

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS**

In re Sprint Corporation. ERISA Litigation

Civil Action No: 03-CV-2202-JWL

NOTICE OF CLASS ACTION SETTLEMENT

*Your legal rights might be affected
if you are a member of the following class:*

TO: ALL PARTICIPANTS IN THE SPRINT RETIREMENT SAVINGS PLAN, THE SPRINT RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES AND THE CENTEL RETIREMENT SAVINGS PLAN FOR BARGAINING UNIT EMPLOYEES (THE "PLANS") FOR WHOSE INDIVIDUAL ACCOUNTS THE PLANS PURCHASED AND/OR HELD SHARES OF THE SPRINT FON STOCK FUND, THE SPRINT PCS STOCK FUND, THE TRASOP SPRINT STOCK FUND, THE TRASOP SPRINT PCS STOCK FUND, THE SPRINT FON CESOP FUND AND/OR THE SPRINT PCS CESOP STOCK FUND FROM JUNE 2, 1998 THROUGH AND INCLUDING FEBRUARY 13, 2003 ("SETTLEMENT CLASS").

*A Federal Court Authorized this Notice.
This Is Not a Solicitation from a Lawyer.
You Have Not Been Sued.*

• The Court preliminarily has approved a proposed settlement of a class action lawsuit brought under the Employee Retirement Income Security Act (often referred to as ERISA) (the "Settlement"). The Settlement provides that Sprint Corporation (hereinafter the "Company") will make a payment of \$23.5 million in cash and cash equivalents comprised of a Cash Settlement Fund, an Increased Match and Increased Vested Amount of Matching Contributions for Certain Former Employees, certain Plan Amendments and certain Participant Communications Improvements, as described in this Class Notice. The Settlement further provides that the Company will pay up to \$3.9 million for the attorneys' fees of class counsel, expenses, the costs and expenses of class counsel (including class notice and administration costs), and any awards to the Named Plaintiffs. The Court will determine the amount of such attorneys' fees, costs, expenses and any awards to the Named Plaintiffs.

• The Court has scheduled a hearing on final approval of the Settlement and on Named Plaintiffs' motion for attorneys' fees and expenses and for compensation to the Named Plaintiffs. That hearing before United States District Judge John W. Lungstrum has been scheduled for May 15, 2006, at 9:30 a.m. in Courtroom 427 of the United States District Court for the District of Kansas, 500 State Avenue, Kansas City, Kansas.

• Any objections to the Settlement, or to the motion for class counsel's attorneys' fees, costs and expenses and/or any award to the Named Plaintiffs must be served in writing on Co-Lead Counsel for the Settlement Class and on Defendants' attorneys, all of whom are identified under Question 14 of this Notice. The procedure for objecting is described below.

• This Notice contains summary information with respect to the Settlement. The terms and conditions of the Settlement are set forth in the Class Action Settlement Agreement dated as of February 2, 2006 (the “Settlement Agreement”). Capitalized and italicized terms used in this Notice but not defined in this Notice have the meanings assigned to them in the Settlement Agreement. The Settlement Agreement, this Notice, and additional information with respect to this lawsuit and the Settlement, are available at www.snlaw.net, www.ssbny.com, www.jpclasslaw.com, or www.berdonllp.com/claims, or from Co-Lead Counsel listed below.

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS TO WHOM THIS NOTICE IS ADDRESSED, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE SETTLEMENT, YOU NEED NOT DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE SETTLEMENT PURSUANT TO THE PROCEDURES DESCRIBED BELOW.

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
YOU CAN DO NOTHING	If the Settlement is approved by the Court and you are a member of the Settlement Class, you will receive whatever cash or other benefits are provided to you under the Settlement without having to file a claim or take any other action.
OBJECT (By May 8, 2006)	If you wish to object to any part of the Settlement, you may (as discussed below) write to the Court and counsel about why you object to the Settlement.
GO TO A HEARING (To be held on May 15, 2006)	If you submit a written objection to the Settlement to the Court and counsel before the May 8, 2006 deadline, you may (but do not have to) attend the Court hearing about the Settlement and present your objections to the Court. You may attend the Hearing even if you do not file a written objection, but you may not be permitted to address the Court at the Hearing if you do not timely notify the Court and counsel of your intention to appear at the Hearing by May 8, 2006 as described herein.

- These rights and options – and the deadlines to exercise them – are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and that approval is upheld in the event of any appeals.

