Sprint Nextel

2Q09 Earnings Conference Call

July 29, 2009

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Cautionary Statement

This presentation includes “forward-looking statements” within the meaning of the securities laws. The statements in this news release regarding the business outlook, expected performance and 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 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 this report and other filings of ours with the Securities and Exchange Commission, including in Part I, Item IA “Risk Factors” of our annual report on Form 10-K for the year ended December 31, 2008 and risk factors included in our subsequent report on Form 10-Q.

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 release. Sprint Nextel is not obligated to publicly release any revisions to forward-looking statements to reflect events after the date of this release.

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Non-GAAP Financial Measures

Sprint Nextel provides financial measures determined in accordance with generally accepted accounting principles (GAAP) and adjusted 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 measurements should be considered in addition to, but not as a substitute for, financial information 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:

- **OIBDA** is operating income/(loss) before depreciation, amortization, asset impairments, and abandonments. **Adjusted OIBDA** is **OIBDA** excluding severance, exit costs, 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. 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 GAAP, these expenses primarily represent non-cash current period costs associated with the use of long-lived tangible and intangible assets. 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 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. 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. 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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Dan Hesse

Chief Executive Officer

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2Q09 Highlights

- *Sequential improvement in consolidated Adjusted OIBDA*
- *YTD Free Cash Flow of $1.5B*
- *All 2009 senior note maturities retired*
- *18 consecutive months of improvement in First Call Resolution and Customer Care Satisfaction*
- *Networks continue to perform at best ever levels*
- *Successful launch of Palm® Pre™*
- *Continued momentum in prepaid with Boost Unlimited*

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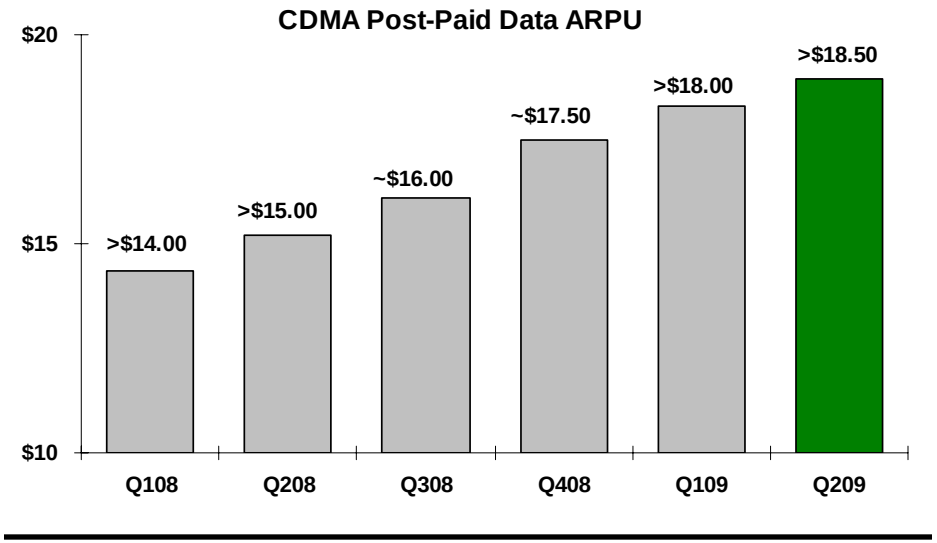
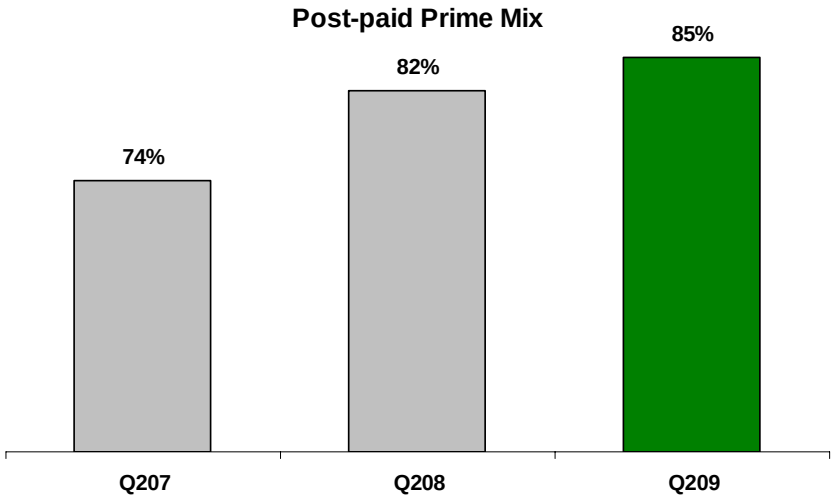
Ongoing Strength in ARPU

