

WIRELESS

4/21/2009

Equity Rate:		11.50%	
Capital Asset Pricing Model			
CAPM ex post		7.40%	pg 5
CAPM ex ante		9.00%	pg 6
Dividend Growth Models			
Value Line, based on Dividends Growth		9.00%	pg 9
Value Line, based on Earnings Growth		12.00%	pg 9
Dividend Growth - ROE		10.00%	pg 9

Debt Rate:		8.00%	pg 10
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Industry Market Capital Structure

Equity	75.0%	x	11.50%	=	8.63%	pg 3
Debt	25.0%	x	8.00%	=	2.00%	pg 3
Marginal Tax Rate (1-tax rate)		x	38.0%	=	<u>1.24%</u>	
	<u>100%</u>					

Weighted Average Cost of Capital	9.87%
	rounded 9.90%

Support for Guideline Companies 2009 Assessment Year

Wireless Industry

Company Name	Ticker	Beta	P/E Ratio (tr)	Div'd Yield	Book Values Long Term Debt	Book Values Pref Stock	Book Values Common Stock (value)
AT&T, Inc	T	0.75	11.70	5.97%	\$ 60,872,000,000	\$ -	\$ 96,350,550,000
Systems, Inc.	TDS	0.80	35.00	1.38%	\$ 1,621,400,000	\$ 900,000	\$ 4,155,200,000
Verizon Communications	VZ	0.70	11.70	5.87%	\$ 46,959,000,000	\$ -	\$ 51,120,000,000
Telus Corp. (T.TO on Toronto Stock Exchange)	TU*	0.65	9.80	4.98%	\$ 4,947,388,000	\$ -	\$ 5,893,176,000
US Cellular	USM	1.05	96.80	nil	\$ 996,600,000	\$ -	\$ 3,273,000,000
MetroPCS Communications, Inc.	PCS	nmf	35.90	nil	\$ 3,058,000,000	\$ -	\$ 2,035,336,000
	Mean:	0.79	33.48	4.55%	\$ 19,742,398,000	\$ 150,000	\$ 27,137,877,000
	Median:	0.75	23.35	0.05			
Book Capital Structure					42.11%	0.00032%	57.89%

Source: ValueLine

Notes:

1. MetroPCS is new to Value Line for 2007 (2005 & 2006 is Pro Forma).
2. Telus (T.TO on Canadian exchange) exchange \$ 0.82 on 12-28-2008 (also per Value Line)
3. TDS, TU and PCS have no public debt listed with Standard and Poors, so used 100% for calculated "market debt to book rate (data entry page).

**Support for Capital Structure (based on Market Value)
2009 Assessment Year**

Wireless Industry

Company Name	Ticker	\$Stock\$ Average	Common Shares	Market Values						\$ Total \$ Debt, Equity & DFIT
				Common \$ Stock \$	%	Preferred \$ Stock \$	%	Long Term \$ Debt \$	%	
AT&T, Inc	T	26.79	5,893,000,000	\$ 157,853,826,667	70.3%	\$ -	0.0%	\$ 66,650,022,063	29.69%	\$ 224,503,848,729
Telephone & Data Systems, Inc.	TDS	29.73	112,000,000	\$ 3,330,133,333	69.5%	\$ 900,000	0.0%	\$ 1,459,074,732	30.46%	\$ 4,790,108,065
Verizon Communications	VZ	29.96	2,840,000,000	\$ 85,086,400,000	63.6%	\$ -	0.0%	\$ 48,798,976,791	36.45%	\$ 133,885,376,791
Telus Corp. (T.TO on Toronto Stock Exchange)	TU	29.64	318,000,000	\$ 9,426,050,000	67.9%	\$ -	0.0%	\$ 4,452,083,891	32.08%	\$ 13,878,133,891
US Cellular	USM	37.32	87,280,000	\$ 3,257,289,600	81.9%	\$ -	0.0%	\$ 718,249,620	18.07%	\$ 3,975,539,220
MetroPCS Communications, Inc.	PCS	13.72	350,920,000	\$ 4,814,037,533	63.6%	\$ -	0.0%	\$ 2,751,850,580	36.37%	\$ 7,565,888,113
Mean:					69.5%		0.0031%		30.52%	
Weighted Mean:				\$ 263,767,737,133	67.9%	\$ 900,000	0.0002%	\$ 124,830,257,676	32.12%	\$ 388,598,894,810
Median:					68.7%		0.0000%		31.27%	
				5yr median	75.0%		0.0%		25.00%	
				5 yr mean	75.40%		0.0%		24.60%	5 yr mean

Sources: ValueLine data except stock prices Yahoo Finance.
Estimated market value of debt was based on bond analysis (see attached).

Notes:

1. MetroPCS is new to Value Line for 2007 (2005 & 2006 is Pro Forma).
2. Telus (T.TO on Canadian exchange) exchange rate \$ 0.82 on 12-28-2008 (also per Value Line)
3. TDS, TU and PCS have no public debt listed with Standard and Poors, so used 100% for calculated "market debt to book rate (data entry page).

Support for Market Multiples
2009 Assessment Year

Wireless Industry

Company Name	Ticker	\$Stock\$ Average	Rev's	Multiple	Cash Flow	Multiple	Earnings	Multiple	Div'ds Decl'd	Multiple	Cap'I Spend	Multiple	Book Value	Multiple
AT&T, Inc	T	\$ 26.79	\$ 21.05	1.27	\$ 5.56	4.82	\$ 2.16	12.40	\$ 1.60	16.74	\$ 3.34	8.02	\$ 16.35	1.64
Telephone & Data Systems, Inc.	TDS	\$ 29.73	\$ 45.45	0.65	\$ 7.55	3.94	\$ 0.80	37.17	\$ 0.41	72.52	\$ 6.50	4.57	\$ 37.10	0.80
Verizon Communications	VZ	\$ 29.96	\$ 34.25	0.87	\$ 7.65	3.92	\$ 2.55	11.75	\$ 1.76	17.02	\$ 6.05	4.95	\$ 18.00	1.66
Telus Corp. (T.TO on Toronto Stock Exchange)	TU*	\$ 29.64	\$ 24.89	1.19	\$ 7.30	4.06	\$ 2.88	10.30	\$ 1.48	20.08	\$ 4.80	6.18	\$ 18.53	1.60
US Cellular	USM	\$ 37.32	\$ 48.62	0.77	\$ 7.35	5.08	\$ 0.36	103.67	nil	nil	\$ 6.25	5.97	\$ 37.50	1.00
MetroPCS Communications, Inc.	PCS	\$ 13.72	\$ 7.84	1.75	\$ 1.23	11.15	\$ 0.50	27.44	nil	nil	\$ 2.70	5.08	\$ 5.80	2.37
Mean:				1.08	5.49		33.79		31.59		5.80		1.51	
Median:				1.03	4.44		19.92		18.55		5.53		1.62	
Std. Dev. mean/std.dev				0.40	\$ 0.37	2.81	\$ 0.51	35.86	\$ 1.06	27.33	\$ 0.87	1.25	\$ 0.22	0.56
Indicator				1.05	5.0		12.0		18.0		5.70		1.55	

Sources: ValueLine data except stock prices Yahoo Finance.
 Average Stock Price = 4th 1/4 High/Low common stock price averages.
 Units per share comparisons

Notes:

1. MetroPCS is new to Value Line for 2007 (2005 & 2006 is Pro Forma).
2. Telus (T.TO on Canadian exchange) exchange rate \$ 0.82 on 12-28-2008 (also per Value Line)
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Support for Yield Capitalization Equity Component Capital Asset Pricing Model

2009 Assessment Year

Ex Post

$$K_e = R_{f_1} + B + (R_m - R_{f_2})$$

Wireless Industry

Ke = Cost of Equity

7.40%

to page 1

R _{f1} =	current risk free rate	3.00%
R _{f2}	historical risk free rate	5.20%
R _p =	risk premium	4.40%
B =	Beta	1.00
R _m =	historical R _m	9.60%

page 8

Rp = Risk Premium

4.40%

to above

Ibbotson 2009 Risk Premia Over Time Report, summary page 4

	geometric mean	2006-2008
Ibbotson, SBBI, Large Co.	9.60%	Av. historical R _m return
less	5.20%	Av. historical R _f return

Rf = Risk Free Rate

3.00%

to above

Ibbotson 2009 Risk Premia Over Time Report, summary page 5

Long Term (20 years) US Treasury Bond Yield	3.00%
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Value Line Investment Survey, Selected Yields January 9, 2009, page 3757

US Treasury Securities year end data		
5 year		1.44%
10 year		2.05%
30 year		2.56%
30 year Zero		2.42%

Federal Reserve Statistical Release

<http://www.federalreserve.gov/Releases/H15/Current/>

Treasury Constant Maturities		
5 year		1.55%
10 year		2.25%
20 year		3.05%
30 year		2.69%
20 year TIPS		2.36%
Inflation Indication		0.69%