Further information regarding the litigation and this Notice may be obtained by contacting Plaintiffs’ Co-Lead Counsel:

Robert A. Izard William Bernarduci SCHATZ & NOBEL, P.C. One Corporate Center 20 Church Street, Suite 1700 Hartford, CT 06103 Phone: (860) 493-6292 Fax: (860) 493-6290 www.snlaw.net	Edwin J. Mills STULL STULL & BRODY 6 East 45th Street New York, New York 10017 Phone: (212) 687-7230 Fax: (212) 490-2022 www.ssbny.com	Dennis J. Johnson James F. Conway, III JOHNSON & PERKINSON P.O. Box 2035 1690 Williston Road South Burlington, VT 05403 Phone: (802) 862-0030 Fax: (802) 862-0060 www.jpclasslaw.com
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Plaintiffs’ Co-Lead Counsel have established the following toll-free phone number to receive your comments and questions: 800-687-1906.

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This litigation (the “Action”) is a consolidated case in which Plaintiffs allege that the Defendants breached fiduciary duties owed to the participants in and beneficiaries of the Plans. Copies of the most recent Consolidated Complaint and other documents filed in the Action are available at www.snlaw.net, www.ssbny.com, or www.jpclasslaw.com.

SUMMARY OF SETTLEMENT

Under the Settlement, the Company will contribute cash and cash equivalents valued at \$23.5 million. Specifically, the Company will create the Cash Settlement Fund, will effect the Increased Match and Increased Vested Amount of Matching Contributions for Certain Former Employees, will effect the Plan Amendments and will undertake the Participant Communications Improvements. The Company has also agreed to pay certain attorneys’ fees and expenses. Here are the details.

A. What is the Cash Settlement Fund?

The Cash Settlement Fund is a \$4 million payment which Sprint will make to the Plans and which will be distributed among class members as directed by an independent fiduciary who has been retained by Co-Lead Counsel. It is anticipated that an independent fiduciary will recommend that the \$4 million Cash Settlement Fund be distributed among those class members who are no longer employed by Sprint and among participants in the SRS Plan BUE and the CRS Plan BUE.

B. What is the Increased Match?

The Increased Match involves an increased matching contribution from Sprint for the benefit of Sprint employees who participate in the Sprint Retirement Savings Plan or the equivalent plan which will result from the merger of Sprint and Nextel Communications, Inc. Under the Settlement, Sprint has agreed that, effective no later than January 1, 2006 and continuing until at least January 1, 2007, it will increase its matching contributions allocated to the accounts of Sprint employees who participate in the Sprint Retirement Savings Plan (but not the Sprint Retirement Savings Plan for Bargaining Unit Employees or the Centel Retirement Savings Plan for Bargaining Unit Employees) to at least 100% of the first 4% of eligible compensation. Co-Lead Counsel and the Company believe that the value of the Increased Match to the Settlement Class is approximately \$17.9 million.

C. What is the Increased Vested Amount of Matching Contributions for Certain Former Employees?

The Increased Vested Amount of Matching Contributions for Certain Former Employees means that, effective no later than January 1, 2006, the Company will increase, on a pro rata basis, the vested amount of matching contributions in the accounts of former employees who were less than 100% vested at the time of separation from the Company and who remain participants in the Sprint Retirement Savings Plan, the Sprint Retirement Savings Plan for Bargaining Unit Employees or the Centel Retirement Savings Plan for Bargaining Unit Employees in a nonfractional uniform percentage amount which in the aggregate totals not less than \$1.6 million.

Based on the belief of Co-Lead Counsel and the Company that the value of the Increased Match to the Settlement Class is approximately \$17.9 million, and the Increased Vested Amount of Matching Contributions for Certain Former Employees of approximately \$1.6 million, the Settlement creates cash equivalents in the aggregate amount of approximately \$19.5 million for the Settlement Class.

D. What are the Plan Amendments?

1. Effective no later than January 1, 2006, and continuing until at least January 1, 2007, Sprint will enact the amendments described below to the Sprint Retirement Savings Plan or the equivalent plan resulting from the proposed merger of Sprint and Nextel Communications, Inc. to apply to employees not covered by Sprint Retirement Savings Plan for Bargaining Unit Employees, the Centel Retirement Savings Plan for Bargaining Unit Employees, or to any new plan created for other employees of the company, which will include the com-

panies' local telephone service, and which is expected to arise from the merger of the Company and an entity related to Nextel Communications, Inc.

2. The limit on the amount of a participant's pretax contribution to the Sprint Retirement Savings Plan or the equivalent plan resulting from the merger of Sprint and Nextel Communications, Inc. will increase to 80% of eligible compensation, subject to Sections 402(g) and 415 of the Internal Revenue Code, other provisions of the Internal Revenue Code, or otherwise by law.

3. The Company's future matching contributions allocated to the accounts of participants in the Sprint Retirement Savings Plan or the equivalent plan resulting from the merger of Sprint and Nextel Communications, Inc. will vest immediately.

