MCI

Introduction

Proper implementation of the Telecommunications Act of 1996 will usher in a new era of competition in local telephone markets; bringing consumers lower prices, innovative, high-quality services and, for the very first time, the right to choose their local telephone company.

But success in opening markets is not pre-ordained. It will require speed and innovation on the part of competitors, and resolve and vigilance on the part of regulators.

MCI is bringing competition to local telephone markets -- with the same benefits that it brought to the long-distance market. MCI is already carrying local traffic through its own facilities in 10 major American cities. By the end of 1996, MCI will have invested nearly a billion dollars in local network construction and will be carrying local traffic over its facilities in 24 markets in 20 states.

The efforts of MCI and other new entrants will only be successful if federal and state regulators steer the course to true competition. In the near term, regulation must play its role as a substitute for market forces until true competition arrives. Regulators should employ a simple and straightforward set of navigational aids to set the course toward true competition in local markets by asking, of each regulatory action:

Does it create an environment that promotes investment and the development of a flourishing array of new services?

Building local facilities will take a lot of time and money. To attract the needed investment will require that capital markets must be able to understand that markets are being opened and innovation, encouraged.

Does it establish prices that mirror a fully competitive environment?

In a competitive market, new entrants would be able to buy services from many vendors, whose prices would be competitive. But not in the local telephone market, where ratepayers' funds have been used to build monopoly networks. Regulators must establish market prices that mirror a fully competitive environment for competition to work.

Does it provide vigilant oversight against anti-competitive practices?

Local monopolies will have no incentive to cooperate with their competitors, who need access to the monopoly facilities built with ratepayer dollars in order to serve those same ratepayers. Replicating the vigilance of a competitive marketplace requires that local telephone monopolies be barred from stopping competition by failing to follow normal business practices.

These are the navigational aids that will lead to open, competitive markets and ensure that consumers see a new array of products and services at lower prices.

8/1/96

MCI

FCC BLUEPRINT FOR LOCAL COMPETITION GIVES CONSUMERS FREEDOM OF CHOICE IN LOCAL SERVICE, MCI CHAIRMAN SAYS

WASHINGTON, August 1, 1996 -- Today's decision by the Federal Communications Commission to adopt broad national rules opening local telecom markets to competition represents an historic first: freedom of choice for local telephone customers, said MCI Chairman and Chief Executive Officer Bert C. Roberts Jr.

"Today's action by the FCC is about freedom of choice, pure and simple. It turns ratepayers into customers. And it means consumers can say, 'This phone line is my line. I paid for it. I can connect to the company that I choose,'" Roberts said.

"We're looking forward to seeing all the details of this lengthy order when the full text is released. But it's clear from what we know already that the FCC today demonstrated the leadership needed to fulfill the promise of the Telecommunications Act of 1996," Roberts added.

In addition to providing more choices, real competition in local markets will lower prices, spur innovation and increase service quality, the MCI chairman said.

The FCC order will encourage the quick entry of competitors into monopoly local markets by promoting investment and development of a wide range of new, state-of-the-art services.

But, Roberts added, "The hard work has just begun. Now it's up to the states to clearly and consistently interpret the new rules, and to maintain vigilant oversight against the anti-competitive practices of the Bell companies."

By the end of the year, MCI will have invested close to $1 billion in its local service initiative. If the states create the proper regulatory environment, the company could spend nearly that much on local service in 1997, Roberts said.

Today, MCI is serving local business customers with its state-of-the-art fiber optic networks and digital switches in 11 cities, offering high-speed trunks and other advanced products. By the beginning of next year, MCI will offer service in 24 markets in 20 states.

"A competitive telecommunications market gave American businesses the muscle to successfully compete around the world," Roberts said.

"Now state regulators have the same opportunity to strengthen their own economies by moving quickly to implement the FCC rules and free customers to reap the benefits of real competition.

"In the industrial age, business flocked to the free-flowing rivers that brought power and prosperity. In the information age, businesses will flock to those states that create a free flow of communications," Roberts added.

In the coming months, the FCC will join state regulators in taking up the key issues of universal service and access charge reform. The Department of Justice also will play a significant role in dealing with the access charge issue.

Under the current regime, long distance companies are forced to subsidize Bell monopoly profits by paying access charges that are approximately seven times greater than cost. Access reform is necessary to ensure competition in the local marketplace and is a necessary predicate to Bell company entry into in-region long distance.

"MCI will spend about $6 billion in 1996 for access services that cost the Bell companies less than $1 billion to provide," Roberts said. "We'd much rather pass those savings on to our customers. They could make much better use of the money than the monopolies have."

MCI strongly supports the goal of ensuring that local telephone service is affordable and widely available, but believes so-called universal service subsidies should be limited to the amount required to achieve that goal. The subsidies should support customers, not the Bell companies. And the Bell companies should not control and make profits off those subsidies.

MCI, headquartered in Washington, D.C., is one of the world's largest and fastest growing diversified communications companies. With annual revenue of more than $15 billion, MCI offers consumers and businesses a broad portfolio of services including long distance, wireless, local, paging, messaging, Internet, information services, outsourcing, and advanced global communications.

