000 internal headcount reductions cash positive in 2009



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Q&A

Non-GAAP Reconciliations - Consolidated

(Millions, except Margin Data)

	Quarter Ended		Quarter Ended		Year To Date	
	September 30, 2008	September 30, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Operating (Loss) Income	$ (205)	$ 398	$ (1,729)	$ (29,455)	$ (2,642)	$ (28,740)
Special items before taxes						
Merger and integration expense [3]	-	135	-	119	130	516
Severance, exit costs and asset impairments [1]	(28)	125	509	56	817	440
Goodwill impairment [2]	-	-	963	29,649	963	29,649
Contingencies and other	-	-	-	(44)	-	2
Adjusted Operating (Loss) Income*	(233)	658	(257)	325	(732)	1,867
Depreciation and amortization	2,057	2,222	1,992	2,130	8,396	8,933
Adjusted OIBDA*	1,824	2,880	1,735	2,455	7,664	10,800
Capital expenditures [4]	485	1,176	548	2,009	3,039	6,458
Adjusted OIBDA* less Capex	$ 1,339	$ 1,704	$ 1,187	$ 446	$ 4,625	$ 4,342
Operating (Loss) Income Margin [5]	-2.5%	4.2%	-21.6%	-320.9%	-7.9%	-76.5%
Adjusted OIBDA Margin*	21.9%	30.7%	21.7%	26.8%	22.8%	28.8%

See Accompanying Notes to Financial Data (Unaudited)

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Non-GAAP Reconciliations - Consolidated

RECONCILIATIONS OF EARNINGS PER SHARE (Unaudited)

(Millions, except per Share Data)

	Quarter Ended		Quarter Ended		Year To Date	
	September 30, 2008	September 30, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Net (Loss) Income	$ (326)	$ 64	$ (1,621)	$ (29,316)	$ (2,796)	$ (29,444)
Special items (net of taxes)						
Merger and integration expense [3]	-	84	-	72	80	316
Severance, exit costs and asset impairments [1]	(17)	78	316	35	506	274
Goodwill impairment [2]	-	-	899	29,491	899	29,491
Net gains on investment activities	-	(4)	-	(37)	-	(52)
Equity in losses of unconsolidated affiliates and other, net	-	(22)	92	(27)	92	(14)
Adjusted Net (Loss) Income*	$ (343)	$ 200	$ (314)	$ 218	$ (1,219)	$ 571
Amortization (net of taxes)	344	472	295	430	1,476	2,000
Adjusted Net Income (Loss) before Amortization*	$ 1	$ 672	$ (19)	$ 648	$ 257	$ 2,571
Diluted (Loss) Earnings Per Common Share	$ (0.11)	$ 0.02	$ (0.57)	$ (10.31)	(0.98)	(10.27)
Special items (net of taxes)	(0.01)	0.05	0.46	10.39	0.55	10.47
Adjusted (Loss) Earnings Per Share*	$ (0.12)	$ 0.07	$ (0.11)	$ 0.08	$ (0.43)	$ 0.20
Amortization (net of taxes)	0.12	0.16	0.10	0.15	0.52	0.70
Adjusted Earnings (Loss) Per Share before Amortization*	$ 0.00	$ 0.23	$ (0.01)	$ 0.23	$ 0.09	$ 0.90

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	
	September 30, 2008	September 30, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Operating (Loss) Income	$ (220)	$ 319	$ (1,817)	$ (29,504)	$ (2,807)	$ (28,868)
Special items before taxes						
Merger and integration expense [3]	-	76	-	87	101	344
Severance, exit costs and asset impairments [1]	(30)	119	479	41	723	386
Goodwill impairment [2]	-	-	963	29,649	963	29,649
Contingencies and other	-	-	-	(15)	-	8
Adjusted Operating (Loss) Income*	(250)	514	(375)	258	(1,020)	1,519
Depreciation and amortization	1,896	2,089	1,836	1,987	7,796	8,395
Adjusted OIBDA*	1,646	2,603	1,461	2,245	6,776	9,914
Capital expenditures [4]	217	813	304	1,404	1,832	4,991
Adjusted OIBDA* less Capex	$ 1,429	$ 1,790	$ 1,157	$ 841	$ 4,944	$ 4,923
Operating (Loss) Income Margin [5]	-3.1%	4.0%	-26.9%	-377.0%	-9.9%	-89.9%
Adjusted OIBDA Margin*	23.4%	32.4%	21.6%	28.7%	23.8%	30.9%

See Accompanying Notes to Financial Data (Unaudited)

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Non-GAAP Reconciliations - Wireline

(Millions, except Margin Data)

	Quarter Ended		Quarter Ended		Year To Date	
	September 30, 2008	September 30, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Operating Income	$ 120	$ 155	$ 168	$ 194	$ 546	$ 498
Special items before taxes						
Severance, exit costs and asset impairments [1]	-	3	8	13	66	48
Contingencies and other	-	-	-	(29)	-	(6)
Adjusted Operating Income*	120	158	176	178	612	540
Depreciation	143	132	150	142	563	534
Adjusted OIBDA*	263	290	326	320	1,175	1,074
Capital expenditures [4]	81	138	110	205	452	632
Adjusted OIBDA* less Capex	$ 182	$ 152	$ 216	$ 115	$ 723	$ 442
Operating Income Margin	7.6%	9.6%	11.0%	12.0%	8.6%	7.7%
Adjusted OIBDA Margin*	16.7%	18.0%	21.4%	19.8%	18.6%	16.6%

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	
	September 30, 2008	September 30, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Adjusted OIBDA*	$ 1,824	$ 2,880	$ 1,735	$ 2,455	$ 7,664	$ 10,800
Adjust for special items	28	(260)	(1,472)	(29,780)	(1,910)	(30,607)
Other operating activities, net [7]	63	94	815	29,422	425	29,052
Cash from Operating Activities (GAAP)	1,915	2,714	1,078	2,097	6,179	9,245
Capital expenditures	(703)	(1,261)	(610)	(1,671)	(3,882)	(6,322)
Expenditures relating to FCC licenses	(187)	(204)	(146)	(373)	(801)	(835)
Proceeds from Clearwire	-	-	213	-	213	-
Proceeds from sales of investments and assets, net	38	115	3	206	79	363
Dividends paid	-	(71)	-	(71)	-	(286)
Other investing activities, net	(4)	(2)	(2)	23	(12)	17
Free Cash Flow*	1,059	1,291	536	211	1,776	2,182
Decrease in debt, net	(393)	(775)	(1,010)	(27)	(541)	(27)
Acquisitions, net of cash acquired	-	(287)	-	-	-	(287)
Purchase of common shares	-	(432)	-	-	-	(1,833)
Proceeds from issuance of common shares	22	25	9	7	57	344
(Increase) decrease in marketable securities, net	(41)	(3)	40	(188)	153	(179)
Change in Cash and Cash Equivalents (GAAP)	$ 647	$ (181)	$ (425)	$ 3	$ 1,445	$ 200

See Accompanying Notes to Financial Data (Unaudited)

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