Support for Yield Capitalization Equity Component Capital Asset Pricing Model

2009 Assessment Year

$$\text{Ex Ante} \\ \text{Ke} = \text{Rf} + \text{B} \times \text{Rp}$$

Wireless Industry

Ke = Cost of Equity **9.00%**
to page 1

	Rm = rate of return	9.00%	
	Rf = risk free rate	3.00%	
	Rp = risk premium	6.00%	
	B = Beta	1.00	page 8

Rp = Risk Premium **6.0%**
to above

Shannon P. Pratt and Roger J. Grabowski

Capital Applications and Examples Third Edition page 113 (rates are for beginning of 2008) 3.50% - 6.00% range
5.00% est. equity Rp

Dr. Aswath Damodaran

<http://pages.stern.nyu.edu/~adamodar/>
2008 Implied Risk Premium implied Rp
6.43%

Ibbotson

2009 Risk Premia Over Time Report, summary page 6 5.70%

John Graham and Campbell Harvey

The Equity Risk Premium in January 2008: 4.12% Nov. 2008
3.46% 10 yr. av.
Evidence from the Global CEO Outlook Survey 2.39% - 4.65% 10 yr. av. range

Rf = Risk Free Rate **3.00%**
to above

Ibbotson 2009 Risk Premia Over Time Report, summary page 5

Long Term (20 years) US Treasury Bond Yield 3.00%

Value Line Investment Survey, Selected Yields January 9, 2009, page 3757

US Treasury Securities year end data

5 year	1.44%
10 year	2.05%
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30 year Zero	2.42%

Federal Reserve Statistical Release

(<http://www.federalreserve.gov/Releases/H15/Current/>)

Treasury Constant Maturities

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30 year	2.69%
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Inflation Indication	0.69%

Implied Premiums for US Market

These implied premiums are calculated using the S&P 500.

<http://pages.stern.nyu.edu/~adamodar/>

Last updated January 5, 2009

Year	Earnings Yield	Dividend Yield	S&P 500	Earnings	Dividends	Change in Earnings	Change in Dividends	T.Bill Rate	T.Bond Rate	Bond-Bill	Smoothed Growth	Implied Premium (DDM)	Analyst Growth Estimate	Implied Premium (FCFE)	ERP/Riskfree Rate	ERP + Risk Free Rate
1960	5.34%	3.41%	58.11	3.1	1.98			0.0266	2.76%	0.10%	2.45%					
1961	4.71%	2.85%	71.55	3.37	2.04	8.60%	2.91%	2.13%	2.35%	0.22%	2.41%	2.92%		2.92%	1.24	5.27%
1962	5.81%	3.40%	63.1	3.67	2.15	8.79%	5.21%	2.73%	3.85%	1.12%	4.05%	3.56%		3.56%	0.92	7.41%
1963	5.51%	3.13%	75.02	4.13	2.35	12.75%	9.45%	3.12%	4.14%	1.02%	4.96%	3.38%		3.38%	0.82	7.52%
1964	5.62%	3.05%	84.75	4.76	2.58	15.23%	10.08%	3.54%	4.21%	0.67%	5.13%	3.31%		3.31%	0.79	7.52%
1965	5.73%	3.06%	92.43	5.3	2.83	11.20%	9.42%	3.93%	4.65%	0.72%	5.46%	3.32%		3.32%	0.71	7.97%
1966	6.74%	3.59%	80.33	5.41	2.88	2.23%	1.96%	4.76%	4.64%	-0.12%	4.19%	3.68%		3.68%	0.79	8.32%
1967	5.66%	3.09%	96.47	5.46	2.98	0.85%	3.37%	4.21%	5.70%	1.49%	5.25%	3.20%		3.20%	0.56	8.90%
1968	5.51%	2.93%	103.86	5.72	3.04	4.81%	2.09%	5.21%	6.16%	0.95%	5.32%	3.00%		3.00%	0.49	9.16%
1969	6.63%	3.52%	92.06	6.1	3.24	6.66%	6.49%	6.58%	7.88%	1.30%	7.55%	3.74%		3.74%	0.47	11.62%
1970	5.98%	3.46%	92.15	5.51	3.19	-9.72%	-1.61%	6.53%	6.50%	-0.03%	4.78%	3.41%		3.41%	0.52	9.91%
1971	5.46%	3.10%	102.09	5.57	3.16	1.15%	-0.74%	4.39%	5.89%	1.50%	4.57%	3.09%		3.09%	0.52	8.98%
1972	5.23%	2.70%	118.05	6.17	3.19	10.76%	0.71%	3.84%	6.41%	2.57%	5.21%	2.72%		2.72%	0.42	9.13%
1973	8.16%	3.70%	97.55	7.96	3.61	28.93%	13.24%	6.93%	6.90%	-0.03%	8.30%	4.30%		4.30%	0.62	11.20%
1974	13.64%	5.43%	68.56	9.35	3.72	17.48%	3.14%	8.00%	7.40%	-0.60%	6.42%	5.59%		5.59%	0.76	12.99%
1975	8.55%	4.14%	90.19	7.71	3.73	-17.54%	0.30%	5.80%	7.76%	1.96%	5.99%	4.13%		4.13%	0.53	11.89%
1976	9.07%	3.93%	107.46	9.75	4.22	26.39%	13.10%	5.08%	6.81%	1.73%	8.19%	4.55%		4.55%	0.67	11.36%
1977	11.43%	5.11%	95.1	10.87	4.86	11.53%	15.07%	5.12%	7.78%	2.66%	9.52%	5.92%		5.92%	0.76	13.70%
1978	12.11%	5.39%	96.11	11.64	5.18	7.07%	6.60%	7.18%	9.15%	1.97%	8.48%	5.72%		5.72%	0.63	14.87%
1979	13.48%	5.53%	107.94	14.55	5.97	25.01%	15.23%	10.38%	10.33%	-0.05%	11.70%	6.45%		6.45%	0.62	16.78%
1980	11.04%	4.74%	135.76	14.99	6.44	3.01%	7.81%	11.24%	12.43%	1.19%	11.01%	5.03%		5.03%	0.40	17.46%
1981	12.39%	5.57%	122.55	15.18	6.83	1.31%	6.08%	14.71%	13.98%	-0.73%	11.42%	5.73%		5.73%	0.41	19.71%
1982	9.83%	4.93%	140.64	13.82	6.93	-8.95%	1.58%	10.54%	10.47%	-0.07%	7.96%	4.90%		4.90%	0.47	15.37%
1983	8.06%	4.32%	164.93	13.29	7.12	-3.84%	2.76%	8.80%	11.80%	3.00%	9.09%	4.31%		4.31%	0.37	16.11%
1984	10.07%	4.68%	167.24	16.84	7.83	26.69%	9.85%	9.85%	11.51%	1.66%	11.02%	5.11%		5.11%	0.44	16.62%
1985	7.42%	3.88%	211.28	15.68	8.2	-6.91%	4.74%	7.72%	8.99%	1.27%	7.89%	4.03%	6.75%	3.84%	0.43	12.83%
1986	5.96%	3.38%	242.17	14.43	8.19	-7.93%	-0.15%	6.16%	7.22%	1.06%	5.54%	3.36%	6.96%	3.58%	0.50	10.80%
1987	6.49%	3.71%	247.08	16.04	9.17	11.10%	11.99%	5.47%	8.86%	3.39%	9.66%	4.18%	8.58%	3.99%	0.45	12.85%
1988	8.20%	3.68%	277.72	24.12	10.22	50.42%	11.49%	6.35%	9.14%	2.79%	9.76%	4.12%	7.67%	3.77%	0.41	12.91%
1989	6.80%	3.32%	353.4	24.32	11.73	0.83%	14.80%	8.37%	7.93%	-0.44%	9.58%	3.85%	7.46%	3.51%	0.44	11.44%
1990	6.58%	3.74%	330.22	22.65	12.35	-6.87%	5.26%	7.81%	8.07%	0.26%	7.39%	3.92%	7.19%	3.89%	0.48	11.96%
1991	4.58%	3.11%	417.09	19.3	12.97	-14.79%	5.03%	7.00%	6.70%	-0.30%	6.34%	3.27%	7.81%	3.48%	0.52	10.18%

