Students and teachers at The Holy Name of Jesus School in New York City use specialized software developed by WinStar to take maximum advantage of the educational content available through the Internet.

Education in America is undergoing a transformation, aimed at improving children's learning and giving them the skills they need to succeed in tomorrow's world. This transformation represents an evolution from "producers of the muscle" to "producers of the mind." In the future, the ability to access information, and use the tools of technology to analyze and creatively solve problems, will be the defining factor in determining who succeeds. WinStar is an active part of this big and important picture, guiding schools through the sea of new technology.

The Seven "C's" of Education and the Internet

WinStar has a strong and socially responsible vision for America's schools, intended to build the foundation of a nationwide community of lifelong learners. It begins with *connectivity:* getting schools connected to the Internet. Here, our Wireless Fiber service is an ideal technology, providing high-speed connectivity at a fraction of the price of conventional alternatives. *Content:* once connected, content is the critical issue. Our *NewsNow* program enables children to publish their content on the Web. *Context:* Our *LivingPage* enables schools to create their own electronic library, and students' electronic bibliographies for Web-based research. *Collaboration:* the true power of the Web is connecting minds to other minds. Programs like our *WebBoard*, *MindsEye Monster Exchange* and *The Journey* are bringing thousands of children from hundreds of schools around the world into collaboration. *Creativity:* essential to creating value. We're building a suite of creative problem-solving tools, and working with top experts in the field to develop an Internet curriculum. *Commerce:* children must learn the fundamentals of electronic commerce. We'll be introducing tools and programs to give them great hands-on experience. *Community:* we're dedicated to improving communities through the creative use of telecommunications. In the nation's capital, we took the lead in forming a broad business and community coalition involving D.C. public schools, the D.C. public library and various foundations and groups, with the goal of making a significant difference, and closing the "digital divide" for inner city families. Vice President Al Gore hailed it as a model for the nation.

Creating a Model for America's Communities

We're about to link an inner city housing project in Washington, D.C. with neighborhood elementary, middle and high schools, and a local senior citizens home. The Internet environment we're creating is extending the schools into the home, and opening the door to rich, cross-generational communication between seniors and children. WinStar is today's new phone company not only in terms of its technology, but also in terms of our passionate sense of social responsibility to the country's schools and communities.

(In thousands, except per share data)

	FOR THE TEN MONTHS ENDED DECEMBER 31, 1995	FOR THE YEAR ENDED DECEMBER 31, 1996	1997
Operating revenues			
Telecommunications services — commercial	$ 130	$ 4,487	$ 29,796
Telecommunications services — residential	13,007	29,482	8,481
Information services	2,648	14,650	41,354
Total operating revenues	15,785	48,619	79,631
Operating expenses			
Cost of services and products	12,073	38,233	81,017
Selling, general and administrative expenses	13,617	62,365	156,959
Depreciation and amortization	1,027	4,501	29,701
Total operating expenses	26,717	105,099	267,677
Operating loss	(10,932)	(56,480)	(188,046)
Other (expense) income			
Interest expense	(7,186)	(36,748)	(77,257)
Interest income	2,890	10,515	17,577
Other (expense) income	(866)	–	2,219
Loss from continuing operations before income tax benefit	(16,094)	(82,713)	(245,507)
Income tax benefit	–	–	2,500
Loss from continuing operations	(16,094)	(82,713)	(243,007)
Income (loss) from discontinued operations	237	(1,010)	(6,477)
Net loss	(15,857)	(83,723)	(249,484)
Preferred stock dividends	–	–	(5,879)
Net loss applicable to common stockholders	$(15,857)	$ (83,723)	$(255,363)
Basic and diluted income (loss) per share:			
From continuing operations	$ (0.71)	$ (2.96)	$ (7.49)
From discontinued operations	0.01	(0.04)	(0.19)
Net loss per share	$ (0.70)	$ (3.00)	$ (7.68)
Weighted average shares outstanding	22,770	27,911	33,249

(Please refer to the company's Form 10-K for complete financial information)

(In thousands)

	DECEMBER 31, 1996	DECEMBER 31, 1997
ASSETS		
Current assets		
Cash and cash equivalents	$ 95,490	$ 402,359
Short term investments	26,997	16,903
Cash, cash equivalents and short term investments	122,487	419,262
Investments in equity securities	688	—
Accounts receivable, net of allowance for doubtful accounts of $852 and $3,819, respectively	13,150	30,328
Inventories	5,009	10,296
Prepaid expenses and other current assets	15,969	8,985
Net assets of discontinued operations	3,814	2,105
Total current assets	161,117	470,976
Property and equipment, net	62,572	284,835
Licenses, net	27,434	174,763
Intangible assets, net	12,955	14,293
Deferred financing costs, net	10,535	27,463
Other assets	4,176	4,071
Total assets	$ 278,789	$ 976,401
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Current portion of long-term debt	$ 19,901	$ 386
Account payable and accrued expenses	29,442	97,714
Current portion of capitalized lease obligations	3,110	6,848
Total current liabilities	52,453	104,948
Capitalized lease obligations, less current portion	10,846	21,823
Long-term debt, less current portion	265,161	768,469
Deferred income taxes	—	24,000
Total liabilities	328,460	919,240
Series C exchangeable redeemable preferred stock, liquidation preference of $175,000 plus accumulated dividends	—	175,553
Commitments and contingencies		
Stockholders' equity (deficit)		
Series A preferred stock issued and outstanding 3,910 shares at December 31, 1997	—	39
Common stock, par value $.01; authorized 200,000 shares, issued and outstanding 28,989 and 34,610, respectively	290	346
Additional paid-in-capital	75,436	255,741
Accumulated deficit	(125,034)	(374,518)
	(49,308)	(118,392)
Unrealized loss on investments	(363)	—
Total stockholders' deficit	(49,671)	(118,392)
Total liabilities, exchangeable redeemable preferred stock and stockholders' deficit	$ 278,789	$ 976,401

(Please refer to the company's Form 10-K for complete financial information)

(In thousands)

	FOR THE TEN MONTHS ENDED DECEMBER 31, 1995	FOR THE YEAR ENDED DECEMBER 31, 1996	1997
Cash flows from operating activities:			
Net loss	$ (15,857)	$ (83,723)	$ (249,484)
Adjustments to reconcile net loss to net cash used in operating activities:			
Net (income) loss from discontinued operations	(237)	1,010	6,477
Depreciation and amortization	1,117	5,977	32,360
Deferred income tax benefit	—	—	(2,500)
Provision for doubtful accounts	855	1,562	5,674
Equity in unconsolidated results of AGT	866	—	—
Non cash interest expense	6,151	35,040	53,506
Decrease (increase) in operating assets:			
Accounts receivable	(4,216)	(3,838)	(24,026)
Inventories	(991)	(1,897)	(9,217)
Prepaid expenses and other current assets	(2,342)	(13,442)	510
Other assets	(865)	(1,940)	(178)
Increase in accounts payable and accrued expenses	4,911	9,795	50,306
Net assets provided by (used in) discontinued operations	90	(1,481)	(4,559)
Other, net	179	186	—
Net cash used in operating activities	(10,339)	(52,751)	(141,131)
Cash flows from investing activities:			
Investment in and advances to AGT	(5,704)	—	—
Decrease (increase) in short-term investments, net	(73,594)	46,597	10,094
Decrease (increase) in other investments, net	(7,497)	6,447	—
Purchase of property and equipment, net	(8,138)	(47,842)	(213,356)
Acquisition of licenses and other	—	(2,121)	(40,190)
Other, net	(499)	(1,619)	2,494
Net cash (used in) provided by investing activities	(95,432)	1,462	(240,958)
Cash flows from financing activities:			
Proceeds from (repayments) of long-term debt, net	224,200	(2,778)	410,585
Net proceeds from redeemable preferred stock	—	—	168,138
Net proceeds from equity transactions	11,259	6,295	104,781
Proceeds from equipment lease financing	6,998	8,345	9,912
Payment of capital lease obligations	(676)	(2,080)	(4,141)
Other, net	(898)	(1,010)	(317)
Net cash provided by financing activities	240,883	8,772	688,958
Net increase (decrease) in cash and cash equivalents	135,112	(42,517)	306,869
Cash and cash equivalents at beginning of period	2,895	138,007	95,490
Cash and cash equivalents at end of period	138,007	95,490	402,359
Short-term investments at end of period	73,595	26,997	16,903
Cash, cash equivalents and short-term investments at end of period	$211,602	$122,487	$ 419,262

(Please refer to the company's Form 10-K for complete financial information)

Corporate Information

Board of Directors

William J. Rouhana, Jr.
Chairman & Chief Executive Officer
WinStar Communications, Inc.

Nathan Kantor
President & Chief Operating Officer
WinStar Communications, Inc.

Steven G. Chrust
Vice Chairman
WinStar Communications, Inc.

James I. Cash, Jr.
The James E. Robison Professor of Business Administration
Graduate School of Business Administration
Harvard University

Steven B. Magyar
Financial Consultant

William J. vanden Heuvel
Of Counsel
Stroock & Stroock & Lavan
Sr. Advisor
Allen & Company

Bert W. Wasserman
Executive Vice President &
Chief Financial Officer (retired)
Time Warner

Officers

William J. Rouhana, Jr.
Chairman & Chief Executive Officer

Nathan Kantor
President & Chief Operating Officer

Steven G. Chrust
Vice Chairman

Charles T. Dickson
Executive Vice President &
Chief Financial Officer

Timothy R. Graham
Executive Vice President &
General Counsel

David W. Ackerman
Executive Vice President
Business Development

Robert K. McGuire
President & Chief Operating Officer
WinStar Wireless

Stuart B. Rekant
President
WinStar New Media

David R. Schmieg
President & Chief Operating Officer
WinStar Telecommunications

Howard E. Taylor
President & Chief Operating Officer
WinStar Broadband Services

Richard J. Uhl
President & Chief Operating Officer
WinStar for Buildings

Ruth A. Shields
Executive Vice President &
Chief Operating Officer
WinStar New Media

SEC FORM 10-K AND STOCKHOLDER INQUIRIES

Copies of the Company's Form 10-K for the fiscal year ended December 31,1997, as filed with the Securities and Exchange Commission, can be obtained without charge upon written request to: Manager of Investor Relations, WinStar Communications, Inc., 230 Park Avenue, Suite 2700, New York, New York 10169 Tel. (212) 584-4053 Fax. (212) 867-1565

INDEPENDENT AUDITORS

Grant Thornton LLP, New York, New York

TRANSFER AGENT AND REGISTRAR

Continental Stock Transfer and Trust Company, New York, New York

ANNUAL MEETING

Shareholders are invited to WinStar's Annual Meeting which will be held at 10:00 a.m. on Wednesday, June 10, 1998 at the Hotel Inter-Continental, 111 East 48th Street, New York, New York 10017

Except for any historical information contained herein, the matters discussed in this document contain forward-looking statements that involve risks and uncertainties which are described in the company's SEC reports, including the 10-K for the period ended December 31, 1997.