4. The Company's future matching contributions to the Sprint Retirement Savings Plan or the equivalent plan resulting from the merger of Sprint and Nextel Communications, Inc. will be allocated to available investment options in the same manner as participants direct for their own contributions.

5. All Company matching contributions previously made to the Sprint Retirement Savings Plan that are presently invested in Sprint stock will be "unlocked," thereby permitting their divestiture, in increments up to 20% per plan year over a period of five years or in accordance with the diversification procedure in place in the Sprint Retirement Savings Plan currently, whichever allows for earlier diversification.

6. The Company will use its best efforts to implement similar amendments to those set forth for the Sprint Retirement Savings Plan for Bargaining Unit Employees and the Centel Retirement Savings Plan for Bargaining Unit Employees, subject to the approval of the collective bargaining units whose employees participate in those two plans, and to any new plan which will be created for employees of the New Local Company (the New Local Company is a company which will be separate from the combined Sprint/Nextel entity and which will include Sprint's local telephone services).

7. Co-Lead Counsel may seek to obtain a professional valuation of the Plan Amendments, particularly the "unlocking" of Company matching contributions previously made to the Sprint Retirement Savings Plan as set forth in paragraph 5, to determine their value to the Settlement Class.

E. What are the Participant Communications Improvements?

1. As part of the Settlement, Sprint has also agreed to update and enhance its online resources and communications to participants to emphasize the importance of asset allocation and stock diversification and will make financial planning tools, in the form of seminars and meetings with appropriate financial advisors and access to online financial planning resources available to all class members. For former employees, these enhancements will include two one-hour meetings with Ameriprise or a comparable firm as determined by the Company.

2. These Participant Communications Improvements will be effected no later than January 1, 2006.

3. Co-Lead Counsel and the Company believe that the value of the Participant Communications Improvements to the Settlement Class is approximately \$11.5 million.

F. What about the attorneys' fees of Class Counsel?

1. As part of the Settlement, Sprint has also agreed to pay up to \$3.9 million to cover the attorneys' fees of class counsel, all costs and expenses of the litigation (including the cost of class notice and settlement administration), and any awards to the Named Plaintiffs. As a result of this provision of the Settlement, the entire benefit of the Cash Settlement Fund, Increased Match, Plan Amendments and Participant Communications Improvements shall be distributed to the Settlement Class without deduction for attorneys' fees or expenses.

2. Co-Lead Counsel, identified above, intends to ask the Court to approve the entire \$3.9 million allocation, and to use such allocation, first, for the payment or reimbursement of litigation, notice and settlement administration costs; second, for awards to the four Named Plaintiffs, and, third, for the payment of attorneys' fees to all Appointed Counsel.

3. The actual amount of attorneys' fees, costs, expenses and any awards to the Named Plaintiffs will be determined by the Court, but the aggregate amount of attorneys' fees, costs, expenses and any awards to the Named Plaintiffs will not exceed \$3.9 million.

BASIC INFORMATION

1. Why did I get this Notice package?

You or someone in your family are or may have been a participant in or beneficiary of the Plans and/or one of its predecessor plans.

The Court caused this Notice to be sent to you because, if you fall within that group, you have a right to know about the Settlement and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, Sprint will pay the Cash Settlement Amount, effect the Increased Match, make the Plan Amendments and undertake the Participant Communications Improvements described above. This Notice package describes the litigation, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this case is the United States District Court for the District of Kansas. The people who brought this suit are called "Named Plaintiffs," and the people they sued are called "Defendants." The Named Plaintiffs in the Action are Fran Lindholm, Anton P. Spanier, LaVonne M. Easter and Jeffery A. Snethen. The Defendants in the Action are the "Sprint Defendants,"¹ former Sprint executives William T. Esrey and Ronald T. LeMay, and Fidelity Management Trust Company.

The legal action that is the subject of this Notice and the Settlement is known as In re Sprint Corporation ERISA Litigation, Civil Action No. 03-CV-2202-JWL (the "Action").

2. What is the Action about?

The Action claims that the Defendants were fiduciaries of the Plan and violated fiduciary duties under ERISA that they owed to participants in the Plan. In their Third Consolidated Amended Complaint which was filed in October of 2004, Named Plaintiffs asserted causes of action for the losses they allege were suffered by the Plans as the result of the alleged breaches of fiduciary duty by the Defendants.