Washington State Department of Revenue

1992	4.16%	2.90%	435.71	20.87	12.64	8.13%	-2.59%	5.30%	6.68%	1.38%	4.67%	2.83%	9.83%	3.55%	0.53	10.23%
1993	4.25%	2.72%	466.45	26.9	12.69	28.89%	0.41%	3.50%	5.79%	2.29%	4.73%	2.74%	8.00%	3.17%	0.55	8.96%
1994	5.89%	2.91%	459.27	31.75	13.36	18.03%	5.34%	5.00%	7.82%	2.82%	7.23%	3.06%	7.17%	3.55%	0.45	11.37%
1995	5.74%	2.30%	615.93	37.7	14.17	18.74%	6.00%	3.50%	5.57%	2.07%	5.65%	2.44%	6.50%	3.29%	0.59	8.86%
1996	4.83%	2.01%	740.74	40.63	14.89	7.77%	5.10%	5.00%	6.41%	1.41%	6.13%	2.11%	7.92%	3.20%	0.50	9.61%
1997	4.08%	1.60%	970.43	44.09	15.52	8.52%	4.25%	5.35%	5.74%	0.39%	5.45%	1.67%	8.00%	2.73%	0.48	8.47%
1998	3.11%	1.32%	1229.23	44.27	16.2	0.41%	4.37%	4.33%	4.65%	0.32%	4.60%	1.38%	7.20%	2.26%	0.49	6.91%
1999	3.07%	1.14%	1469.25	51.68	16.71	16.74%	3.16%	5.37%	6.44%	1.07%	5.75%	1.20%	12.50%	2.05%	0.32	8.49%
2000	3.94%	1.23%	1320.28	56.13	16.27	8.61%	-2.65%	5.73%	5.11%	-0.62%	3.71%	1.65%	12.00%	2.87%	0.56	7.98%
2001	3.85%	1.37%	1148.09	38.85	15.74	-30.79%	-3.24%	1.80%	5.05%	3.25%	3.56%	1.73%	10.30%	3.62%	0.72	8.67%
2002	5.23%	1.83%	879.82	46.04	16.08	18.51%	2.15%	1.20%	3.81%	2.61%	3.57%	2.29%	8.00%	4.10%	1.08	7.91%
2003	4.87%	1.61%	1111.91	54.69	17.88	18.79%	11.19%	1.00%	4.25%	3.25%	5.35%	2.12%	11.00%	3.69%	0.87	7.94%
2004	5.58%	1.60%	1211.92	67.68	19.407	23.75%	8.54%	2.18%	4.22%	2.04%	4.90%	2.02%	8.50%	3.65%	0.86	7.87%
2005	5.47%	1.79%	1248.29	76.45	22.38	12.96%	15.32%	4.31%	4.39%	0.08%	6.16%	2.20%	8.00%	4.08%	0.93	8.47%
2006	6.18%	1.77%	1418.3	87.72	25.05	14.74%	11.93%	4.88%	4.70%	-0.18%	5.93%	1.97%	12.50%	4.16%	0.89	8.86%
2007	5.62%	1.89%	1468.36	82.54	27.73	-5.91%	10.70%	3.31%	4.02%	0.71%	5.03%	2.06%	5.00%	4.37%	1.09	8.39%
2008	7.24%	3.11%	903.25	65.39	28.05	-20.78%	1.15%	1.59%	2.21%	0.62%	2.11%	2.06%	4.00%	6.43%	2.91	8.64%

Last updated January 5, 2009

Beta Analysis for CAPM

2009 Assessment Year

Wireless Industry

	Ticker	ValueLine
AT&T, Inc	T	0.75
Telephone & Data Systems, Inc.	TDS	0.80
Verizon Communications	VZ	0.70
Telus Corp. (T.TO on Toronto Stock Exchange)	TU*	0.65
US Cellular	USM	1.05
MetroPCS Communications, Inc.	PCS	nmf
Mean:		0.79
Median:		0.75
Estimated:		1.00

last yr 1.0

From Damodoran website

<http://pages.stern.nyu.edu/~adamodar/>

Data Used: Value Line database, of 6870 firms

Date of Analysis: Data used is as of January 2009

Industry Name	Number of Firms	Average Beta	Tax Rate	Unlevered Beta	Cash/Firm Value	Unlevered Beta corrected
Telecom. Equipment	110	1.49	12.08%	1.34	28.43%	1.87
Telecom. Services	140	1.43	15.90%	1.00	5.73%	1.06
Wireless Networking	57	1.54	14.08%	1.17	8.39%	1.28

Cost of Capital Study
Dividend Growth Model (DGM or DCF)
2009 Assessment Year

- $K_e = (D_1 / P_0) + G$**
- K_e** = Cost of Equity
- D_1** = Expected Dividends (next year's)
- P_0** = Current Price (fourth quarter average)
- g** = Sustainable Growth
- b** = 100% minus % of All Dividends to Net Profit
(1-payout ratio = retained earnings)
- ROE** = Return on Equity

Wireless Industry

Company Name	Ticker	Stock Price P0	Expected Dividend Yield		Value Line 5 yr. projected Annual Dividend Growth		Percent Retained b	ROE	Percent Retained g=(b * ROE)	Dividends Growth K _e	Earnings Growth K _e	Sustainable Growth g=(b + ROE) K _e
			D1	(D ₁ / P ₀)	g	g						
AT&T, Inc	T	\$ 26.79	\$ 1.64	6.12%	5.50%	6.50%	25.93%	15.00%	3.89%	11.62%	12.62%	10.01%
Telephone & Data Systems, Inc.	TDS	\$ 29.73	\$ 0.43	1.45%	0.00%	6.00%	48.75%	7.00%	3.41%	1.45%	7.45%	4.86%
Verizon Communications	VZ	\$ 29.96	\$ 1.84	6.14%	1.00%	6.00%	30.98%	16.00%	4.96%	7.14%	12.14%	11.10%
Telus Corp. (T.TO on Toronto Stock Exchange)	TU*	\$ 29.64	\$ 1.56	5.26%	8.50%	7.50%	48.72%	16.00%	7.79%	13.76%	12.76%	13.05%
US Cellular	USM	\$ 37.32	nil	nil	nil	7.50%	nil	8.00%	nil	nil	nil	nil
MetroPCS Communications, Inc.	PCS	\$ 13.72	nil	nil	nil	31.00%	nil	9.50%	nil	nil	nil	nil
Mean:				4.74%	3.75%	10.75%	38.59%	11.92%	5.01%	8.49%	11.24%	9.75%
Median:				5.69%	3.25%	7.00%	39.85%	12.25%	4.42%	9.38%	12.38%	10.55%
say:										9.00%	12.00%	10.00%

Source: Yahoo Finance for stock prices.
 Other data from Value Line.

Support for Debt Rating and Debt Yield Rate Wireless Industry 2009 Assessment Year

Wireless Industry

Company	Ticker	Credit Ratings		Weighted Average YTM
		S&P	Moody's	
AT&T, Inc	T	A	A	5.42%
Telephone & Data Systems, Inc.	TDS	0	0	na
Verizon Communications	VZ	A-	Aa3	5.20%
Telus Corp. (T.TO on Toronto Stock Exchange)	TU*	0	0	na
US Cellular	USM	BBB-	Baa3	9.77%
MetroPCS Communications, Inc.	PCS	0	0	n/a
Overall Average Debt Rating		nmf	nmf	nmf
Weighted average YTM's from page 12			Mean	6.80%
			Median	5.42%

Mergent Bond Record (Moody's credit ratings)

January 2009, Page 264

S&P (BBB)

	Aaa	Aa	A	Baa
Corporate				
October	6.28%	6.79%	7.58%	8.88%
November	6.12%	6.73%	7.68%	9.21%
December	5.06%	5.81%	6.70%	8.45%
Average	5.82%	6.44%	7.32%	8.85%
Public Utilities				
October	na	6.95%	7.56%	8.58%
November	na	6.83%	7.60%	8.98%
December	na	5.93%	6.54%	8.13%
Average		6.57%	7.23%	8.56%
Industrials				
October	6.28%	6.63%	7.60%	9.17%
November	6.12%	6.63%	7.76%	9.44%
December	5.06%	5.68%	6.85%	8.76%
Average	5.82%	6.31%	7.40%	9.12%