MFS APPLAUDS INTERCONNECTION ORDER; HISTORIC ORDER AN IMPORTANT STEP IN OPENING LOCAL MARKETS TO COMPETITION

OMAHA, NEB., 1 August, 1996 -- *The following comments may be attributed to James Q. Crowe, chairman and chief executive officer of MFS Communications Company, Inc. (MFS).*

"MFS welcomes the FCC's interconnection decision announced today.

"MFS is well-positioned to immediately and aggressively pursue the local competitive opportunities allowed under the FCC's order. This flexibility is due in large part because we operate both as a facility-based and resale provider of local, long distance and data services on an international basis.

"Today's order is particularly significant because it goes a long way toward defining the terms and conditions under which competing local exchange carriers connect with each other to originate and terminate calls. National standards will dramatically reduce confusion and help assure that new entrants to the local service arena can get similar treatment in every part of the country.

"Since enactment of the Telecommunications Act of 1996, MFS has finalized interconnection agreements with Ameritech and reached partial agreements with Bell Atlantic, NYNEX and SBC Communications. MFS has requested arbitration with Bell South and US West and has an interim agreement with Pacific Telesis.

"Armed with this decision, we expect our negotiation and arbitration discussions to proceed more quickly enabling MFS to devote even more attention to expanding its market presence. Today's decision ensures MFS will reach our strategic objectives sooner rather than later."

MFS is a leading provider of communication services for business. Through its operating company subsidiaries, MFS provides one-stop shopping for integrated local and long distance services as well as a wide range of high-quality voice, data and other enhanced services and systems specifically designed to meet the requirements of business and government customers. MFS is headquartered in Omaha, Nebraska. Its World Wide Web address is http://www.mfst.com. MFS' common stock is traded on the Nasdaq National Market under the symbols MFST.

[Return to August News Release Index || Return to Main News Release Index]

LOCAL COMPETITION

AT&T - Full Service Provider

AT&T's Allen outlines plan to enter local telephone market that includes offering service to consumers and businesses in all 50 states. Company says that it may only have to make software adjustments to provide service to businesses with which it already has direct connections. (AT&T press release, 2/8/96).

AT&T will also pursue other means to offer local service, including use of cable television and fixed wireless technologies. (AT&T press release, 2/8/96).

AT&T prepared to "leap" into Atlantic states markets. Authorizations allow company to offer local service to residences and businesses. (AT&T press release, 2/29/96).

AT&T signs alternative access agreements with six companies that will provide business customers in more than 70 cities with dedicated and switched local service and switched access. (AT&T press releases, 4/11/96 and 8/26/96).

AT&T and DIRECTV partner for broadcast service. *(AT&T press release, 1/22/96).*

AT&T

News Release

FOR RELEASE THURSDAY, FEBRUARY 8, 1996

AT&T's Allen outlines plans to enter local telephone market

WASHINGTON -- AT&T Chairman Robert E. Allen today described for the first time how the company plans to enter the $90 billion local telephone market as early as this summer so it can offer consumers and businesses innovative packages of local, long distance, wireless, on-line and entertainment services.

"We're ready to play," said Allen. "We're ready to win. And we don't intend to lose any time doing it." By March 1, he said AT&T will have taken the initial steps to provide local services in all 50 states.

AT&T's initial plan for providing local service to consumers and small businesses, he said, is to strike agreements with the Bell companies in order to resell their services. If AT&T can reach agreements with the Bell companies within the time frame outlined in the law, Allen said AT&T could begin offering local service in some markets by late summer or early fall.

"The fastest route into the local market is through resale of existing Bell company capacity," Allen said.

For business customers, he said, AT&T could use the existing direct connections between AT&T switches and many of its business customers' offices to begin offering local services. Currently, a substantial number of the lines serving customers from AT&T's digital switching centers are directly connected to business customers' offices, Allen said.

He added that once the law's requirements are met by the Bell companies, AT&T need only make software adjustments and establish links to local switches in order to allow these direct connections -- now used only for long distance -- to handle local traffic as well.

Allen said AT&T would also pursue other means to offer local service. This could include using cable television technology and increasing AT&T's use of facilities from companies that provide access to customers as an alternative to the Bell companies. He added AT&T already has signed agreements with 20 of these alternative access providers to supply connections to customers in 95 cities. AT&T has doubled its use of these providers in the past year.

Allen said fixed wireless technology is also an option, adding that 200 million Americans live within the territories where AT&T already has cellular and PCS licenses.

In addition, he said, the company on a selective basis would build its own network facilities to offer local services. "We're already designing the networks, and we'll begin installing fiber rings and new switching technology in several cities," he said.

In a related move, AT&T today announced an organization structure with seven new regional presidents with responsibility for marketing AT&T's full range of services, including local, in their respective areas of the country.

Allen cited two recent surveys as a reflection of the power of the AT&T brand among consumers. A recent Morgan Stanley survey indicated 30 percent of those surveyed said they would switch to AT&T for local service if prices were the same. In a Yankee Group survey, 50 percent of those polled said if they had the option of getting local and long distance from the same carrier, they would choose AT&T. The next most frequently mentioned company was chosen by only 6 percent of respondents.