- *Sequentially stable post-paid ARPU of $56*
- *Industry leading CDMA post-paid data ARPU of >$18.50*
- *Postpaid prime mix achieving high of almost 85%*





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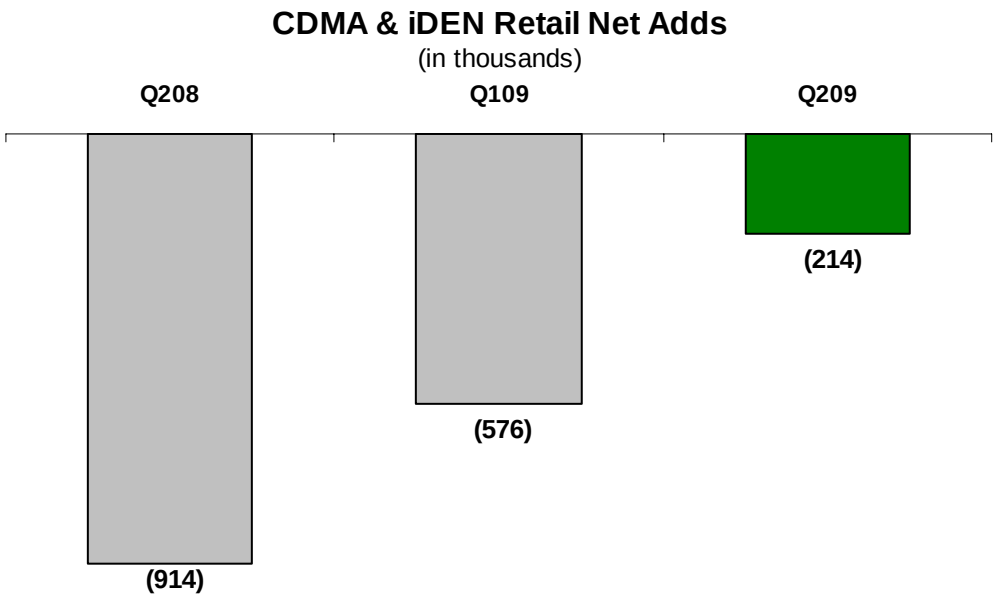
Continued Momentum in Subscriber Trends

- *Best sequential improvement in CDMA post-paid net adds since Q107*
- *Best combined Retail net adds in two years*
- *Best reported prepaid net adds of any U.S. carrier in three years*



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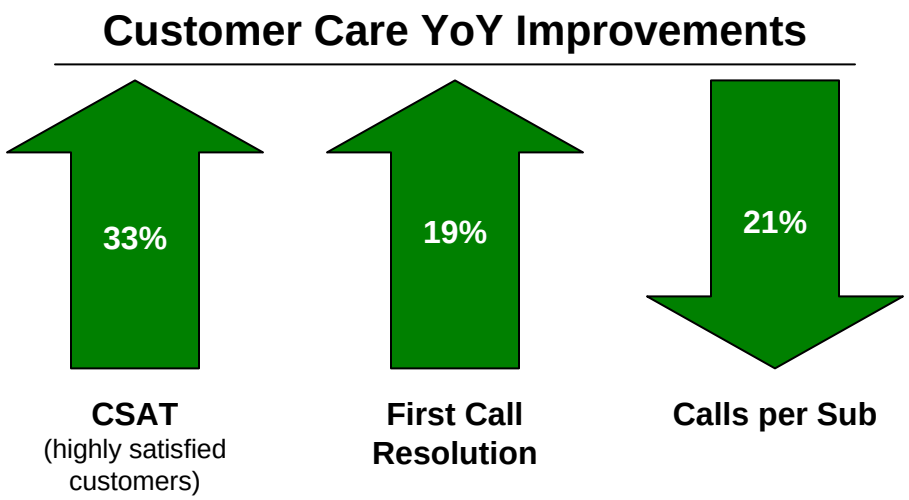
Positive Validation of Customer Experience

