

**JOINT DECLARATION OF MARC MONTAGNER  
AND STEVE NIELSEN**

We, Marc Montagner and Steve Nielsen, hereby declare as follows:

1. My name is Marc Montagner. I am currently Senior Vice President, Business Development with Nextel Communications, Inc. (“Nextel”), a nationwide wireless operator in the United States. In this capacity, I am responsible for all corporate development activity such as mergers and acquisitions and joint venture development. Prior to joining Nextel Communications, I was a Managing Director in the Investment Banking Division of Morgan Stanley. I have performed extensive advisory and financing assignments for a large number of telecommunications operators, including, among others, Ameritech, Belgacom, Bell Canada, British Telecom, Cincinnati Bell, Deutsche Telekom, France Télécom, GTE, Mannesmann, Millicom International Cellular, NetCom GSM, Nextel Communications, Rogers Communications and Vivendi. Prior to joining Morgan Stanley, I worked for France Télécom in New York where I was head of corporate development for North America. I graduated from the Ecole Nationale Supérieure des Télécommunications in Paris with a Masters degree in Electrical Engineering and received my MBA from Columbia University Graduate School of Business in New York City.
2. My name is Steve Nielsen. I am Senior Vice President, Finance – Sprint Consumer Services (“SCS”) at Sprint Corporation (“Sprint”) and will serve as one of two lead integration officers for Sprint Nextel. As Senior Vice President, I lead SCS’s financial planning and analysis, decision support, budgeting and forecasting,

management reporting, financial policy and business strategy support. Prior to the recombination of Sprint's tracking stock, I also was the Chief Financial Officer of Sprint PCS. Before coming to Sprint, I was Chief Operating Officer of US Unwired Inc., a position I held following the merger in April 2002 of US Unwired and Independent Wireless One. I had previously served as President and Chief Executive Officer of Independent Wireless One for nearly two years. I was with Sprint on two earlier occasions. I began my career at Sprint in 1984 and over the next eight years held several key positions, including Vice President – Internal Audit, Vice President and Assistant Controller, and Vice President – Operations Controller for the long distance division. I left Sprint in 1992 to return to public accounting. In 1995, I rejoined Sprint in the wireless division as Vice President – Finance Operations and then served as Area Vice President – Northwest with management responsibility for three wireless markets. My duties included marketing, sales, and distribution in addition to network planning. After leaving the company in 1998, I was Vice President – General Manager for XO Communications in Washington state before joining Independent Wireless One as Chief Financial Officer in May 2000. I am a Certified Public Accountant and hold a bachelors degree in accounting from Weber State University.

### **Introduction**

3. The purpose of this declaration is to describe the major capital expenditure and operational synergies that we anticipate from the merger of Sprint and Nextel and to provide an estimate of those synergies. By “synergies,” we mean not only network efficiencies and cost savings expected to result from the merger, but also increases in the number of subscribers together with revenue increases expected to result from

- (a) the increase in subscribers, (b) new services, and (c) increased purchases of existing services made possible by the merger. The synergies/cost savings will be generated from the following major categories: (i) capital expenditures; (ii) network operational costs; (iii) selling, general and administrative costs; and (iv) revenue and subscribers.
4. The estimates contained herein are the same forecasts that were developed for the boards of directors of both Sprint and Nextel during their consideration of the benefits of the merger and were summarized in the public releases that accompanied the merger announcement on December 15, 2004. In developing these estimates, we necessarily relied on available data and made certain assumptions and estimates based on our experience and expertise. These estimates focus primarily on Nextel's and Sprint's wireless operations; no synergies or cost savings have been assumed or included for Sprint's incumbent local exchange carrier division and limited synergies are associated with Sprint's Global Markets Group ("GMG") division. Details on the technical assumptions underlying our conclusions are contained in the Declaration of Oliver Valente and Barry West, which is being submitted concurrently with this declaration ("Valente/West Declaration").
5. After accounting for the costs of integrating the two companies as well as other merger-related costs, we estimate that the Sprint Nextel merger will result in total net synergies of approximately \$12 billion on an after tax, net present value ("NPV") basis (inclusive of terminal value). The following table itemizes the primary synergies attributable to the merger. Each of these synergies is discussed in more detail below.