WinStar is a registered trademark, and Wireless Fiber is a service mark of WinStar Communications, Inc.

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WIRELESS REVIEW™

INTELLIGENCE FOR COMPETITIVE PROVIDERS

WinStar's Kantor & Rouhana

Stirring Up Competition

Wireless 1999 Preview

Avoiding Call Center Casualties

Great Expectat

Rouhana and Kantor are bringing WinStar Communications to a building near you.

The leaders of WinStar Communications have high aspirations. Moderate success is not enough for this company it wants to get noticed.

With billions of dollars at stake, WinStar is ready to take on the Bells. But Chairman & CEO William J. Rouhana Jr. is not stopping at the local service market. He envisions broadband technology changing the world.

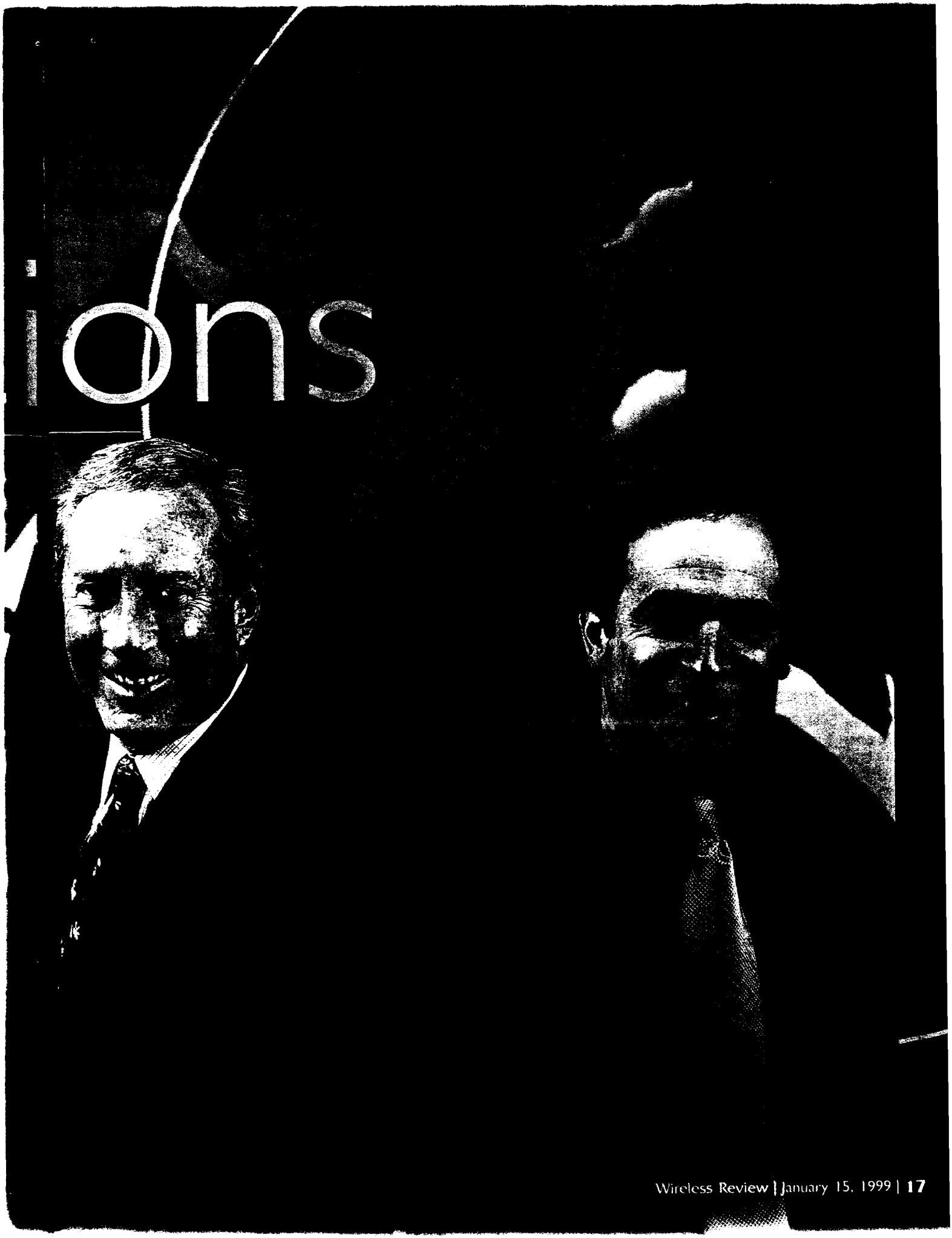
That may seem like quite a feat for a 6-year-old company that has been losing money since its inception. But to a man who has played a key role in 19 United Nations peacekeeping missions, been shot at during visits to Somalia and Rwanda amidst civil war, and crusaded Africa against land mines, anything is possible.

"Bill is why I'm here," said Nathan Kantor, president & COO. "He has passion, and he has vision. He sees this as doing good for people. Changing lives through good communication. This broadband is a way to solve problems and issues."

Rouhana's vision extends beyond the 28GHz and 38GHz broadband licenses and point-to-multipoint technology.

Rouhana sees WinStar touching people's lives, changing today's standard of living, creating better products and services, and, in turn, increasing productivity for people worldwide. More than business applications, his solutions include tools for distance

WinStar Communications


ions

learning, education for inner city schools and interactive video communications.

The Team

WinStar is off to a good start. True to its long-range goals, the one accomplishment it seems most proud of has more to do with people's lives than business or technology. On Veterans Day last year, WinStar launched The Virtual Wall (**www.virtualwall.org**), an interactive web site where friends and family can leave messages and graphics in tribute to Vietnam veterans. With recognition from Vice President Al Gore, WinStar is definitely getting noticed.

Rouhana and Kantor are relying on past experience to continue that trend. Kantor is no stranger to challenges. In 1972, he left a comfortable life with a blue-chip company to join a small fledgling 200-employee microwave-technology company called MCI. He joined Bill McGowan in the battle to compete against AT&T and bring competition to the long-distance monopoly.

If history repeats itself, Rouhana has selected a second man who could help make WinStar the next MCI.

Global Reach

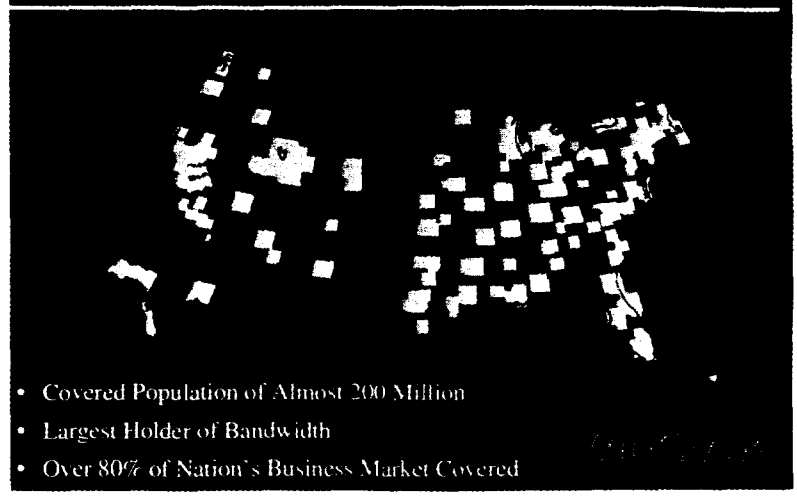
Pioneer Consulting predicts global LMDS business will grow from $157 million in 1998 to more than $11.5 billion by 2007. WinStar plans to own a piece of that business. The company's recent agreement with Lucent has created the resources to build globally.

"(Lucent and WinStar) are a perfect fit for international goals," Kantor said.

WinStar has identified 50 cities (25 in Europe) around the world as targets for broadband expansion. Part of WinStar's strategy in 1999 will be to help countries leapfrog landline and go directly to broadband wireless.

Pioneer's recent report agreed that in Asia LMDS will be a viable solution where building fiber networks in underdeveloped countries is too costly. Pioneer also said that by 2000, Asia-Pacific and Latin America markets will be adopting fixed-wireless applications, and in Europe the demand for alternate local-access services will drive LMDS. If that prediction holds true, WinStar may be on easy street to global success.

WinStar's Spectrum Holdings Cover the Nation's Business Market



WinStar holds broadband licenses in all of the top 50 U.S. markets.

Twenty-three years later, Kantor had once again settled into a comfortable life — this time with a consulting practice — when he got a call from another fledgling company. At the time, WinStar had around 200 employees, and Rouhana was positioning the company to take on the local monopolies. In the 1970s, he helped break up the long-distance market; now Kantor was preparing to break up the local market.

If history repeats itself, Rouhana has selected a second man who could help make WinStar the next MCI, something Rouhana has been thinking about since the 1980s. With a career spanning investments, law, film and cable, Rouhana wondered, "What (will be) the next technology to impact the way we get information?" Before Information Superhighway was even a term, Rouhana's mind was racing.

"In the late 1980s, I started trying to understand how all of this would come together. I thought it (would be) something important and started investing in telecom companies to understand its impact."

That's when the evolution to broadband became clear. By 1993 Rouhana was growing frustrated with the Bells' inability to implement advanced telecom solutions. So, he created WinStar Communications. With Kantor at his side, Rouhana assembled a team (now more than 2,600 employees) to make his goals "a reality, not a possibility."

Ambition

Although Rouhana would like "to help solve problems worldwide," his first task is to stir up local competition. That has not been easy. With anything new comes skepticism, and broadband wireless has had its share.

Investors have taken a wait-and-see approach, and the telecom industry is watching with an eagle eye. Not everyone is convinced there is a true business case for microwave, point-to-multipoint services. After financial woes of C-block providers and the flood of telecom competition, investors are wary of backing more players. After all, investors want to know that broadband providers can do more than just offer services; they must be able to bring in revenue. And WinStar has not done much of the latter. But Rouhana is optimistic. Although the company still is losing money, he expects cash flow to break even in 2000.

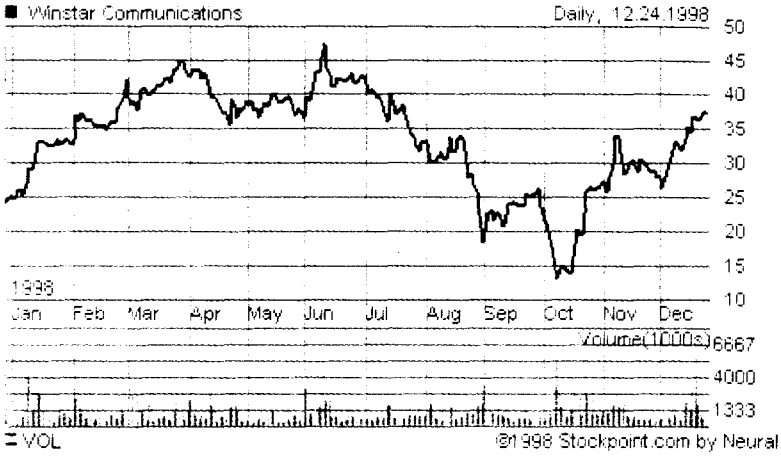


Figure 1. WinStar's stock took an upward turn in October.

