UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
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In re:	Chapter 11 Case No.
WORLDCOM, INC., et al.,	02-13533(AJG)
	(Jointly Administered)
Debtors.	

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MONTHLY OPERATING STATEMENT FOR THE PERIOD FROM NOVEMBER 1, 2002 TO NOVEMBER 30, 2002

DEBTORS' ADDRESS: WORLDCOM, INC.
500 CLINTON CENTER DRIVE
CLINTON, MS 39056

DEBTORS' ATTORNEYS: Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153

The undersigned has reviewed the attached report and is familiar with the Debtors' financial affairs.

As more fully described under the caption "—Recent Events and Investigations" in Note 1 and "Basis of Presentation" in Note 2 to the attached report, WorldCom, Inc. (the "Company") has previously announced that certain pre-tax earnings for 1999, 2000, 2001 and the first quarter of 2002 were improperly reported, that it intends to restate its financial statements for 2000, 2001 and the first quarter of 2002 and that it expects to record further write-offs of assets in connection with these restatements. The Company's external auditors, KPMG LLP ("KPMG") are undertaking a comprehensive audit of the Company's 2000, 2001 and 2002 financial statements. The Company is undergoing an internal review of the events leading up to these announcements and is under investigation by the U.S. Attorney's Office for the Southern District of New York and the Examiner appointed by the United States Bankruptcy Court for the Southern District of New York. On November 26, 2002, WorldCom consented to the entry of a permanent injunction that will resolve claims brought in a civil lawsuit by the SEC regarding the Company's past accounting practices. The injunction imposes certain ongoing obligations on the Company and permits the SEC to seek a monetary penalty in the future. Until the Company has completed its internal review and KPMG is able to complete an audit of 2000, 2001 and 2002, the total impact of the foregoing on its previously reported financial statements, including the financial statements included in the attached report, cannot be known. The Company intends to continue to announce unaudited changes to its previously reported financial statements, including previously issued monthly operating reports, if it discovers additional issues.

Subject to the above paragraph including the provisos in Notes 1 and 2 to the attached report, the undersigned verifies that the information contained herein is complete, accurate and truthful to the best of her knowledge as of the below date.

By: ______________________________ Date: January 29, 2003

Victoria D. Harker
Acting Chief Financial Officer

WORLDCOM, INC. AND SUBSIDIARIES
(DEBTORS-IN-POSSESSION)
INDEX TO MONTHLY OPERATING REPORT AND SCHEDULE

WORLDCOM, INC. AND SUBSIDIARIES
(DEBTORS-IN-POSSESSION)
CONSOLIDATED STATEMENT OF OPERATIONS
For the Month Ended November 30, 2002
(Unaudited. In Millions)

Revenues	$ 2,177
Operating expenses:	
Line costs	1,190
Selling, general and administrative	667
Depreciation and amortization	483
Total	2,340
Operating loss	(163)
Other income (expense):	
Interest expense (contractual interest $198)	(5)
Miscellaneous	(3)
Loss from continuing operations before reorganization items, income taxes and minority interests	(171)
Reorganization items:	
Professional fees	8
Severance costs	14
Interest earned on cash resulting from Chapter 11 proceedings	(2)
Other	8
Loss from continuing operations before income taxes and minority interests	(199)
Income tax benefit	-
Loss before minority interests	(199)
Minority interests	(5)
Loss from continuing operations	(194)
Loss from discontinued operations	(1)
Distributions on mandatorily redeemable preferred securities and other preferred dividend requirements (contractual distributions $15)	-
Net loss applicable to common shareholders	$ (195)

The accompanying notes are an integral part of this statement.

WORLDCOM, INC. AND SUBSIDIARIES
(DEBTORS-IN-POSSESSION)
NOTES TO CONSOLIDATED STATEMENT OF OPERATIONS

(1) Background and Organization

Organized in 1983, WorldCom, Inc., a Georgia corporation ("WorldCom" or the "Company"), provides a broad range of communications services to both U.S. and non-U.S. based businesses and consumers. WorldCom is a global communications company utilizing a strategy based on being able to provide service through its own facilities throughout the world instead of being restricted to a particular geographic location. The Company serves as a holding company for its subsidiaries' operations. References herein to WorldCom or the Company include WorldCom, Inc. and its subsidiaries, unless the context otherwise requires.

Bankruptcy Filings

On July 21, 2002 (the "Commencement Date"), WorldCom, Inc. and substantially all of its direct and indirect domestic subsidiaries (the "Initial Filers") filed voluntary petitions for relief in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). On November 8, 2002, the Company filed additional bankruptcy petitions for 43 of its subsidiaries (collectively with the Initial Filers, the "Debtors"), most of which were effectively inactive and none of which had significant debt. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. By order dated July 22, 2002, the Debtors' Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered. Accordingly, pursuant to section 362 of the Bankruptcy Code, most of the litigation against the Company has been stayed.

Recent Events and Investigations

On June 25, 2002, the Company announced that as a result of an internal audit of the Company's capital expenditure accounting, it was determined that certain transfers from line cost expenses to capital accounts in the amount of $3.055 billion during 2001 and $797 million during the first quarter of 2002 were not made in accordance with generally accepted accounting principles ("GAAP"). The Company promptly notified its recently engaged external auditors, KPMG LLP ("KPMG"), and has engaged KPMG to undertake a comprehensive audit of the Company's financial statements for 2000, 2001 and 2002. The Company also notified Andersen LLP ("Andersen"), which audited the Company's financial statements for 2001 and reviewed such statements for first quarter 2002, promptly upon discovering these improperly reported amounts. On June 24, 2002, Andersen advised WorldCom that in light of the inappropriate transfers of line costs, Andersen's audit report on the Company's financial statements for 2001 and Andersen's review of the Company's financial statements for the first quarter of 2002 could not be relied upon.