Participants in the Plans were able to allocate their account balances among various investment funds . The investment funds included a fund primarily invested in Sprint FON stock or Sprint PCS stock. Many Plan participants chose to have contributions to the Plans invested in the either Sprint FON stock or Sprint PCS stock in the form of units or shares of Sprint FON Stock Fund, the Sprint PCS Stock Fund, the TRASOP Sprint Stock Fund, the TRASOP Sprint PCS Stock Fund, the Sprint FON CESOP Fund and/or the Sprint PCS CESOP Stock Fund. In addition, Sprint made matching contributions which were invested in the Sprint FON stock or Sprint PCS stock and credited to Plan participants' accounts.

The Action alleges that Sprint and some of its individual officers and employees had the discretion to freeze further investments in Sprint FON stock and Sprint PCS stock and to sell the Plans' holdings of Sprint FON stock and Sprint PCS stock. It also alleges that certain other Defendants had the duty to monitor the performance of the responsible officers and employees. Named Plaintiffs further allege that the Defendants knew or should have known that Sprint FON stock and Sprint PCS stock were not prudent retirement investments during the Class Period and that the Defendants acted imprudently by not preventing further investment in Sprint

¹ The Sprint Defendants are: Sprint Corporation , the Sprint Investment Committee, the Sprint Investment Trust Committee, the Sprint Pension and Savings Trust Committee, the Sprint Savings Plan Committee, the Sprint Employee Benefits Committee, the Sprint Savings and Retirement Plan Committee, Gene M. Betts, I. Benjamin Watson, J. Richard Devlin, Robert Dellinger, M. Jeannine Strandjord, Randall T. Parker, Dubose Ausley, Warren L. Batts, Ruth M. Davis, Irvine O. Hockaday, Jr., Linda Koch Lorimer, Charles E. Rice, Stewart Turley, Harold S. Hook, Louis W. Smith, Arthur B. Krause and John P. Meyer. Certain other individuals, including Kevin E. Brauer, Antonio E. Castanon, R. Michael Franz, Thomas A. Gerke, James A. Kissinger, Keith D. Paglusich, William C. Prout. Michel Bon and Ron Sommer, have either never been served or have been dismissed from this action.

FON stock and Sprint PCS stock and not liquidating the Plans' Sprint common stock holdings. Named Plaintiffs also assert that certain Defendants violated their alleged fiduciary duties by failing to provide Plan participants with complete and accurate public information about Sprint. The Action identifies three major areas where Defendants allegedly failed to properly inform participants, and which at least temporarily rendered Sprint stock an imprudent investment under the Plans. The three major areas identified in the Complaint are (1) Sprint's proposed merger with WorldCom in 1999 and 2000, now terminated; (2) Sprint's business venture known as "ION" or "Integrated On-Demand Network" and its "Clear Pay" program, primarily from 1998 to 2001; and (3) certain tax planning strategies and compensation-related issues involving former Sprint executives William T. Esrey and Ronald T. LeMay from 1999 through early 2003.

a. The Defenses in the Action

In their Answers, Defendants not only denied each and every material allegation of the Complaint but also pleaded affirmative defenses which, if established by the evidence, would have resulted in judgment in Defendants' favor. Had the Settlement described herein not been reached and this case adjudicated on the merits, Defendants would have argued that judgment should be entered in their favor because, among other things:

i. Sprint stock was a prudent retirement investment during the Class Period. Sprint was not in and did not face any impending bankruptcy during the time period at issue in this case (June 2, 1998 through February 13, 2003). Indeed, the stock price rebounded during and after the class period. Moreover, Sprint's recently-announced merger with Nextel indicates Sprint's ongoing promise as a leading telecommunications company. Whatever financial and operating issues arose for Sprint during the Class Period as alleged in the Complaint did not rise to the level of rendering its stock an improper investment for the Plans. Indeed, the period of growth, investment and exploration helped make Sprint an industry leader in a strong financial position to move forward;

ii. All necessary and relevant disclosures about Sprint's business, operations and prospects were made available to the Plans' participants throughout the Class Period;

iii. All necessary and relevant disclosures regarding the status of Sprint's merger with WorldCom were made to the Class Members and the public on a timely and appropriate basis. Moreover, the termination of the merger with WorldCom was actually a beneficial, rather than adverse, development from the standpoint of Sprint and the value of Sprint's stock in the Plans;

iv. Sprint's new business line known as "Integrated On-Demand Network," or ION, was a reasonable exercise of business judgment when made, and the termination of that venture was itself a sound exercise of business judgment made on a timely basis;

v. The tax planning strategies of former Sprint executives Esrey and LeMay were private matters for these executives, approved by accomplished and reputable professionals, and the propriety of such actions must be judged by legal, tax and accounting opinions then in place. The executives' personal tax strategies had no impact whatsoever on the value of Sprint's stock;

vi. The claims of the Named Plaintiffs under ERISA would not entitle participants to any form of monetary relief in light of the Supreme Court's opinion in *Great-West Life & Annuity Ins. Co. v. Knudsen*, 534 U.S. 204, 210, 122 S. Ct. 708 (2002);

vii. Plaintiffs do not seek Plan-wide relief and, therefore, have no standing to recover money damages.

