

William J. Rouhana, Jr
Chairman of the Board of Directors and Chief Executive Officer
WinStar Communications, Inc.

Mr. Rouhana is Chairman of the Board of Directors and Chief Executive Officer, WinStar Communications, Inc. His strategic vision has led WinStar to the unique position of owning FCC licenses to provide telecommunications services in 42 of the largest 50 markets in the United States in the 38GHz spectrum, providing WinStar with a strong presence in the local and long distance markets. Mr. Rouhana has established WinStar as a company focused on providing the highest level of service and customer satisfaction.

Previously, Mr. Rouhana was President and Chief Executive Officer of WinStar Companies, Inc. a merchant bank. While at WinStar Companies, Inc. he served as Vice Chairman of the Board and Chief Operating Officer of Management Company Entertainment Group, Inc. a diversified distributor of entertainment products.

Mr. Rouhana is a director of TII Industries, Inc., a telecommunications equipment manufacturing company and was formerly director of Lancit Media Productions, Ltd., a creator of children's television programming. Mr. Rouhana began his career in private legal practice specializing in the finance of entertainment products. Mr. Rouhana is a member the Board of Governors of the United Nations Association and is a member of certain other associations including Business Executives for National Security (BENS).

Mr. Rouhana is a Phi Beta Kappa graduate of Colby College, a Thomas J. Watson Fellow, and a graduate of Georgetown University School of Law.

Steven G. Chrust
Vice Chairman of the Board of Directors
WinStar Communications Inc.

Mr. Chrust is Vice Chairman and has served as a member of the Board since 1994. He joined the Company in 1995 and is currently responsible for acquisitions, corporate development and strategic planning.

Mr. Chrust has spent nearly two decades involved with the telecommunications and financial services industries. He is a former Chairman and Chief Executive Officer of AMNEX, Inc., an operator services long distance company. Previously, Mr. Chrust was Executive Vice President of Executone Information Services, Inc.

Prior to working directly in the telecommunications industry, Mr. Chrust was Director of Technology Research at Sanford C. Bernstein & Co., a Wall Street investment firm. While at Bernstein, he was named a top tier telecommunications analyst for each year for more than a decade and as the No. 1 analyst in the sector for five consecutive years.

Mr. Chrust is also founder and President of SGC Advisory Services Inc., a discretionary money-management service firm specializing in telecommunications and technology.

Mr. Chrust is a graduate of Baruch College in New York.

Nathan Kantor
President and Chief Operating Officer
WinStar Communications Inc.

Mr. Kantor has been a member of the WinStar Board of Directors since 1994 and became President and Chief Operating Officer in 1995.

Prior to joining WinStar, Mr. Kantor was the President of ITC Group, Inc., a company which specializes in the development of emerging competitive telecommunications companies. Mr. Kantor, through ITC, coordinated all of WinStar's telecommunications operations from June 1994 to September 1995 when he became President and Chief Operating Officer of the Company.

From January 1985 to December 1990, Mr. Kantor was President of the Northeast Division of MCI Communications Corporation where he was part of the management team that built MCI into its current position as the second largest domestic long-distance carrier with annual revenues in excess of \$15 billion. Mr. Kantor was President, Chief Operating Officer and a founder of MCI International, Inc., and was responsible for the development and implementation of MCI's international business strategy.

Mr. Kantor holds a master's degree in management from Florida State University and a bachelor's degree in engineering from the United States Military Academy at West Point.

Dave Schmieg
President and Chief Operating Officer
WinStar Telecommunications, Inc.

Mr. Schmieg is the President and Chief Operating Officer of WinStar Telecommunications, Inc. He is responsible for leading WinStar's full service local telecommunications business into the current 41 markets where WinStar has 38 GHz licenses.

Prior to joining the company, Mr. Schmieg spent 25 years in the telecommunications industry holding senior positions in Sprint, AT&T, and Southwestern Bell. While with Sprint, Mr. Schmieg was responsible for strategic planning, business planning, process reengineering, new business development and strategic partnering initiatives of the long distance division. He was also responsible at Sprint for residential and business new product development and marketing including the development of customized calling plans, intelligent network platform capabilities, flexible billing platforms for internal and external billing, and voice recognition products.

Previous to his work at Sprint, Mr. Schmieg served as Director, Business Development for AT&T where he identified new business opportunities to provide AT&T with a strong platform for database marketing, directed the operations of the AT&T Consumer Sales Centers in the US and Puerto Rico, and directed the Consumer Division's largest customer care program. Mr. Schmieg began his career as District Manager, Marketing at Southwestern Bell.