On August 8, 2002, WorldCom announced that its ongoing internal review of its financial statements discovered an additional $3.8 billion in improperly reported pre-tax earnings for 1999, 2000, 2001 and the first quarter of 2002. On November 5, 2002, the Company announced that it expects a further restatement of earnings in addition to amounts previously announced which would result in an aggregate restatement in excess of $9 billion. As a result, WorldCom intends to restate its financial statements for 2000, 2001 and the first quarter of 2002. WorldCom also announced it expects to record further write-offs of assets previously reported, including the likelihood that it may determine that substantially all existing goodwill and other intangible assets, currently recorded as approximately $50 billion, should be written off when restated 2000, 2001 and 2002 financials are released. The Company announced it will also reevaluate the carrying value of existing property and equipment as to possible impairment of historic values previously reported. There is a likelihood that a material portion of the existing property and equipment carrying values, currently recorded as approximately $32 billion, should be written off when restated 2000, 2001 and 2002 financials are released. However, until the Company's audit of previously reported asset values is complete, it cannot determine with certainty the amount of its ultimate write-offs.

A Special Investigative Committee of WorldCom's Board of Directors is overseeing an independent investigation of these matters led by William R. McLucas, former Director of the Division of Enforcement for the Securities and Exchange Commission ("SEC") and a partner with the law firm of Wilmer, Cutler & Pickering. WorldCom's accounting practices also are under investigation by the SEC, by the U.S. Attorney's Office for the Southern District of New York, and by the Examiner appointed by the Bankruptcy Court, Richard Thornburgh, former Attorney General of the United States. On November 26, 2002, WorldCom consented to the entry of a permanent injunction that will resolve claims brought in a civil lawsuit by the SEC regarding the Company's past accounting practices. The injunction imposes certain ongoing obligations on the Company and permits the SEC to seek a monetary penalty in the future.

WorldCom has terminated or accepted the resignations of various financial and accounting personnel, including its chief financial officer and its corporate controller and is continuing its internal financial investigation. Investors and creditors should be aware that additional amounts of improperly reported pre-tax earnings may be discovered and announced. Until the Company has completed its internal review and KPMG is able to complete an audit of 2000, 2001 and 2002, the total impact on previously reported financial statements cannot be known. The Company intends to continue to announce unaudited changes to previously reported financial statements if it discovers additional issues.

In light of the foregoing events, all previous guidance regarding future financial performance issued by the Company is no longer in effect and should be ignored.

Recent Changes to Management and Board of Directors

On December 16, 2002, the United States District Court for the Southern District of New York and the United States Bankruptcy Court for the Southern District of New York approved the appointment of Michael D. Capellas as the President, Chief Executive Officer and Chairman of the Board of Directors of WorldCom on the terms and conditions of employment approved by the courts. Mr. Capellas is the former president of Hewlett-Packard Company and the former chairman and CEO of Compaq Computer Corporation. On January 13, 2003, Victoria D. Harker was appointed as Acting Chief Financial Officer.

On December 17, 2002, Carl J. Aycock, Max E. Bobbitt, Francesco Galesi, Gordon S. Macklin, Bert C. Roberts, Jr. and John W. Sidgmore offered their resignations from the Board of Directors of WorldCom to Mr. Capellas, who accepted those resignations. Judith Areen resigned from the Board of Directors on December 9, 2002. The remaining directors are Dennis R. Beresford, former chairman of the Financial Accounting Standards Board; Nicholas deB. Katzenbach, former U.S. Attorney General; C.B. Rogers, Jr., former chairman and CEO of Equifax; and Mr. Capellas.

(2) Basis of Presentation

The Company cautions readers not to place undue reliance upon the information in this monthly operating report (the "Operating Report"). Since the Company has not yet finalized the restatement of its consolidated financial statements for 2000, 2001 and the first quarter of 2002, this Operating Report excludes a consolidated balance sheet and statement of cash flows. Additionally, the statement of operations included in this Operating Report includes information for subsidiaries that are not Debtors in these Chapter 11 cases.

The unaudited information in this Operating Report is subject to further review and potential adjustments upon the completion of the restatement process and the completion of its audits of the financial statements for the fiscal years 2000, 2001 and 2002, and accordingly this unaudited information may not be indicative of the Company's operating results. There can be no assurance that this Operating Report is complete, and the Company undertakes no obligation to update or revise the Operating Report. Further, the amounts reported in this Operating Report, when reported on a quarterly basis, may differ materially due to adjustments to accruals, changes in facts and circumstances, changes in estimates, further analysis and other factors.

During November 2002, the ongoing accounting restatement process resulted in the adjustment of certain of the Company's balance sheet accounts. Had these adjustments not been recorded, the Company's net loss applicable to common shareholders would have been $5 million higher. Additionally, the cumulative net loss applicable to common shareholders as previously reported in the Operating Reports for July, August, September, and October of

2002, would have been lowered by $4 million, had these adjustments been made previously.

Subject to the matters described in this Note 2 as well as Notes 1 and 8, the consolidated statement of operations for the month ended November 30, 2002, included herein, is unaudited and has been prepared in accordance with GAAP for interim financial reporting, based on information currently known to us. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted for purposes of this Operating Report. Subject to the matter described in Note 8, the consolidated statement of operations includes the accounts of WorldCom, Inc. and its consolidated subsidiaries. All material intercompany balances and transactions have been eliminated except as discussed in Note 8. The results of operations for any interim period are not necessarily indicative of the results that may be expected for the quarter, the full year or any future interim period.