b. The Action Has Been Aggressively Litigated

Counsel for the Named Plaintiffs have conducted an extensive investigation of the allegations in the Action and of the losses suffered by the Plans. In addition, through that investigation and through discovery of information in the Action, counsel for the Named Plaintiffs have obtained and reviewed tens of thousands of pages of documents, including Plan governing documents and materials, communications with Plan participants, internal Sprint documents regarding the Plans, SEC filings, press releases, public statements, news articles and other publications, and other documents.

Named Plaintiffs' counsel previously opposed a motion by the Defendants to dismiss the Named Plaintiffs' claims. The Court granted in part and denied in part Defendants' motion to dismiss, which ruling resulted in the filing of the current operative pleadings, the Third Consolidated Amended Complaint, in October of 2004.

Named Plaintiffs' counsel filed a motion for certification of the Action as a class action. In connection with that class certification motion, each of the four Named Plaintiffs had his or her deposition taken by Defendants and otherwise responded to Defendants' requests for information and discovery. At the time the Settlement was reached, the motion for class certification had been almost fully briefed and had been scheduled for a hearing by the Court. An adverse ruling on the pending class certification motion may have limited the relief available in this case even if the merits of the case were eventually established (a proposition vigorously opposed by Defendants, as noted above).

Named Plaintiffs' counsel have drafted and served on Defendants discovery requests and had prepared and filed a motion to compel further factual discovery from Defendants when the Settlement was reached.

c. Statement of Potential Outcome of the Action

As with any litigated case, plaintiffs would face an uncertain outcome if the Action were to continue against the Defendants. Continued litigation of the Action against these defendants could result in a judgment or verdict greater or lesser than the recovery under the Settlement Agreement, or in no recovery at all or a judgment or verdict in favor of the Defendants.

Throughout this Action, the Named Plaintiffs and the Defendants have disagreed on both liability and recoverable losses, and they do not agree on the amount that would be recoverable even if the Plaintiffs were to prevail at trial. The Defendants have denied and continue to deny the claims and contentions alleged by the Named Plaintiffs, that they are liable at all to the Settlement Class, and that the Settlement Class or the Plan have suffered any damages for which the Defendants could be legally responsible. Nevertheless, the Defendants have taken into account the uncertainty and risks inherent in any litigation, particularly in a complex case such as this, and have concluded that it is desirable that the Action be fully and finally settled as to them on the terms and conditions set forth in the Settlement Agreement.

d. Settlement Discussions

The Settlement in the Action is a result of both litigation-related issues and uncertainties and an opportunity for improvements in the employee benefit plans. This Notice has already described the nature of the claims asserted in the Action and identified the risks and uncertainties relating to those claims and to Defendants' defenses to those claims. In addition, as indicated above, an important decision by the Court was imminent regarding whether this case would proceed as a class action when the Settlement was reached.

The Settlement is also an effort to create improvements in the employee benefit plans. Co-Lead Counsel negotiated a settlement package which involves cash, cash-equivalent benefits and non-cash benefits including structural changes to the defined contribution retirement plan(s). The Cash Settlement Fund, the Increased Match and Increased Vested Amount of Matching Contributions for Certain Former Employees are the cash and cash equivalent benefits of the Settlement. The Plan Amendments and the Participant Communications Improvements are the non-cash benefits of the Settlement, but are believed to have the value assigned to them in this Notice as described above.

The Settlement is the product of extensive negotiations between Named Plaintiffs' counsel and the Defendants' counsel. Throughout the settlement negotiations, the Named Plaintiffs and the Defendants were advised by various consultants and experts.

3. Why Is This Case a Class Action?

In a class action, one or more plaintiffs, called "Named Plaintiffs," sue on behalf of people who have similar claims. All of the individuals on whose behalf the Named Plaintiffs are suing are "Class Members." One court

resolves the issues for all Class Members. U.S. District Judge John W. Lungstrum is presiding over this case. In its Order setting the Fairness Hearing, the Court conditionally certified the Settlement Class in the Action.

4. Why is there a Settlement?

The Court has not reached any final decisions in connection with Named Plaintiffs' claims against the Defendants. Instead, the Named Plaintiffs and the Defendants have agreed to a settlement. In reaching the Settlement, they have avoided the cost and time of a trial.