Mr. Schmieg has served on the Board of Directors of the Asian American Association, Inc., La Conexcion Familiar, Inc., and the Kansas City Area Development corporation.

Mr. Schmieg is a Magna Cum Laude graduate of Central Methodist College.

WinStar
The New Phone Company

"The last 15 years in the telephone business have been about breaking up a network. The result was unprecedented innovation...and a lot of anxiety about how to acquire and manage all the pieces. WinStar is not just an alternative provider for local and long distance telephone service. We're the company that helps customers put the pieces together in a way that makes sense for their business, in a way that's cost effective, time efficient and information-based -- with service that they have never experienced from their local telephone company."

William J. Rouhana, Jr.
Chairman and CEO

Company Background

Provided by:

WinStar Communications, Inc.
Corporate Communications
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WinStar: The New Phone Company

Executive Overview

A new phone company? Yes. For the first time in the history of the telephone, beginning in the 4th quarter of 1996, WinStar will offer companies a *choice* in local telephone service. Just as the choice for long distance sent shock waves rippling through the industry, so will choice in local service.

The speed with which WinStar entered the market (9 months) is illustrative of how they intend to satisfy their customers with quick, simple, reliable, innovative service. And, of course, at a lower cost.

In November of 1996, WinStar officially went "live" in 6 markets: New York, Los Angeles, San Diego, Chicago, Atlanta and Boston. Immediately, they became an alternative provider for not only local telephone services, but regional, long-distance and Internet access services. Over the next three years, WinStar plans to roll-out its services in 42 of the top U.S. markets.

WinStar is committed to the highest level of customer service. The Company has quickly geared up a sales force for personal service to its customers; a 24-hour, 7-day-a-week Network Operations Center for maintenance and equipment repair; and a 24-hour, 7-day-a-week Customer Service Center to handle routine inquiries and reporting service problems. Recognizing that personal service has been a missing link for most local telephone service customers, WinStar made it a top priority.

Bill Rouhana, the Chairman and CEO of WinStar Communications, promises a level of personal service that will amaze WinStar customers. "When I call a company, I expect to speak with a real person who can handle my problem. That's a simple starting point that we'll deliver on," said Mr. Rouhana. "Customer care will be a primary focus for WinStar," he added.

WinStar will build a new telephone network in the sky, rather than digging up cities and towns to lay fiber optic cable in the ground. The WinStar network connects to -- and leverages -- existing fiber optic and copper networks. In effect, WinStar will provide customers with a wireless "on-ramp" to the fiber optic highway at a lower cost, and with greater speed. The key to WinStar's speed to market is its digital, wireless transmission

capacity in a range of frequencies in the radio wave spectrum for which the Company owns licenses to create a Wireless FiberSM network.

A New Era in Telecommunications

The new competitive environment, which will benefit both consumers and business, was created by the government working in partnership with business. In February of 1996, The Telecommunications Act of 1996 opened up local markets to competition by removing legal barriers prohibiting companies from entering the local telephone business on a nationwide basis. Formerly, local service was available only through one of the Local Bell Companies in a single region -- in effect, a regional monopoly.

The FCC's intention was to stimulate competition in the local markets. Importantly for WinStar, The Telecommunications Act also placed a three-year moratorium on local Bell companies and long distance carriers -- restricting them from offering both local and long distance service in their "Home" market. The only exception to this will be if the Local Bell Company is utilizing a network provided by a new competitor in the market. During this brief window of opportunity, WinStar plans an accelerated nationwide rollout of a full range of telecommunications services.

WinStar Products and Services

WinStar offers a complete array of communications services that specifically address individual business customer needs. In all cases, the range of services meet or surpass those provided by competitive local or long-distance carriers, and are offered at a better price, *and* with superior customer service -- significantly better service than most customers have experienced from the existing local telephone company. Total customer satisfaction is the main objective for WinStar.

In addition, the pricing and packaging for WinStar's products and services is *simple* and *easy-to-understand*, unlike pricing from the incumbent local phone company, which typically features complex, multi-level rate plans for a wide range of services and feature options.

| Basic Services | Home Office or Small Business Services | Small- to Medium-Sized Business Services |
|--|---|--|
| <ul style="list-style-type: none"> • Call Forwarding • Call Waiting • Speed Calling • 3-Way Calling • Remote Call Forwarding • Call Screening • Caller ID • Dial "1" Long Distance • International service • Regional service • Local service | <ul style="list-style-type: none"> • Voice Mail • Conference Calling • Account Codes • Call Restriction • E-Fax • Internet Access • Calling Card | <ul style="list-style-type: none"> • 800 Services • 900 Services • Pre-Paid Calling Card • DID and DOD (??) • ISDN • Private Line • T1 Lines • Video Conferencing • Enterprise Service • Frame Relay |

Small and Medium-Sized Businesses -- A Strong Focus

Immediately, WinStar will aggressively target small to medium-sized businesses. Research has shown that this market has been neglected for many years by the local Bell companies -- and has in the most need for a new local telephone company.