The unaudited consolidated statement of operations has also been prepared in accordance with Statement of Position ("SOP") No. 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code". SOP 90-7 requires an entity's statement of operations to portray the results of operations of the reporting entity during Chapter 11 proceedings. As a result, any revenues, expenses, realized gains and losses, and provisions resulting from the reorganization and restructuring of the Company should be reported separately as reorganization items, except those required to be reported as discontinued operations and extraordinary items in conformity with Accounting Principles Board No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" and Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

The Company has not completed the process of reconciling its pre- and post-petition liabilities. Pursuant to court order, the Company has been authorized to pay certain pre-petition operating liabilities incurred in the ordinary course of business. The Company intends to assess and may elect to reject certain of its pre-petition obligations within its rights under the Bankruptcy Code. As a result and based upon the Company's ongoing evaluation, the Company's currently designated pre-petition liabilities are subject to change.

On October 15, 2002, the Bankruptcy Court entered a final order approving the Debtor-in-Possession ("DIP") facility from Citibank, N.A., JPMorgan Chase Bank and General Electric Capital Corporation in an amount of $1.1 billion with a maturity date of the earlier of July 23, 2004 or the effective date of a plan of reorganization. The DIP facility contains restrictions on the Company's ability to grant future liens, incur indebtedness, make capital expenditures, make dividend payments and sell assets.

(3) Summary of Significant Accounting Policies

Principles of Consolidation:

The consolidated statement of operations includes the accounts of WorldCom and its subsidiaries, except for Embratel Participações S.A. ("Embratel"), as discussed in Note 8. All significant intercompany transactions and balances have been eliminated in consolidation, except as discussed in Note 8. Investments in joint ventures and other equity investments in which the Company owns a 20% to 50% voting ownership interest are accounted for by the equity method. Investments of less than 20% ownership, where the Company does not exercise control or significant influence, are accounted for by the cost method.

Cash and Cash equivalents:

The Company considers cash in banks and short-term investments with original maturities of three months or less as cash and cash equivalents. At November 30, 2002, the Company had approximately $2.3 billion of cash and cash equivalents.

Property and Equipment:

Property and equipment are stated at cost. Depreciation is provided for financial reporting purposes using the straight-line method over the following estimated useful lives:

Transmission equipment (including conduit)	4 to 40 years
Communications equipment	5 to 10 years
Furniture, fixtures, buildings and other	4 to 39 years

Prior to September 1, 2002, the Company depreciated its ocean cable systems using the straight-line method over a 20-year period. In September 2002, management performed a comprehensive analysis of the remaining periods over which the Company expects to utilize its various ocean cable systems and prospectively adjusted the assigned useful lives ranging up to 15 years effective September 1, 2002. The impact of these revisions to the useful lives resulted in an increase in monthly depreciation expense of approximately $70 million as compared to the previously assigned 20-year useful lives.

The Company evaluates the recoverability of property and equipment when events and circumstances indicate that such assets might be impaired and, as noted in Note 1, is in the process of reevaluating the carrying value of existing property and equipment as to possible impairment of historic values previously reported. The Company determines impairment by comparing the undiscounted future cash flows estimated to be generated by these assets to their respective carrying amounts. In the event an impairment exists, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset. If quoted market prices for an asset are not available, fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. If an impairment exists, the loss recognized will impact the currently reported Depreciation and Amortization. If an impairment is determined to exist prior to July 2002, the previously reported Monthly Operating Reports will be impacted accordingly. Losses on property and equipment to be disposed of are determined in a similar manner, except that fair market values are reduced for the cost to dispose.

Maintenance and repairs are expensed as incurred. Replacements and betterments are capitalized. The cost and related reserves of assets sold or retired are removed from the accounts, and any resulting gain or loss is reflected in results of operations.

The Company constructs certain of its own transmission systems and related facilities. Internal costs directly related to the construction of such facilities, including salaries of certain employees and interest, are capitalized.

Capital expenditures for continuing operations for the month ended November 30, 2002 included $27 million for property and equipment and $21 million for related software.

Goodwill and Other Intangible Assets:

Effective January 1, 2002, the Company adopted the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets", or SFAS No. 142, which establishes accounting and reporting standards for goodwill and other intangible assets. Under SFAS No. 142, goodwill and intangible assets deemed to have indefinite lives are no longer amortized but are subject to annual impairment tests. The statement also includes provisions for the identification of reporting units for purposes of assessing potential future impairments of goodwill. Upon adoption, the Company stopped amortizing intangible assets with indefinite useful lives, including goodwill and tradenames. Additionally, the Company made no revisions to the assigned useful lives of intangible assets that continue to be amortized. In light of the Company's recent events, the Company is evaluating the timing and extent of the impairment of its goodwill and other intangible assets, including the likelihood that it may determine that substantially all existing goodwill and other intangible assets, currently recorded as approximately $50 billion, may be written off in accordance with the provisions of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" when restating its 2000 and 2001 financial statements, or in accordance with SFAS No. 142 in 2002.

Intangible assets are amortized using the straight-line method over their respective assigned useful lives, ranging from 5 to 10 years. Depreciation and amortization expense includes amortization expense related to the net carrying amount of intangible assets, primarily software development. As of November 30, 2002, such expense is estimated to be $73 million for the remainder of 2002, $934 million in 2003, $875 million in 2004, $756 million in

2005 and $409 million in 2006.

Foreign Currency Translation:

Assets and liabilities recorded in foreign currencies are translated at the exchange rate as of the balance sheet date. Translation adjustments are recorded as a separate component of shareholders' investment. All revenue and expense accounts are translated at a weighted-average of exchange rates in effect during the period. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred. The accompanying consolidated statement of operations includes foreign currency transaction gains of $4 million for the month ended November 30, 2002.