"What we lose is investment spending," he said.

Still, it has taken several years of hard work to educate people on the opportunities of broadband services such as LMDS. According to Rouhana, WinStar had the curse of being first.

"They used to laugh at us," Rouhana said. "Now they get it."

In October, WinStar got the credibility it needed when Lucent Technologies announced a 5-year agreement to provide up to $2 billion in equipment financing. WinStar's shares rose $6 5/16 to $25 7/8 immediately following the announcement. (See Figure 1.)

Rouhana believes that for the most part, the industry finally is ready to accept the opportunities. As proof, other providers have started to follow WinStar's lead. Rouhana is not modest about WinStar's role in that evolution.

"(They are) all trying to be like us," he said.

So what is the business case? What are "they" all trying to get at? It all comes down to capacity and lots of it, quickly and cheaply.

According to WinStar, it costs more than $300,000 to connect fiber to a building. The cost for connecting a microwave point-to-point system averages about $20,000 per building. With the latest advancement of point-to-multipoint technology, the cost can be as little as $4,500 a building.

Another attractive concept is pay as you grow. Instead of paying a flat rate for access, WinStar customers pay depending on how much broadband capacity they use. If they need more capacity one month, they can purchase what they need and then revert back. Or as a customer adds employees and tenants, it can increase capacity immediately. For additional fiber, it would take months.

The real difference between fiber and broadband wireless is construction vs. technology, Kantor said. Fiber is 20% technology and 80% construction. Wireless broadband is 80% technology and 20% construction.

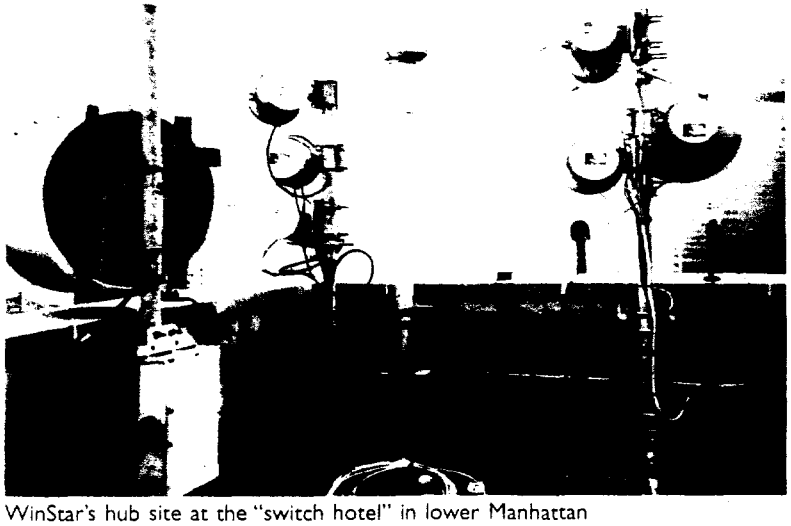
Although broadband wireless providers don't have the construction issues of digging for installation, they do need access to rooftops for technology placement. Because point-to-multipoint systems rely on one hub site for microwave antenna and a fiber connection to reach surrounding buildings, rooftop access is crucial. But Kantor said working with landlords hasn't been an issue. In New York alone, WinStar has five working hub sites, two under construction, and is looking for more locations to meet increased demand.

Confidence

The real challenge is gaining recognition with customers. The technology is a "no-brainer," Kantor said. Testing has proved it viable. But the thousands of potential customers (schools and businesses) have never heard of WinStar or its technology. So WinStar is positioning its service as Wireless Fiber, a winning combination, according to Kantor, because wireless is a hot term and fiber conveys reliability and quality.

But more than understanding technology, small- and medium-size businesses (the majority of WinStar's customers) want customer service.

"They have been ignored and abused," Kantor said.



WinStar's hub site at the "switch hotel" in lower Manhattan

Total Revenues from LMDS Markets
(In Millions)

	Small	Medium	Large	Total
1999	$151.07	32.23	58.19	241.49
2000	523.26	137.39	133.33	793.98
2005	3,225.99	809.27	459.17	4,494.43

Pioneer Consulting projects revenues at $4.5 billion by 2005.

Surveys indicate that office managers claim the worst thing to do in a day is to call a LEC for anything, he said. WinStar is using that as ammunition. Building customer relationships is its competitive weapon. It wants to change the existing paradigm that telephone companies don't need to worry about customer service.

"It's simple; just talk to the customer," Kantor said.

WinStar has created a company philosophy around this concept. It opened a National Customer Satisfaction Center in Dublin, OH, and has trained salespeople to help customers analyze bills and even help them set up web sites.

Establishing relationships with businesses, building owners and companies such as Devnet, which controls physical access rights to more than 400 office buildings, are critical to its business.

The company's strategy is a building-centric approach. WinStar has access rights to 3,500 buildings across the country. Only two other companies have more, and WinStar plans to change that. It expects to have access rights to 8,000 buildings by year-end 1999. WinStar's strategy is to first target buildings with more than 100,000 square feet, build out equipment and then sell to the businesses in those buildings. With the Lucent deal under its belt, the company now expects to exceed its original plan of a 40-city launch by year-end 1999.

That won't be easy. WinStar may be "The New Phone Company," but, it's not the *only* new phone company. There are many other CLECs, including LMDS and PCS companies, also wanting a piece of the local market. Teligent is the one competitor that frequents media and analyst comparisons. One futurist even expects Teligent to leapfrog WinStar.

"Teligent really impresses me ... They seem to have their act together better than WinStar ... WinStar is doing too many things, so it can't focus on the huge opportunity in wireless data to business residences ... Teligent is going to burst ahead of them," said George Gilder, Gilder Technology Group president.

Rouhana and Kantor aren't concerned.

"He is absolutely wrong ... I don't worry about Teligent," Kantor said.

According to Kantor, Teligent

has no funding, no access and is two years behind WinStar. WinStar has more spectrum and licenses than anybody else and is in more places than anyone else (averaging more than 700MHz per market). Teligent's heavyweight, former AT&T President Alex Mandl, doesn't intimidate either.

"Bill invented the industry, not Alex," Kantor said.

Although Rouhana won't credit Teligent as a direct competitor, he does consider its presence a compliment.

"Teligent existing is the ultimate flattery," Rouhana said. "It adds credibility to the market because it is copying what WinStar is doing."

In fact, WinStar seems to think it's in a class of its own.

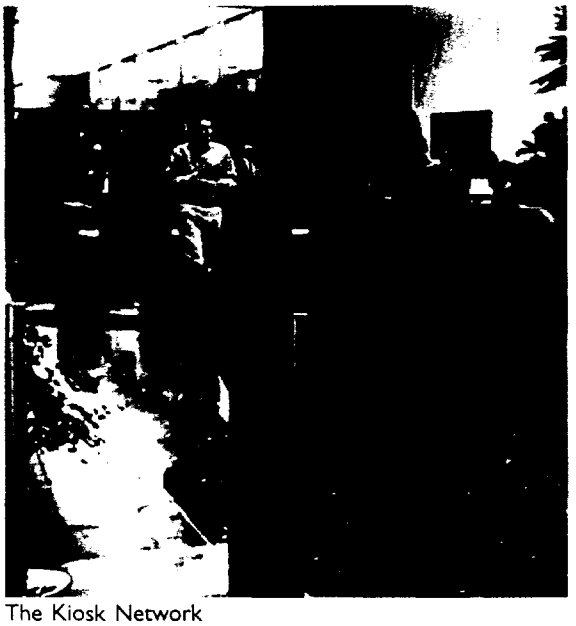
"The LEC is my competitor," Kantor said. "Not the CLECs."

If that is the case, how can WinStar expect to become the leader in a field of local incumbents? It's simple, Rouhana said: "We've got a better mousetrap."

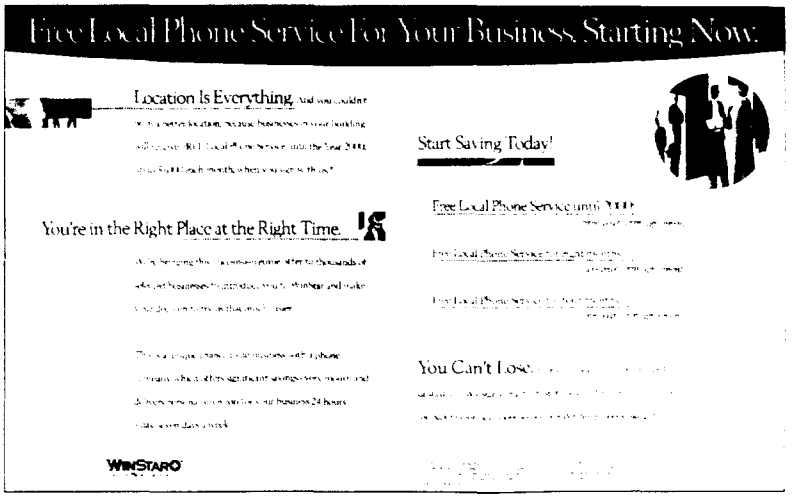
After WinStar builds out the top 50 markets for commercial services, it will progress to the residential segment.

Visions of Success

Part of that mousetrap lies in WinStar's marketing campaigns, which include direct mailings to target buildings, and personal delivery gimmicks such as a baseball promotion box with a Louisville slugger and an invitation to meet with WinStar. If the recipient agrees to the meeting, he receives tickets to the baseball game.



The Kiosk Network



Project Millennium offers free local phone service until 2000.

Other personal deliveries include WinStar breakfast bags with coffee and bagels.

Lobby programs also are a strategic marketing tool. The company often holds events in building lobbies and serves treats such as ice cream in the afternoon.

The company is testing another value-added feature in its own buildings. The multimedia Kiosk Network features live AP news headline tickers, forecasts, an interactive building directory for tenant listings, area restaurants and city maps. These programs are key in getting the company's name circulated. They leave the perception that WinStar owns the building.

"We want people to ask 'Why don't we have WinStar in our building?'" Kantor said.

These tools also increase value for the tenants. They will make businesses look at broadband like they do air conditioners, Kantor said.

"They will realize they can't do business without broadband capacity," he said.

Late last year, the company also launched its nationwide marketing campaign, Project Millennium. WinStar is picking up local phone service (up to $1,000 per month) until 2000 for first-time customers that sign a 3-year contract between Oct. 31, 1998 and Jan. 31, 1999.

The offer extends to more than 1,000 newly connected commercial buildings in 13 markets including Atlanta, Dallas, Denver, Los Angeles and New York.

To generate revenue, WinStar will use this promotion as a hook and then go back and sell more services. But WinStar is not stopping there.

Despite analyst predictions that broadband services such as LMDS will be limited mostly to the business market, Rouhana plans to go further. After WinStar builds out the top 50 markets for commercial services, it will progress to the residential segment.

"Toward the end of 2000, we will have the ability to serve a significant (portion of the) residential market from a network perspective," Rouhana said. "We will try to do that. The broadband network *will* go to the home."