As with any litigated case, the Named Plaintiffs would face an uncertain outcome if this case went to trial. On the one hand, continuation of the case against the Defendants could result in a judgment greater than this Settlement. On the other hand, continuing the case against them could result in a judgment for less money than Named Plaintiffs have obtained in this Settlement, or even no recovery at all. Based on these factors, the Named Plaintiffs and their attorneys in this case think the Settlement is best for all Settlement Class members.

5. How do I know whether I am part of the Settlement?

The benefits of the Settlement (the Cash Settlement Fund, the Increased Match, the Increased Vested Amount of Matching Contributions for Certain Former Employees, the Plan Amendments and the Participant Communications Improvements, as well as Sprint's agreement to pay up to \$3.9 million in attorneys' fees, costs, expenses and any awards to the Named Plaintiffs (as determined by the Court) will be distributed among all members of the Settlement Class. You are a member of the Settlement Class if you fall within the following definition:

all participants in the Sprint Retirement Savings Plan, the Sprint Retirement Savings Plan for Bargaining Unit Employees and the Centel Retirement Savings Plan for Bargaining Unit Employees (the "Plans") for whose individual accounts the Plans purchased and/or held shares of the Sprint FON Stock Fund, the Sprint PCS Stock Fund, the TRASOP Sprint Stock Fund, the TRASOP Sprint PCS Stock Fund, the Sprint FON CESOP Fund and/or the Sprint PCS CESOP Stock Fund from June 2, 1998 through and including February 13, 2003. Excluded from the Settlement Class are Defendants herein, members of the board of directors of Sprint Corporation, and the beneficiaries of any of the foregoing under the Plans.

6. Are there exceptions to being included?

You are not a member of the Settlement Class if you are a Defendant in the Action, a member of the board of directors of Sprint Corporation, or a beneficiary of any of the foregoing under the Plans.

THE SETTLEMENT BENEFITS – WHAT YOU GET

7. What does the Settlement provide?

As noted above, the Settlement calls for Sprint to create the Cash Settlement Fund (\$4 million), to effect the Increased Match (which Co-Lead Counsel and the Company believe has a value to the Settlement Class of approximately \$17.9 million) and the Increased Vested Amount of Matching Contributions for Certain Former Employees (approximately \$1.6 million), to make the Plan Amendments, and to effect the Participant Communications Improvements. The Settlement also calls for Sprint to pay class counsel's attorneys' fees, costs, expenses and any award to the Named Plaintiffs in an aggregate amount up to \$3.9 million, with the actual amount of such attorneys' fees, costs, expenses and any award to the Named Plaintiff to be determined by the Court.

All Settlement Class members and anyone claiming through them are deemed to fully release the "Releasees" from "Released Claims." The Releasees include the Defendants and their officers, directors, employees, attorneys, and agents. The Released Claims generally include all claims which were or could have

been asserted in the Action. This means that Settlement Class members will not have the right to sue the Releasees for anything related to the investment of Plan assets or to other alleged fiduciary misconduct during the Class Period concerning the Plans.

The above description of the operation of the Settlement is only a summary. The governing provisions are set forth in the Settlement Agreement (including its exhibits), which may be obtained at www.snlaw.net, www.ssbny.com, or www.jpclasslaw.com, or www.berdonllp.com/claims, or by contacting Co-Lead Counsel listed on page 2 above.

8. How much will my payment be?

If you are a member of the Settlement Class the amount and form of your share of the settlement proceeds depends upon whether or not you are still a member of one of the affected Plans, what Plan you are or were a participant of and what investment losses, if any, you sustained in connection with your investments in either the Sprint FON Stock Fund, the Sprint PCS Stock Fund, the TRASOP Sprint Stock Fund, the TRASOP Sprint PCS Stock Fund, the Sprint FON CESOP Fund and/or the Sprint PCS CESOP Stock Fund. The \$4 million Cash Settlement Amount will, as directed by an independent fiduciary who has been retained by Co-Lead Counsel, be distributed entirely to and among former Sprint employees. The \$4 million Cash Settlement Amount will be distributed to and among those former employees in accordance with the investment losses in the above-described Fund investments of each such former employee. The investment loss computations will be based upon records maintained by the Plans and/or the administrator(s) of the Plans.

The Increased Match consists of an increased matching contribution from Sprint for the benefit of Sprint employees who participate in the Sprint Retirement Savings Plan or the equivalent plan which will result from the merger of Sprint and Nextel Communications, Inc. (which Co-Lead Counsel and the Company believe has a value to the Settlement Class of approximately \$17.9 million). The Increased Vested Amount of Matching Contributions for Certain Former Employees involves an increase in the vested amount of matching contributions in the accounts of certain former employees of Sprint (approximately \$1.6 million).