"Our plan is to enter this expanded market with bundled offers like the industry has never seen before," said Allen. "We will offer business and consumers bundles of services that will combine local and long distance, wireless, on-line services, even television. As much or as little as the customer wants."

Praising the telecommunications reform legislation signed today by President Clinton, Allen said it removes the Bell companies' local service monopoly, which "has sat there like a two-ton boulder in the fast lane of the information superhighway."

"When properly enacted, the new law will dynamite that boulder," he said. "The fast lane will be opened up."

For more information, see AT&T's home page on the World Wide Web, http://www.att.com/. Also available are Robert Allen's prepared remarks for today's news conference in Washington.

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KEYWORDS: competition, local_service, long_distance, telecom, legislation

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FOR RELEASE THURSDAY, FEBRUARY 29, 1996

AT&T files to 'leap' into Atlantic States local service

BASKING RIDGE, N.J. -- AT&T today filed applications to provide local telephone service with the public utility regulatory commissions in Pennsylvania, Delaware, Virginia and West Virginia. It recently filed similar applications in New Jersey and Maryland. The Maryland PSC granted AT&T's application on January 17, 1996.

Additionally, AT&T representatives will hand-deliver notification to Bell Atlantic executives tomorrow requesting formal negotiations begin on terms for interconnection to Bell's local telephone markets. According to the new federal telecommunications law, negotiations must be concluded nine months after they begin.

"The clock starts ticking tomorrow," said Bill Stake, AT&T vice president-local services, Atlantic States. "The faster we get through these negotiations, the quicker we can add local service to a menu of services that already include long distance, wireless, entertainment through DirecTV and Internet access using our recently announced WorldNet(sm) Service.

"It is in Bell Atlantic's best interest to conclude these negotiations expeditiously," said Stake. "They can't offer long distance service in their region until they ultimately demonstrate to the Federal Communications Commission that consumers and businesses have meaningful options in choosing a local telephone company."

AT&T plans to offer local service to both residence and business customers throughout the country. Specifics on how, when and where AT&T will begin offering local service in this area depend on the outcome of negotiations with Bell Atlantic concerning topics such as resale of local services and network interconnection.

"Successful conclusion of these negotiations will hasten the day when customers will be able to enjoy more innovative services, competitive prices and all the other benefits that competition provides," Stake added.

AT&T

News Release

FOR RELEASE THURSDAY, APRIL 11, 1996

AT&T, five companies sign alternative access agreements

NEW YORK -- AT&T today announced agreements with five companies allowing business customers in 70 cities to connect with AT&T's network for some services as an alternative to access provided by local phone companies. Terms of the agreements were not disclosed.

The alternative access providers are: American Communications Services, Inc., Annapolis, Md.; Brooks Fiber Properties, St. Louis; Hyperion Telecommunications, Coudersport, Pa.; IntelCom Group, Denver; and Time Warner Communications, Denver.

"At the 'new' AT&T, we intend to use a variety of means for offering long distance and local phone service to our customers," said AT&T Chairman Robert E. Allen. "These agreements give us the flexibility to provide high-quality service at competitive prices and are part of our commitment to meet customer needs for business and personal communications, on-line and home entertainment services."

The Time Warner Communications agreement includes dedicated and switched local phone service and switched access for business services. American Communications Services, Inc., Brooks Fiber Properties, Hyperion Telecommunications and IntelCom Group will supply dedicated connections for businesses, and AT&T is discussing terms for an agreement with them that would provide switched local phone service and switched access service. None of the agreements involves an equity investment from AT&T.

"These agreements demonstrate that AT&T will not limit itself to reselling local service obtained from monopoly phone companies," Allen said. "We'll continue to pursue arrangements with other companies that provide access to customers and also build network facilities on a selective basis to offer local service."

In early March AT&T announced it had filed with state commissions in all 50 states to provide local service to business and residence customers. Under terms of the Telecommunications Act of 1996, AT&T also is discussing with the seven regional Bell companies and GTE fair and reasonable terms to connect with their networks and the prices at which AT&T will purchase local phone service at cost-based wholesale rates to sell at retail. The Telecommunications Act requires local phone monopolies to unbundle their local network elements and price them at cost.

AT&T plans to offer local phone service throughout the country beginning as early as this summer in some areas. The company also recently announced an Internet access service, AT&T WorldNet(sm) Service, and that it would begin selling DIRECTV® satellite entertainment service.