He believes that video conferencing and Internet usage will drive the demand for broadband capacity to homes. If it succeeds, WinStar will be one step closer to reaching Rouhana's high expectations — changing the way people across the world communicate. ■

WINSTAR®

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Press
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WINSTAR COMPLETES ACQUISITION OF NATIONWIDE SPECTRUM RIGHTS IN ARGENTINA

Broadband Wireless Leader Continues Expansion Into Top 50 International Markets

Service Planned for Buenos Aires in 1999, One of The Fastest-Growing Data Markets in Latin America

NEW YORK - FEBRUARY 16, 1999 - WINSTAR COMMUNICATIONS, INC. (NASDAQ: WCII) announced today it has completed the purchase of 95% of Macrocom SA, a company holding a nationwide license for 400 MHz of spectrum in the 38 GHz band in Argentina. The acquisition marks the next step in WinStar's plan to expand its broadband network into the top 50 international markets within the next five years by strategically accumulating spectrum assets in a cost-effective manner. The licenses obtained through this purchase cover all of Argentina, including Buenos Aires, which is one of Latin America's premier business markets and the eighth largest international market outside the United States. WinStar plans to launch service in Buenos Aires by September 1, 1999.

By acquiring spectrum rights in Argentina, WinStar gains access to more than 88 million channel pops in that country's large cities and 48 million in Buenos Aires alone. Argentina's rapidly growing data services market, which is estimated to exceed $500 million annually, provides WinStar with an opportunity to build a broadband network capable of delivering high-speed data and information services to large multinational business customers and medium-sized companies. In addition, the opening of the country's local and long distance markets in November 2000 will provide further opportunities for WinStar.

WinStar's Argentine network will feature the company's state-of-the-art point-to-multipoint technology. The company will also draw upon the expertise and resources of Lucent Technologies as part of the strategic alliance formed by the two companies last October.

William J. Rouhana, Jr., WinStar's Chairman and Chief Executive Officer, said, "We are pleased and excited to be bringing wireless broadband connectivity to Buenos Aires, one of the most important business markets in Latin America, as well as to other major cities in Argentina.

Acquiring these spectrum rights is a key part of our plan to serve our multinational customers and to extend our industry leadership by expanding the availability of WinStar's broadband network to the international marketplace."

WinStar has already obtained spectrum licenses in the Netherlands, and has filed for spectrum rights in major business markets throughout Western Europe. Last month, WinStar, KDD and Sumitomo formed a joint venture company, of which WinStar owns 35%, to obtain spectrum rights and build a wireless broadband communications network beginning in Tokyo later this year.

WinStar Communications, Inc. is a pioneer in providing business customers with broadband communications services, including local and long distance phone service, as well as high-speed data, Internet access and information services. WinStar provides these Wireless FiberSM services over its own end-to-end broadband network in over 30 U.S. markets, using its licenses in the 28 and 38 GHz spectrum.

Except for any historical information contained herein, the matters discussed in this press release contain forward-looking statements that involve risks and uncertainties, which are described in the company's SEC reports, including the 10-K for the period ended December 31, 1997 and the 10-Q for the period ended September 30, 1998.

WinStar is a registered trademark, and Wireless Fiber is a service mark ofWinStar Communications, Inc.

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WINSTAR, KDD AND SUMITOMO ESTABLISH JOINT VENTURE TO SERVE MAJOR JAPANESE MARKETS WITH BROADBAND NETWORK

Partnership Will Acquire Fixed Wireless Spectrum in Key Japanese Cities, Beginning with Tokyo

NEW YORK - JANUARY 5, 1999, WINSTAR COMMUNICATIONS, INC. (NASDAQ: WCII), KDD CORPORATION AND SUMITOMO CORPORATION announced today they have formed a joint venture to pursue deployment of fixed wireless service in Japan beginning in Tokyo later this year. The three companies have established a new Japanese corporation, KDD WinStar Corporation, to secure spectrum rights and build a broadband network capable of delivering high-speed data and information services in major Japanese markets. WinStar will own a 35% interest in the new corporation.

Under this joint venture, KDD WinStar Corporation will draw upon WinStar's experience and expertise in providing high-speed local access to businesses over its own fixed wireless network, KDD's experience in the marketing and provision of telecommunications services throughout Japan, and Sumitomo's expertise as one of Japan's leading integrated trading companies. As spectrum rights are secured, KDD WinStar Corporation will market its broadband service to businesses with high-speed data transmission needs, including Internet service providers and others.

William J. Rouhana, Jr., WinStar's Chairman and Chief Executive Officer, said, "We are pleased and excited to join with KDD and Sumitomo to secure spectrum and build a high-speed, end-to-end network capable of delivering a wide range of broadband data and information services to businesses throughout Japan. Together we have the global expertise, the vision and the financial resources to replicate WinStar's U.S. build-out and bring wireless broadband connectivity to Japanese business. WinStar will continue to seek additional partners in the global markets we have targeted in order to penetrate them with locally-delivered bandwidth for a variety of data and information needs."

Tadashi Nishimoto, President of KDD Corporation, said, "Local access networks will play an increasingly important role in the competitive telecommunications environment in Japan. KDD considers fixed wireless systems a promising means for providing such access networks. The partnership with WinStar, which has a successful experience in the USA, will accelerate the business expansion in Japan in combination with KDD's advanced technology in wireless telecommunications systems."

Atsushi Nishijo, Managing Director of Sumitomo Corporation, said, "Last mile access for data and information services will be realized by a combination of various methods, out of which fixed wireless is the most cost-effective. We are very encouraged by this partnership with WinStar, which has a wealth of fixed wireless experience, and we believe that our new company will become a great success. "

WinStar, which currently provides Wireless FiberSM services to businesses in 30 major U.S. markets over its own end-to-end network, last month announced it would begin to provide data and information services to six international markets in 1999 and a total of 50 global markets outside the U.S. within five years. WinStar also announced its accelerated plan to provide fixed wireless services to the top 60 U.S. markets within five years.

WinStar Communications, Inc. is a pioneer in providing business customers with broadband communications services, including local and long distance phone service, as well as high-speed data, Internet access and information services. WinStar provides these Wireless Fiber℠ services over its own end-to-end broadband network in 30 U.S. markets, using its licenses in the 28 and 38 GHz spectrum.

KDD Corporation is a comprehensive global communications company providing information and communications services at the highest level in the world.

Sumitomo Corporation is a globally integrated trading company, which works with its partners to provide trade, value-added services and business investments.

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WINSTAR AND HUGHES NETWORK SYSTEMS ENTER STRATEGIC RELATIONSHIP FOR NATIONWIDE DEPLOYMENT OF POINT-TO-MULTIPOINT BROADBAND FIXED WIRELESS NETWORKS

Second Generation Technology Lowers Network Costs and Expands Market Opportunity

NEW YORK - August 10, 1998, WINSTAR COMMUNICATIONS, INC. (NASDAQ-WCII) and Hughes Network Systems (HNS, a unit of Hughes Electronics) have announced an agreement for Hughes to provide second generation point-to-multipoint equipment for nationwide deployment in WinStar's broadband fixed wireless network.

"The Hughes equipment, when deployed later this year, will provide WinStar's voice and data network with the most advanced point-to-multipoint technology available," said Nathan Kantor, WinStar's President and Chief Operating Officer. "Based on our specifications and HNS' significant TDMA system experience, the new equipment will significantly increase the transmission capacity of our spectrum while reducing network deployment and operating costs."

This agreement follows two years of collaboration between Hughes and WinStar, the nation's leading provider of broadband fixed wireless telecommunications services. WinStar, in cooperation with other equipment suppliers, successfully tested point-to-multipoint technology in Florida during 1997, and is currently operating a demonstration network in Washington, D.C. and Tysons Corner, Virginia, prior to commercial deployment in late 1998.

The Hughes second generation TDMA point-to-multipoint system improves the utilization of the company's spectrum, allowing WinStar to provide up to four full duplex DS-3 clear channel circuits of capacity per 100 MHz channel, while permitting the centralization of service provisioning, configuration management and network monitoring functions. A fully networked point-to-multipoint infrastructure offers unprecedented versatility in services provided as well as improved operational efficiency. Customers will benefit from the provision of such varied services as enhanced voice, video conferencing, native LAN-LAN interconnections, MPEG-2 video and high-speed Internet access on a single fully integrated local metropolitan area ATM transport network. Point-to-multipoint fixed wireless technology combines the benefits of end-to-end ATM transport with bandwidth on demand for high capacity bi-directional voice, data and video services.

"Point-to-multipoint technology and economics significantly expand WinStar's addressable market by enabling WinStar to cost-effectively serve customers in a much greater number of buildings." Kantor added. "For the first time, the resources and features of the much-heralded information superhighway will be affordable to nearly everyone, at speeds in excess of 200 megabits per second. Such speeds have previously been associated only with high-capacity, high-cost private corporate data networks."

"WinStar's real world experience providing wireless broadband communications services to customers, coupled with Hughes' wireless networking systems expertise, provide a unique combination to create a world-class broadband system solution," said Pradeep Kaul, Executive Vice President at HNS. "HNS is excited about the opportunity and the potential it creates for leading the industry into a new paradigm for delivery of broadband services."

The Hughes equipment is compatible with all of WinStar's existing point-to-point and point-to-multipoint equipment and continues WinStar's strategy of using multiple vendors. It will be incorporated into WinStar's existing demonstration network in Washington, D.C. by November of this year.

WinStar Communications, Inc. is a national local communications company serving business customers, long-distance carriers, fiber-based competitive access providers, mobile communications companies, local telephone companies and other customers with broadband local communications needs. The company provides its Wireless Fiber℠ services using its licenses in the 28 and 38 GHz spectrum. The company also provides long distance and information services.

Headquartered near Washington, DC, with international sales and support offices worldwide, Hughes Network Systems (www.hns.com) is a leading provider of wireless, satellite and enterprise network solutions. HNS is a unit of Hughes Electronics Corporation. The earnings of Hughes Electronics are used to calculate the earnings per share to GMH (NYSE symbol) common stock.

Except for any historical information contained herein, the matters discussed in this press release contain forward-looking statements that involve risks and uncertainties which are described in the company's SEC reports, including the 10-K for the period ended December 31, 1997, and the 10-Q for the period ended March 31, 1998.

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WINSTAR REPORTS LINE ORDERS AND INSTALLATIONS FOR 1998 SECOND QUARTER

Line Orders Exceeded 75,000

Line Installations Reached 50,000

NEW YORK – July 15, 1998, WINSTAR COMMUNICATIONS, INC. (NASDAQ-WCII) reported today that continued demand for its competitive local exchange carrier (CLEC) services led to further gains in line orders and installations during the second quarter ended June 30, 1998. Line orders for the period exceeded 75,000, an increase of over 30% from the first quarter of 1998. Line installations rose to 50,000 during the second quarter, representing approximately 20% sequential growth over the first quarter of 1998.