- *18 Consecutive months of improvement in:*
  - ✓ *Customer Care Satisfaction*
  - ✓ *First Call Resolution*
- *Multiple third parties validate improvements in customer satisfaction*



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Focus on Innovation

- *Strong lineup of smartphone, touch and feature devices highlighted by Palm® Pre™ and Blackberry Tour World phone*
- *Mobile hotspots can enable 425 million WiFi devices*
- *300 Open devices certified on our Now Network*
- *Converged communications solutions for business customers*

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Bob Brust

Chief Financial Officer

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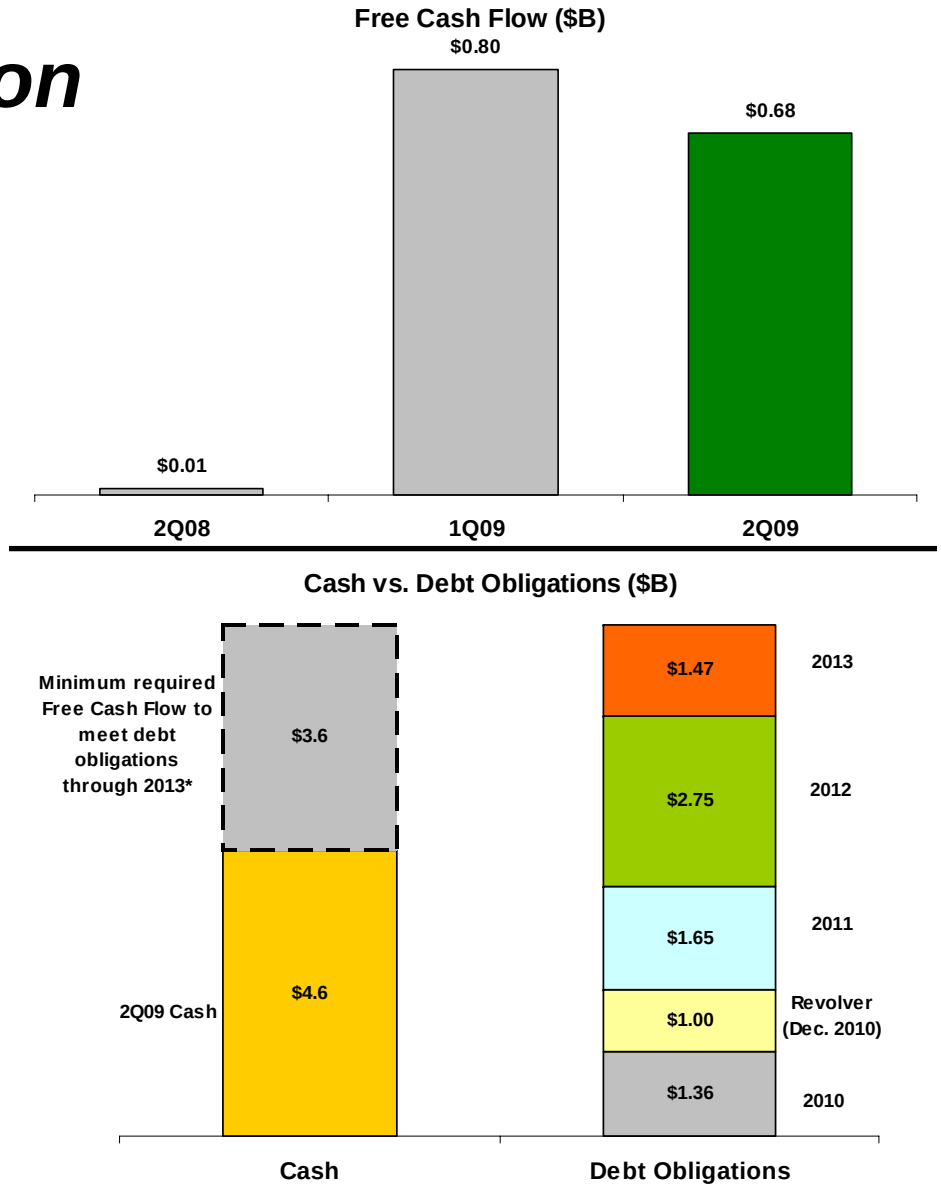
Strong Liquidity Position