Co-Lead Counsel may seek to obtain a professional valuation of the Plan Amendments to determine their value to the Settlement Class. Regardless, the Plan Amendments will provide at least one year's benefit to employees not covered by the Sprint Retirement Savings Plan for Bargaining Unit Employees, the Centel Retirement Savings Plan for Bargaining Unit Employees or to any new plan created for other employees of the New Local Company (identified above). The benefits to such employees (generally non-union employees) consist of an increase in the level of a participant's pre-tax contribution to the Sprint Retirement Savings Plan or the equivalent plan which will result from the Sprint/Nextel Communications, Inc. merger; the immediate vesting of Sprint's future matching contributions, and in "unlocking" matching contributions previously made by Sprint whereby such matching contributions will be unlocked in 20% increments over a five-year period.

Co-Lead Counsel and the Company believe that the value of the Participant Communications Improvements to the Settlement Class is approximately \$11.5 million.

Do not worry if you do not have records that show your Plan activity. If you are entitled to a share of the net Settlement Fund, you will receive a statement showing the amount of your share. If you have questions regarding the Settlement or the Plan of Allocation annexed to this Notice, please contact the Co-Lead Counsel listed on page 2 above.

9. How can I get a payment?

You do not need to file a claim. If you are a Settlement Class member entitled to a share of the Net Proceeds, your share will be deposited in your Plan account. If you are a former Plan participant, if necessary, an account will be established for you in the Plan, and you will be notified of such account. If you are a former participant and have not provided the Plan with your current address, please contact the Settlement Administrator, in writing, by mail at: Sprint Corporation ERISA Litigation, c/o Berdon Claims Administration LLC, P.O. Box 9014, Jericho, NY 11753-8914; by fax at: (516) 931-0810; or go to the website at www.berdonllp.com/claims and click on "Contact Us."

10. When would I get my payment?

Payment is conditioned on several matters, including the Court's approval of the Settlement and such approval becoming final and no longer subject to any appeals to any court. Any appeal of the final approval may take several years. If the Settlement is approved by the Court, and there are no appeals from such approval, it is reasonably anticipated that the Cash Settlement Amount will be distributed during 2006, the Increased Match will be made in 2006, the Increased Vested Amount of Matching Contributions for Certain Former Employees will be made in 2006, the Plan Amendments will take place during 2006 and the Participant Communications Improvements will also take place during 2006.

There Will Be No Payments If The Settlement Agreement Is Terminated

The Settlement Agreement may be terminated on several grounds, including if (1) the Court does not approve or materially modifies the Settlement or (2) either as modified by the Court or as a result of reversal or modification on appeal, the Court's Final Order in the case does not satisfy certain terms of the Settlement. Should the Settlement Agreement be terminated, the Settlement will be terminated, the certification of the Class for settlement purposes will be vacated, and the Action will proceed as if the Settlement Agreement had not been entered into.

11. Can I get out of the Settlement?

You do not have the right to exclude yourself from the Settlement. The Action was conditionally certified under Federal Rule of Civil Procedure 23(b)(1) and/or (2) as a non "opt-out" class action because the Court preliminarily determined the requirements of those rules were satisfied. Thus, it is not possible for any participants or beneficiaries to exclude themselves from the benefits of the Settlement. As a Settlement Class member, you will be bound by any judgments or orders that are entered in the Action for all claims that were or could have been asserted in the Action or are otherwise included in the release under the Settlement.

Although you cannot opt out of the Settlement, you can object to the Settlement and ask the Court not to approve it. See Answer to Question No. 14, below.

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in the case?

The Court has appointed the law firms Schatz & Nobel, Stull, Stull & Brody and Johnson & Perkinson as Co-Lead Counsel for Named Plaintiffs in the Action. These lawyers are called "Class Counsel." You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

As part of the Settlement Sprint has agreed to pay up to \$3.9 million for the attorneys' fees, costs and expenses of Class Counsel (including the costs of class notice and settlement administration), and any awards to the Named Plaintiffs. The actual amounts of such attorneys' fees, costs, expenses and any awards to the Named Plaintiffs will be determined by the Court. Defendants have agreed to take no position with respect to the amount of attorneys' fees, costs, expenses or any awards to the Named Plaintiffs. Because Sprint has agreed to pay up to \$3.9 million for attorneys' fees, costs, expenses and any awards to the Named Plaintiffs, whatever amounts are awarded by the Court will not reduce either the \$4 million Cash Settlement Amount, the Increased Match (which Co-Lead Counsel and the Company believe has a value of approximately \$17.5 million to the Settlement Class), the Increased Vested Amount of Matching Contributions for Certain Former Employees (approximately \$1.6 million), or diminish the value of the Plan Amendments or Participant Communications Improvements.