Nathan Kantor, WinStar's President and Chief Operating Officer, said today, "WinStar's cumulative lines installed have risen to over 195,000 from just 30,000 a year ago, thus providing further evidence of the demand for our services. In addition, we are pleased that, for the first time in a quarterly period, we acquired in excess of 500 roof rights. This achievement reflects the initial success of our focus on REITs, national and other large portfolios of commercial buildings as we extend WinStar's reach to more customer buildings."

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WINSTAR ADDS 7 NEW CLEC MARKETS

Deployment of Network to 30 Major Metropolitan Areas Remains One Year Ahead of Original Schedule

NEW YORK - MAY 7, 1998 – WINSTAR COMMUNICATIONS, INC. (NASDAQ-WCII) today announced it has reached its initial 1998 goal for expanding its telecommunications network, with the company now providing Competitive Local Exchange Carrier (CLEC) services in 24 of the largest U.S. markets. The company is also on schedule to meet its accelerated goal of having its network deployed to 30 major markets by end of this year. WinStar's original schedule called for CLEC services to be available in 30 markets by the end of 1999.

WinStar's services were launched during the first four months of 1998 in seven markets: Baltimore, Denver, Detroit, Houston, Tampa, Phoenix and Seattle. The company had previously introduced its CLEC services in Atlanta, Boston, Chicago, Dallas, Fort Worth, Los Angeles, Milwaukee, New York, Newark, Oakbrook, IL, Orange County, CA, Oakland, Philadelphia, San Diego, San Francisco, Stamford and Washington, DC.

"Our ability to be one year ahead of schedule is the result of a variety of factors, including the acquisitions of U.S. One and Midcom, and our excellent operating managers and systems. The company's growth continues to be fueled by the demand for broadband connectivity and WinStar's unique combination of speedy installation, attractive pricing and our emphasis on personalized customer satisfaction," said William J. Rouhana, Jr., WinStar Chairman and Chief Executive Officer. "The speed to market we've been able to accomplish in the past year should provide for substantial revenue growth throughout 1998," Rouhana noted.

WinStar has targeted six additional markets for the introduction of CLEC services during the remainder of the year: Columbus, Miami, St. Louis, Cleveland, Kansas City, and Minneapolis.

To support its expanded deployment, WinStar now has a direct sales force and service organization of more than 800, of which over 400 are commissioned sales people. The company has paved the way for its growth by obtaining CLEC authorizations which now cover 48 of the top 50 markets, and interconnect agreements applicable to 44 of the 50 largest markets.

WinStar Communications, Inc. is a national local communications company, serving business customers, long distance carriers, fiber-based competitive access providers, mobile communications companies, local telephone companies, and other customers with broadband local communications needs. The company provides its Wireless Fiber[SM] services using its licenses in the 28 and 38 GHz spectrum. The company also provides long distance, Internet data and informational services.

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WINSTAR AWARDED $40 MILLION DATA CONTRACT

WinStar Broadband Services to Provide High Speed Backbone for AboveNet Cross Country ISP Network

Service Agreement Includes End-To-End Network Management Solutions

NEW YORK – APRIL 23, 1998, WINSTAR COMMUNICATIONS, INC. (NASDAQ-WCII) today announced its WinStar GoodNet unit has been awarded a $40 million broadband backbone service contract from AboveNet, a San Jose, CA, based internet service provider (ISP). The 40 month contract calls for WinStar GoodNet to provide cross country circuits and local loop management to connect AboveNet's high capacity data centers throughout the U.S.

"By continuing to expand its network of high quality, low cost broadband network links between major U.S. cities, WinStar GoodNet is fast becoming the Tier 1 carrier of choice for ISP's and major corporations," said Howard E. Taylor, President, WinStar Broadband Services. "We are providing an end-to-end solution for this customer, packaging the local loops, managing the installation process and providing quality control from our own facilities in each city. When coupled with the synergistic data communications, telephony and Internet services provided by WinStar, we expect our backbone capabilities will have an increasingly positive impact on our revenue and EBITDA performance."

The AboveNet contract includes multiple clear channel circuits ranging in capacity from DS3 to OC12. The contract calls for installation of circuits between San Francisco, CA, Chicago, IL, and Washington DC, with additional circuits between San Francisco, CA, and Portland, OR; and San Francisco and Los Angeles.

WinStar GoodNet is a leading national Internet service company in the U.S. with points of presence in 27 cities and one of the highest traffic levels of any independent U.S. backbone provider. Through its national network of multi-protocol asynchronous transfer mode (ATM) switches, WinStar GoodNet offers dedicated high-speed Internet access, metropolitan and wide area network data transport services, including virtual private networks, to hundreds of commercial clients. WinStar GoodNet also provides dial-up Internet access to subscribers in Arizona, and estimates that nearly one million additional Internet users are served indirectly through other access providers utilizing the company's ATM backbone. The company has established more than 130 peering arrangements with other U.S. and foreign Internet service providers.

AboveNet Communications, Inc., a privately held corporation, provides non-stop, non-congested Internet bandwidth for Internet Service Providers, Content Providers and companies with mission-critical business to business operations. AboveNet provides complete co-location services, and has in excess of 2 Gbps of capacity on it's national network. AboveNet peers with over 130 networks, and has private peering with more than 25 of these networks.

WinStar Communications, Inc. is a national local communications company, serving business customers, long distance carriers, fiber-based competitive access providers, mobile communications companies, local telephone companies, and other customers with broadband local communications needs. The company provides its Wireless Fiber℠ services using its licenses in the 38 GHz spectrum. The company also provides long distance, data, Internet and information services.

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WINSTAR INITIATES FIRST FULLY INTEGRATED FIXED WIRELESS MULTIPOINT METROPOLITAN AREA NETWORK

Multi-Hub/ATM-Based Configuration Demonstrates Increased Functionality and Efficiency of Point-to-Multipoint Architecture

NEW YORK – APRIL 13, 1998, WINSTAR COMMUNICATIONS, INC. (NASDAQ WCII) announced today that it has activated a full-duplex, ATM-based, point-to-multipoint (PMP) broadband, fixed wireless trial network carrying voice, data and video services in Washington, D.C.

The network incorporates two hub sites, expanding to three shortly, and is providing high speed telecommunications services over multiple sectors to four end-user buildings. Traffic is being routed through an ATM over-the-air interface and integrated with WinStar's ATM metropolitan area backbone network and its Class 5 local switched network. The PMP network is functioning at an extremely high level of efficiency and reliability.

William J. Rouhana, Jr., Chairman and Chief Executive Officer of WinStar, said that "the network confirms the breadth and depth of the role WinStar's Wireless Fiber^{SM} broadband local networks will play in bringing voice, data and video services to the market. We believe this is the first time these capabilities have been integrated into an actual commercial enterprise environment. The results of our deployment firmly establish WinStar's technical leadership in this arena."

WinStar's Washington D.C. network is demonstrating all the features of a fully networked PMP infrastructure, including bi-directional communications on a bandwidth-on-demand basis. The network offers unprecedented versatility, including enhanced voice, data, video conferencing, LAN-LAN interconnections, file transfer, MPEG-2 video, distance learning, email and high speed internet access. The network will provide multiple channels to each end user building, and each channel will provide data rates of up to 155 megabits per second. This network design greatly increases the efficiency with which WinStar utilizes its spectrum.

"Our PMP network carries with it very significant reductions in capital costs enabling WinStar to extend our network to many more customers, expanding our addressable market to include those customers located in buildings as small as 20,000 square feet, and some portion of the residential market. The combination of the reduced cost and the relative ease of installation will allow the integration of voice, data and video communications services onto one network allowing an

affordable, high speed alternative to the higher cost, legacy systems of the existing monopoly carriers" said Rouhana. "This confirms our ability to initially deploy our multipoint network in the second half of 1998, and moves us toward full national implementation of this network over the course of 1999 and beyond."

WinStar Communications, Inc. is a national local communications company, serving business customers, long distance carriers, fiber-based competitive access providers, mobile communications companies, local telephone companies, and other customers with broadband local communications needs. The company provides its Wireless Fiber[SM] services using its licenses in the 38 GHz spectrum. The company also provides long distance, Internet and information services.

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WINSTAR OBTAINS DARK FIBER CAPACITY FROM METROMEDIA FIBER NETWORK

High Capacity Fiber Backbone to Lower Connection Costs Between Central Offices and Hub Sites in Seven Major Markets

Fiber Backbone To Lower WinStar's Long Distance Network Costs in Eastern U.S.

NEW YORK - JULY 29, 1998 - WINSTAR COMMUNICATIONS, INC. (NASDAQ - WCII) today announced that it has obtained dark fiber capacity in and between a number of major markets from Metromedia Fiber Network (NASDAQ - MFNX), as part of WinStar's plan to build broadband networks in and between the top 40 U.S. markets. The cost to WinStar under the 25-year agreement, which begins immediately, is approximately $40 million.

The agreement will provide intracity fiber rings, consisting of multiple fiber optic strands, to efficiently connect WinStar's present and future hub sites and central offices (which house WinStar's voice and data switches) in the metropolitan areas of Chicago, New York, Oakland, Philadelphia, San Francisco, San Jose and Washington, D.C. The agreement also will include intercity fiber optic capacity to connect WinStar's present and planned central offices, including its Class 4/5 switches, serving Baltimore, New York City, Newark, Philadelphia, Stamford and Washington, D.C., thereby establishing an East Coast facilities-based long distance network for WinStar.

"WinStar becomes one of the few carriers which can provide end-to-end services for its customers as we integrate these fiber facilities into our network and replace high cost leased facilities. This capacity will connect our point-to-point and point-to-multipoint Wireless Fiber[SM] circuits, local loop hubs and our city networks to each other. In addition, we are creating a low-cost, state-of-the-art long distance network in the eastern corridor of the United States, which accounts for approximately 35% of the United States' telecommunications traffic," said William J. Rouhana, Jr., Chairman and Chief Executive Officer of WinStar. "This agreement reduces our

operating costs, enhances our EBITDA and provides sufficient backbone capacity for us in and between these important markets well into the next decade," Rouhana added.

Commenting on today's announcement, Howard Finkelstein, President of Metromedia Fiber Network, said, "We are pleased to be able to provide virtually unlimited bandwidth to WinStar to assist its efforts to bring broadband telecommunications services to many thousands of customers and to interconnect them with a modern network backbone."

WinStar Communications, Inc. is a national local communications company, serving business customers, long distance carriers, fiber-based competitive access providers, mobile communications companies, local telephone companies, and other customers with broadband local communications needs. The company provides its Wireless Fiber[SM] services using its licenses in the 28 and 38 GHz spectrum. The company also provides long distance, Internet, data, and information services. Home page: www.winstar.com

Except for any historical information contained herein, the matters discussed in this press release contain forward-looking statements that involve risks and uncertainties which are described in the company's SEC reports, including the 10-K for the period ended December 31, 1997, and the 10-Q for the period ended March 31, 1998.

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WINSTAR TO ACQUIRE LANSYSTEMS FROM BOWNE & CO.