**DEBT YIELD RATE
8.00%**

Wireless Bond analysis

January 2009 Mergent Bond Record

Company	type	Call	coupon	maturity	Price 01/01/2009	Issued / Book	yield	Yield to Maturity	WAYTM	Company Rating S&P	Mkt Val	Market to Book	Embedded Rate	Debt Service	WAYTM Market	WAYTM Company
AT&T Corp.	SR Notes		7.300	2011	103.89	2,750,000,000	7.027%	4.56%	0.16197%	A	\$ 2,856,975,000	103.89%		200,750,000	0.1620%	0.3660%
AT&T Corp.	Notes		6.500	2013	104.45	147,000,000	6.223%	5.08%	0.00965%	A	\$ 153,541,500	104.45%		9,555,000	0.0096%	0.0218%
AT&T Corp.	Notes		6.500	2029	96.85	255,000,000	6.711%	6.80%	0.02239%	A	\$ 246,967,500	96.85%		16,575,000	0.0224%	0.0506%
AT&T Corp.	SR Notes		8.000	2031	125.61	2,750,000,000	6.369%	5.87%	0.20865%	A	\$ 3,454,275,000	125.61%		220,000,000	0.2087%	0.4715%
AT&T Inc.	Gobal Notes		4.950	2013	100.55	2,500,000,000	4.923%	4.78%	0.15426%	A	\$ 2,513,750,000	100.55%		123,750,000	0.1543%	0.3486%
AT&T Inc.	Notes		6.800	2036	113.07	600,000,000	6.014%	5.82%	0.04512%	A	\$ 678,420,000	113.07%		40,800,000	0.0451%	0.1020%
AT&T Inc.	Gobal Notes		6.500	2037	107.69	2,000,000,000	6.036%	5.93%	0.15315%	A	\$ 2,153,800,000	107.69%		130,000,000	0.1532%	0.3461%
AT&T Inc.	Gobal Notes		6.300	2038	105.71	2,750,000,000	5.960%	5.88%	0.20901%	A	\$ 2,907,025,000	105.71%		173,250,000	0.2090%	0.4723%
AT&T Inc.	Gobal Notes		6.400	2038	107.11	1,250,000,000	5.975%	5.88%	0.09497%	A	\$ 1,338,875,000	107.11%		80,000,000	0.0950%	0.2146%
AT&T Wireless	sr notes		7.875	2011	103.52	3,000,000,000	7.607%	5.37%	0.20816%	A	\$ 3,105,600,000	103.52%		236,250,000	0.2082%	0.4703%
AT&T Wireless	sr notes		8.125	2012	107.23	2,000,000,000	7.577%	4.98%	0.12864%	A	\$ 2,144,600,000	107.23%		162,500,000	0.1286%	0.2907%
AT&T Wireless	sr notes		8.750	2031	125.00	2,500,000,000	7.000%	6.55%	0.21158%	A	\$ 3,125,000,000	125.00%		218,750,000	0.2116%	0.4781%
AT&T Inc.	Notes	0	6.700	2013	106.94	\$ 1,500,000,000	6.265%	4.51%	0.08745%	A	\$ 1,604,100,000	106.94%		100,500,000	0.0875%	0.1976%
AT&T Inc.	Notes	0	5.500	2018	98.75	\$ 2,500,000,000	5.570%	5.69%	0.18378%	A	\$ 2,468,750,000	98.75%		137,500,000	0.1838%	0.4153%
AT&T Inc.	Notes	0	5.600	2018	100.42	\$ 1,000,000,000	5.577%	5.54%	0.07154%	A	\$ 1,004,200,000	100.42%		56,000,000	0.0715%	0.1616%
AT&T Inc.	Notes	0	6.400	2038	111.42	\$ 1,250,000,000	5.744%	5.59%	0.09028%	A	\$ 1,392,750,000	111.42%		80,000,000	0.0903%	0.2040%
AT&T Wireless	sr notes	0	7.875	2011	105.72	\$ 3,000,000,000	7.449%	3.88%	0.15026%	A	\$ 3,171,600,000	105.72%		236,250,000	0.1503%	0.3395%
AT&T Wireless	sr notes	0	8.750	2031	127.32	\$ 2,500,000,000	6.872%	6.38%	0.20609%	A	\$ 3,183,000,000	127.32%		218,750,000	0.2061%	0.4657%
	18 Book Val	1800		sum		\$ 34,252,000,000		Percent of book			\$ 37,503,229,000	109.49%	7.13%	\$ 2,441,180,000		5.42%
Sprint Capital Corp.	Notes		7.625	2011	86.50	\$ 1,650,000,000	8.82%	18.77%	0.40009%	BB	\$ 1,427,250,000	86.50%		125,812,500	0.4001%	2.56%
Sprint Capital Corp.	Notes		8.375	2012	84.00	\$ 1,999,980,000	9.97%	16.72%	0.43207%	BB	\$ 1,679,983,200	84.00%		167,498,325	0.4321%	2.76%
Sprint Capital Corp.	Notes		6.900	2019	75.00	\$ 1,750,000,000	9.20%	11.33%	0.25621%	BB	\$ 1,312,500,000	75.00%		120,750,000	0.2562%	1.64%
Sprint Capital Corp.	Notes		6.875	2028	62.50	\$ 2,500,000,000	11.00%	12.01%	0.38788%	BB	\$ 1,562,500,000	62.50%		171,875,000	0.3879%	2.48%
Sprint Capital Corp.	Notes		8.750	2032	69.50	\$ 1,998,000,000	12.59%	12.98%	0.33511%	BB	\$ 1,388,610,000	69.50%		174,825,000	0.3351%	2.14%
Sprint Corp.	Deb		9.250	2022	74.50	\$ 200,000,000	12.42%	13.60%	0.03515%	BB	\$ 149,000,000	74.50%		18,500,000	0.0352%	0.22%
Sprint Nextel Corp.	Notes		6.000	2016	74.50	\$ 2,000,000,000	8.05%	11.84%	0.30603%	BB	\$ 1,490,000,000	74.50%		120,000,000	0.3060%	1.96%
	7 Book Val	700		sum		\$ 12,097,980,000		% of book			\$ 9,009,843,200	74.47%	7.43%	\$ 899,260,825		13.77%
US Cellular	sr nts	Z100	6.700	2033	72.07	\$ 544,000,000	9.30%	9.77%	0.06870%	BBB-	\$ 392,060,800	72.07%	6.70%	36,448,000	0.0687%	9.77%
Verizon Comm. Inc.	Notes		5.550	2016	97.70	\$ 1,250,000,000	5.68%	5.99%	0.09671%	A-	\$ 1,221,250,000	97.70%		69,375,000	0.0967%	0.25%
Verizon Comm. Inc.	Notes		5.500	2017	96.77	\$ 750,000,000	5.68%	6.05%	0.05861%	A-	\$ 725,775,000	96.77%		41,250,000	0.0586%	0.15%
Verizon Comm. Inc.	Notes		6.250	2037	103.55	\$ 750,000,000	6.04%	5.98%	0.05799%	A-	\$ 776,625,000	103.55%		46,875,000	0.0580%	0.15%
Verizon Comm. Inc.	Notes		4.350	2013	98.65	\$ 750,000,000	4.41%	4.78%	0.04630%	A-	\$ 739,875,000	98.65%		32,625,000	0.0463%	0.12%
Verizon Comm. Inc.	Notes		5.250	2013	100.46	\$ 1,250,000,000	5.23%	5.10%	0.08242%	A-	\$ 1,255,750,000	100.46%		65,625,000	0.0824%	0.21%
Verizon Comm. Inc.	Notes		5.500	2018	98.87	\$ 1,500,000,000	5.56%	5.67%	0.10992%	A-	\$ 1,483,050,000	98.87%		82,500,000	0.1099%	0.28%
Verizon Comm. Inc.	Notes		6.100	2018	103.07	\$ 1,500,000,000	5.92%	5.64%	0.10922%	A-	\$ 1,546,050,000	103.07%		91,500,000	0.1092%	0.28%
Verizon Comm. Inc.	Notes		6.400	2038	106.53	\$ 1,750,000,000	6.01%	5.92%	0.13387%	A-	\$ 1,864,275,000	106.53%		112,000,000	0.1339%	0.34%
Verizon Comm. Inc.	Notes		6.900	2038	113.75	\$ 1,250,000,000	6.07%	5.89%	0.09517%	A-	\$ 1,421,875,000	113.75%		86,250,000	0.0952%	0.24%
Verizon Comm. Inc.	SR Notes		8.750	2019	117.44	\$ 2,000,000,000	7.45%	6.26%	0.16175%	A-	\$ 2,348,800,000	117.44%		175,000,000	0.1618%	0.41%
Verizon Comm. Inc.	SR Notes		8.950	2039	131.29	\$ 1,250,000,000	6.82%	6.53%	0.10550%	A-	\$ 1,641,125,000	131.29%		111,875,000	0.1055%	0.27%
Verizon Global Funding	Notes		7.375	2012	104.61	\$ 1,000,000,000	7.05%	5.36%	0.06920%		\$ 1,046,100,000	104.61%		73,750,000	0.0692%	0.18%
Verizon Global Funding	Notes		7.250	2010	106.35	\$ 2,000,000,000	6.82%	-4.97%	-0.12854%	A-	\$ 2,127,000,000	106.35%		145,000,000	-0.1285%	-0.33%
Verizon Global Funding	Notes		7.375	2012	106.88	\$ 1,000,000,000	6.90%	4.41%	0.05696%	A-	\$ 1,068,800,000	106.88%		73,750,000	0.0570%	0.14%
Verizon Global Funding	Notes		6.875	2012	103.77	\$ 600,000,000	6.63%	5.23%	0.04052%	A-	\$ 622,620,000	103.77%		41,250,000	0.0405%	0.10%
Verizon Global Funding	Notes		4.375	2013	96.80	\$ 500,000,000	4.52%	5.40%	0.03490%	A-	\$ 484,000,000	96.80%		21,875,000	0.0349%	0.09%
Verizon Global Funding	Notes		7.750	2030	114.18	\$ 2,000,000,000	6.79%	6.48%	0.16747%	A-	\$ 2,283,600,000	114.18%		155,000,000	0.1675%	0.42%
Verizon Global Funding	Notes		4.900	2015	97.37	\$ 500,000,000	5.03%	5.47%	0.03532%	A-	\$ 486,850,000	97.37%		24,500,000	0.0353%	0.09%
Verizon Global Funding	Notes		7.750	2032	94.36	\$ 400,000,000	8.21%	8.31%	0.04296%	A-	\$ 377,440,000	94.36%		31,000,000	0.0430%	0.11%
Verizon Global Funding	Notes		5.850	2035	89.26	\$ 1,500,000,000	6.55%	6.74%	0.13070%	A-	\$ 1,338,900,000	89.26%		87,750,000	0.1307%	0.33%
Verizon FL Inc.	deb		6.125	2013	97.25	\$ 350,000,000	6.30%	7.04%	0.03183%	A-	\$ 340,375,000	97.25%		21,437,500	0.0318%	0.08%

