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Sprint To Spin-Off Local Division

SALT appointed to brand “largest independent local phone company”

February 2005 - On December 15th, 2004 the board of directors of Sprint (NYSE: FON) & Nextel Communications (NASDAQ: NXTL) announced a merger of equals – creating a company with combined equity value of approximately \$70 billion and a network that covers nearly 262 million people – more of the U.S. population than any other carrier. As a result of this merger Sprint Nextel intends to separate Sprint’s local telecommunications business, including consumer, business and wholesale operations. This spin-off, with over 7.7 million local access lines in 18 states and 20,000 employees, will create the largest independent local telephone operator in the U.S.

Key to the success of this exciting new company will be a strong new brand that helps them define who they are in a highly competitive environment. Sprint has appointed SALT Branding, based in San Francisco, to create the new brand.

“We selected SALT because they clearly demonstrated a strategic understanding of our business and presented breakthrough creative work.” said Steve Misel who managed the pitch for Sprint.

Branding work for the project is to begin immediately and, although the spin-off still requires regulatory approval, the company wants to be ready to grow its business as fast as possible. Mike Fuller, president of Sprint’s local telecommunications division, said the new company would be profitable and have the *“capacity and opportunity to invest in growth in the future.”*

SALT has prior experience working with Sprint, having won and developed a new brand positioning strategy for the wireless (PCS) division in 2004. That work led to the development of a new advertising campaign developed by Publicis, & Hal Riney which explored one of Sprints key attributes – Innovation. From building the country’s first all wireless network with crystal clear quality to creating simple new calling plans, Sprint has always led the way in innovation.

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“Sprint has an incredible heritage...” said Rick Herrick, principal, SALT Branding. “...but the new local company must decide how much to reference that heritage in the new brand. Their world is changing rapidly and competition is heating up, especially with cable telephony providers entering their markets and hyper competition for high-speed Internet customers. They’ll have to do more than just compete – the new brand has to show real leadership.”

SALT is expecting to launch the new brand in 2006.

“There’s going to be a lot of planning involved.” said Paul Parkin, SALT’s creative director. “The new brand will reach millions of residential and business customers from local communities to big cities. This is a great opportunity to create a leading brand experience at many different touch-points including retail stores, service vehicles and call centers to name a few. Companies need more than great marketing to succeed today, leading brands deliver a compelling experience at every point of contact.”

Sprint is expected to make further announcements about the spin-off over the year. For more information on Sprint’s local division or the Sprint Nextel merger please visit: www.sprint.com

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