Recognition of Revenues:

The Company records revenues for telecommunications services at the time of customer usage. Service activation and installation fee revenues are amortized over the average customer contract life while costs directly related to these revenues are expensed as incurred. Prior to January 1, 2002, the Company amortized these costs over the average customer contract life.

Additionally, reciprocal compensation revenue, which represents a contractually determined reimbursement of costs for call termination performed by WorldCom on behalf of other carriers' customers, and primary interexchange carrier charges ("PICC"), which represent flat-rate charges mandated by the Federal Communications Commission ("FCC") and apply to telecommunications companies that connect to customers through a traditional phone company's facilities, are reported on a gross basis as revenues. Prior to June 30, 2002, the Company reported reciprocal compensation revenue and PICC charges as an offset to line costs. All previously reported amounts will be restated to reflect this change when presented.

The Company enters into operating agreements with telecommunications carriers in foreign countries under which international long distance traffic is both delivered and received. International settlements are reported on a gross basis as revenues. Prior to June 30, 2002, the Company reported international settlement revenues as an offset to line costs. All previously reported amounts will be restated to reflect this change when presented.

The Company enters into agreements with its customers that may result in the receipt of cash before the relevant criteria for revenue recognition have been satisfied, and as a result a liability is recorded as deferred revenue.

Income Taxes:

The Company recognizes current and deferred income tax assets and liabilities based upon all events that have been recognized in the consolidated financial statements as measured by the provisions of the enacted tax laws. Valuation allowances are established to reduce deferred tax assets to the amounts expected to be realized.

Interest Expense:

In accordance with SOP 90-7, the Debtors did not record interest expense from the Commencement Date through November 30, 2002. Interest expense is recorded by the Company's non-Debtor entities and also includes fees associated with the Company's DIP facility.

Concentration of Credit Risk:

A portion of WorldCom's revenues is derived from services provided to others in the telecommunications industry, mainly resellers of long distance telecommunications service and Internet online services. As a result, WorldCom has some concentration of credit risk among its customer base. The Company performs ongoing credit evaluations of its larger customers' financial condition and, at times, requires collateral from its customers to support its receivables, usually in the form of assignment of its customers' receivables to the Company in the event of nonpayment.

Recently Issued Accounting Standards:

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143 "Asset Retirement Obligations," which establishes new accounting and reporting standards for legal obligations associated with retiring assets. SFAS No. 143 must be adopted by 2003. The Company has not yet quantified the impact of adopting SFAS No. 143 on its consolidated results of operations or financial position.

In June 2002, the FASB issued SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities," which addresses financial accounting and reporting for costs associated with exit or disposal activities. The provisions of SFAS No. 146 will be applied prospectively beginning in 2003 and will not impact the Company's previously reported consolidated results of operations or financial position.

Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are used when accounting for allowance for doubtful accounts, revenue reserves, depreciation and amortization, taxes and contingencies.

Additionally, management has made certain estimates and assumptions as to the nature and amount of the identified restatement items recorded in the unaudited consolidated statement of operations included in this Operating Report. These estimates are subject to change upon further analysis as discussed in Note 1, and additional adjustments may be identified which are not included in the accompanying consolidated statement of operations. Accordingly, other adjustments may be required to this Operating Report as additional information becomes know to us and as the restatement process is completed.

Reorganization Items:

In the accompanying unaudited consolidated statement of operations, the Company classifies expenses, including restructuring costs, severance costs, retention plans, professional fees and interest income, as reorganization items based upon the provisions of SOP 90-7. These costs totaled $28 million for the month ended November 30, 2002 and were comprised of $8 million of professional fees, $8 million of non-cash expense associated with terminations of unfavorable lease obligations and related asset disposals and $14 million of severance costs, offset by $2 million of interest earned on accumulated cash resulting from Chapter 11 proceedings.

(4) Discontinued Operations

In June 2002, the Company announced it had approved a plan to divest its non-core wireless resale operations and its international telecommunications construction operations. In October 2002, the Company approved a plan to divest its wireless messaging services business and its fixed wireless Internet access operations. The results for these operations are shown in the accompanying unaudited consolidated statement of operations as discontinued operations. The Company anticipates the sale of these operations to be completed within a year.

Loss from discontinued operations consists of the following (in millions):

Statement of Operations Data for the Month Ended November 30, 2002:

Revenue	$ 25
Expenses	26
Operating loss	(1)
Income tax benefit	-
Loss from discontinued operations	$(1)

(5) Insurance

Premiums to date for all insurance policies, including workers' compensation and disability insurance, have been paid and are in full force and effect.

(6) Income Taxes

The Company did not recognize any tax effects in the accompanying statement of operations for the month ended November 30, 2002. In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Additionally, the restructuring of the Company through the bankruptcy process may result in the utilization or loss of some portion or all of its deferred tax assets, the ultimate outcome of which is not currently determinable.

(7) Avantel Deconsolidation

WorldCom owns a 44.5% interest in Avantel, S.A. and a 44.5% interest in Avantel Servicios Locales, S.A. (collectively, "Avantel"), which, prior to January 1, 2000, was accounted for using the equity method of accounting. During the first quarter 2000, WorldCom began consolidating Avantel effective January 1, 2000. As a result of its ongoing review of its financial statements, WorldCom has reevaluated the decision to consolidate Avantel and has concluded that its investment in Avantel should be accounted for using the equity method of accounting for all periods. Accordingly, Avantel has been deconsolidated retroactive to January 1, 2000.