Verizon MD	deb	5.125	2033	61.97	\$	350,000,000	8.27%	9.10%	0.04115%	A-	\$	216,895,000	61.97%	17,937,500	0.0411%	0.10%	
Verizon MD	deb	6.125	2012	97.16	\$	500,000,000	6.30%	7.41%	0.04788%	A-	\$	485,800,000	97.16%	30,625,000	0.0479%	0.12%	
Verizon NE	deb	6.500	2011	102.50	\$	1,000,000,000	6.34%	4.73%	0.06117%	A-	\$	1,025,000,000	102.50%	65,000,000	0.0612%	0.16%	
Verizon NE	deb	4.750	2013	88.28	\$	300,000,000	5.38%	8.78%	0.03405%	A-	\$	264,840,000	88.28%	14,250,000	0.0340%	0.09%	
Verizon NY	deb	6.875	2012	101.61	\$	1,000,000,000	6.77%	6.16%	0.07960%	A-	\$	1,016,100,000	101.61%	68,750,000	0.0796%	0.20%	
Verizon NY	deb	7.375	2032	100.12	\$	500,000,000	7.37%	7.36%	0.04757%	A-	\$	500,600,000	100.12%	36,875,000	0.0476%	0.12%	
Verizon NJ	deb	5.875	2012	99.27	\$	1,000,000,000	5.92%	6.20%	0.08010%	A-	\$	992,700,000	99.27%	58,750,000	0.0801%	0.20%	
Verizon Penn	deb	5.650	2011	103.24	\$	1,000,000,000	5.47%	3.40%	0.04391%	A-	\$	1,032,400,000	103.24%	56,500,000	0.0439%	0.11%	
Verizon VA	deb	4.625	2013	96.06	\$	1,000,000,000	4.81%	5.90%	0.07628%	A-	\$	960,600,000	96.06%	46,250,000	0.0763%	0.19%	
30 Book Val	3000		sum		\$	30,500,000,000	% of book				\$	31,695,070,000	103.92%	6.51%	1,985,125,000		5.20%

Average	6.576	Total	\$	77,393,980,000	Average	7.07%	Total	\$	78,600,203,000	6.93%	\$	5,362,013,825	5.0611%	8.54%
Median	6.450			Issued / Book	median	6.02%			Market Value	Embedded Rate	Debt Service	Weighted Average YTM		
	Coupon					YTM								

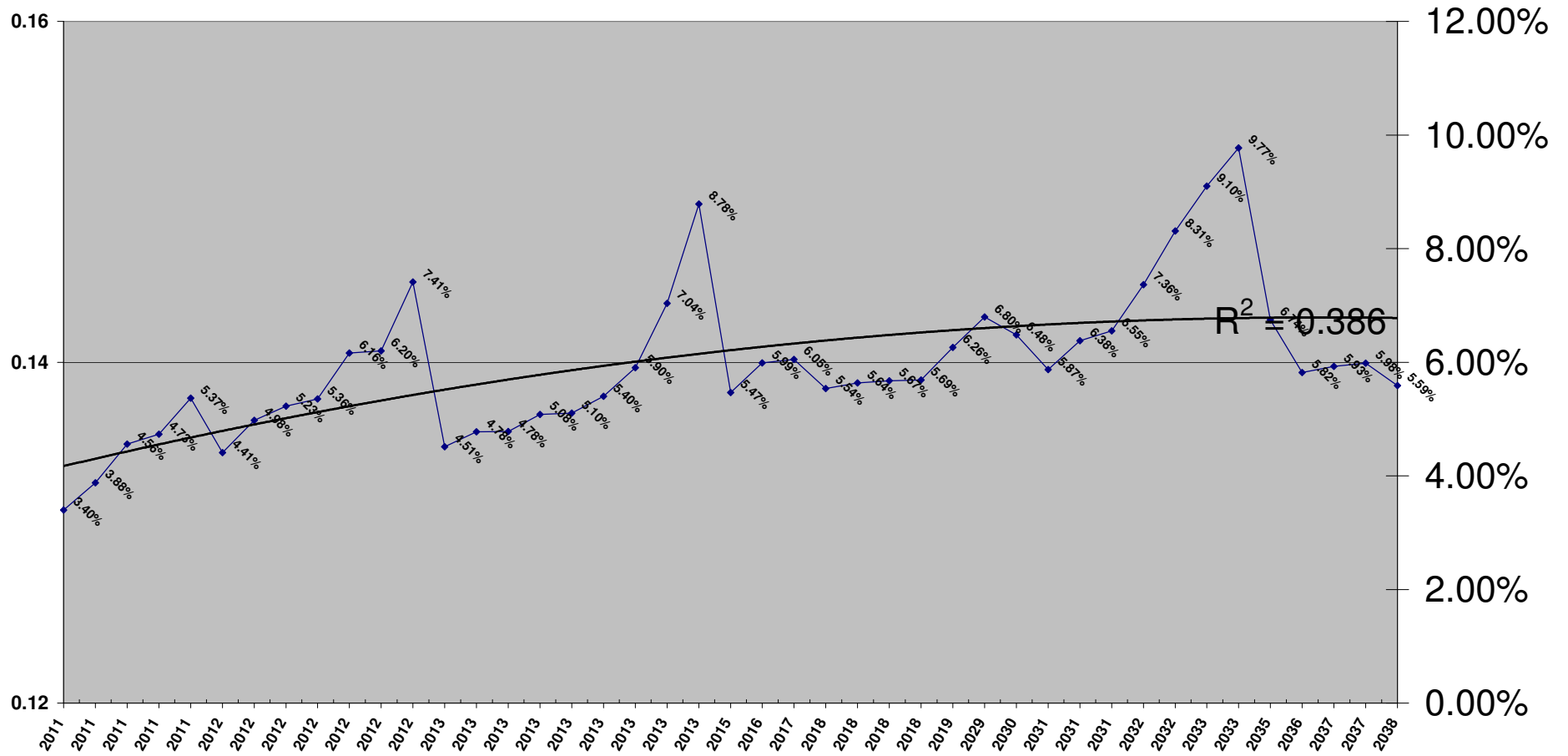
Embedded debt rate	6.93%
Weighted average yield to maturity	5.06%
Market to Book	89.99%

