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Sprint Nextel Announces Tower Sale to TowerCo for Approximately \$670 Million in Cash

OVERLAND PARK, Kan., Jul 23, 2008 (BUSINESS WIRE) -- Sprint Nextel (NYSE:S) today announced an agreement to sell approximately 3,300 towers to TowerCo for approximately \$670 million in cash. Additionally, the two companies have entered into a long term leasing agreement where TowerCo will provide Sprint Nextel with wireless communications towers to support the company's CDMA, iDEN and WiMAX networks.

"By leasing rather than owning these network facilities, we can better focus on our core business of providing communications services to consumers, businesses and government customers," said Bob Azzi, senior vice president, Field Engineering and Operations, Sprint Nextel. "Significantly, this transaction provides Sprint Nextel with additional liquidity which gives us greater flexibility in managing our company."

"These are great towers concentrated in large metropolitan markets throughout the U.S. and will benefit as wireless communications continue to grow," said Richard Byrne, TowerCo's CEO.

The specific number of towers and final purchase price will be determined at closing. The transaction, subject to customary closing conditions, is expected to close in 90 days.

Equity financing for this transaction will be provided by Tailwind Capital, Soros Strategic Partners II LP, Stone Tower Equity Partners and Vulcan Capital.

In this transaction, Sprint Nextel was advised by Wachovia Capital Markets, LLC, Citi and the law firm of Jones Day. TowerCo was advised by UBS Investment Bank and the law firm of Paul, Weiss, Rifkind, Wharton and Garrison LLP.

About Sprint Nextel

Sprint Nextel offers a comprehensive range of wireless and wireline communications services bringing the freedom of mobility to consumers, businesses and government users. Sprint Nextel is widely recognized for developing, engineering and deploying innovative technologies, including two wireless networks serving nearly 53 million customers at the end of the first quarter 2008; industry-leading mobile data services; instant national and international push-to-talk capabilities; and a global Tier 1 Internet backbone. For more information, visit www.sprint.com.

About TowerCo

TowerCo was founded in 2004 by Tailwind Capital and industry veterans Richard Byrne, Chief Executive Officer, and Scot Lloyd, Chief Operating Officer, to meet the infrastructure needs of wireless service providers by developing, owning and leasing communication towers. Soros Strategic Partners invested in TowerCo in December 2005. Currently TowerCo has exclusive contracts to build towers directly for carriers throughout the U.S. TowerCo is based in Cary, N.C. For additional information please visit www.towerco.com.

Safe Harbor Statement

This news release includes "forward-looking statements" within the meaning of the securities laws. The statements in this news release regarding the business outlook and performance, new products and services, future network capabilities and performance, expected investments, as well as other statements that are not historical facts, are forward-looking statements. The words "estimate," "project," "forecast," "intend," "expect," "believe," "target," "providing guidance" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are estimates and projections reflecting management's judgment based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. With respect to these forward-looking statements, management has made assumptions regarding, among other things, customer and network usage, customer growth and retention, pricing, development, deployment and operating costs, availability of devices, the timing of various events and the economic environment.

Sprint Nextel believes these forward-looking statements are reasonable; however, you should not place undue reliance on forward-looking statements, which are based on current expectations and speak only as of the date of this release. Sprint is not obligated to publicly release any revisions to forward-looking statements to reflect events after the date of this release. Sprint Nextel provides a detailed discussion of risk factors in periodic SEC filings, including its annual report on Form 10-K for the year ended December 31, 2007.

SOURCE: Sprint Nextel

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