Objecting to the Settlement or to the amount of Attorneys’ Fees, Costs, Expenses or Awards to the Named Plaintiffs which Sprint will pay as part of the Settlement

You can tell the Court that you do not agree with the Settlement or some part of it, including the attorneys’ fees and expenses the attorneys intend to seek.

14. How do I tell the Court if I don’t like the Settlement?

If you are a Settlement Class member, you can object to the Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. To object, you must send a letter or other written filing saying that you object to the Settlement in In re Sprint Corporation ERISA Litigation, Civil Action No. 03-CV-2202-JWL. Be sure to include your name, address, telephone number, signature, and a full explanation of all reasons you object to the Settlement. Your written objection must be served on the following counsel and must be postmarked by them no later than May 8, 2006:

PLAINTIFFS’ CO-LEAD COUNSEL	DEFENDANTS’ COUNSEL
Robert A. Izard William Bernarduci SCHATZ & NOBEL, P.C. One Corporate Center 20 Church Street Hartford, CT 06103 Phone: (860) 493-6292 Fax: (860) 493-6290	Timothy M. O’Brien Matthew C. Miller SHOOK, HARDY & BACON L.L.P. 84 Corporate Woods 10801 Mastin, Suite 1000 Overland Park, KS 66210-1671 Phone: (913) 451-6060 Fax: (913) 451-8879
Edwin J. Mills STULL STULL & BRODY 6 East 45th Street New York, NY 10017 Phone: (212) 687-7230 Fax: (212) 490-2022	Charles W. German ROUSE HENDRICKS GERMAN MAY PC One Petticoat Lane Bldg. 1010 Walnut Street, Suite 400 Kansas City, MO 64106
Dennis J. Johnson James F. Conway, III JOHNSON & PERKINSON P.O. Box 2035 1690 Williston Road South Burlington, VT 05403 Phone: (802) 862-0030 Fax: (802) 862-0060	Robert N. Eccles Gary S. Tell O’MELVENY & MYERS LLP 1625 Eye Street, NW Washington, DC 20006-4001

You must also file your objection with the Clerk of the United States District Court for the District of Kansas. The address is: Clerk of the U.S. District Court for the District of Kansas, 500 State Avenue, Kansas City, Kansas. Your objection must be postmarked no later than May 8, 2006.

THE COURT’S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement as fair, reasonable and adequate (the “Fairness Hearing”). You may attend the Fairness Hearing, and you may ask to speak, but you do not have to attend.

15. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at 9:30 a.m. on May 15, 2006, at the United States District Court for the District of Kansas, 500 State Avenue, Kansas City, Kansas, in Courtroom 427 or in the Courtroom then occupied by United States District Judge John W. Lungstrum. At that hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to approve the Settlement. The Court will also rule on the motions for Class Counsel's attorneys' fees, costs, expenses and any awards to the Named Plaintiffs.

16. Do I have to come to the hearing?

No. Class Counsel will answer questions the Court might have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, it will be before the Court when the Court considers whether to approve the Settlement as fair, reasonable and adequate. You also may pay your own lawyer to attend the Fairness Hearing, but such attendance is not necessary.

17. May I speak at the hearing?

If you are a Settlement Class member, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in In re Sprint Corporation ERISA Litigation, Civil Action No. 03-CV-2202-JWL." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be served on the attorneys listed in the Answer to Question No. 14, above, postmarked no later than May 8, 2006, and must be filed with the Clerk of the Court at the address listed in the Answer to Question No. 14, postmarked no later than May 8, 2006.

IF YOU DO NOTHING

18. What happens if I do nothing at all?

If you do nothing and you are a Settlement Class member, you will participate in the settlement of the Action as described above in this Notice if the Settlement is approved.

GETTING MORE INFORMATION

19. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. The complete settlement is set forth in the Settlement Agreement. You may obtain a copy of the Settlement Agreement by making a written request to the Co-Lead Counsel listed at page 2 above. Copies of the Settlement Agreement and/or the Notice may also be obtained at www.snlaw.net, www.ssbny.com, www.jpclasslaw.com, or www.berdonllp.com/claims. The Settlement Agreement also was filed with the Clerk of the Court and may be obtained from the Clerk's office directly.

20. How do I get more information?

You can contact the attorneys for Named Plaintiffs (see page 2 above), or visit the websites of Co-Lead Counsel at www.snlaw.net, www.ssbny.com, or www.jpclasslaw.com for more information regarding the Settlement.

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SPRINT

IMPORTANT LEGAL INFORMATION

Sprint Corporation ERISA Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914

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