(8) Embratel Consolidation

WorldCom owns a 51.8% voting interest and a 19.35% economic interest in Embratel, Brazil's facilities-based national and international communications provider. During the second quarter of 2001, WorldCom reached a long-term strategic decision to restructure its investment in Embratel and deconsolidated Embratel's results effective January 1, 2001. As a result of its ongoing review of its financial statements, WorldCom has reevaluated the decision to deconsolidate Embratel and has concluded that the restructuring of its ownership in Embratel did not alter its control of Embratel to an extent that would warrant the deconsolidation. Accordingly, Embratel will be consolidated retroactive to January 1, 2001, providing continuous consolidation since date of acquisition. However, as a result of certain legal and contractual restrictions applicable to WorldCom and Embratel, WorldCom may only use the quarterly financial information released publicly by Embratel when preparing its own consolidated financial statements. As a result, the unaudited consolidated statement of operations and related footnote disclosures included in this Operating Report exclude Embratel's operating results and related information for the month of November 2002. Additional disclosures regarding Embratel's operating results and the effect on WorldCom for the month of November 2002 will be provided in WorldCom's Operating Reports as the quarterly information is made publicly available by Embratel.

(9) Contingencies

WorldCom is involved in legal and regulatory proceedings that are incidental to its business and has included loss contingencies in other current liabilities and other liabilities for these matters in its financial statements. In some instances, rulings by federal, state and international regulatory authorities may result in increased operating costs to WorldCom. The results of these various legal and regulatory matters are uncertain and could have a material adverse effect on its consolidated results of operations or financial position.

Regulation. The Company is subject to varying degrees of federal, state, local and international regulation. In the United States, its subsidiaries are most heavily regulated by the states, especially for the provision of local exchange services. WorldCom's subsidiaries must be certified separately in each state to offer local exchange and intrastate long distance services. No state, however, subjects the Company to rate of return regulation, nor is the Company currently required to obtain FCC authorization for installation or operation of its network facilities used for domestic services, other than licenses for specific multichannel multipoint distribution services, wireless communications service and terrestrial microwave and satellite earth station facilities that utilize radio frequency spectrum. FCC approval is required, however, for the installation and operation of the Company's international facilities and services. WorldCom is subject to varying degrees of regulation in the foreign jurisdictions in which it conducts business, including authorization for the installation and operation of network facilities. Although the trend in federal, state and international regulation appears to favor increased competition, no assurance can be given that changes in current or future regulations adopted by the FCC, state or foreign regulators or legislative initiatives in the United States or abroad would not have a material adverse effect on WorldCom.

In August 1996, the FCC established nationwide rules pursuant to the Telecommunications Act of 1996, or the Telecom Act, designed to encourage new entrants to compete in local service markets through interconnection with the traditional local phone companies, resale of traditional local phone companies' retail services and use of individual and combinations of unbundled network elements provided by the traditional local phone companies. Unbundled network elements are defined in the Telecom Act as any "facility or equipment used in the provision of a telecommunication service," as well as "features, function, and capabilities that are provided by means of such facility or equipment." In January 1999, the Supreme Court of the United States confirmed the FCC's authority to issue the rules, including a pricing methodology for unbundled network elements. On remand, the FCC clarified the requirement that traditional local phone companies make specific unbundled network elements available to new entrants. The traditional local phone companies appealed the decision to the U. S. Court of Appeals for the District of Columbia Circuit.

On May 24, 2002, the District of Columbia Circuit issued its decision, faulting the FCC, and remanded the matter to the FCC to reconsider the way in which it determines which network elements it will unbundle. On December 3, 2002 WorldCom and other parties asked the U.S. Supreme Court to review this decision. A decision on whether the Court will accept this case is expected in early 2003. Meanwhile, the FCC currently is reviewing its unbundling rules in its pending "Triennial Review" proceeding, which is discussed below.

Numerous other issues related to the list of available unbundled network elements are under active consideration by the FCC and the courts. In December 2001, the FCC began an examination of whether certain high capacity and broadband services offered by traditional phone companies were subject to sufficient competition such that they no longer needed to be regulated as "dominant." In addition, the FCC initiated a proceeding seeking to streamline and simplify the unbundled network element requirements imposed on traditional local phone companies in its "Triennial Review" of its local competition rules. In a separate proceeding, the FCC is examining whether broadband Internet access, or "DSL service," provided by traditional telephone companies should be treated as an information service and not subject to common carrier or ISP unbundling requirements. On May 24, 2002, the District of Columbia Circuit, as part of its unbundling decision detailed above, vacated and remanded to the FCC a rule requiring traditional phone companies to unbundle the data portion of ILEC loops (i.e. line sharing). At WorldCom's request, the Court agreed to stay the effective date of its decision until January 2, 2003 based on the expectation that the FCC may begin to resolve the availability of line sharing by the beginning of 2003. On December 4, 2002, the FCC filed a motion with the Court to extend the stay of the mandate until February 20, 2003. The Court granted the FCC's motion and extended the stay of the mandate until February 20, 2003. The Court's line sharing decision also is now pending before the Supreme Court. If UNE regulations are streamlined or removed, there are elements and combinations of elements upon which WorldCom relies to provide local services, broadband and advanced services that might no longer be required as a matter of federal regulation. Substantial reduction in unbundling requirements for traditional phone companies would also foreclose WorldCom's future range of options in provisioning local service to customers.

