

June 26, 2002

Competitors may benefit from the elimination of WorldCom's capacity mismanagement.

WorldCom, Inc. (NASDAQ: WCOM) (Price: \$0.83) disclosed that it had inappropriately understated its operating expenses by \$3.8 billion in the last 15 months. This almost eliminates WorldCom's entire reported earnings before interest and taxes ("EBIT") during the period.

For the subject 15 month period EBIT had been reported as over \$4.3 billion. EBIT was reduced to just a mere \$0.5 billion. As a result, the expense understatement accounted for practically all of WorldCom's reported EBIT.

Reported EBIT as a percentage of sales was approximately 10%. Restated EBIT as a percentage of sales is approximately 1%. WorldCom can not economically maintain its current services at current prices, even without accounting for capital expenditures and interest costs. WorldCom's capacity can no longer be utilized to inappropriately affect legitimate industry competitors.

We believe AT&T Corp. (NYSE: T) (Price: \$9.99) will be among the competitors that will benefit from the elimination of WorldCom's unsustainable pricing pressure. AT&T's core telephone business can be created by selling 0.32 shares of Comcast Corporation's Class A Special Common Stock (NASDAQ:CMCSK) (Price: \$24.24) for each AT&T share purchased.