- *$4.6B cash and $6.1B total liquidity exiting 2Q09*
- *All 2009 senior note maturities retired*
- *Expect to continue to generate positive Free Cash Flow in 2009*



** Does not include obligations associated with Virgin Mobile USA transaction*

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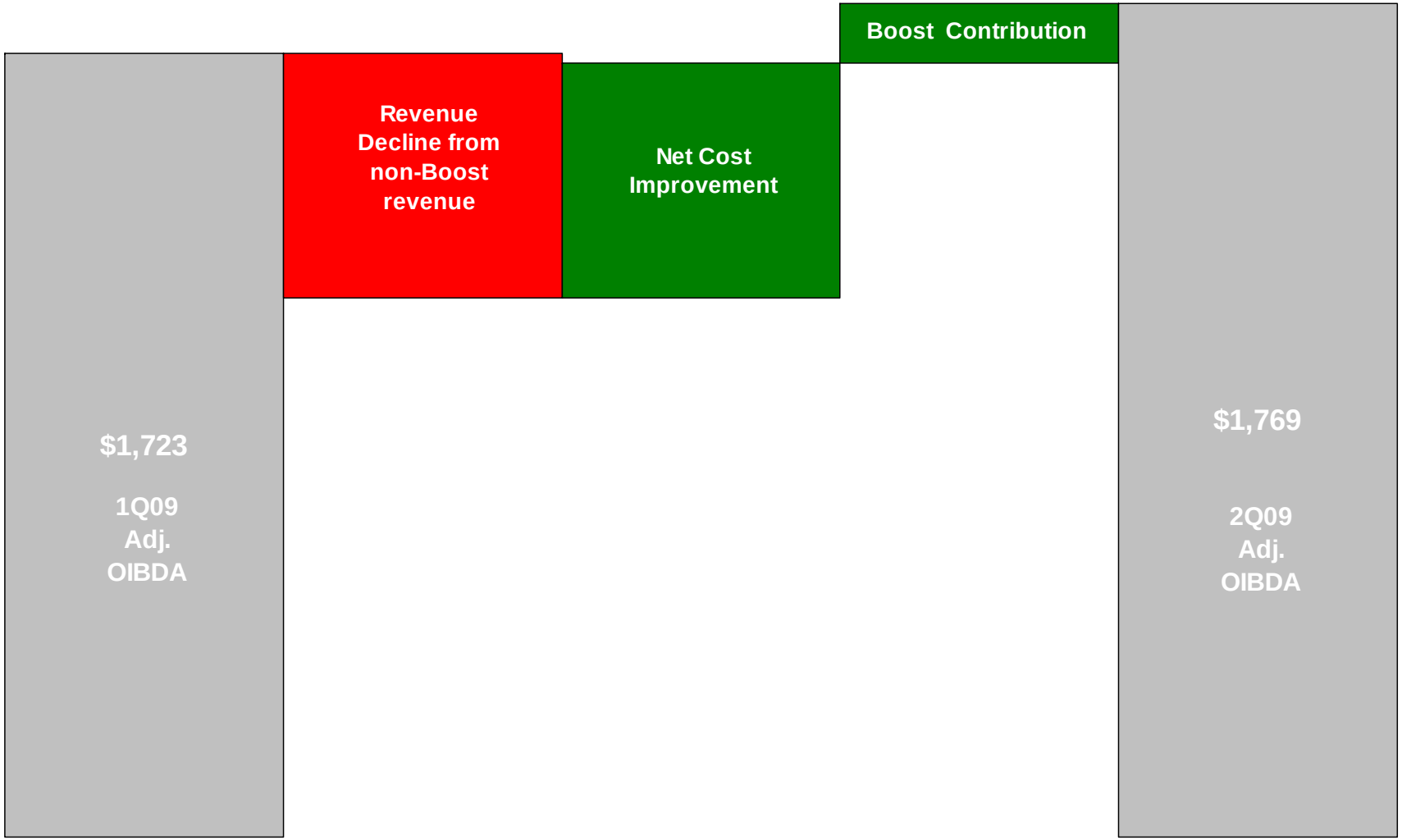
Improving OIBDA from Cost Management & Boost