Strategic Acquisition Expands WinStar's Presence in Data Services Business

NEW YORK, AUGUST 7, 1998 – In a move that furthers its mission of creating broadband networks and helping customers use them productively, **WINSTAR COMMUNICATIONS, INC. (NASDAQ - WCII)** today announced its agreement to acquire LANSystems, a leading integrator of data services, from Bowne & Co. (AMEX – BNE).

LANSystems is a leading provider of systems integration and other similar services, primarily to the legal and financial services communities, with offices in major cities in the United States. LANSystems solves complex business challenges with leading-edge integration services that give clients flexible solutions that fit their technology requirements and business objectives.

William J. Rouhana Jr., Chairman and Chief Executive Officer of WinStar, said: "This acquisition begins to fill the professional services element of our broadband strategy, which also includes network and networked applications, and helps us complete our goal of building a full-service data transmission business. By entering the professional services data business we can offer a fully integrated approach to our customers' increasingly complex data needs and continue to build our business in this area."

WinStar will purchase LANSystems for approximately $23 million, payable in cash at closing, which is subject to certain conditions including Hart-Scott-Rodino approval. WinStar said it expects LANSystems to have a revenue run rate of $20 - $25 million over the next 12 months and to contribute positively to the company's EBITDA.

"We welcome the LANSystems' employees and customers into the WinStar family and look forward to continuing to do business with Bowne," said Howard Taylor, President and Chief Operating Officer of WinStar Broadband Services. "We are confident that WinStar

will be a good home for LANSystems because it enhances our data services offerings and because we both have the same strong commitment to customer satisfaction. We believe both WinStar and LANSystems' customers will welcome this acquisition because many of them are already seeking a combination of services which we will now be able to deliver as one entity. We are further encouraged that LANSystems' core business is located in six cities – Chicago, Dallas, Los Angeles, New York City, San Francisco, and Washington, D.C. – where we already have a strong presence, creating opportunities to offer our customers a wider range of services."

LANSystems' solution specialties include network infrastructure design, implementation, network and desktop operating systems, document management systems, groupware applications, Internet and intranet solutions, and flexible support of local-area, wide-area, and public networks. LANSystems consistently ranks among the top 25 integrators in LAN Magazine's annual survey of the top 100 integration firms in the country. Additionally, LANSystems has developed numerous strategic relationships with cutting-edge technology providers such as Microsoft, Novell, PC DOCS, Lotus, Bay Networks, Cisco, and Compaq.

WinStar Communications is a national local communications company, serving business customers, long distance carriers, fiber-based competitive access providers, mobile communications companies, local telephone companies, and other customers with broadband local communications needs. The company provides its Wireless Fiber℠ services using its licenses in the 28 and 38 GHz spectrum. The company also provides long distance, Internet, data and information services.

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WINSTAR ANNOUNCES PLAN TO EXTEND INDUSTRY LEADERSHIP

Will Expand Into 110 Markets Worldwide Over Next Five Years

Reports Substantial Progress on Several Fronts, Including Multipoint Commercial Launch, International Expansion, Building Access Rights and Project Millennium Marketing Campaign

New Agreements with Williams Communications Demonstrate Value of Network Expansion

NEW YORK, DECEMBER 17, 1998 - WINSTAR COMMUNICATIONS (NASDAQ: WCII) today announced its plan to extend its industry leadership by making its broadband network widely available to business customers in 110 markets worldwide.

In a day-long meeting with financial analysts and investors, WinStar reported substantial progress across all aspects of its business, demonstrating why it is uniquely positioned to achieve broadband ubiquity and popularize a full suite of broadband applications, including high-speed Internet access, full motion video conferencing and bandwidth on demand.

Significant WinStar announcements included:

· WinStar plans to double the U.S. reach of its broadband network to 60 major markets over the next two years and to serve an additional 50 major international markets within five years. During 1999, WinStar will expand to 45 U.S. and six international markets. In pursuing this accelerated build-out, WinStar will take advantage of the resources and expertise of Lucent Technologies under their $2 billion strategic alliance announced in October.

· WinStar demonstrated the value of its network expansion by selling two percent of its long-term broadband capacity for $400 million to Williams Communications, Inc. It also purchased from Williams national fiber capacity, previously obtained by WinStar at a higher cost, for $640 million.

· WinStar commercially deployed its state-of-the-art multipoint technology in Washington, D.C. and will expand its multipoint capability nationwide in 1999. This will significantly lower the cost of its network build-out and enable WinStar to serve far more customers in each of its markets.

· The company is off to a quick start in its international expansion and will commercially launch its Wireless FiberSM service in Amsterdam beginning in February 1999. It also revealed a plan to add the following additional cities to its network in 1999: Paris, London, Tokyo, Sydney and Buenos Aires.

· The company's Project Millennium marketing campaign accelerated "on-net" line orders in targeted markets. In New York City, WinStar's largest market, more than 93% of new line orders in November were in newly connected "on-net" WinStar buildings.

· In the fourth quarter of 1998, WinStar obtained access rights to an additional 700 buildings, for a total of more than 4,200 to date, exceeding its target of 4,000.

William J. Rouhana, Jr., Chairman and Chief Executive Officer, said, "Through our stepped-up network build-out, WinStar is extending its leadership in broadband services, while accelerating the delivery of low-cost, next generation communications and information applications to business customers around the world. Together with our partners, we've achieved the necessary critical mass in terms of spectrum, infrastructure, financing, technology and management to advance our timetable in response to the fast-growing global demand for increased bandwidth. Over the next few years, millions of business users will benefit from services such as high-speed Internet access, full motion video conferencing and bandwidth on demand.

"The global market opportunity for broadband services is enormous. By being first to market, WinStar will dramatically increase the value of our network at limited real cost," Rouhana added. "We expect this competitive advantage to enable us to build substantial additional shareholder value."

The company also summarized the financial impacts of its market expansion and other initiatives. The company expects the following impacts:

· The expansion to 70 additional markets worldwide will create a value of $3-$4 billion, based upon a ten-year projection of discounted cash flows.

· The expansion will require an estimated EBITDA investment of $350-$400 million over a three-year period. The fourth quarter of 1998 will include $25-$35 million of this investment.

· Williams Communications' purchase of two percent of WinStar's wireless capacity along with additional WinStar services will generate an expected $400-$450 million in additional revenue for WinStar over the life of the agreement. It will generate an expected $350-$400 million in additional EBITDA to WinStar over the life of the agreement. The expected incremental cash flow to WinStar will be approximately $400 million over the next five years.

WinStar Communications, Inc. is a pioneer in providing business customers with broadband communications services, including local and long distance phone service, as well as high-speed data, Internet access and information services. WinStar provides these Wireless FiberSM services over its own end-to-end broadband network in 30 U.S. markets, using its licenses in the 28 and 38 GHz spectrum.

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WinStar is a registered trademark, and Wireless Fiber is a service mark ofWinStar Communications, Inc.

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The following was released December 17, 1998

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WINSTAR AND WILLIAMS COMMUNICATIONS ANNOUNCE MAJOR AGREEMENTS

Williams Communications Signs $400 Million Deal to Obtain Wireless Fiber℠ Capacity Representing Two Percent of WinStar's Broadband Network

WinStar Signs $640 Million Deal to Obtain National Network Capacity From Williams

NEW YORK - DECEMBER 17, 1998, WINSTAR COMMUNICATIONS, INC. (NASDAQ: WCII) and WILLIAMS COMMUNICATIONS, INC., a subsidiary of WILLIAMS (NYSE: WMB) announced two major agreements today to optimize the value of their respective telecommunications networks. Williams Communications President and Chief Executive Officer, Howard E. Janzen, and WinStar Chairman and Chief Executive Officer, William J. Rouhana, Jr., announced the agreements at a WinStar meeting for analysts and investors in New York City.

Under the agreements, Williams Communications will obtain two percent of the long-term capacity of WinStar's expanding fixed wireless broadband network for $400 million. WinStar will obtain nationwide dark fiber backbone assets from Williams Communications for $640 million. Williams will make pro rata payments to WinStar over four years as WinStar completes its hub construction obligations under the agreement, which are based on WinStar's already planned network expansion. WinStar will make payments to Williams over seven years.

These agreements call for WinStar to construct a total of 270 hubs by the end of 2001. Approximately 60 of these hubs, which are already constructed, will be made available to

Williams immediately. Williams, which will complete a 32,000 route mile network in 2000, will provide approximately 60,000 fiber miles, consisting of four strands of fiber over approximately 15,000 route miles, to WinStar, together with other network-related items, which WinStar had previously obtained at a higher cost. Prior to the lighting of the fiber, Williams will also provide all of WinStar's long-haul transport requirements. Williams will remain WinStar's preferred network provider on an ongoing basis.

The agreements will enable the companies, which have complementary strategies, to operate optimal end-to-end broadband networks combining the inherent cost advantages of broadband fixed wireless to provide local services, with Williams Communications' award winning multiservice network being used for long haul transport. WinStar, which has pioneered the use of Wireless Fiber℠ technology to provide broadband communications services, currently operates in 30 major markets across the U.S., and plans to expand to 60 by 2000, focusing on selling to business customers. Williams Communications has deployed market leading broadband products and services targeted exclusively to wholesale customers. This unique specialization is a critical component in the evolution of the domestic carrier marketplace.

The agreements give each company the opportunity to serve a radically larger addressable market with a full suite of broadband telecommunications, information and Internet services and applications.

Howard E. Janzen, President and CEO of Williams, said, "We believe the agreement allows Willams Communications to expand the significant set of broadband products it offers as part of its unique wholesale focus. WinStar's proven ability to provide wireless T-1's, together with Williams' technologically advanced fiber-optic network, offers Williams' carrier customers an unmatched end-to-end solution."

William J. Rouhana, Jr., Chairman and CEO of WinStar, said, "These transactions are a major step forward for WinStar. We are unlocking the value of our network and demonstrating its extraordinary capacity by driving increased usage of the network we are otherwise building to serve our retail customers. We will become one of few carriers to provide end-to-end broadband services for business customers nationally. The transactions will increase revenue, extend our cost advantage, improve our EBITDA and increase our cash flow."

Williams, through its subsidiaries, provides a full range of traditional and leading-edge communications and energy services, and is the nation's largest volume transporter of natural gas. Williams Communications offers wholesale fiber-optic network services, North American single-source business communications systems integration, international video satellite and fiber-optic transmission, multipoint video and audio conferencing and satellite business applications. Williams information is available at "www.twc.com and www.wilcom.com.

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28 and 38 GHz spectrum.

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WINSTAR LAUNCHES BREAKTHROUGH MARKETING PROGRAM
Free Local Phone Service Until the Year 2000
Company Unveils Extensive Built-Out Network in Over 1,000 Newly Connected Buildings in Key Markets

NEW YORK - OCTOBER 27, 1998, WINSTAR COMMUNICATIONS, INC. (NASDAQ: WCII) today launched an unprecedented breakthrough marketing campaign - "Project Millennium" - that will include free local phone service to business customers until the year 2000. This exciting offer will be made tocustomers in more than 1,000 newly connected commercial buildings in 13 of the 27 markets in which WinStar currently provides fixed wireless broadband telecommunications and information services, allowing WinStar to share the overwhelming cost advantages of its network with its customers.