Cities connected with AT&T's Network by agreements

Akron, Ohio	Albany, N.Y.	Albuquerque, N.M.
Austin, Texas	Bakersfield, Calif.	Baton Rouge, La.
Binghamton, N.Y.	Birmingham, Ala.	Boulder, Colo.
Buffalo, N.Y.	Burlington, Vt.	Cedar Knolls, N.J.
Charleston, S.C.	Charlotte, N.C.	Charlottesville, Va.
Chattanooga, Tenn.	Cincinnati, Ohio	Cleveland
Colorado Springs, Colo.	Columbia, S.C.	Columbus, Ga.
Columbus, Ohio	Dayton, Ohio	Denver
El Paso, Texas	Fayetteville, N.C.	Fort Worth, Texas
Fresno, Calif.	Grand Rapids, Mich.	Greensboro, N.C.
Greenville, S.C.	Harrisburg, Pa.	Hartford, Conn.
Honolulu	Houston	Indianapolis, Ind.
Irving, Texas	Jacksonville, Fla.	Knoxville, Tenn.
Lexington, Ky.	Little Rock, Ark.	Louisville, Ky.
Memphis, Tenn.	Milwaukee, Wis.	Mobile, Ala.
Montgomery, Ala.	Nashville, Tenn.	New Brunswick, N.J.
New York	Oakland, Calif.	Oklahoma City, Okla.
Orlando, Fla.	Philadelphia	Phoenix
Providence, R.I.	Raleigh-Durham, N.C.	Richmond, Va.
Rochester, N.Y.	Sacramento, Calif.	San Diego, Calif.
San Jose, Calif.	Shreveport, La.	Spartanburg, S.C.
Springfield, Mass.	Stockton, Calif.	Syracuse, N.Y.
Tampa-St. Petersburg, Fla.	Tucson, Ariz.	Tulsa, Okla.
Wichita, Kan.		

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KEYWORDS: local_phone_service, long_distance_service, local_access, competition,

AT&T

News Release

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FOR RELEASE MONDAY, JANUARY 22, 1996

AT&T and DIRECTV partner for broadcast satellite service and equipment

NEW YORK -- DIRECTV, Inc. and AT&T announced today a broad and exclusive agreement for AT&T to market and distribute the DIRECTV high-power direct broadcast satellite (DBS) service and DSS equipment. AT&T plans to begin offering the service and equipment to its 90 million customers by mid-summer. AT&T also is acquiring an equity interest in DIRECTV.

DIRECTV, a unit of Hughes Electronics Corporation, is the world's leading provider of DBS service, delivering up to 175 channels of digital entertainment -- including a wide array of sports, movies and news programming -- to owners of the DSS system, which features an 18-inch satellite dish.

As part of the broad agreement, AT&T is acquiring 2.5 percent of the equity in DIRECTV from Hughes for $137.5 million. AT&T has options to increase its investment to up to 30 percent over five years depending primarily on the number of new DIRECTV subscribers AT&T enrolls over specific time periods. These options are priced to recognize AT&T's contribution to the increased value of DIRECTV, and reflect discounts to future fair market value.

The long-term strategic partnership opens a significant base of potential customers for DIRECTV and provides AT&T with a unique and innovative home-entertainment service to offer its customers.

AT&T will be the only nationwide telecommunications company to market and distribute the DIRECTV programming service and the DSS system. The alliance with AT&T will provide DIRECTV with a powerful marketing and distribution channel to complement the more than 20,000 retail outlets nationwide that will continue to sell DSS equipment and DIRECTV programming.

Under this landmark agreement, AT&T, the nation's leading telecommunications company, and DIRECTV, the direct-to-home satellite market leader, join forces to provide customers with advanced digital entertainment and communications services.

AT&T and DIRECTV also plan to jointly develop new multi-media services for DIRECTV as part of the agreement.

LOCAL COMPETITION

<u>MCI</u> - Full Service Provider

MCI prepares to enter local phone market. Company invests billions as part of plan to offer service in 24 markets in 20 states. (MCI press release, 8/1/96).

MCI introduces new advertising campaign for local service, touting "an array of communications products and services -- all from one company, all on one bill".. (MCI press release, 8/8/96).

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MCI TALKS LOCAL PHONE SERVICE WITH ITS NEW ADVERTISING CAMPAIGN

-- Market-Tailored Print Ads Introduce Businesses to the Rewards of Competition--
WASHINGTON (Aug. 8, 1996) -- This week, MCI is going from around the world to around the corner in a new market-tailored print advertising campaign introducing competitive local telephone service to businesses throughout the country.

MCI is placing ads stressing the benefits of competition in daily newspapers and business journals in 12 major U.S. business markets: Atlanta, Baltimore, Boston , Chicago, Cleveland, Detroit, Hartford, Conn., Milwaukee, New York City, Philadelphia, Pittsburgh and Seattle.

"MCI brought competition and savings to long distance -- now we're doing the same thing for local service," said Gretchen Gehrett, executive director of advertising at MCI. "MCI's new ad campaign reinforces benefits like volume discounts, customer service, and an array of communication products and services -- all from one company, all on one bill."

MCI's black and white print ads feature a clean layout and design, with the focus on a catchy headline and informative supporting copy. The ads are tailored for each market and include a local number for additional information on MCI products and services.

The first ad, which broke yesterday, features the headline "MCI Introduces Local Service and the Rewards of Having More Than One Company Compete for Your Business." A second round of ads breaks today and reads "MCI Goes Local. Suddenly It Is a Buyer's Market."

