

October 31, 2008

Industry View  
Attractive

**Telecom Services**

**Gigabits vs. Megabucks:  
How UBB Will Be Financed**

*Presentation to The Columbia  
Institute for Tele-Information*



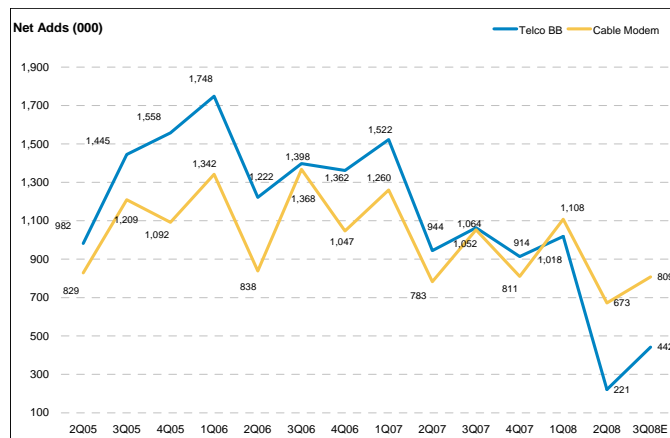
MORGAN STANLEY RESEARCH

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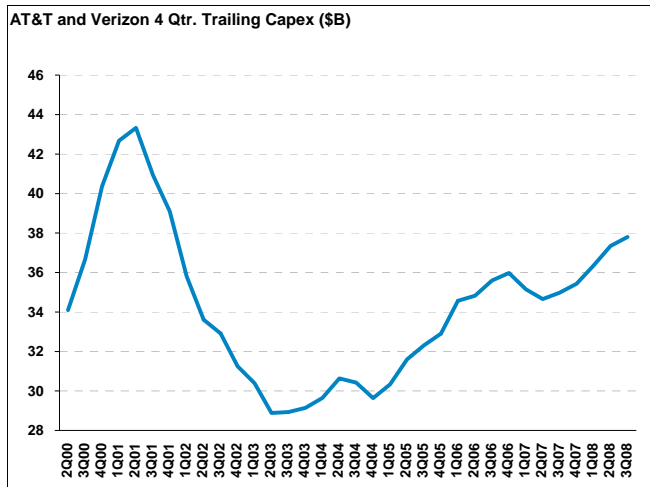
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**Broadband Growth Slowing; DSL Losing Share**



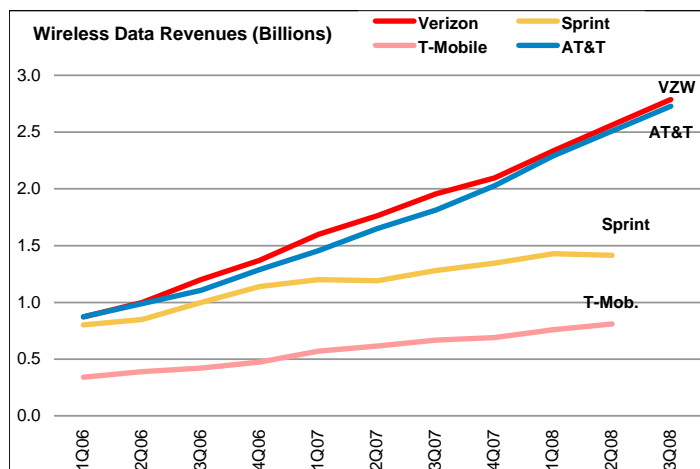
Source: Company data, Morgan Stanley Research

**Capital Spending Well Above Trough Levels**



Source: Company data, Morgan Stanley Research

**Wireless Data Revenues Growing at 40%+**



Source: Company data, Morgan Stanley Research  
\* Not reported 3Q08

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**Disclosure Section (cont.)**

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(as of September 30, 2008)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)	
	Count	% of Total	Count	% of Rating Category
Overweight/Buy	892	40%	292	33%
Equal-weight/Hold	937	42%	278	30%
Underweight/Sell	387	17%	90	23%
<b>Total</b>	<b>2216</b>		<b>660</b>	

Data include common stock and ADRs currently assigned ratings. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations. Investment Banking Clients are companies from whom Morgan Stanley or an affiliate received investment banking compensation in the last 12 months.

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**Industry Coverage: Telecom Services**

Company (Ticker)	Rating (as of)	Price (10/29/2008)
Simon Flannery		
AT&T, Inc. (T.N)	O (05/09/2008)	\$27.61
American Time Corp. (AMT.N)	O-V (01/15/2007)	\$50.35
BCE Inc. (BCE.N)	O-V (07/29/2008)	\$24.66
CenturyTel (CTL.N)	++	\$27.81
Cincinnati Bell Inc. (CBN.N)	E-V (11/03/2005)	\$2.11
Cleanwire Corporation (CLWR.O)	++	\$6.02
Crown Castle Corp. (CCO.N)	O-V (06/16/2007)	\$19.49
Enbridge Corporation (ENB.N)	++	\$31.95
FairPoint Communications (FRP.N)	N/A (10/29/2007)	\$3.44
Frontier Communications Corp. (FTLN)	E (05/07/2007)	\$7.80
Iowa Telecom (IWA.N)	B (03/09/2008)	\$15.14
Lamp Wireless (LEAP.O)	O-V (04/29/2005)	\$24.28
Level 3 Communications, Inc. (LVLT.O)	U-V (02/14/2008)	\$ 9.98
Midwest Communications (MFCB.N)	O (10/21/2007)	\$13.78
National Telecom. Inc. (TNDM.O)	E-V (12/12/2007)	\$15.45
PARTEC Holding Corp. (PMET.O)	E (06/26/2008)	\$ 9.97
Qwest Communications Int'l (Q.N)	O (08/09/2008)	\$2.6
Rogers Communications, Inc. (RIS.N)	O (04/07/2005)	\$32
SBC Resources (SBRV.O)	E (12/27/2007)	\$5.9
SBA Communications (SBAC.O)	O (10/09/2005)	\$17.27
Sprint Nextel Corporation (S.N)	++	\$3.34
TELEUS Corp. (T.TO)	O (12/12/2007)	\$342.2
Telephone & Data Systems (TDS.N)	E (05/21/2007)	\$23.78
US Cellular Corporation (USM.N)	E-V (08/13/2003)	\$31.6
Verizon Communications (VZ.N)	+	\$51.65
Windstream Corp. (WRN.N)	O (04/12/2005)	\$7.34
W telecom inc (TWTC.O)	E (06/25/2008)	\$4.81

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