Even beyond the year 2000, participating customers will continue to enjoy double-digit savings every day over the local exchange carriers' base rates. Project Millenium WinStar customers will also receive a flat long distance rate of 9 cents per minute, 24-hours a day, with no conditions.

As part of its ambitious national network rollout, WinStar is extending this offer to more than 1,000 specially targeted buildings that are newly connected to its network. WinStar will pick up the tab on local phone service -- up to $1,000 per month -- until the year 2000 for first-time customers in designated "WinStar buildings" who sign a three year contract between October 31, 1998 and January 31, 1999.

"Project Millennium is a leapfrog strategy that will make WinStar the undeniable marketing leader in the local phone business," said Nathan Kantor, WinStar's President and Chief Operating Officer. "Project Millennium will be as powerful to the local business customer as 'Friends and Family' was to the long distance customer and it will forever change the way that telecommunications services are sold in the local market. People already know us for our innovative building-centric marketing strategies, such as our lobby events and our very targeted attention-grabbing direct mail, and Project Millennium will take us to a whole new level.

"Because these specially targeted buildings are now on the WinStar network, we will be able to add new customers quickly and efficiently," Mr. Kantor continued. "Consequently, Project Millennium will allow us to share the overwhelming cost advantages of our network with our customers and give them a true alternative to the local exchange companies."

WinStar currently has over 3,500 building access rights in its 27 markets. Over 1,000 of these buildings were chosen to be part of the campaign in 13 of those cities. As a result of this program, WinStar expects to significantly increase its penetration in these buildings and dramatically raise the overall percentage of customer lines on its network.

"Until today, no one outside WinStar knew how extensively we had built out our network or that we had set aside these buildings for this special promotion," said William J. Rouhana, Jr., WinStar's Chairman and Chief Executive Officer. "By increasing the number of on-net customer lines through this promotion, we will dramatically increase gross margins, which will contribute immediately to WinStar's bottom line. Project Millennium, combined with our new $2 billion partnership with Lucent, gives us a powerful one-two punch. By providing us the financial muscle to expand our network buildout to even more buildings in even more cities, the Lucent partnership makes every year a new Millennium for us."

WinStar recently entered into a $2 billion strategic relationship with Lucent Technologies to expand the buildout of its broadband network to 100 cities worldwide. The Lucent relationship propels WinStar to the leadership position among independent telecommunications companies that are challenging the local exchange carriers at the local level because it gives WinStar the flexibility and resources to build the world's first end-to-end broadband network.

Cities involved in the promotion include:

Atlanta, GA	Chicago, IL	Houston, TX	Philadelphia, PA
Baltimore, MD	Dallas, TX	Los Angeles, CA	San Diego, CA
Boston, MA	Denver, CO	New York, NY	San Francisco, CA
Washington, DC			

WinStar Communications, Inc. is a facilities-based national local communications company, serving business customers in major markets throughout the U.S. The company provides local and long distance phone service and high speed data, Internet access and information services. WinStar provides these Wireless FiberSM services over its own network, using its licenses in the 28 and 38 GHz spectrum.

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$2 BILLION WINSTAR / LUCENT STRATEGIC AGREEMENT TO EXPAND WINSTAR'S BROADBAND NETWORK

NEW YORK - OCTOBER 22, 1998, WINSTAR COMMUNICATIONS, INC. (NASDAQ: WCII) and LUCENT TECHNOLOGIES (NYSE: LU) today announced that they have entered into a long term strategic relationship to build out WinStar's fixed wireless broadband telecommunications network in major domestic and international markets. Lucent will provide world class technology, network design, integration and buildout services and the vast majority of the communications hardware and software for WinStar's global network.

Over the life of the five-year agreement, Lucent will also provide up to $2 billion in equipment financing to fund the buildout of the world's first global end-to-end broadband network. WinStar may draw this financing in tranches not to exceed $500 million at any one time in accordance with mutually agreed upon terms.

Through its Wireless FiberSM services, WinStar's network provides customers with a single, reliable source of local and long distance phone service, as well as a full array of high speed data, Internet and information services. The agreement gives WinStar, which was already fully funded to complete its 40 market buildout by the end of 1999, additional resources which will allow it to complete the national deployment of its wireless broadband network ahead of schedule. These resources will also enable WinStar to increase the number of U.S. cities to which it will bring its network, and to build networks internationally.

William J. Rouhana, Jr., Chairman and Chief Executive Officer of WinStar, said, "This is a defining moment for WinStar. Lucent's major commitment of expertise and financing, combined with the overwhelming speed-to-market and cost advantages of WinStar's business model, clearly propels us to the top of the competitive local exchange carrier industry. With Lucent's network knowledge behind us, we are positioned to be the first competitive carrier to create a nearly ubiquitous end-to-end broadband network in the top 100 world markets.

"WinStar was already fully financed to build out its 40 city plan and achieve positive EBITDA by the year 2000," Rouhana continued. "We are now at a new level, with enough capital to achieve positive net income and control over when we build out our network in up to 100 cities around the world. We now have the opportunity to aggressively plan for our expansion into the top 50 domestic markets and into the international marketplace as well."

Carly Fiorina, group president of Lucent's Global Service Provider business, said, "We are proud and excited that WinStar selected Lucent to design and build the kind of feature-rich network that will enable it to serve its customers better. WinStar is revolutionizing the way that businesses receive and use broadband telecommunications services and we are excited about furthering that revolution through this strategic relationship. This complete network solution will showcase the breadth of Lucent's product lines, the value of Bell Labs innovations and our unmatched expertise in helping customers design, build and turn up their networks quickly and profitably."

Nathan Kantor, President and Chief Operating Officer of WinStar, said, "With its world class technology, scale, and state-of-the-art expertise, Lucent is the most prestigious and desirable company with which to have this kind of strategic relationship. WinStar and Lucent will work hand in hand in every aspect of our network buildout. Lucent has the broad resources necessary to ensure that we maintain the highest standards of quality and reliability throughout our expansion, which will enable us to increase our focus on building the customer base and to achieve national ubiquity faster than anyone thought possible."

Under the agreement:

- Lucent will provide network design, integration and buildout services for WinStar's end-to-end global network, encompassing a flexible, scalable architecture to accommodate WinStar's present and future voice and data service offerings. WinStar will continue to operate and maintain final design authority for its network.

- Lucent will provide its superior technology and equipment for this state-of-the-art network. Lucent will also access, test and integrate all elements in WinStar's network, including equipment from other manufacturers.

WinStar plans to implement a nationwide fixed wireless broadband local network that will be integrated with an optical network that will use Lucent's 80-channel dense wave division multiplexing (DWDM) optical networking equipment. Lucent's WaveStar™ OLS 400G dramatically boosts the capacity of fiber optic networks by transporting up to 80 wavelengths, or channels, of voice, data and video traffic simultaneously on a single fiber.

The network solution also includes Lucent's flagship product, the 5ESS® AnyMedia™ switch and the AnyMedia™ Access FAST digital loop carrier. Lucent will also supply PortMaster™ Internet protocol remote access technology, remote access concentrators, its network management software and professional services as well as power equipment.

Lucent Technologies, headquartered in Murray Hill, N.J., designs, builds and delivers a wide range of public and private networks, communications systems and software, data networking systems, business telephone systems and microelectronic components. Bell Labs is the research and development arm for the company. For more information on Lucent Technologies, visit our web site at http://www.lucent.com.

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Except for any historical information contained herein, the matters discussed in this press release contain forward-looking statements that involve risks and uncertainties, which are described in WinStar's SEC reports, including the 10-K for the period ended December 31, 1997 and the 10-Q for the period ended June 30, 1998.

WinStar is a registered trademark, and Wireless Fiber is a service mark of WinStar Communications, Inc.

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WINSTAR GAINS ACCESS TO OFFICE BUILDINGS THROUGH AGREEMENT WITH CIGNA INVESTMENTS, INC.

Agreement Enables Installation of Rooftop Antennas to Provide Wireless Fiber[SM] Broadband Services to Building Tenants

NEW YORK - May 21, 1998, WINSTAR COMMUNICATIONS, INC. (NASDAQ-WCII) announced today it has signed a master agreement with CIGNA Investments, Inc., the investment subsidiary of CIGNA Corporation. The agreement permits WinStar to deliver its Wireless Fiber[SM] service to buildings owned or managed by CIGNA. CIGNA's portfolio consists of 96 commercial office buildings located in various markets nationwide. WinStar intends to immediately install its wireless links in CIGNA buildings located in Chicago, IL; Washington, D.C.; Houston, TX; San Diego, CA and Irvine, CA.

"WinStar's Wireless Fiber[SM] technology is an integral part of CIGNA's program to transform these buildings into communications powerhouses that will give CIGNA's tenants the competitive advantage they need to compete in today's global economy," said Gabe Cole, President of the Boston-based RTE Group, who represented CIGNA in connection with this agreement to bring broadband connectivity to over 12 million square feet of rental space.

"We are pleased that the commercial real estate community, including major national ownership groups, property managers, consultants and real estate brokers, is recognizing the value added to their properties by advanced communications services," said Richard Uhl, President of WinStar for Buildings. WinStar's Wireless Fiber service provides high-speed digital connections through the airwaves rather than laying costly fiber-optic lines underground. The result is an advanced "plug and go" system that allows tenants immediate access to their choice of communications applications.

CIGNA Investment Management, the real estate investment arm of CIGNA Corporation, makes debt and equity real state investments on behalf of pension funds, foundations, and endowments and CIGNA Corporation on a national basis and currently manages $14 billion in commercial real estate assets.

RTE Group was established in 1993 and provides consultation services on telecommunications infrastructure and service requirements, as well as strategic positioning of property assets for more than a dozen clients nationwide.

WinStar Communications, Inc. is a national local communications company, serving business customers, long distance carriers, fiber-based competitive access providers, mobile communications companies, local telephone companies, and other customers with broadband local communications needs. The company provides its Wireless Fiber[SM] services using its licenses in the 38 GHz spectrum. The company also provides long distance, data, Internet and information services.

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WINSTAR TO ACQUIRE 850 MHZ OF BANDWIDTH IN NEW YORK CITY FROM CELLULARVISION USA

Purchase Will Increase WinStar's Spectrum Holdings in Largest U.S. Telecommunications Market to 1,750 MHz

NEW YORK - JULY 13, 1998 - WINSTAR COMMUNICATIONS, INC. (NASDAQ - WCII) today announced it has agreed to purchase 850 MHz of bandwidth in New York City from CellularVision USA, Inc. (NASDAQ - CVUS). The bandwidth is being disaggregated from CellularVision's LMDS license for the New York area, and will be combined with WinStar's existing 38 GHz licenses to establish a total spectrum position of 1,750 MHz.