01/01/2009 **Wireless Bond analysis - BBB(-) or Higher - S&P Rated Companies**

Sorted by Maturity and then by Yield-to-Maturity

Company	type	Call	coupon	maturity	Price	Issued / Book	current	Yield to		Weighted	Company
					01/01/2009		yield	Maturity	WAYTM	S&P Rating	
Verizon Global Funding	Notes		7.250	2010	106.35	\$ 2,000,000,000	6.82%	-4.97%	-0.12854%	A-	
Verizon Penn	deb		5.650	2011	103.24	\$ 1,000,000,000	5.47%	3.40%	0.04391%	A-	
AT&T Wireless	sr notes	0	7.875	2011	105.72	\$ 3,000,000,000	7.449%	3.88%	0.15026%	A	
AT&T Corp.	SR Notes		7.300	2011	103.89	2,750,000,000	7.027%	4.56%	0.16197%	A	
Verizon NE	deb		6.500	2011	102.50	\$ 1,000,000,000	6.34%	4.73%	0.06117%	A-	
AT&T Wireless	sr notes		7.875	2011	103.52	3,000,000,000	7.607%	5.37%	0.20816%	A	
Verizon Global Funding	Notes		7.375	2012	106.88	\$ 1,000,000,000	6.90%	4.41%	0.05696%	A-	
AT&T Wireless	sr notes		8.125	2012	107.23	2,000,000,000	7.577%	4.98%	0.12864%	A	
Verizon Global Funding	Notes		6.875	2012	103.77	\$ 600,000,000	6.63%	5.23%	0.04052%	A-	
Verizon Global Funding	Notes		7.375	2012	104.61	\$ 1,000,000,000	7.05%	5.36%	0.06920%	A-	
Verizon NY	deb		6.875	2012	101.61	\$ 1,000,000,000	6.77%	6.16%	0.07960%	A-	
Verizon NJ	deb		5.875	2012	99.27	\$ 1,000,000,000	5.92%	6.20%	0.08010%	A-	
Verizon MD	deb		6.125	2012	97.16	\$ 500,000,000	6.30%	7.41%	0.04788%	A-	
AT&T Inc.	Notes	0	6.700	2013	106.94	\$ 1,500,000,000	6.265%	4.51%	0.08745%	A	
AT&T Inc.	Gobal Notes		4.950	2013	100.55	2,500,000,000	4.923%	4.78%	0.15426%	A	
Verizon Comm. Inc.	Notes		4.350	2013	98.65	\$ 750,000,000	4.41%	4.78%	0.04630%	A-	
AT&T Corp.	Notes		6.500	2013	104.45	147,000,000	6.223%	5.08%	0.00965%	A	
Verizon Comm. Inc.	Notes		5.250	2013	100.46	\$ 1,250,000,000	5.23%	5.10%	0.08242%	A-	
Verizon Global Funding	Notes		4.375	2013	96.80	\$ 500,000,000	4.52%	5.40%	0.03490%	A-	
Verizon VA	deb		4.625	2013	96.06	\$ 1,000,000,000	4.81%	5.90%	0.07628%	A-	
Verizon FL Inc.	deb		6.125	2013	97.25	\$ 350,000,000	6.30%	7.04%	0.03183%	A-	
Verizon NE	deb		4.750	2013	88.28	\$ 300,000,000	5.38%	8.78%	0.03405%	A-	
Verizon Global Funding	Notes		4.900	2015	97.37	\$ 500,000,000	5.03%	5.47%	0.03532%	A-	
Verizon Comm. Inc.	Notes		5.550	2016	97.70	\$ 1,250,000,000	5.68%	5.99%	0.09671%	A-	
Verizon Comm. Inc.	Notes		5.500	2017	96.77	\$ 750,000,000	5.68%	6.05%	0.05861%	A-	
AT&T Inc.	Notes	0	5.600	2018	100.42	\$ 1,000,000,000	5.577%	5.54%	0.07154%	A	
Verizon Comm. Inc.	Notes		6.100	2018	103.07	\$ 1,500,000,000	5.92%	5.64%	0.10922%	A-	
Verizon Comm. Inc.	Notes		5.500	2018	98.87	\$ 1,500,000,000	5.56%	5.67%	0.10992%	A-	
AT&T Inc.	Notes	0	5.500	2018	98.75	\$ 2,500,000,000	5.570%	5.69%	0.18378%	A	
Verizon Comm. Inc.	SR Notes		8.750	2019	117.44	\$ 2,000,000,000	7.45%	6.26%	0.16175%	A-	
AT&T Corp.	Notes		6.500	2029	96.85	255,000,000	6.711%	6.80%	0.02239%	A	
Verizon Global Funding	Notes		7.750	2030	114.18	\$ 2,000,000,000	6.79%	6.48%	0.16747%	A-	
AT&T Corp.	SR Notes		8.000	2031	125.61	2,750,000,000	6.369%	5.87%	0.20865%	A	
AT&T Wireless	sr notes	0	8.750	2031	127.32	\$ 2,500,000,000	6.872%	6.38%	0.20609%	A	
AT&T Wireless	sr notes		8.750	2031	125.00	2,500,000,000	7.000%	6.55%	0.21158%	A	
Verizon NY	deb		7.375	2032	100.12	\$ 500,000,000	7.37%	7.36%	0.04757%	A-	
Verizon Global Funding	Notes		7.750	2032	94.36	\$ 400,000,000	8.21%	8.31%	0.04296%	A-	
Verizon MD	deb		5.125	2033	61.97	\$ 350,000,000	8.27%	9.10%	0.04115%	A-	
US Cellular	sr nts	Z100	6.700	2033	72.07	\$ 544,000,000	9.30%	9.77%	0.06870%	BBB-	
Verizon Global Funding	Notes		5.850	2035	89.26	\$ 1,500,000,000	6.55%	6.74%	0.13070%	A-	
AT&T Inc.	Notes		6.800	2036	113.07	600,000,000	6.014%	5.82%	0.04512%	A	
AT&T Inc.	Gobal Notes		6.500	2037	107.69	2,000,000,000	6.036%	5.93%	0.15315%	A	
Verizon Comm. Inc.	Notes		6.250	2037	103.55	\$ 750,000,000	6.04%	5.98%	0.05799%	A-	
AT&T Inc.	Notes	0	6.400	2038	111.42	\$ 1,250,000,000	5.744%	5.59%	0.09028%	A	
AT&T Inc.	Gobal Notes		6.400	2038	107.11	1,250,000,000	5.975%	5.88%	0.09497%	A	
AT&T Inc.	Gobal Notes		6.300	2038	105.71	2,750,000,000	5.960%	5.88%	0.20901%	A	
Verizon Comm. Inc.	Notes		6.900	2038	113.75	\$ 1,250,000,000	6.07%	5.89%	0.09517%	A-	
Verizon Comm. Inc.	Notes		6.400	2038	106.53	\$ 1,750,000,000	6.01%	5.92%	0.13387%	A-	
Verizon Comm. Inc.	SR Notes		8.950	2039	131.29	\$ 1,250,000,000	6.82%	6.53%	0.10550%	A-	

Wireless Bond Analysis



Mergent's Bond Record

Corporate

	Avg	Aaa	Aa	A	Baa		
1	6.02	5.33	5.78	6.06	6.54	5.928	
2	6.24	5.53	5.97	6.26	6.82	6.145	
3	6.24	5.51	5.90	6.24	6.89	6.135	
4	6.29	5.55	5.93	6.30	6.97	6.188	
5	6.30	5.57	6.00	6.30	6.92	6.198	
6	6.42	5.68	6.11	6.43	7.07	6.323	
7	6.44	5.67	6.05	6.47	7.16	6.338	
8	6.42	5.64	6.01	6.46	7.15	6.315	
9	6.50	5.65	6.03	6.55	7.31	6.385	
10	7.56	6.28	6.79	7.58	8.88	7.383	
11	7.65	6.12	6.73	7.68	9.21	7.435	
12	6.73	5.06	5.81	6.70	8.45	6.505	
	6.57	5.63	6.09	6.59	7.45		

Public Utility

	Avg	Aaa	Aa	A	Baa		
1			5.87	6.02	6.35	6.08	
2			6.04	6.21	6.60	6.28	
3			5.99	6.21	6.68	6.29	
4			5.99	6.29	6.81	6.36	
5			6.07	6.27	6.79	6.38	
6			6.19	6.38	6.93	6.50	
7			6.13	6.40	6.97	6.50	
8			6.09	6.37	6.98	6.48	
9			6.13	6.49	7.15	6.59	
10			6.95	7.56	8.58	7.70	
11			6.83	7.60	8.98	7.80	
12			5.93	6.54	8.13	6.87	
			6.18	6.53	7.25		

Industrial

	Avg	Aaa	Aa	A	Baa		
1		5.33	5.68	6.10	6.73	5.96	
2		5.53	5.90	6.30	7.04	6.19	
3		5.51	5.80	6.27	7.10	6.17	
4		5.55	5.86	6.31	7.12	6.21	
5		5.57	5.93	6.33	7.05	6.22	
6		5.68	6.02	6.48	7.22	6.35	
7		5.67	5.97	6.54	7.35	6.38	
8		5.64	5.92	6.55	7.31	6.36	
9		5.65	5.93	6.60	7.47	6.41	
10		6.28	6.63	7.60	9.17	7.42	
11		6.12	6.63	7.76	9.44	7.49	
12		5.06	5.68	6.85	8.76	6.59	
		5.63	6.00	6.64	7.65		

