



THE MARKET

For Sprint, the vision has never been clearer. When a company has a collection of assets that is unique in the telecom industry, the company does not ask the market to respond; the company responds to the market.

In 2003, Sprint decided to put all of its assets under one roof and restructure itself around more than 26 million existing customers and others who seek the benefit of bundled products and services.

Instead of organizing by local, long distance, and wireless product sets, Sprint welded those capabilities together and organized its 60,000-plus employees to market and serve its two most important customer segments — consumers and businesses — and to serve them locally, nationally, and globally.

In today's telecommunications market, customers are realizing the benefits of buying bundles of integrated products and services from a single provider. So Sprint changed the way it approached the market to provide customers with single points of contact and integrated product offerings across traditional wireline, wireless, data, and video platforms. The results are faster decisions, lower costs, competitive differentiation, and a more versatile, more reliable network for customers . . . at home, at work, and everywhere in between.

A more integrated Sprint changes the game for telecom providers. With all of Sprint's important assets working together, a seamless customer experience unfolds, delivering the ultimate customer benefits: more useful innovation and more sensible integration.

Coming out of the transformation, Sprint's consumer division is focusing on the idea of changing the way wireless customers experience Sprint PCS Service — from purchase to customer care. Delivering on its heritage of being a pioneer in the industry, Sprint has "rewritten the rules of wireless" with the introduction of the Sprint PCS Fair & FlexibleSM Plan. This plan challenges the industry norm as it automatically adjusts to the minutes a customer uses rather than charging overages.

Business customers who've waited patiently for what they want are also scoring big with the



What if
the rest of the world
were like the
wireless industry?

new, transformed Sprint. On path to become the nation's foremost integrated telecom provider, Sprint is offering the simplest and yet the most sophisticated wireless/wireline solutions. And Sprint delivers those solutions with one sales contact to work with and one contract that's easy to understand. Sprint's ultimate goal? For its customers to make only one call for customer service satisfaction.

Research has shown that business leaders are frustrated with the empty promises of a technological future. With the most aggressive integrated approach in the industry, Sprint aims to provide *real* value and *real* solutions . . . today, not tomorrow.

ACHIEVEMENTS

Sprint built its telecom reputation on speed and innovation. In mid-2004, those two qualities came together to generate another important milestone: a world speed record for transporting a large volume of data over a public network.

Sprint business customers sent nearly 840 Gigabits of data from a computer in San Jose, California, to another computer 10,000 miles away at the University of Lulea in northern Sweden. The equivalent of 140 full-length movies in digital form was transported in less than half an hour.

The transfer shows how companies with huge data needs can use Sprint's Tier 1 Internet backbone to provide disaster recovery and off-site storage functions on a next-generation network. Operating at a record 40 Gigabits per second, the network moves data four times faster than the previous record.

The new data rate is indicative of the Internet's evolutionary growth. With a successful technology trial that produced the Internet's fastest track, Sprint intends to leverage the milestone so some of the world's top Internet and e-commerce companies can benefit.

Business and consumer broadband applications, such as VoIP (voice over the Internet), HDTV (high-definition video), and webcasting are behind the new bandwidth capacity requirements in the underlying Internet network. New handheld devices with advanced features and more powerful real-time applications also

create network demands for higher speeds, better quality images, and bigger images. Customers whose businesses depend on high-capacity Internet connectivity will be the beneficiaries of this advancement.

Determined to deliver the industry's best Internet solutions, Sprint is investing about \$4 billion on its integrated network in 2004, with \$2.4 billion dedicated to improving wireless capabilities.

Extending the Sprint legacy of innovation and cutting-edge technology, the Local Telecommunications Division is the first local exchange carrier on a migration path toward a complete packet-switched network. The quest for differentiation

is enabling customers to enjoy the latest advancements and helping them simplify their busy lives in the process.

Serving 5 million households in 18 states, the Sprint local division has been at the forefront of telecom bundling, creating exceptional value for its wide range of rural, suburban, and urban customers. By combining local service, calling features, and long distance, Sprint has achieved the highest long-distance penetration of any major national local carrier.

With the new customer-focused organizational structure, Sprint now has its sights set on achieving more substantial wireless and high-speed data penetration rates for its local consumer base. With expansion in high-speed Internet coverage, improved wireless coverage, and a new agreement to sell satellite video service, Sprint has the most complete communications bundle available in its local territories.

HISTORY

Contrary to popular belief, Sprint was not born out of its long distance or its wireless operations. Rather, the Sprint roots are firmly planted in being a local telecom provider. From 1899 to today, the local service territory and its customers have served as the foundation for the innovation, development, and growth of the company.