Small and medium-sized companies also have a tremendous need for a service provider who can advise them about the multiplicity of telecommunications offerings -- local, long distance, Internet access, and information services -- and coordinate a package that supports their business *and* simplifies their management of telecommunications. Unlike large corporate customers, these companies do not have "telecommunications specialists" on staff. Most telecommunications decisions are made by an owner, a procurement or purchasing officer, or a technology generalist who buys the PCs. In most cases, it is unlikely that the Local Bell Company has ever personally approached this customer to discuss the company's telecommunications needs.

"We see a tremendous desire to be educated about telecommunications products and services," said Dave Schmieg, President of WinStar Telecommunications. "If we can help our customers truly determine what works for their business, we'll build tremendous equity with this market segment."

The WinStar Customer Satisfaction Center

WinStar has established a 24 hour a day, 7 day a week Customer Satisfaction Center dedicated to excellent, personal customer service for WinStar customers. The Center will rely on state-of-the-art, integrated systems from Perot Systems for ordering, provisioning, billing, and service and maintenance, which will allow a complete

transaction to take place with the same WinStar representative. Unlike some of the local and long distance telephone companies, WinStar is not burdened by legacy systems. WinStar plans to have dedicated teams for each city, assigned accounts, sales and service appointments scheduled within 2 hours -- and establish customer satisfaction goals in all interaction. Service will be the critical component of the WinStar customer experience.

Information Services a Key Part of WinStar Services

As part of its service to small and medium sized businesses, WinStar plans to offer value-added, Internet related information services. For example, WinStar's package to the legal industry might include the on-line version of the Wall Street Journal, data base search services for legal case histories, local restaurant guides and a host of other entertainment and news options. WinStar's strategy will be to bundle these services for large markets, such as the accounting, medical or legal industry, and offer better pricing. Moreover, it offers a turn-key solution for products and services that are highly desirable for small and medium sized business.

WinStar for Business will be the first network of news, information and related services for the business customer offered via the Internet. The service will facilitate WinStar's rapid entry into the small- to medium-sized business market, and maximize opportunities to eventually develop proprietary content and create WinStar branded information packages for new target segments.

Long Distance Service for Consumers

WinStar also offers long distance service to consumers. These services are primarily marketed to affinity groups -- colleges, clubs or associations such as the Automobile Association of America (AAA) -- and involve reduced rates where part of a usage fee benefits the affinity organization. In 1996, WinStar plans to launch reduced international calling, enhanced calling cards and new voice mail products.

A Carrier's Carrier

WinStar also provides high speed, digital broadband communications services to other local, long distance and mobile telephone carriers. While most telephone companies typically have extensive regional nationwide networks, they do not always have fiber capacity into the buildings for which they would like to provide sophisticated, high-quality telephone services. This makes customer acquisition a strategic planning decision, as most telecommunications companies have to be selective how they use

capital to build fiber networks. Often -- these decisions range between "build it and they will come" (new customers with more sophisticated service needs) or slowly meeting demand that has been backed up for some time.

WinStar provides quick and cost-efficient solutions for telecommunications carriers with capacity constraints caused by the increased demand for all communications services including Internet access, as well as order backlog. Typically, the telecommunications companies use WinStar's Wireless Fiber to extend their networks to new buildings, reduce their time to market, increase capacity, and optimize their working capital. In 1996, WinStar passed a number of rigorous technology trials conducted by the largest telecommunications companies in the U.S. WinStar proved that its Wireless FiberSM service is the functional equivalent of fiber in both performance and reliability standards. In this case, a positive review by its peers in the industry proved to be the best testament to WinStar technology and operations.

The WinStar Wireless Fiber Network -- How it Works.

WinStar's licenses in the 38 GHz part of the radio wave spectrum are the "real estate" in which WinStar lays "high capacity bandwidth" for its nationwide telecommunications network. These licenses are in the top 100 markets in the U.S., covering a population of about 110 million people. In this range of the radio spectrum, the Company holds the largest amount of bandwidth in the country.