Federal reserve T Bill Data as of 12-31-2008

<http://www.federalreserve.gov/Releases/H15/data.htm>

	10 year t bills monthly	20 year t bills monthly	20 year t bills monthly TIPS - Inflation protected	Spread	6 mo moving ave	constant maturities 30 year t bills monthly
01/2005, 3.71	01/2005, 4.22	01/2005, 4.77	01/2005, 1.98	2.79	2.79	01/2005, ND
02/2005, 3.77	02/2005, 4.17	02/2005, 4.61	02/2005, 1.85	2.76	2.78	02/2005, ND
03/2005, 4.17	03/2005, 4.50	03/2005, 4.89	03/2005, 1.95	2.94	2.81	03/2005, ND
04/2005, 4.00	04/2005, 4.34	04/2005, 4.75	04/2005, 1.87	2.88	2.84	04/2005, ND
05/2005, 3.85	05/2005, 4.14	05/2005, 4.56	05/2005, 1.82	2.74	2.83	05/2005, ND
06/2005, 3.77	06/2005, 4.00	06/2005, 4.35	06/2005, 1.80	2.55	2.78	06/2005, ND
07/2005, 3.98	07/2005, 4.18	07/2005, 4.48	07/2005, 2.00	2.48	2.73	07/2005, ND
08/2005, 4.12	08/2005, 4.26	08/2005, 4.53	08/2005, 2.02	2.51	2.68	08/2005, ND
09/2005, 4.01	09/2005, 4.20	09/2005, 4.51	09/2005, 1.93	2.58	2.62	09/2005, ND
10/2005, 4.33	10/2005, 4.46	10/2005, 4.74	10/2005, 2.09	2.65	2.59	10/2005, ND
11/2005, 4.45	11/2005, 4.54	11/2005, 4.83	11/2005, 2.16	2.67	2.57	11/2005, ND
12/2005, 4.39	12/2005, 4.47	12/2005, 4.73	12/2005, 2.14	2.59	2.58	12/2005, ND
01/2006, 4.35	01/2006, 4.42	01/2006, 4.65	01/2006, 2.05	2.60	2.60	01/2006, ND
02/2006, 4.57	02/2006, 4.57	02/2006, 4.73	02/2006, 2.01	2.72	2.64	02/2006, 4.54
03/2006, 4.72	03/2006, 4.72	03/2006, 4.91	03/2006, 2.17	2.74	2.66	03/2006, 4.73
04/2006, 4.90	04/2006, 4.99	04/2006, 5.22	04/2006, 2.43	2.79	2.69	04/2006, 5.06
05/2006, 5.00	05/2006, 5.11	05/2006, 5.35	05/2006, 2.48	2.87	2.72	05/2006, 5.20
06/2006, 5.07	06/2006, 5.11	06/2006, 5.29	06/2006, 2.54	2.75	2.75	06/2006, 5.15
07/2006, 5.04	07/2006, 5.09	07/2006, 5.25	07/2006, 2.52	2.73	2.77	07/2006, 5.13
08/2006, 4.82	08/2006, 4.88	08/2006, 5.08	08/2006, 2.31	2.77	2.78	08/2006, 5.00
09/2006, 4.67	09/2006, 4.72	09/2006, 4.93	09/2006, 2.31	2.62	2.76	09/2006, 4.85
10/2006, 4.69	10/2006, 4.73	10/2006, 4.94	10/2006, 2.38	2.56	2.72	10/2006, 4.85
11/2006, 4.58	11/2006, 4.60	11/2006, 4.78	11/2006, 2.23	2.55	2.66	11/2006, 4.69
12/2006, 4.53	12/2006, 4.56	12/2006, 4.78	12/2006, 2.26	2.52	2.63	12/2006, 4.68
01/2007, 4.75	01/2007, 4.76	01/2007, 4.95	01/2007, 2.42	2.53	2.59	01/2007, 4.85
02/2007, 4.71	02/2007, 4.72	02/2007, 4.93	02/2007, 2.38	2.55	2.56	02/2007, 4.82
03/2007, 4.48	03/2007, 4.56	03/2007, 4.81	03/2007, 2.27	2.54	2.54	03/2007, 4.72
04/2007, 4.59	04/2007, 4.69	04/2007, 4.95	04/2007, 2.35	2.60	2.55	04/2007, 4.87
05/2007, 4.67	05/2007, 4.75	05/2007, 4.98	05/2007, 2.45	2.53	2.55	05/2007, 4.90
06/2007, 5.03	06/2007, 5.10	06/2007, 5.29	06/2007, 2.67	2.62	2.56	06/2007, 5.20
07/2007, 4.88	07/2007, 5.00	07/2007, 5.19	07/2007, 2.62	2.57	2.57	07/2007, 5.11
08/2007, 4.43	08/2007, 4.67	08/2007, 5.00	08/2007, 2.47	2.53	2.57	08/2007, 4.93

Washington State Department of Revenue

09/2007, 4.20	09/2007, 4.52	09/2007, 4.84	09/2007, 2.30	2.54	2.57 09/2007, 4.79
10/2007, 4.20	10/2007, 4.53	10/2007, 4.83	10/2007, 2.26	2.57	2.56 10/2007, 4.77
11/2007, 3.67	11/2007, 4.15	11/2007, 4.56	11/2007, 1.99	2.57	2.57 11/2007, 4.52
12/2007, 3.49	12/2007, 4.10	12/2007, 4.57	12/2007, 2.08	2.49	2.55 12/2007, 4.53
01/2008, 2.98	01/2008, 3.74	01/2008, 4.35	01/2008, 1.81	2.49	2.53 01/2008, 4.33
02/2008, 2.78	02/2008, 3.74	02/2008, 4.49	02/2008, 1.87	2.49	2.53 02/2008, 4.52
03/2008, 2.48	03/2008, 3.51	03/2008, 4.36	03/2008, 1.76	2.49	2.52 03/2008, 4.39
04/2008, 2.84	04/2008, 3.68	04/2008, 4.44	04/2008, 1.91	2.49	2.50 04/2008, 4.44
05/2008, 3.15	05/2008, 3.88	05/2008, 4.60	05/2008, 2.00	2.49	2.49 05/2008, 4.60
06/2008, 3.49	06/2008, 4.10	06/2008, 4.74	06/2008, 2.19	2.49	2.49 06/2008, 4.69
07/2008, 3.30	07/2008, 4.01	07/2008, 4.62	07/2008, 2.09	2.49	2.49 07/2008, 4.57
08/2008, 3.14	08/2008, 3.89	08/2008, 4.53	08/2008, 2.15	2.49	2.49 08/2008, 4.50
09/2008, 2.88	09/2008, 3.69	09/2008, 4.32	09/2008, 2.25	2.49	2.49 09/2008, 4.27
10/2008, 2.73	10/2008, 3.81	10/2008, 4.45	10/2008, 2.87	2.49	2.49 10/2008, 4.17
11/2008, 2.29	11/2008, 3.53	11/2008, 4.27	11/2008, 3.00	2.49	2.49 11/2008, 4.00
12/2008, 1.52	12/2008, 2.42	12/2008, 3.18	12/2008, 2.32	2.49	2.49 12/2008, 2.87

**Support for Equity Component of Direct Capitalization Rates
Wireless Telecommunications
2009 Assessment Year**

Industry Overall			2008		2009		2008		2009	
Company Name	Ticker	\$Stock\$ Average	Actual Earnings	Ratio	Projected Earnings	Ratio	Actual Cash Flow	Ratio	Projected Cash Flow	Ratio
AT&T, Inc	T	\$ 26.79	\$ 2.16	8.06%	\$ 2.00	7.47%	\$ 5.56	20.76%	\$ 5.40	20.16%
Telephone & Data Systems, Inc.	TDS	\$ 29.73	\$ 0.80	2.69%	\$ 2.00	6.73%	\$ 7.55	25.39%	\$ 9.10	30.61%
Verizon Communications	VZ	\$ 29.96	\$ 2.55	8.51%	\$ 2.50	8.34%	\$ 7.65	25.53%	\$ 7.60	25.37%
Telus Corp. (T.TO on Toronto Stock Exchange)	TU*	\$ 29.64	\$ 2.88	9.71%	\$ 2.95	9.96%	\$ 7.30	24.62%	\$ 7.79	26.28%
US Cellular	USM	\$ 37.32	\$ 0.36	0.96%	\$ 2.10	5.63%	\$ 7.35	19.69%	\$ 9.30	24.92%
MetroPCS Communications, Inc.	PCS	\$ 13.72	\$ 0.50	3.64%	\$ 0.70	5.10%	\$ 1.23	8.97%	\$ 1.70	12.39%
Mean:				5.60%	7.20%	20.83%	23.29%			
Median:				5.85%	7.10%	22.69%	25.14%			
Say				6.00%	7.20%	22.00%	24.00%			

Source: Yahoo Finance for stock prices and Value Line for other data.

Notes:

1. MetroPCS is new to Value Line for 2007 (2005 & 2006 is Pro Forma).
2. Telus (T.TO on Canadian exchange) exchange rate: \$ 0.82 on 12-28-2008 (also per Value Line)
3. TDS, TU and PCS have no public debt listed with Standard and Poors, so used 100% for calculated "market debt to book rate (data entry page).

Source: Yahoo Finance (yahoo.com)

Stock Prices

4th quarter 2008

AT&T, Inc

T

New York Stock Exchange

Date	High	Low
Dec. 2008	30.65	26.57
Nov. 2008	29.91	23.32
Oct. 2008	29.37	20.90
4th Quarter Average		26.787

Telephone & Data Systems, Inc.

TDS

American Stock Exchange

Date	High	Low
Dec. 2008	33.53	28.13
Nov. 2008	32.45	24.12
Oct. 2008	38.93	21.24
4th Quarter Average		29.733

Verizon Communications

VZ

New York Stock Exchange

Date	High	Low
Dec. 2008	34.90	30.50
Nov. 2008	33.06	26.23
Oct. 2008	32.00	23.07
4th Quarter Average		29.960

Washington State Department of Revenue

Telus Corp.

TU (non voting shares on the New York Stock Exchange)

(T.TO ticker for Toronto Stock Exchange)

Date	High	Low
Dec. 2008	29.55	24.19
Nov. 2008	35.48	24.48
Oct. 2008	37.32	26.83

4th Quarter Average 29.642

Telus - Canadian exchange rate was approx. .82 at end of 2008.

US Cellular Corp.