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Q&A

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Non-GAAP Reconciliations – Consolidated

(Unaudited)

(Millions, except Margin Data)

	Quarter Ended			Year To Date	
	June 30, 2009	March 31, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Net Loss	$ (384)	$ (594)	$ (344)	$ (978)	$ (849)
Income tax benefit	225	530	207	755	517
Loss before Income Taxes	(609)	(1,124)	(551)	(1,733)	(1,366)
Depreciation, asset impairments and abandonments	1,453	1,417	1,467	2,870	2,972
Amortization	458	466	689	924	1,386
Interest expense, net	350	352	320	702	633
Equity in losses of unconsolidated investments and other, net [3]	146	285	21	431	25
OIBDA*	1,798	1,396	1,946	3,194	3,650
Merger and integration expense [4]	-	-	44	-	130
Severance and exit costs [2]	(29)	327	106	298	325
Adjusted OIBDA*	1,769	1,723	2,096	3,492	4,105
Capital expenditures [1]	321	291	646	612	2,006
Adjusted OIBDA* less Capex	$ 1,448	$ 1,432	$ 1,450	$ 2,880	$ 2,099
Adjusted OIBDA Margin*	23.1%	22.2%	24.4%	22.7%	23.7%
Selected items (net of taxes):					
Merger and integration expense [4]	-	-	27	-	80
Severance and exit costs [2]	(18)	202	66	184	201
Equity in losses of unconsolidated investments and other, net [3]	83	175	-	258	-

See accompanying Notes to Financial Data (Unaudited)

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Non-GAAP Reconciliations – Wireless
(Unaudited)

(Millions, except Margin Data)

	Quarter Ended			Year To Date	
	June 30, 2009	March 31, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Operating Loss	$ (314)	$ (558)	$ (262)	$ (872)	$ (770)
Merger and integration expense [4]	-	-	35	-	101
Severance and exit costs [2]	(27)	254	84	227	255
Depreciation, asset impairments and abandonments	1,296	1,288	1,322	2,584	2,698
Amortization	458	465	689	923	1,385
Adjusted OIBDA*	1,413	1,449	1,868	2,862	3,669
Capital expenditures [1]	227	197	393	424	1,311
Adjusted OIBDA* less Capex	$ 1,186	$ 1,252	$ 1,475	$ 2,438	$ 2,358
Adjusted OIBDA Margin*	21.7%	22.0%	25.7%	21.9%	25.1%

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Non-GAAP Reconciliations – Wireline
(Unaudited)

(Millions, except Margin Data)

	Quarter Ended			Year To Date	
	June 30, 2009	March 31, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Operating Income	$ 208	$ 82	$ 143	$ 290	$ 258
Severance and exit costs [2]	(2)	73	19	71	67
Depreciation, asset impairments and abandonments	146	131	137	277	261
Adjusted OIBDA*	352	286	299	638	586
Capital expenditures [1]	47	77	113	124	261
Adjusted OIBDA* less Capex	$ 305	$ 209	$ 186	$ 514	$ 325
Adjusted OIBDA Margin*	24.6%	19.5%	18.6%	22.1%	18.1%

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Non-GAAP Reconciliations – Free Cash Flow
(Unaudited)

(Millions)

	Quarter Ended			Year to Date	
	June 30, 2009	March 31, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Net Cash Provided by Operating Activities	$ 1,152	$ 1,363	$ 1,079	$ 2,515	$ 3,186
Capital expenditures	(340)	(377)	(899)	(717)	(2,569)
Expenditures relating to FCC licenses	(138)	(190)	(194)	(328)	(468)
Other investing activities, net	2	-	25	2	32
Free Cash Flow*	676	796	11	1,472	181
(Decrease) increase in debt and other, net	(603)	(2)	(1,306)	(605)	862
Change in marketable securities, net	4	7	69	11	154
Other financing activities, net	(1)	24	17	23	26
Change in Cash and Cash Equivalents	$ 76	$ 825	$ (1,209)	$ 901	$ 1,223

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