Over the years, expansion has brought many communities and millions of customers into the Sprint family. The value Sprint places on the ability to adjust and to adapt — that is, to listen to and respond to customer needs — has led Sprint to what it is today.

This heritage of innovation has enriched and transformed people's lives for the better and includes many firsts. Widely recognized for developing, engineering, and deploying state-of-the-art technologies, Sprint

- Built the world's first Public Data Network
- Built the world's first transcontinental, all-digital, fiber-optic network
- Built the largest all-digital wireless network from the ground up
- Became the first to deploy Frame Relay services
- Was first to offer commercial Internet access
- Was first to offer IP security performance guarantees
- Was first to complete a SONET survivable network ring

THE PRODUCT

Sprint customers are the benefactors of structural change. They're getting more innovative products, leading-edge solutions, incredible security, more understandable contracts, and a smoother, friendlier overall experience.

Sprint's new customer-facing consumer and business organizations are gearing up to become the first truly integrated national service provider. In the wireless arena, Sprint PCS VisionSM offers more advanced multimedia services — like Sprint PCS Picture MailSM, Ringers, Screen Savers, and Games — than any other 3G network. So with your Sprint

PCS Phone you can do much more than make a phone call.

Offering an industry-leading selection of phones and devices, Sprint has introduced such technological innovations as multimedia streaming content and a partnership with MobiTV that allows



users to watch up-to-date video content on a Sprint PCS Phone. Sprint also offers the nation's most secure IP network option — The Peerless IP Network.

In mid-June 2004, Sprint announced that it is building on its wireless data leadership position with the nationwide deployment of a data-only wireless high-speed data network.

Consumers and businesses alike enjoy a Sprint IP product portfolio that is one of the industry's broadest and most reliable.

Growing faster than the telecom market, Sprint is positioned for opportunities and expanding its prospects as a partner of choice with such companies as Virgin Mobile, The DISH Network, Time-Warner Cable, and Qwest. In addition, Sprint products and services are backed by industry-leading service level agreements for IP, Frame Relay, ATM, and Private Lines. Sprint is leveraging key partnerships with Cisco Systems, Hewlett-Packard, IBM, and Nortel Networks to develop customized solutions and solve customer problems.

RECENT DEVELOPMENTS

Financial analysts are beginning to understand that the Sprint asset mix can produce better results than its competitors. They like the fact that more than 50 percent of Sprint revenues now come from selling wireless services to consumers and businesses.

They compare Sprint's growth results with others. Several of our competitors have little or no revenues from wireless operations.

The analysts see obvious competitive Sprint advantages: more exposure to growth and cash flow generated from wireless business, particularly in its own local service territories.

PROMOTION

The majority of Sprint's consumer marketing support targets wireless customers. In addition to promoting a wide array of service plans such as Sprint PCS Free & Clear AmericaSM, the company has also focused on its Sprint PCS Better Wireless

Guarantee — a series of four programs designed to ensure that both new and existing customers are completely satisfied with their wireless service, plan, and equipment.

The new Sprint business campaign reinforces the integration message, reminding businesses that Sprint is creating unique bundles of solutions that join wireless and wireline platforms.

BRAND VALUES

Expectations at Sprint are rising for all the right reasons — because of the momentum created by making commitments and keeping them, improving customer service and satisfaction, and offering unique value to consumer and business customers.

Customers want simplicity, fairness, innovation, and value, and Sprint is making the right moves to increase customer loyalty and energize an already strong brand. The Sprint Brand is built on several

key equities, including uncommon integrity, useful innovations and a "customer first" mindset.

An empathetic, yet bold, brave, and confident personality has always made Sprint different from its competitors.

Genuine, human, and willing to show the world its sense of humor, Sprint looks at the world differently . . . through the eyes of its customers. That's why more than 60,000 employees come to work every day. They come ready to challenge the status quo. They come ready to anticipate, meet, and exceed their customer's every need.

THINGS YOU DIDN'T KNOW ABOUT SPRINT

- Sprint is a Fortune 100 company.
- Sprint provides data, voice, wireless, and Internet solutions to 96 percent of the Fortune 1000.
- Sprint serves more than 26 million business and residential customers in 114 countries worldwide.
- Sprint has more than 2,200 "hot spots" for wireless connectivity across the United States and Canada.
- Sprint has led major telecom carriers for seven straight years with the fewest FCC reportable outages.
- Sprint's award-winning Tier 1 Internet backbone network carries one-quarter of the world's Internet traffic.
- The Sprint Brand has a 95 percent brand awareness rating.
- The Sprint Guy, Brian Baker, was named the "Sexiest Spokesman" by *People* magazine in 2001.
- Sprint PCS wireless technology runs on the same fiber-optic network that made Sprint famous in the mid-1980s.
- The Sprint pin drop represents clarity, simplicity, and accessibility.