In each of the ads, additional copy emphasizes the benefits of competition along with bold statements about MCI's efforts to combine local service with its other communications. "The advantages of competition are clear. Simply stated, its better business," continued Gehrett. "This is our message in black and white."

The advertising campaign was created and executed by MCI's advertising agency -- - Messner, Vetere, Berger, McNamee, Schmetterer Euro RSCG.

MCI, headquartered in Washington, D.C., is one of the world's largest and fastest growing diversified communications companies. With annual revenue of more than $15 billion, MCI offers consumers and businesses a broad portfolio of services including long distance, wireless, local, paging, messaging, Internet, information services, outsourcing, and advanced global communications.

LOCAL COMPETITION

Sprint - Full Service Provider

"Sprint will compete immediately in newly deregulated local markets". . (Sprint 1995 Annual Report).

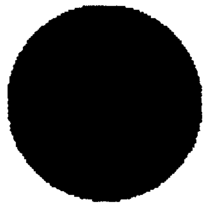
Sprint Sprectrum partnership with three of the nation's largest cable companies will allow Sprint to realize its vision of an integrated offering of wireless, local, long distance, and cable television services in a single package. (Sprint 1995 Annual Report).

"A critical issue is our ability to enter new markets now dominated by the regional Bell companies". (Wayne Peterson, President-Local Communications Division, Sprint 1995 Annual Report).

Sprint, Sprint Spectrum and RadioShack announce a major alliance to provide one-stop shopping for communications services. (Sprint press release, 9/11/96).

- Sprint at a Glance -

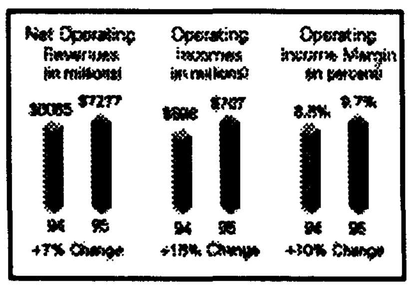
- Long Distance
- Local Communications
- Product Distribution/Directory Publishing
- Global One
- Sprint Spectrum



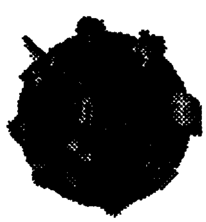
LONG DISTANCE

Operations. Sprint's long distance division provides voice, video and data services to nearly 8 million customers. The company operates the only nationwide 100% digital, fiber-optic network in the United States. Long distance markets include residential; small, medium and large businesses; and federal, state and local governments. Sprint offers an integrated platform of products and services across North America through its 25% equity ownership in Call-Net (Sprint Canada) and its alliance with Mexico's largest communications provider, Telefonos de Mexico (Telmex).

Performance . Long distance operating income increased by more than $100 million, rising 18% to $707 million. Operating margins grew to 10.5% in the fourth quarter. Data revenues increased more than 70% in the fourth quarter.



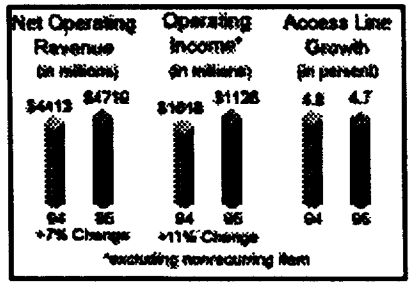
Outlook . Aggressive marketing to Internet users, new multimedia products and initiatives designed to help customers migrate to high-speed data networks will strengthen Sprint's drive to grow share in rapidly expanding data markets.



LOCAL COMMUNICATIONS

Operations. Sprint provides local telephone service through more than 6.7 million customer lines in 19 states. More than 98% of local customers are served by digital switching technology. Additionally, more than 20,000 sheath-miles of fiber-optic cable is deployed systemwide. This provides a platform for a portfolio of network-based voice, video and data services. Local markets include residential; small, medium and large businesses; and federal, state and local governments. The operating companies also provide access to local customers for long distance companies.

Performance . Local telephone operating income increased 11% to $1.1 billion* for the year. Growth was fueled by one of the industry's fastest access line growth rates and 65% growth in advanced intelligent network services.



* Excluding nonrecurring item.

Outlook . Sprint will compete immediately in newly deregulated local markets, with an array of applications including telemedicine and distance learning. Other growth markets include Internet users and entertainment.

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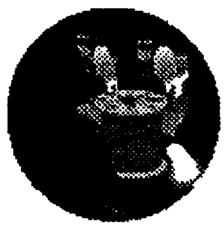
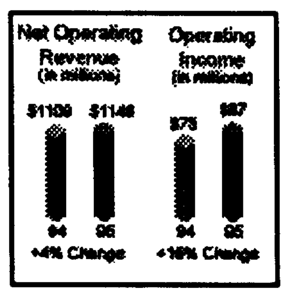


PRODUCT DISTRIBUTION/DIRECTORY PUBLISHING

Operations. Sprint North Supply is one of the nation's largest wholesale distributors of voice, data and teleconferencing equipment and security and alarm systems. Its markets include telecommunications companies, product resellers, cable television companies and security and alarm dealers. The combination of Sprint Publishing & Advertising and Centel Directory Company is the 10th largest Yellow Pages publisher in the United States. They publish 325 telephone directories with an annual circulation of more than 17 million across 20 states.