USM

American Stock Exchange

Date	High	Low
Dec. 2008	43.76	34.26
Nov. 2008	43.06	27.18
Oct. 2008	47.90	27.76

4th Quarter Average 37.320

MetroPCS Communications, Inc.

PCS

New York Stock Exchange

Date	High	Low
Dec. 2008	16.27	13.19
Nov. 2008	15.00	10.23
Oct. 2008	16.50	11.12

4th Quarter Average 13.718

Wireless Industry 2009 Assessment Year
Data entry page

Valueline data - 3-27-2009

Description	Ticker	2008 Revenue per share	2009 Proj. Revenue per share	2008 Cash Flow per share	2009 Proj. Cash Flow per share	2008 Earnings per share	2009 Proj. Earnings per share
AT&T, Inc	T	\$21.05	\$21.15	\$5.56	\$5.40	\$2.16	\$2.00
Telephone & Data Systems, Inc.	TDS	\$45.45	\$47.20	\$7.55	\$9.10	\$0.80	\$2.00
Verizon Communications	VZ	\$34.25	\$37.85	\$7.65	\$7.60	\$2.55	\$2.50
Telus Corp. (T.TO on Toronto Stock Exchange)	TU*	\$24.89	\$26.28	\$7.30	\$7.79	\$2.88	\$2.95
US Cellular	USM	\$48.62	\$48.75	\$7.35	\$9.30	\$0.36	\$2.10
MetroPCS Communications, Inc.	PCS	\$7.84	\$9.85	\$1.23	\$1.70	\$0.50	\$0.70

Sources:

Value Line, except debt ratings, S&P earnings growth, market value of debt and embedded debt rate.

Notes:

1. MetroPCS is new to Value Line for 2007 (2005 & 2006 is Pro Forma).
2. Telus (T.TO on Canadian exchange) exchange \$ 0.82 on 12-28-2008 (also per Value Line)
3. TDS, TU and PCS have no public debt listed with Standard and Poors, so used 100% for calculated "market debt to book rate (data entry page).
4. na = no answer given
5. Sprint (S) taken out of Cap Rate Study for 2009 Assessment Year, except for debt analysis. Value Line data for Sprint Nextel was not meaningful for use in this cost of capital study.
6. Leap Wireless was not used in this study because Value Line data was not meaningful in this cost of capital study.
7. Clearwire was not used in this study. Value Line data was not meaningful for use in this cost of capital study.

Any data entered on this page will flow to the applicable worksheets.

Ticker	Beta	Dividends per share	P/E Ratio (trailing)	Dividend Yield		Book Value LT Debt	Book Value of Preferred	Book Value of Common per share	Value Line - Mrkt. Value of Common	Shares outstanding
				calculated						Oct. 2008
T	0.75	\$1.60	11.70	6.0%		\$60,872,000,000	\$0	\$16.35	\$149,500,000,000	5,893,000,000
TDS	0.80	\$0.41	35.00	1.4%		\$1,621,400,000	\$900,000	\$37.10	\$2,900,000,000	112,000,000
VZ	0.70	\$1.76	11.70	5.9%		\$46,959,000,000	\$0	\$18.00	\$84,700,000,000	2,840,000,000
TU*	0.65	\$1.48	9.80	5.0%		\$4,947,388,000	\$0	\$18.53	\$8,938,000,000	318,000,000
USM	1.05	nil	96.80	nil		\$996,600,000	\$0	\$37.50	\$3,000,000,000	87,280,000
PCS	nmf	nil	35.90	nil		\$3,058,000,000	\$0	\$5.80	\$5,900,000,000	350,920,000

Any data entered on this page will flow to the applicable worksheets.

Ticker	Capital spending per share	Expected dividend (2009)	5 Year Dividend Growth	5 yr. Earnings Growth	5 yr. Earnings Growth (EPS)	Mergent Credit Rating	S&P Credit Rating	market debt to book Rate	Q4 2008 Ave Share Price	Weighted Average YTM (debt)	# Shares Preferred Outstanding	Preferred Dividends Declared
			Value Line	Value Line	S&P			Calculated		Calculated		
T	\$3.34	\$1.64	5.50%	6.50%			A	109.49%	\$ 26.79	5.42%	-	\$ -
TDS	\$6.50	\$0.43	nil	6.00%				89.99%	\$ 29.73	na	9,000	\$ 300,000
VZ	\$6.05	\$1.84	1.00%	6.00%			A-	103.92%	\$ 29.96	5.20%	-	\$ -
TU*	\$4.80	\$1.56	8.50%	7.50%				89.99%	\$ 29.64	na	-	\$ -
USM	\$6.25	nil	nil	7.50%			BBB-	72.1%	\$ 37.32	9.77%	-	\$ -
PCS	\$2.70	nil	nil	31.00%				89.99%	\$ 13.72	n/a	-	\$ -

Any data entered on this page will flow to the applicable worksheets.

Ticker	Preferred Dividends Declared per share	Uncapitalized Lease Annual Rents	2008 Income Tax Rate	Debt to Equity ratio	payout ratio		ROE
					2008	projected	2008
T	#DIV/0!	na	35.4%	40.72%	74%	82%	15.0%
TDS	\$ 33.33	na	20.0%	55.91%	51%	22%	7.0%
VZ	#DIV/0!	\$ 1,489,000,000	35.0%	55.44%	69%	74%	16.0%
TU*	#DIV/0!	\$ 188,600,000	27.8%	55.35%	51%	53%	16.0%
USM	#DIV/0!	\$ 128,600,000	40.0%	33.22%	na	na	8.0%
PCS	#DIV/0!	\$ 204,300,000	46.0%	51.83%	na	na	9.5%

average **34.03%**

32.0% Value Line effective inc. tax
12/26/2008 rate for industry

Any data entered on this page will flow to the applicable worksheets.

Industry: Wireless Industry
Assessment Year: 2009 Assessment Year

Guideline Companies: Name	Ticker	Stock Price (4th 1/4 average)	Revenues Per Share	Cash Flow Per Share	Earnings Per Share	Dividends Per Share	Book Value per Share
AT&T, Inc	T	\$ 26.79	\$ 21.05	\$ 5.56	\$ 2.16	\$ 1.60	\$ 16.35
Telephone & Data Systems, Inc.	TDS	\$ 29.73	\$ 45.45	\$ 7.55	\$ 0.80	\$ 0.41	\$ 37.10
Verizon Communications	VZ	\$ 29.96	\$ 34.25	\$ 7.65	\$ 2.55	\$ 1.76	\$ 18.00
Telus Corp. (T.TO on Toronto Stock E	TU*	\$ 29.64	\$ 24.89	\$ 7.30	\$ 2.88	\$ 2.95	\$ 18.53
US Cellular	USM	\$ 37.32	\$ 48.62	\$ 7.35	\$ 0.36	\$ 2.10	\$ 37.50
MetroPCS Communications, Inc.	PCS	\$ 13.72	\$ 7.84	\$ 1.23	\$ 0.50	\$ 0.70	\$ 5.80

Sources:

Stock price from Yahoo Finance and other data from Value Line.

Notes:

1. MetroPCS is new to Value Line for 2007 (2005 & 2006 is Pro Forma).
2. Telus (T.TO on Canadian exchange) exchange rate: \$ 0.82 on 12-28-2008 (also per Value Line)
3. TDS, TU and PCS have no public debt listed with Standard and Poors, so used 100% for calculated "market debt to book rate (data entry page).

Historical Summary

2009 Assessment Year

Wireless Industry

Equity		2009	2008	2007	2006	2005	2004	2003
Yield Capitalization								
	CAPM Ex Post	7.40%	9.70%	10.96%	11.91%	15.44%	19.80%	15.80%
	CAPM Ex Ante	9.00%	9.50%	10.30%	9.75%	13.90%	17.30%	13.93%
Dividend Growth Models								
	Value Line, based on Dividends Growth	9.00%	10.00%	nmf	7.50%	7.80%	nmf	nmf
	Value Line, based on Earnings Growth	12.00%	15.00%	nmf	15.00%	6.90%	nmf	nmf
	Value Line, based on ROE	10.00%	10.25%	na	na	na	na	na
Yield Equity Component		11.50%	10.50%	11.00%	11.25%	14.50%	18.00%	18.00%

Debt		2009	2008	2007	2006	2005	2004	2003
Debt Rate		8.00%	6.50%	6.50%	6.25%	6.10%	7.00%	10.25%

Industry Market Capital Structure		mean						
		2009	2008	2007	2006	2005	2004	2003
5 yr mean	5 yr median							
75.40%	75.00%	69.48%	80.00%	80.00%	75.00%	72.50%	55.00%	60.00%
24.60%	25.00%	30.52%	20.00%	20.00%	25.00%	27.50%	45.00%	40.00%
		Equity						
		Debt						

Weighted Average Cost of Capital		2009	2008	2007	2006	2005	2004	2003
		9.87%	9.21%	9.65%	9.50%	12.20%	13.05%	14.90%