<b>SYNERGY CATEGORY</b>	<b>Estimated After Tax Synergy (NPV) (\$ millions)<sup>1</sup></b>
<b>Net Capital Expenditures Avoidance</b>	<b>\$4,800</b>
<b>Network Operational Costs</b>	<b>\$3,000</b>
<b>Selling, General and Administrative Costs</b>	<b>\$4,400</b>
<b>Revenue and Subscribers</b>	<b>\$700</b>
<b>Integration Costs</b>	<b>(\$800)</b>
<b>TOTAL</b>	<b>\$12,100</b>

6. We expect that some of these savings will be realized shortly after closing of the proposed merger. We have conservatively estimated, however, that the savings will be phased-in over several years.
7. We expect that the savings and synergies resulting from the merger will inure not only to the benefit of the merged company, but to wireless users by improving the coverage, quality and scope of the services we offer them. Thus, we anticipate that this merger will result in three key public interest benefits. First, the estimated efficiencies resulting from the merger will enable Sprint Nextel to be more competitive in the future. Second, as explained below, customers of the merged company – and future customers – will benefit from expanded coverage, improved service quality, and accelerated deployment of new features and services. Third, as also explained below, after the merger closes customers will have additional calling plan choices that are more favorable – in terms of value, quality and/or features – than would be available from either company absent the merger.

---

<sup>1</sup> Assumes an 11% discount rate and a 39% income tax rate.

**Capital Expenditures Avoidance (\$4,800 million NPV)**

8. Network investment is one of the largest expenditures that wireless carriers face today. To remain competitive, Sprint and Nextel must continue to make new investments in their networks to increase capacity to meet growing traffic levels, introduce new features, expand coverage, and deploy next generation networks. The merged company will have the benefits of a clear and concise technology path, adequate spectrum holdings, and the capital efficiency incentives to enable it to be an industry leader in introducing new enhanced wireless products and services. Net of the additional investments described below, we project that the merged company will realize a net total of approximately \$4.8 billion NPV from a combination of network capital and other capital expenditure avoidance.
9. As discussed in the Valente/West Declaration, the merged company's network strategy is to eliminate the need to construct Nextel's planned wireless broadband data network by expanding and enhancing the high-speed data component of Sprint's CDMA Evolution Data Optimized ("EV-DO") network.<sup>2</sup> As a result, the merged company will realize significant synergies by avoiding the capital expenditures that would have been made to construct a stand-alone Nextel high-speed data network. These capital expenditure reductions are assumed to begin immediately after the closing of the merger. Instead of constructing Nextel's planned stand-alone network, the merged company will accelerate, expand and enhance the CDMA EV-DO network deployment that Sprint has already initiated.

---

<sup>2</sup> As a stand-alone company, Nextel is currently reviewing alternative technology paths for providing high-speed wireless data communications services.

10. The merged company's strategy also includes introducing high performance push-to-talk features on the CDMA network, and significantly expanding that network's coverage and quality. Because of the expanded subscriber base, the merged company will have greater incentives and ability to make these improvements. The merged company also intends to develop push-to-talk interoperability between its CDMA and iDEN<sup>®</sup> networks. These steps will make it possible, beginning in 2008, to transition to the CDMA network existing iDEN customers whose needs may be met more effectively and efficiently by the broadband mobile services available on the CDMA network.<sup>3</sup> Sprint Nextel will continue to invest in its iDEN network through 2007; after that, the iDEN network will continue to be maintained and will support customers whose needs are better met by the narrowband services available on that network. In short, Sprint Nextel will offer both existing and future customers a wider variety of wireless communications services and solutions optimized for a broader array of users.
11. We expect that the operation for the long term of a single CDMA network with both voice optimized (1xRTT) and data optimized (EV-DO) network components – rather than the two or more independent networks that Sprint and Nextel would have to maintain as stand-alone companies – will produce substantial savings for the merged company. The movement of customers desiring high-speed data-based features to the CDMA network will alleviate the need for capital expenditures to expand iDEN capacity beyond 2007, thereby enabling Sprint Nextel to significantly

---

<sup>3</sup> That transition may be possible before 2008 if the high performance push-to-talk feature can be deployed faster than anticipated.