"Through this transaction, WinStar will have an unprecedented capability to bring 21st century communications services to the most important business and financial market in the world," said William J. Rouhana, Jr., WinStar's Chairman and Chief Executive Officer. "This is the largest amount of spectrum ever held in a single city, and we expect it will enable us to provide a comprehensive range of high-speed voice, video and data services. Additionally, when the company's point-to-multipoint network architecture is deployed in New York, it will leverage these spectrum assets and enable WinStar to bring fiber-equivalent broadband services to thousands of office buildings and multiple dwelling units which have not been directly connected to the emerging information superhighway," added Rouhana. The purchase further solidifies WinStar's industry leadership at a national level, raising the company's average bandwidth in the top 50 U.S. markets above 750 MHz.

WinStar's enhanced bandwidth holdings in New York will cover a population of more than 8 million and total approximately 145 million channel pops (covered population times the number of 100 MHz equivalent channels). WinStar has agreed to pay CellularVision $32.5 million in cash for the additional spectrum. The transaction is expected to close in the fourth quarter of 1998, after FCC approval has been obtained. Additionally, WinStar has agreed to lend $3.5 million to CellularVision as soon as lenders' consents are obtained, and an additional $2.0 million upon the receipt of the approval of the transaction by CellularVision's stockholders and the completion of required FCC filings. The acquired spectrum will not be used to support any of the ongoing services or operations of CellularVision.

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WINSTAR REPORTS FIRST QUARTER REVENUES MORE THAN TRIPLED OVER 1997

CLEC Revenues Reached $89 Million Run Rate

EBITDA Losses Declined From 1997 Fourth Quarter

NEW YORK - MAY 12, 1998, WINSTAR COMMUNICATIONS, INC. (NASDAQ - WCII) reported today revenues for the first quarter ended March 31, 1998 rose to more than $47 million, 58% above the preceding quarter's $30 million and more than triple the year earlier amount of $13.1 million. The revenue gains continued to be driven by increased demand for the company's competitive local exchange carrier (CLEC) services, as well as by contributions from recently acquired businesses.

"The company continued to deliver significant growth while simultaneously integrating the GoodNet, PacNet and MIDCOM businesses into the WinStar organization during the first quarter," said Nathan Kantor, President and Chief Operating Officer. "That integration has gone well, and the positive trend in revenues should continue throughout the year as we realize the benefits of WinStar's expanding sales channels and entry into additional markets around the country," added Kantor.

Revenues from CLEC operations increased to $18.6 million, a jump of 83% over fourth quarter revenues of $10.2 million. CLEC revenues at the end of March reached an annual run rate of $89 million versus $46.2 million at the end of December and just $10.4 million a year ago. This progress was aided by significant growth in the company's new broadband data business, as well as substantial increases in the number of lines in service.

Revenues from other telecommunications services, including wholesale operations, residential long distance and MIDCOM long distance voice services, amounted to $16.9 million compared to $4.2 million in the preceding quarter and $5.1 million in the year ago first quarter. The increase for the most recent period resulted primarily from revenues attributable to MIDCOM's long distance operations, which were acquired in January, 1998, and are not included in the company's CLEC operating results.

Consolidated telecommunications revenues reached $35.5 million in the most recent period versus $14.4 million in the 1997 fourth quarter and $7.1 million in the year ago first quarter.

Information services revenues increased more than 95% from the 1997 first quarter in response to higher demand for WinStar's specialized information content. As expected, revenues were lower than in the 1997 fourth quarter due to normal seasonal demand factors impacting other parts of the information services business.

The company's EBITDA loss was reduced as planned from the $49.5 million peak experienced in the 1997 fourth quarter to $48.9 million. WinStar expects subsequent quarters to continue a trend of modest improvement in EBITDA performance. WinStar recorded a net loss applicable to common stockholders of $93.2 million or $2.60 per share for the 1998 first quarter.

"WinStar has begun to move toward a positive EBITDA level just 17 months after initiating switched services in its first city," said William J. Rouhana, Jr., Chairman and Chief Executive Officer. "This accomplishment is but one example of the benefits provided by the company's wireless approach to broadband connectivity. We believe we have a superior financial model which will enable the company to grow rapidly while also improving its bottom line performance."

Major Gains in Line Orders and Installations

WinStar's CLEC operations continued to acquire new customers and line orders at a very rapid rate during the first three months of 1998. Line orders for the period exceeded 55,000, an increase of 42% from the fourth quarter of 1997. Installations of CLEC lines rose to more than 41,000 during the first quarter, representing greater than 40% sequential growth from the final quarter of 1997.

In addition, WinStar added approximately 24,500 lines through the acquisitions of the GoodNet and PacNet data businesses in January 1998. Including these lines with the 1998 first quarter results, cumulative line orders approximated 200,000 at March 31, while cumulative installations increased to more than 145,000.

WinStar also expanded its CLEC services and network infrastructure during the first quarter. Services were being provided in 21 markets at the end of the period versus 17 at December 31. On May 7, 1998, WinStar announced that the number of markets being served had risen to 24. Additionally, the number of CLEC customers with installed lines moved above 7,000 compared to slightly less than 5,000 three months earlier. Building access rights which enable WinStar to install its transceivers on customer buildings reached about 2,440, an increase of approximately 330 from December 31.

Other Major Developments

The ongoing deployment of WinStar's network gave rise to these additional developments since the beginning of the year:

- WinStar added substantially to its spectrum assets during the first quarter. The company was the high bidder for 15 LMDS licenses in the recent auction conducted by the FCC. These licenses included 1,150 MHz channels in 8 of the top 50 markets, bringing the company's average bandwidth in the 50 largest markets to approximately 740 MHz. Combined with additional purchases of 38 GHz licenses during the quarter, WinStar's total license coverage now extends to more than 200 million people and represents more than one billion channel pops (covered population times the number of 100 MHz equivalent channels).

- During the first quarter, WinStar activated a full-duplex, ATM-based, point-to-multipoint (PMP) broadband, fixed wireless trial network carrying voice, data, and video services in Washington, D.C. This network incorporates three hub locations networked to nine different buildings located in five sectors. The PMP network has been connected to the national telecommunications system, and is functioning at a high level of efficiency while demonstrating the company's ability to operate a fully featured system.

- WinStar's New Media subsidiary progressed with the development of an independent base of capital to fund the expansion of its business. In addition to obtaining a $15 million line of credit during the quarter, WinStar New Media raised $10 million in April 1998 through the sale of a 10% equity stake to a group of private investors.

- In March, the company completed a private placement of $200 million in preferred stock, convertible into common stock at $49.61 per share, and $450 million in notes. WinStar currently has cash resources of approximately $800 million.

- Earlier this month, WinStar provisioned its first customers in Chicago with local number portability, enabling the company to begin signing on customers while retaining their original phone numbers.

- The company obtained CLEC authority in Alabama, Montana, Nevada, and South Carolina, bringing the total number of such authorizations to 33, representing 48 of the largest U.S. markets.

- In April, WinStar was awarded a $40 million broadband backbone service contract from AboveNet, a San Jose, CA, based Internet service provider.

- The company signed interconnect agreements with Ameritech for the states of Ohio and Wisconsin, and with U.S. West for the state of New Mexico. WinStar now has interconnect agreements applicable to 44 of the top 50 markets.

- The total number of employees increased to almost 2,100 from 1,479 at December 31. This increase included the impact of recent acquisitions.

- WinStar's direct sales and field support organization grew to in excess of 800 during the quarter as the company positioned itself to sell an enhanced portfolio of voice and data services to small, medium, and large businesses. Over half of this organization is commissioned sales people.

- In April, WinStar executed a $42 million leasing facility with BNY Capital Resources Corporation for seven switches acquired in a transaction with U.S. One Communications Corp. The company elected to exercise its option to make a final $20 million payment in cash as opposed to stock in light of the stock's price of $42 per share.

- WinStar signed an agreement to purchase from certain stockholders 14.9% of the outstanding common stock of Advanced Radio Telecom (ART), a company holding spectrum licenses in the 38 GHz band.

Rouhana concluded his comments by saying, "We are very pleased by our accomplishments during the first quarter, and are especially gratified by the fact that WinStar was able to achieve this outstanding growth while also dealing successfully with the complex task of integrating GoodNet, PacNet and MIDCOM into our operations. Based on its first quarter performance, WinStar is positioned to attain its major objectives for the year. These include expansion of our network to 30 cities, the establishment of a broadband data communications business and further reductions in quarterly EBITDA losses."

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WinStar Communications, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	For the Three Months Ended March 31,	
	1997	1998
Operating revenues		
Telecommunications services		
CLEC	$ 1,979	$ 18,635
Other	5,084	16,852
Total telecommunications services	7,063	35,487
Information services	6,014	11,949
Total operating revenues	13,077	47,436
Operating expenses		
Cost of services and products	12,959	42,775
Selling, general and administrative expenses	29,553	53,611
Depreciation and amortization	3,501	11,399
Total operating expenses	46,013	107,785
Operating loss	(32,936)	(60,349)
Other (expense) income		
Interest expense	(10,798)	(28,656)
Interest income	2,235	4,928
Loss from continuing operations before income tax benefit	(41,499)	(84,077)
Income tax benefit	-	1,100
Loss from continuing operations	(41,499)	(82,977)
Loss from discontinued operations	(477)	(1,982)
Net loss	(41,976)	(84,959)
Preferred stock dividends	-	(8,198)
Net loss applicable to common stockholders	$ (41,976)	$ (93,157)
Basic and diluted loss per share:		
From continuing operations	$ (1.27)	$ (2.54)
From discontinued operations	(0.02)	(0.06)
Net loss per share	$ (1.29)	$ (2.60)
Weighted average shares outstanding	32,610	35,899

WinStar Communications, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands)

	December 31, 1997	March 31, 1998 (unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 402,359	$ 825,466
Short-term investments	16,903	27,899
Cash, cash equivalents and short-term investments	419,262	853,365
Accounts receivable, net	30,328	62,509
Inventories	10,296	10,506
Prepaid expenses and other current assets	8,985	32,476
Net assets of discontinued operations	2,105	2,105
Total current assets	470,976	960,961
Property and equipment, net	284,835	304,074
Licenses, net	174,763	218,101
Intangible assets, net	14,293	123,558
Deferred financing costs, net	27,463	39,442
Other assets	4,071	2,277
Total assets	$ 976,401	$1,648,413
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Current portion of long-term debt	$ 386	$ 1,733
Accounts payable and accrued expenses	97,714	94,238
Current portion of capitalized lease obligations	6,848	12,554
Total current liabilities	104,948	108,525
Capitalized lease obligations, less current portion	21,823	47,089
Long-term debt, less current portion	768,469	1,236,972
Deferred income taxes	24,000	22,900
Total liabilities	919,240	1,415,486
Series C exchangeable redeemable preferred stock	175,553	181,779
Series D senior cumulative convertible redeemable preferred stock	-	200,000
Commitments and contingencies		
Stockholders' equity (deficit)		
Series A preferred stock	39	40
Common stock, par value $.01; authorized 200,000 shares, issued and outstanding 34,610 and 37,111, respectively	346	371
Additional paid-in-capital	255,741	310,214
Accumulated deficit	(374,518)	(459,477)
Total stockholders' deficit	(118,392)	(148,852)
Total liabilities, redeemable preferred stock, and stockholders' deficit	$ 976,401	$1,648,413