The Telecom Act requires traditional local phone companies to petition the FCC for permission to offer long distance services for each state within their region. Under section 271 of the Telecom Act, for these applications to be granted, the FCC must find, among other things, that the traditional phone company has demonstrated that it has satisfied a 14-point competitive checklist to open its local network to competition and that granting the petition is in the public interest. To date, the FCC has granted thirty-five RBOC 271 applications: Verizon's for New York, Massachusetts, Connecticut, Pennsylvania, Rhode Island, Vermont, Maine, New Jersey, Delaware, New Hampshire and Virginia; SBC's for Texas, Kansas, Oklahoma, Missouri, Arkansas and California; BellSouth's for Georgia, Louisiana, Alabama, Kentucky, Mississippi, North Carolina, South Carolina, Florida and Tennessee; and Qwest's for: Washington, Utah, Wyoming, Montana, Colorado, Idaho, Iowa, Nebraska and North Dakota. Verizon has also filed an application for Maryland, West Virginia and the District of Columbia. Other applications may be filed at any time. WorldCom has challenged, and will continue to challenge, any application that it believes does not satisfy the requirements of section 271 or the FCC's local competition rules. To date, these challenges have focused on the pricing of unbundled network elements and on the adequacy of the traditional local phone companies' operations support systems.

In addition, legislation was introduced in the 107th Congress that would have had the effect of allowing traditional local phone companies to offer in-region long distance data services without satisfying section 271 of the Telecom Act, and/or of making it more difficult for competitors to resell incumbent local phone company high-speed Internet access services or to lease the unbundled network elements used to provide these services. This legislation passed the House of Representatives on February 27, 2002. The 107th Congress ended without the Senate taking any action on the legislation. WorldCom cannot predict prospects for passage of similar legislation in the 108th Congress.

In February 1999, the FCC issued a Declaratory Ruling and Notice of Proposed Rulemaking regarding the regulatory treatment of calls to Internet service providers. Prior to the FCC's order, over thirty state public utility commissions issued orders finding that carriers, including WorldCom, are entitled to collect reciprocal compensation for completing calls to Internet service providers under the terms of their interconnection agreements with traditional local phone companies. Many of these public utility commission decisions were appealed by the traditional local phone companies and, since the FCC's order, many traditional local phone companies have filed new cases at the public utility commissions or in court. WorldCom petitioned for review of the FCC's order in the District of Columbia Circuit, which vacated the order and remanded the case to the FCC for further proceedings. In April 2001, the FCC issued an Order on Remand and Report and Order asserting jurisdiction over calls to Internet service providers and establishing a three-year transitional scheme of decreasing reciprocal compensation rates. WorldCom filed a petition for review of the FCC's order with the United States Court of Appeals for the District of Columbia Circuit, and on May 3, 2002, the DC Circuit upheld the Company's challenge and remanded the case to the FCC, ruling that the FCC's legal analysis was based on a flawed reading of the Telecom Act. The Court expressly declined to decide any of the remaining challenges to the transitional scheme, opting to wait until the FCC provides a sufficient legal basis in support of the conclusions it has reached in the Order. In the interim, however, because the Court apparently believed that there may be other legal bases for adopting the rules chosen here, it decided not to vacate the order and instead left the FCC transitional scheme in place. Although the transitional scheme is in place and the FCC will be looking at the issue on remand, it is unclear how any subsequent ruling will affect existing reciprocal compensation litigation.

It is possible that spectrum rights held may be disrupted by FCC decisions to re-allocate some or all of that spectrum to other services. If this re-allocation were to occur, WorldCom cannot predict whether current deployment plans for its multi-channel multipoint distribution services will be sustainable.

Litigation. In November 2000, class action complaints were filed in the U.S. District Courts for the Southern District of Mississippi, the Southern District of New York and the District of Columbia against WorldCom and some of its executive officers. All of these actions were consolidated in the Southern District of Mississippi on March 27, 2001, along with another purported class action lawsuit filed on behalf of individuals who purchased stock in Intermedia between September 5 and November 1, 2000, which action asserted substantially similar claims and alleges that after the announcement of the WorldCom-Intermedia merger, the price of Intermedia stock was tied to the price of WorldCom stock. On June 1, 2001, the plaintiffs filed a consolidated amended complaint. Among other things, the consolidated amended complaint alleged that statements regarding WorldCom's revenues, the integration of MCI, the success of UUNET Technologies and the expansion of WorldCom's network were false; WorldCom's financial disclosures were false; and WorldCom's announcement of its "generation d" initiative was misleading. Based on these allegations, the consolidated amended complaint asserts claims for violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder and Section 20(a) of the Exchange Act. The consolidated amended complaint seeks to certify a class of persons who purchased WorldCom shares between February 10, 2000 and November 1, 2000, inclusive; it does not assert separate claims on behalf of purchasers of Intermedia shares. On March 29, 2002, the district court granted the motion by WorldCom and the individual defendants to dismiss the consolidated amended complaint and entered final judgment dismissing the complaint with prejudice. On April 4, 2002, plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Fifth Circuit. On August 22, 2002, the Fifth Circuit stayed the appeal pending disposition of the bankruptcy proceedings. On September 9, 2002, plaintiffs filed a motion in the Fifth Circuit to lift the stay of the appeal with respect to the individual defendants and the motion was subsequently granted. On September 23, 2002, plaintiffs filed a motion in the district court for relief from judgment with respect to the individual defendants based on new evidence. This motion is pending.

On May 29, 2001, former WorldxChange Communications ("WorldxChange") shareholders filed a complaint in California state court against WorldCom, three of its officers, and directors and officers of World Access, alleging that the defendants misrepresented the nature of a Carrier Services Agreement that required WorldCom to provide certain monthly revenues to World Access. Plaintiffs allege that, in reliance on the

Agreement, WorldxChange agreed to merge with World Access. Plaintiffs seek rescission and unspecified compensatory and punitive damages for alleged violations of state securities laws, fraud, negligent misrepresentation and breach of fiduciary duty. The claims against WorldCom are presently stayed. On September 5, 2002, the court granted motions to quash for lack of personal jurisdiction on behalf of the former WorldCom officers, dismissing them from the action. On October 2, 2002, plaintiffs filed a notice of appeal to the state appellate court.

