NEXTEL COMMUNICATIONS, INC. AND SUBSIDIARIES
Reconciliations of Non-GAAP Financial Measures for 2003

The tables below include financial information prepared in accordance with Generally Accepted Accounting Principles, or GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. Amounts below labeled as Actual represent historical results. Amounts below labeled as Guidance represent forward-looking statements based on estimates as of April 23, 2003.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The following reconciliations of non-GAAP financial measures to GAAP measures include forward-looking statements with respect to the information identified as Guidance. Nextel has made a number of assumptions, which may or may not prove to be correct, in preparing this Guidance. We caution you that these forward-looking statements are only predictions, which are subject to risks and uncertainties including technological uncertainty, financial variations, changes in the regulatory environment, industry growth and trend predictions. The operation and results of our wireless communications business may be subject to the effect of other risks and uncertainties including, but not limited to:

- general economic conditions in the geographic areas and occupational market segments that we are targeting for our digital mobile network service;
- the availability of adequate quantities of system infrastructure and handset equipment and components to meet service deployment and marketing plans and customer demand;
- the availability and cost of acquiring additional spectrum;
- the timely development and availability of new handsets with expanded applications and features;
- the success of efforts to improve, and satisfactorily address any issues relating to, our digital mobile network performance;
- the successful implementation and performance of the technology being deployed or to be deployed in our various market areas, including the expected 6:1 voice coder software upgrade being developed by Motorola, Inc. and technologies to be implemented in connection with our contemplated launch of our nationwide Direct Connect® service;
- market acceptance of our new line of Java™ embedded handsets and service offerings, including our Nextel Online® services;
- the timely delivery and successful implementation of new technologies deployed in connection with any future enhanced iDEN® or next generation or other advanced services we may offer;
- the ability to achieve market penetration and average subscriber revenue levels sufficient to provide financial viability to our digital mobile network business;
- the impact on our cost structure or service levels of the general downturn in the telecommunications sector, including the adverse effect of any bankruptcy of any of our tower providers or telecommunications suppliers;
- our ability to successfully scale, in some circumstances in conjunction with third parties under our outsourcing arrangements, our billing, collection, customer care and similar back-office operations to keep pace with customer growth, increased system usage rates and growth in levels of accounts receivables being generated by our customers;
- access to sufficient debt or equity capital to meet operating and financing needs;
- the quality and price of similar or comparable wireless communications services offered or to be offered by our competitors, including providers of cellular and personal communication services;
- future legislation or regulatory actions relating to specialized mobile radio services, other wireless communications services or telecommunications generally;
- the costs of compliance with regulatory mandates, particularly the requirement to deploy location-based 911 capabilities; and
- other risks and uncertainties described from time to time in our reports filed with the Securities and Exchange Commission, including our annual report on Form 10-K for the year ended December 31, 2002.

(1) EBITDA represents operating income before depreciation and amortization expense. EBITDA is not a measurement under accounting principles generally accepted in the United States and may not be similar to EBITDA measures of other companies. We believe that EBITDA provides useful information because it is an indicator of operating performance, especially in a capital intensive industry such as ours since it excludes items that are not directly attributable to ongoing business operations. EBITDA can be reconciled to our condensed consolidated statement of operations as follows:

	Actual For the three months ended March 31, 2003	Guidance For the year ended December 31, 2003
	(in millions)	
Operating income	$ 493	$ 2,000 or higher
Depreciation and amortization	413	1,800 or lower
EBITDA	$ 906	$ 3,800 or higher

(2) Average monthly revenue per handset/unit in service, or ARPU, is an industry metric that measures revenues per month from our customers divided by the weighted average number of handsets in commercial service during that month, excluding the impact of test markets such as the Boost Mobile program. ARPU is not a measurement under accounting principles generally accepted in the United States and may not be similar to ARPU measures of other companies. We believe that ARPU provides useful information concerning the appeal of our rate plans and service offerings and our performance in attracting and retaining high value customers. Other revenue includes revenues for such services as roaming, analog and other. ARPU can be calculated and reconciled to our condensed consolidated statement of operations as follows:

	Actual For the three months ended March 31, 2003	Guidance For the year ended December 31, 2003
	(in millions, except for ARPU)	
Service revenues	$ 2,210	$ 9,300 or higher
Less: Other revenue	24	100 or higher
Subscriber revenues	$ 2,186	$ 9,200 or higher
ARPU calculated with Subscriber revenues	$ 67	$ 67 or higher
ARPU calculated with Service revenues	$ 68	$ 68 or higher