Fiber optic cable provides high capacity bandwidth. Unlike copper wiring, fiber optics requires a larger pipe to enclose it in buildings and in the ground -- and unlike copper, it provides high-speed transmission of voice, data and images. WinStar can provide the same bandwidth access to a building without digging up the streets. With a couple of one to two feet transceivers pointed towards one another, in an unobstructed line of sight. These transceivers have a five mile range, but WinStar typically placed in closer proximity to ensure greater reliability. These devices are installed by WinStar on the roofs of local high-rise buildings, or in a window in some cases, and then linked by coaxial cables to the existing fiber optic networks laid in the ground. WinStar calls this "Wireless Fiber" as its performance characteristics are equivalent to that provided by fiber-optic based networks.

A key component of WinStar's strategy is the creation of a Wireless Fiber network on a city-by-city basis. In its top 42 target markets, WinStar has identified 8,000 buildings that do not have access to fiber optic services. Most have copper wiring, and some local Bell fiber. In these markets, WinStar will install a local switch, and provide above ground Wireless Fiber links to tenants within these 8000 buildings. Once it is in

place, WinStar will be the only alternative (to the incumbent) provider of broadband communications services in the area.

Reliability

WinStar's Wireless Fiber service is engineered to provide 99.999 percent reliability, which is equivalent to fiber networks. While fiber has a good reputation for reliability, and a tangible "see-it, feel-it" quality -- it is subject to a host of service interruptions caused by where it resides -- in the ground. Fiber optic network service is often interrupted during road repair work, building construction and even sewer maintenance. Wireless Fiber, in contrast, can suffer from atmospheric interruptions in extremely heavy rain or wind in "hurricane conditions." Placing the microwave antennas in shorter distances from one another tends to address this issue. Long term comparison finds that interruption "time out" for both systems are comparable.

Changing the Economics of the Industry

WinStar's entry into the market will forever change the economics of the industry. First, Wireless Fiber service has a much greater capacity and performance than the outdated copper wire found in more than 75 percent of office buildings. Secondly, Wireless Fiber service can be installed much more quickly and less expensively than in-ground fiber optic lines.

Today, for instance local exchange carriers may take up to 60 days to install a T1 line in an existing office building. If there is not a fiber optic network near a building, it may take longer, or be impossible. Creating a fiber "off ramp" into a building, if it is possible, costs roughly \$40,000 for the local carrier -- a significant investment of capital and manpower. Compare this cost to WinStar's Wireless Fiber. With secure roof rights, WinStar would quickly be able to deploy several small antennas, link to an existing fiber network, and provision a T1 line in 2 weeks. The cost would be approximately \$15,000 - \$20,000.

The Future of WinStar: The New Phone Company

Over the next three years, WinStar will roll-out telephone services nationwide in more than 100 cities. WinStar will set a new standard for outstanding customer service, and a new choice for local telephone service. WinStar management believes that competition will have a positive impact on the industry, ultimately providing more products, and better service for the customer. Certainly, WinStar will play a major role in shaping the history of telecommunications, developing exciting new products and services for customers, and helping customers make sense of this wide array of new choices.

WinStar Band Plan (United States)

| Allocation to Services | | |
|------------------------|-------------|--|
| MOD | 37 - 37.5 | FIXED MOBILE SPACE RESEARCH (space-to-Earth) <u>S5.xxx-2</u> |
| NOC | 37.5 - 38.0 | FIXED FIXED-SATELLITE (space-to-Earth) MOBILE SPACE RESEARCH (space-to-Earth) Earth Exploration-Satellite (space-to-Earth) |
| MOD | 38.0 - 39.5 | FIXED FIXED-SATELLITE (space to Earth) MOBILE Earth Exploration Satellite (space-to-Earth) <u>S5.xxx-2</u> |
| MOD | 39.5 - 40 | FIXED FIXED-SATELLITE (space to Earth) MOBILE MOBILE-SATELLITE (space to Earth) Earth Exploration Satellite (space-to-Earth) <u>S5.xxx-2</u> |
| NOC | 40 - 40.5 | EARTH EXPLORATION SATELLITE (space-to-Earth) FIXED FIXED-SATELLITE (space-to-Earth) MOBILE MOBILE-SATELLITE (space-to-Earth) Earth Exploration Satellite (space-to-Earth) |

S5.xxx-2 This frequency band is intended for use by administrations seeking to establish high-density fixed service applications. Such use does not preclude the use of these bands by other services to which these bands are allocated.