On March 18, 2002, one current and one former employee filed suit in the U.S. District Court for the Northern District of California against WorldCom and two of its former executive officers on behalf of a putative class of participants in the WorldCom 401(k) plan and its predecessor plans, claiming that defendants breached their fiduciary duties under the Employee Retirement Income Security Act ("ERISA") with respect to the administration of the WorldCom 401(k) Plan and its predecessor plans. The complaint alleges that the defendants breached their fiduciary duties by misrepresenting WorldCom's financial results to plan participants. Plaintiffs further allege that defendants breached their fiduciary duties by allowing plan participants to continue to invest in WorldCom stock as one of their plan options. The complaint seeks to certify a class of persons who participated in the WorldCom 401(k) Plan and certain predecessor plans for the period of February 8, 2000 to November 1, 2000 and requests damages and other relief. On September 16, 2002, plaintiffs amended the complaint to expand the class period from January 1, 2000 through the present. The amended complaint also names as a defendant a current WorldCom employee. Following the Company's announcement on June 25, 2002 that it would be restating its earnings, participants in 401(k) plans for WorldCom and various affiliates filed approximately 15 additional putative class action suits in U.S. District Courts in New York, Mississippi, Florida, Oklahoma and the District of Columbia against WorldCom and certain of its executive officers claiming that they breached their fiduciary duties under the Employee Retirement Income Security Act with respect to the administration of the WorldCom 401(k) Plan. On September 18, 2002, the U.S. District Court for the Southern District of New York issued an order consolidating the cases pending in that district. On November 18, 2002, the U.S. District Court for the Southern District of New York issued an order appointing three lead plaintiffs: Stephen Vivien, Gail M. Greenier and John T. Alexander. On December 20, 2002, these three lead plaintiffs filed a Consolidated Master Amended Complaint for Plan-Wide Relief Under the WorldCom 401(k) Salary Savings Plan. The consolidated Master Amended Complaint alleges that defendants breached their fiduciary duties under ERISA and seeks damages and other relief. The complaint seeks to certify a class of persons who participated in the WorldCom 401(k) plan and certain predecessor plans during the period from September 14, 1998 to the present. On January 24, 2003, defendants filed motions to dismiss the Consolidated Master Amended Complaint pursuant to Fed. R. Civ. P. 8(a), 9(b) and 12(b)(6).

Beginning on April 30, 2002, various groups of plaintiffs have filed in excess of 40 complaints, purportedly on behalf of certain WorldCom shareholders and bondholders or classes thereof in the U.S. District Courts for the Southern District of New York, the Southern District of Mississippi, the Central District of California, the District of Minnesota and the Eastern District of Missouri, as well as in state courts in California, Florida, Georgia, Illinois, Montana, New York, Ohio, Tennessee and West Virginia. Several non-class action lawsuits were brought on behalf of individuals or small groups of shareholders in the U.S. District Courts for the Eastern District of Virginia and the Southern District of Mississippi and in state courts in Mississippi and Texas. All the cases filed initially in state court have been removed or are in the process of being removed to the U.S. district courts for the districts in which they were filed. One derivative suit was filed in the Southern District of New York. The complaints, which name as defendants WorldCom, various current and former WorldCom officers and directors, and, in some cases, WorldCom's former auditors and underwriters, allege generally that defendants misstated WorldCom's earnings in WorldCom's public filings with the SEC and elsewhere failed to properly account for goodwill and other intangible assets in connection with numerous acquisitions. The majority of these actions assert claims for violation of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder and Section 20(a) of the Exchange Act. Certain bondholder actions assert claims for violation of Section 11 of the Securities Act. Certain of the state court actions allege state law claims. On August 15, 2002, the U.S. District Court for the Southern District of New York issued an order consolidating the cases in that district and appointing a lead plaintiff. On October 11, 2002, the lead plaintiff filed a consolidated amended complaint that asserts claims under Sections 11 and 15 of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, and Section 20(a) of the Exchange Act. On December 13, 2002, Defendants Alexander, Allen, Areen, Aycock, Bobbitt, Galesi, Kellett, Macklin, Porter, Roberts, Sidgmore, and Tucker filed their Motion to Dismiss Counts II, VI and VII of the consolidated amended complaint pursuant to Fed. R. Civ. P. 9(b) and 12(b)(6), as well as the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(b).

On October 8, 2002, the Judicial Panel on Multidistrict Litigation (the "Panel") issued an order that centralized 39 cases arising under the federal securities laws and ERISA in the U.S. District Court for the Southern District of New York for consolidated or coordinated pretrial proceedings. On November 6, 2002, the Panel issued a conditional order that is now final and has centralized 15 additional cases in the Southern District of New York. On December 23, 2002, the Panel issued a conditional order that, once it becomes final, will centralize 7 additional cases in the Southern District of New York. As of January 7, 2003, this order became final with respect to 5 of these cases, while additional proceedings are pending with respect to the remaining 2 cases. The Panel has been notified of additional cases that should be treated as "tag-along" cases and also centralized in the Southern District of New York.