(3) Lifetime Revenue per Subscriber, or LRS, is an industry metric calculated by dividing ARPU (see Note 2) by the customer churn rate. The customer churn rate is an indicator of customer retention and represents the monthly percentage of the customer base that disconnects from service. Customer churn is calculated by dividing the number of handsets disconnected from commercial service during the period by the average number of handsets in commercial service during the period. LRS is not a measurement under accounting principles generally accepted in the United States and may not be similar to LRS measures of other companies. We believe LRS is an indicator of the expected lifetime revenue of our subscribers, assuming that churn and ARPU remain constant as indicated. LRS is calculated as follows:

	Actual For the three months ended March 31, 2003
	(dollars in millions, except for LRS)
ARPU calculated with Subscriber revenues	$ 67
Divided by: Churn	1.9%
Subscriber revenue LRS	$ 3,526
ARPU calculated with Service revenues	$ 68
Divided by: Churn	1.9%
Service revenue LRS	$ 3,579

(4) Free cash flow represents EBITDA (see Note 1) less capital expenditures, payments for licenses, acquisitions and other, net interest paid, preferred stock dividends plus changes in working capital and other. Free cash flow is not a measurement under accounting principles generally accepted in the United States and may not be similar to free cash flow measures of other companies. We believe that free cash flow provides useful information about the amount of cash our business is generating after interest and dividend payments and reinvesting in the business. Free cash flow can be calculated and reconciled to our condensed consolidated statement of cash flows as follows:

	Actual For the three months ended March 31, 2003	**Guidance** For the year ended December 31, 2003
	(in millions)	
Calculation		
EBITDA	$ 906	$ 3,800 or higher
Capital expenditures, excluding capitalized interest	(305)	(1,800) or lower
Payments for licenses, acquisitions and other	(214)	(350) or lower
Changes in working capital and other	(15)	(150) or lower
Unlevered free cash flow	372	1,500 or higher
Net interest paid, including capitalized interest	(156)	(900) or lower
Mandatorily redeemable preferred stock dividends	(15)	(100) or lower
Free cash flow	$ 201	$ 500 or higher
Reconciliation		
Net cash provided by operating activities	$ 813	$ 2,750 or higher
Change in accrued interest on short-term investments	3	*
Net cash used in investing activities	(678)	(2,150) or lower
Net changes in short-term investments and other	78	*
Mandatorily redeemable preferred stock dividends	(15)	(100) or lower
Free cash flow	$ 201	$ 500 or higher

* For guidance purposes, we do not distinguish between short-term investments and cash and cash equivalents.

(5) Cost per Gross Add, or CPGA, is an industry metric that is calculated by dividing our selling, marketing and handset and accessory subsidy costs, excluding costs unrelated to initial customer acquisition, by our new subscribers during the period, or gross adds. Costs unrelated to initial customer acquisition include the costs associated with retaining existing customers and costs associated with test markets such as the Boost Mobile program. CPGA is not a measurement under accounting principles generally accepted in the United States and may not be similar to CPGA measures of other companies. We believe CPGA is a measure of the relative cost of customer acquisition. CPGA can be calculated and reconciled to our condensed consolidated statement of operations as follows:

	For the three months ended March 31, 2003 (in millions, except for CPGA)
Handset and accessory revenues	$ 161
Less: Cost of handset and accessory revenues	310
Handset and accessory subsidy costs	$ 149
Selling, general and administrative	$ 786
Less: General and administrative	375
Selling and marketing	$ 411
Handset and accessory subsidy costs from above	$ 149
Plus: Selling and marketing from above	411
Costs per statement of operations	560
Less: Costs unrelated to initial customer acquisition	60
Customer acquisition costs	$ 500
Cost per Gross Add	$ 450

(6) Adjusted income available to common stockholders represents our income available to common stockholders excluding the impacts of special items, which include, among other things, the deconsolidation of NII Holdings, debt and preferred stock retirements and the adoption of a new accounting standard. Adjusted income available to common stockholders is not a measurement under accounting principles generally accepted in the United States and may not be similar to adjusted income available to common stockholders measures of other companies. We believe that adjusted income available to common stockholders allows investors to view our financial performance on a comparable basis for various periods. Adjusted income available to common stockholders can be reconciled to our consolidated statements of operations as follows:

	For the three months ended March 31, 2003	
		Basic EPS
	(in millions, except per share amounts)	
Income available to common stockholders	$ 208	$ 0.21
Loss on retirement of debt, net	5	—
Loss on retirement of mandatorily redeemable preferred stock	2	—
Adjusted income available to common stockholders	$ 215	$ 0.21