Performance . Operating income in the product distribution and directory publishing businesses grew 16% to $87 million in 1995. Stronger sales in both units increased revenues 4% to $1.1 billion. Fourth quarter operating income grew by 16% to $22 million compared to a year ago.



Outlook . North Supply will expand its position in materials management outsourcing services to its core markets, including interconnect companies. By leveraging the nationally recognized Sprint brand, Sprint Publishing & Advertising is well positioned to expand into new markets.

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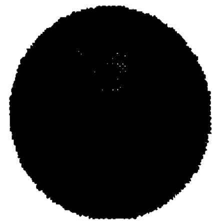

GLOBAL ONE

Operations. Global One is a worldwide joint venture of Sprint, Deutsche Telekom and France Telecom. The venture offers a comprehensive array of advanced voice and data services to businesses, carriers and consumers. Based in Brussels, Belgium, and Reston, Virginia, in the United States, Global One has 1,200 switching centers in more than 60 countries around the world. The global carrier's worldwide integrated organization provides customers a single point of contact and 24-hour customer service. Global One serves other telecommunications carriers with a full range of transport and transit services.

Outlook . With its launch, Global One immediately rose to the top tier of international service providers. The company is combining several businesses of its parent companies. These operations include: Sprint International; Deutsche Telekom's and France Telecom's Atlas joint venture (including eunetcom); and the international VSAT, end-to-end and global VPN services of Deutsche Telekom and France Telecom. Deutsche Telekom's and France Telecom's data networks outside of their home countries were also contributed. The data networks within their countries will be integrated into Global One after January 1, 1998. Data, messaging and other services are already in the planning stages.

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SPRINT SPECTRUM

Operations. Sprint Spectrum is a partnership of Sprint and three of the nation's largest cable companies: Tele-Communications Inc., Comcast Corporation and Cox Communications, Inc. The venture is building a nationwide network to provide wireless personal communications service (PCS). PCS will be marketed under the Sprint brand to a population of more than 182 million. The four companies are committed to the vision of a single, integrated offering of wireless services, local telephone services and long distance service in a package with cable television service.

Outlook . Sprint Spectrum is implementing an aggressive business plan to build out its nationwide wireless PCS network. The venture's objective is to begin offering PCS in as many as 20 to 25 major metropolitan areas by December 1996, covering over 100 million people. Construction of the remainder of the system should be substantially complete by December 1998. In addition, Sprint will negotiate individual joint ventures on a market-by-market basis with its cable partners to provide competitive local telephone services.

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Sprint **BEYONDTALK** *1995 Annual Report to Shareholders*

- Critical Issues -

Capturing and growing share in an exploding marketplace, with

Branding

as our linchpin.

Gary Forsee

An interview with

Gary Forsee
President, Long Distance Division, and
Wayne Peterson
President, Local Communications Division

Q) *How strong is Sprint's brand compared to your principal competitors?*

GF) Sprint has very high brand awareness among both residential and business customers. We are firmly established as one of only three nationally recognized telecom brands. We will build on that position, with a continued emphasis on reinforcing the brand.

Wayne Peterson

WP) A critical issue is our ability to enter new markets now dominated by the regional Bell companies. The brand gives us a set of national and international communications credentials. We'll have instant recognition against entrenched competitors whose identities are regional.

Q) *What factors differentiate the Sprint brand in the marketplace?*

GF) Our market research indicates customers associate the Sprint brand with such attributes as simplicity, reliability, responsiveness, innovation and global scope. Our branding strategy is to expand on this perception and differentiate Sprint as the first truly integrated provider of packaged services.

Customers will soon be bombarded from all sides with new offerings that few even heard of just a year or two ago: PCS, Internet access, all kinds of other new products and capabilities, with who knows how many companies offering this or that mix of services.

In the face of this, we believe customers will turn to brands they know and trust, and seek the convenience of packaged services. Sprint is exceptionally well positioned to answer that call and to do it first.

WP) Sprint's experience in local, long distance and wireless is unparalleled. Our capacity to unify and package this expertise forms the basis for presenting a face to the customer of "One Sprint." As a first step, our local and long distance divisions already have joint marketing teams in several cities.

Q) *How will the Sprint brand be leveraged in newly competitive local markets?*

WP) During 1996 we will accelerate the move to the Sprint name in many of our United and Centel telephone territories. We want all of our United and Centel telephone customers to see us as "One Sprint" providing total communications services. This will begin to give all our products and services a common identity, and make it easier to market across traditional geographic boundaries.

GF) We'll have similar advantages through Sprint Spectrum. The national scope of the Sprint brand combines with the local and regional recognition of our cable partners' brands to give us exceptional cross-marketing opportunities. The joint venture is providing new sales channels for Sprint's long distance products right now.

Q) *What is Sprint's global branding strategy?*

GF) Our joint venture with Deutsche Telekom and France Telecom brings a new brand to the global marketplace, called Global One. By combining the reputations of three high-powered players, Global One will dramatically increase our company's ability to participate in rapidly growing offshore markets.