- reduce iDEN capital expenditures after that date.<sup>4</sup> In addition to savings from reduced iDEN capital expenditures, the merged company expects to realize unit cost savings through increased CDMA volume purchases.
12. We also anticipate that the merged company will be able to achieve savings by modifying Sprint's plans for new site construction over the 2005-2008 period. By collocating about 80 percent of new CDMA cell sites into existing Nextel cell sites, Sprint Nextel will realize savings from lower construction costs due to the ability of the combined company to house CDMA base station electronics in existing Nextel sites and to expand and enhance coverage while avoiding building additional cell towers.
13. We believe that the merged company will also realize savings in non-network capital expenditures, primarily in three areas. First, the ability to combine the purchasing volume of both companies will enable the merged company to reduce the cost of purchasing IT hardware/software and related services, other software licenses, and peripheral equipment. Second, the merger will enable the combined company to reduce the cost of office space, real estate, and facilities that Sprint and Nextel otherwise would incur by operating their businesses separately. Third, we expect that the merger will lower spending on back office systems below the amounts that each company would spend independently to maintain two separate back office systems.

---

<sup>4</sup> Sprint Nextel will continue to operate the iDEN network for the foreseeable future. Customers will continue to be served on that network with minimal on-going capital expenditure requirements.

14. Partially offsetting the savings identified in the preceding paragraphs, a number of additional investments will be made to improve the coverage and quality of the CDMA network, making it the premier wireless industry network by 2007. The merged company plans to invest to extend the CDMA voice network component's geographic coverage beyond what Sprint had planned on a stand-alone basis, and to improve in-building coverage and quality by deploying additional base stations at existing Nextel cell site locations. As noted above, these additional sites can be constructed at a lower cost than would be possible for Sprint on a stand-alone basis by utilizing Nextel's existing towers and shelters.
15. The merged company will also make investments to expand its CDMA EV-DO high-speed wireless broadband data network faster and further than Sprint would have been able to justify on its own, thus benefiting Sprint Nextel customers and attracting new customers desiring mobile high-speed wireless data communications services. On a stand-alone basis, Sprint had planned to incorporate its 1xEV-DO Revision A wireless broadband data network in approximately 60% of its cell sites and 80% of the pops served by its CDMA voice network. These additional investments will expand the CDMA EV-DO wireless broadband data network to cover the merged company's combined network.
16. In order to prepare for the expanded use of the CDMA network by Nextel customers beginning in 2008, the merged company expects to make investments to bring the performance of the push-to-talk feature on the CDMA network in line with its performance on the iDEN network and develop push-to-talk interoperability between the iDEN and CDMA networks of the merged company. Both companies



have successful track records in product innovation that will enable the merged company to create interoperability between the push-to-talk features. To handle the eventual loading of new customers onto the CDMA network, increased capacity capital expenditures will also be made to the CDMA voice and EV-DO wireless broadband data network components.

17. Finally, other incremental investments in capacity on Sprint's existing metro access networks and backbone longhaul network will be necessary to carry Nextel traffic. The corresponding operational benefits are described below in the network operational expenditure synergies section.

**Network Operational Cost Synergies (\$3,000 million NPV)**

18. Net of incremental costs, we project that the merged company will realize a net total of approximately \$3.0 billion NPV in network operating synergies. A primary driver of these savings is the site operating expenses (rent, utilities, backhaul (T1s) and other site operational expenses) that will be avoided by eliminating deployment of a separate Nextel wireless broadband data network and by combining and reducing the overall number of cell sites that the merged company will operate.
19. Reduction in site rent expenses will be a significant contributor towards network operational cost synergies. First, as part of optimizing the merged company's cell site portfolio, a number of Sprint's *existing* CDMA cell sites that overlap with the coverage of Nextel sites will be relocated into existing Nextel sites, which typically have shelter and tower capacity sufficient to support CDMA equipment included in the overlapping sites. Second, we anticipate that the proposed collocation of Sprint's planned *future* sites into existing Nextel cell sites, as discussed above, will