Global One will prominently feature the Sprint logo. This linkage adds to our ability to market Sprint to domestic customers with growing international needs.

Press Releases

Sprint.

Don't miss the complete list of our most current Press Releases.

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For Immediate Release

ONE-STOP TELEPHONE SHOPPING RETURNS TO AMERICA! SPRINT, SPRINT SPECTRUM AND RADIOSHACK JOIN FORCES

--Joint Marketing Pact Includes Store-Within-A-Store--

September 11, 1996 -- Sprint (NYSE:FON), Sprint Spectrum and RadioShack, a division of Tandy Corporation (NYSE:TAN), today announced a major alliance that will allow consumers to purchase a full range of Sprint-branded communications services and products through approximately 6,800 RadioShack stores and participating dealers blanketing the United States.

"This alliance will result in unprecedented nationwide distribution of communications products and services through a retail channel," said William T. Esrey, chairman and chief executive officer of Sprint. "Sprint, Sprint Spectrum and RadioShack will offer to consumers a complete package of customized consumer products, simply and conveniently in a familiar store in their neighborhood."

"Sprint, Sprint Spectrum and RadioShack share a strategic vision of one-stop telephone shopping that cannot be readily duplicated," said John V. Roach, chairman and chief executive officer of RadioShack's parent, Tandy Corporation. "This alliance will permit a broad range of telephone products to be sold at a Sprint store-within-a-store that will also sell long distance, wireless personal communications service, local telephone service, Internet access and other services. The new era in telecommunications will take a giant step forward for the consumer with this alliance."

Under the agreement, Sprint, Sprint Spectrum and RadioShack will create a "store-within-a-store." Customers will have access to a full service communications information center that will offer Sprint Spectrum personal communications services (PCS), Sprint long distance, local and wireless phone service, Internet access and paging, as well as Spree prepaid phone cards and phone sets. RadioShack will also be the exclusive retailer of Sprint-branded "residential" telephones.

RadioShack will also be one of the first retail locations where Sprint Spectrum will sell its new wireless PCS service. Sprint Spectrum, a partnership of Sprint, TeleCommunications Inc. (TCI), Cox Communications and Comcast Corporation, plans to launch its nationwide, digital PCS service in 15 to 20 markets by year end and in the remainder of its 32 major trading areas in the first quarter of 1997.

"The nationwide reach of RadioShack is a perfect complement for our national PCS service," said Andrew Sukawaty, chief executive officer of Sprint Spectrum. "RadioShack will be the largest retail distribution channel for Sprint Spectrum and will be a key sales outlet for our nationwide launch along with sales through our partners and Sprint Spectrum retail stores."

Sprint-branded PCS products and services are expected to be available in about 300 RadioShack stores in approximately 15 cities by year end, with the full line of Sprint products and services expected to be available in as many as 4,500 additional stores in 1997.

"Sprint has a strong brand equity and this partnership extends that equity into the retail marketplace by putting Sprint's product and services within five minutes reach of 94 percent of the population," said Leonard Roberts, president of RadioShack and Tandy Corporation. "We believe that Sprint and RadioShack will redefine how consumers deal with communications providers for the next century."

The joint marketing and co-branding strategy will be supported by a multimillion-dollar advertising campaign to be launched in the third quarter of 1997. Sprint products will also be featured in RadioShack catalogs.

Sprint is a global communications company at the forefront in integrating long distance, local and wireless communications services, and the world's largest carrier of Internet traffic. Sprint built and operates the United States' only nationwide, all-digital, fiber-optic network and is the leader in advanced data communications services. Sprint has $12.8 billion in annual revenues and serves more than 15 million business and residential customers.

Sprint Spectrum is constructing a nationwide network to deliver PCS, the next generation of digital wireless services to consumers and businesses. Sprint Spectrum's national digital PCS network will offer PCS service in 32 Major Trading Areas (MTAs) with a population of 182.5 million, making it potentially the largest wireless communications company in the United States.

With $3.2 billion in annual sales and more than 6,800 locations nationwide, RadioShack is America's favorite electronics store for electronic parts and accessories, telecommunications products and services and repair service for most major brands of consumer electronics.

To www.sprint.com | Sprint Search/Map

LOCAL COMPETITION

MFS WorldCom - Full Service Provider

MFS and WorldCom, Inc. announce merger that "will create one of the world's premier business communications companies, providing a single source for a full range of local, long distance, Internet and international service". (MFS press release, 8/26/96).

MFS announces new initiatives aimed at expanding its position in the local services market. (MFS press release, 5/7/96).

MFS Signs Co-Carrier Interconnection Agreement with Bell Atlantic giving it the opportunity to accelerate its provision of competitive local telephone services. (MFS press release, 7/17/96).

MFS Now Offering Local Telephone Services Over Its Own Fiber Network in Baltimore. (MFS press release, 4/1/96).

MFS Granted Full Competitive Local Telephone Exchange Service Authority in Washington, D.C. (MFS press release, 7/30/96).

MFS and WorldCom, Inc. Announce Merger

JACKSON, Miss., and OMAHA, Neb., Aug. 26, 1996 -- WorldCom, Inc. (Nasdaq: WCOM) and MFS Communications Company, Inc., (MFS) (Nasdaq: MFST) jointly announced today that the two companies have executed a definitive Agreement and Plan of Merger.

Under the terms of the agreement, each share of MFS common stock will be exchanged for 2.1 shares of WorldCom, Inc. common stock. As of Friday's closing, the merger consideration for MFS stock is approximately $14 billion. The merger agreement was unanimously approved by the Board of Directors of each company and the transaction will be recommended by each board to its shareholders for consideration at a special shareholder meeting to be called by each company. The combined company will be known as MFS WorldCom. A brief summary of significant terms of the merger agreement is attached.

Merger Creates Premier Business Communications Company

The merger will create one of the world's premier business communications companies, providing a single source for a full range of local, long distance, Internet and international service over an advanced fiber optic network.

"Rarely in business do you have the opportunity to bring together the premier growth companies from key segments of an industry," said Bernard J. Ebbers, president and CEO of WorldCom, Inc. "We are creating the first company since the breakup of AT&T to bundle together local and long distance services carried over an international end-to-end fiber network owned or controlled by a single company.

"The merger is especially compelling because of the unique fit between WorldCom, Inc., MFS and UUNET.

"First, since WorldCom, Inc.'s networks will connect to MFS' city networks, we expect to achieve significant cost savings from reduced line and access costs. Second, the merger will eliminate duplication of capital spending programs, including those for undersea capacity, international facilities and MFS' planned U.S. intercity network. Third, the combined company is uniquely positioned to take full advantage of the congressional intent behind the Telecom Act as well as the recently released FCC Interconnection Order.

"Taken together, we expect these cost savings alone, including payment for originating and terminating both local and long distance calls, to substantially justify the merger.

However, perhaps the most exciting opportunity for MFS WorldCom is to simultaneously increase revenue and increase customer retention by offering a unique combination of local, long distance and international calling and Internet based services sold by a combined sales force of nearly 3,000 professionals."

James Q. Crowe, chairman and CEO of MFS said, "Bernie Ebbers and WorldCom, Inc. are at the very top of all American companies in creating shareholder value. I look forward to joining Bernie's team and helping to continue that record."

John Sidgmore, president and CEO of UUNET Technologies, Inc., said, "The merger of MFS and UUNET combines the nation's leading provider of Internet services to business with a state-of-the-art local fiber optic network in the U.S. and Europe. The merger with WorldCom, Inc. adds the one missing element, a broadband intercity network. I believe the combined company will be the leader in assisting businesses to harness the full power of Internet-based technologies. I am particularly excited about our combined ability to meet the explosive demand for corporate 'Intranets' utilizing technology and facilities available from a single source."

The merged company will have current annualized revenue of approximately $5.4 billion, with over 500,000 business customers throughout North America, Europe and Asia. On a combined basis annualized second quarter revenues grew at almost 30 percent over the prior year. At the heart of the combined company will be an end-to-end fiber network with 25,000 miles of fiber in service or under construction connecting all major metropolitan areas in the United States.

Combined Company Organization

Bernard J. Ebbers will serve as president and CEO of MFS WorldCom with James Q. Crowe serving as chairman of the board of MFS WorldCom, and chairman and CEO of MFS; John Sidgmore serving as a vice chairman of MFS WorldCom, and president and COO of MFS and CEO of UUNET; Roy Wilkens serving as a vice chairman of MFS WorldCom, and president and CEO of WilTel Network Services; and Royce Holland serving as vice chairman of MFS.

The combined company's board of directors will consist of an odd number of directors with WorldCom, Inc. designating one more director than MFS.

International Opportunities

The combined company is particularly well positioned to benefit from the global trend toward pro-competitive regulation. The combined company has annualized second quarter international revenues of over $800 million -- up 80 percent over the last twelve months.

Ebbers said, "The combined company can capitalize on both MFS' and WorldCom, Inc.'s leading international positions, particularly in Europe. The opportunity to jointly sell service using MFS' local networks in France, Germany and the United Kingdom is particularly exciting, since those countries together make up almost two-thirds of the European telecom market."

MFS WorldCom to Use Purchase Accounting

The combined company anticipates the merger will be accounted for as a purchase with a substantial portion of the purchase price to be allocated to intangible assets including goodwill. It is expected that these intangible assets will be amortized over 40 years. The actual allocation of purchase price and selection of amortization period is subject to further evaluation.

The company believes that the merger will be value accretive in the short term and earnings accretive in the longer term.

Treatment of MFS Bondholders

As currently structured, the transaction calls for MFS to become a wholly owned subsidiary of MFS WorldCom. This structure may give the holders of MFS' 9 3/8 percent Senior Discount Notes due 2004 and its 8 7/8 percent Senior Discount Notes due 2006, upon consummation of the merger, the right to require MFS to repurchase those notes at an amount equal to 101 percent of the accreted amount