- reduce monthly recurring site rental expenses. Third, we believe that the combined company will have an opportunity to negotiate more favorable lease terms due to its increased scale.
20. In addition, the optimization and alignment of Sprint's and Nextel's network organizations will reduce employee and related costs associated with maintaining duplicative network technology, engineering, deployment, and maintenance functions.
21. We further anticipate operating synergies will be achieved by interconnecting Nextel's cell sites with Sprint's existing local and longhaul fiber network. Use of the Sprint fiber network will substantially reduce the need to use backhaul facilities leased from wireline carriers to carry traffic originating or terminating on the iDEN network and enable the merged company to achieve greater scale economies by combining traffic from Sprint and Nextel. (The corresponding incremental capital investment required to realize these savings is addressed above.)
22. Partially offsetting these savings, the addition of incremental sites to the CDMA voice network to improve service quality and expand coverage, as discussed above, will result in additional expenses to account for site-related operational costs (rent, telco backhaul, utilities, etc.). In addition, extending the CDMA EV-DO wireless broadband data network to cover the merged company's entire network footprint, also discussed above, will increase backhaul expenses.

**Selling, General and Administrative ("G&A") Cost Synergies (\$4,400 million NPV)**

23. The merger will provide an opportunity to streamline the existing Sprint and Nextel organizations. The combined company will reduce duplicative cost structures

- across all G&A and overhead functions. It will enable the company to select and adopt best practices and systems from each company and create integrated “back office” systems for billing, customer care, information technology (“IT”) and financial system platforms that will be able to handle the demands of the entire combined company and result in significant savings. Additional G&A savings will be achieved through an assessment and rationalization of the non-network real estate requirements for the combined company.
24. The merger will also position the combined company to use its increased scale to reduce costs and obtain improved terms for its outsourcing arrangements for customer care and Directory Assistance (411) services. Billing costs for the merged company also are expected to be reduced by achieving lower unit volume pricing levels from the billing vendor(s) due to the size of the combined customer base.
25. After closing, the combined company plans to focus on reducing duplicative retail points of presence and aligning sales and sales management organizations, while preserving the ability of the merged entity to continue to attract high-value subscribers. We also expect that the new organization’s increased scale will position it to take advantage of larger volume discounts in the purchasing of handsets, warehousing facilities and procedures, and product distribution. The merger of Sprint and Nextel will also permit the consolidation of expertise across both companies, leading to the creation of a more efficient, industry-leading marketing and product development organization.

**Revenue and Subscriber Synergies (\$700 million NPV)**

26. Synergies in the revenue and subscribers category consist of two principal components. First, the merger will strengthen the ability of the combined company to market Sprint's long-distance wireline product portfolio to the existing Nextel subscriber base. Second, as a result of the merger, the additional CDMA coverage, capacity and quality enhancements will accelerate deployment of new features and services for the combined subscriber base of the merged entity. We estimate that these service coverage and quality improvements will improve overall customer satisfaction and reduce the combined company's customer churn rate. It is worth emphasizing that the forecasted synergies do not include any increases in rates. To the contrary, we expect that, post-closing, subscribers of the new company will be able to migrate toward more competitive rate plans offered by the combined company – a significant benefit to consumers.

**Integration Costs ( - \$800 million After Tax NPV)**

27. The new company will incur significant expenses associated with the process of integrating the Sprint and Nextel organizations, facilities, networks, billing, customer care and back-office systems and re-branding of the companies' products. Expenditures will also be incurred for employee retention and severance and contract/lease terminations. We estimate that those expenses will total approximately \$800 million after tax NPV.

**Attachment D**

Sprint/Nextel Application for Transfer of Control  
Montagner/Nielsen Declaration

I, Marc Montagner, declare under penalty of perjury under the laws of the United

States that the foregoing declaration is true and correct to the best of my knowledge and  
belief.

/s/ Marc Montagner

Marc Montagner

Executed on February 8, 2005.

I, Steve Nielsen, declare under penalty of perjury under the laws of the United

States that the foregoing declaration is true and correct to the best of my knowledge and  
belief.

/s/ Steve Nielsen

Steve Nielsen

Executed on February 8, 2005.