On June 26, 2002, pursuant to Section 21(d) of the Exchange Act, the SEC filed suit against WorldCom, alleging violations of Sections 10(b) and 13(a) of the Exchange Act and Exchange Act Rules 10b-5, 12b-20, 13a-1, and 13a-13. The SEC alleges that from at least the first quarter of 2001 through the first quarter of 2002, WorldCom defrauded investors by disguising its true operating performance via improper accounting methods that materially overstated its income by approximately $3.055 billion in 2001 and $797 million during the first quarter of 2002. Specifically, the SEC alleges that WorldCom falsely portrayed itself as a profitable business during 2001 and the first quarter of 2002 and that WorldCom's transfer of its costs to its capital accounts violated the established standards of GAAP. On November 5, 2002, the SEC filed an amended complaint that widened the scope of the claims to account for additional disclosures by WorldCom. Specifically, the SEC alleges that WorldCom engaged in undisclosed and improper accounting from early 1999 through the first quarter of 2002 and materially overstated its income by approximately $9 billion. The SEC also added a claim alleging violations of Section 17(a) of the Securities Act. On November 26, 2002, WorldCom consented to the entry of a permanent injunction that will resolve claims brought in this suit. The injunction imposes certain ongoing obligations on the Company and permits the SEC to seek a monetary penalty in the future.

In addition, following WorldCom's June 25, 2002 announcement, various criminal and regulatory investigations have been initiated by the U.S. Department of Justice, several state agencies, the SEC and both houses of Congress. These investigations are ongoing. WorldCom is cooperating fully in those proceedings and inquiries.

In August 1997, three complaints were filed in the U.S. District Court for the District of Columbia as class actions on behalf of purchasers of MCI shares. The three cases were consolidated on April 1, 1998. On or about May 8, 1998, the plaintiffs in all three cases filed a consolidated amended complaint alleging, on behalf of purchasers of MCI's shares between July 11, 1997 and August 21, 1997, inclusive, that MCI and some of its officers and directors failed to disclose material information about MCI, including that MCI was renegotiating the terms of the MCI-BT merger agreement. The consolidated amended complaint seeks damages and other relief. On May 3, 2002, the district court denied the defendants' motion to dismiss. Plaintiffs' motion for class certification is pending.

WorldCom, Inc. **Schedule 1**

Total Disbursements by Legal Entity

Case #	Name of Company	Disbursements 11/1/2002 - 11/30/2002
02-13532 (AJG)	WorldCom Caribbean, Inc.	-
02-13533 (AJG)	WorldCom, Inc.	74,932,827
02-42154 (AJG)	Intermedia Communications Inc.	-
02-42155 (AJG)	MCI Communications Corporation	-
02-42156 (AJG)	Access Network Services, Inc.	-
02-42157 (AJG)	Access Virginia, Inc.	-
02-42158 (AJG)	ALD Communications, Inc.	-
02-42159 (AJG)	BFC Communications, Inc.	-
02-42160 (AJG)	Bittel Telecommunications Corporation	-
02-42161 (AJG)	Brooks Fiber Communications of Arkansas, Inc.	-
02-42162 (AJG)	Brooks Fiber Communications of Bakersfield, Inc.	-
02-42163 (AJG)	Brooks Fiber Communications of Connecticut, Inc.	-
02-42164 (AJG)	Brooks Fiber Communications of Fresno, Inc.	-
02-42165 (AJG)	Brooks Fiber Communications of Massachusetts, Inc.	-
02-42166 (AJG)	Brooks Fiber Communications of Michigan, Inc.	-
02-42167 (AJG)	Brooks Fiber Communications of Minnesota, Inc.	-
02-42168 (AJG)	Brooks Fiber Communications of Mississippi, Inc.	-
02-42169 (AJG)	Brooks Fiber Communications of Missouri, Inc.	-
02-42170 (AJG)	Brooks Fiber Communications of Nevada, Inc.	-
02-42171 (AJG)	Brooks Fiber Communications of New England, Inc.	-
02-42172 (AJG)	Brooks Fiber Communications of New Mexico, Inc.	-
02-42173 (AJG)	Brooks Fiber Communications of New York, Inc.	-
02-42174 (AJG)	Brooks Fiber Communications of Ohio, Inc.	-
02-42175 (AJG)	Brooks Fiber Communications of Oklahoma, Inc.	-
02-42176 (AJG)	Brooks Fiber Communications of Rhode Island, Inc.	-
02-42177 (AJG)	Brooks Fiber Communications of Sacramento, Inc.	-
02-42178 (AJG)	Brooks Fiber Communications of San Jose, Inc.	-
02-42179 (AJG)	Brooks Fiber Communications of Stockton, Inc.	-
02-42180 (AJG)	Brooks Fiber Communications of Tennessee, Inc.	-
02-42181 (AJG)	Brooks Fiber Communications of Texas, Inc.	-
02-42182 (AJG)	Brooks Fiber Communications of Tucson, Inc.	-
02-42183 (AJG)	Brooks Fiber Communications of Tulsa, Inc.	-
02-42184 (AJG)	Brooks Fiber Communications of Utah, Inc.	-
02-42185 (AJG)	Brooks Fiber Communications-LD, Inc.	-
02-42186 (AJG)	Brooks Fiber Properties, Inc.	-
02-42187 (AJG)	BTC Transportation Corporation	-
02-42188 (AJG)	Business Internet, Inc.	-
02-42189 (AJG)	Chicago Fiber Optic Corporation	-
02-42190 (AJG)	Com Systems, Inc.	-
02-42191 (AJG)	COM/NAV Realty Corp.	-
02-42192 (AJG)	Cross Country Wireless, Inc.	-
02-42193 (AJG)	CS Wireless Battle Creek, Inc.	-
02-42194 (AJG)	CS Wireless Systems, Inc.	-
02-42195 (AJG)	E.L. Acquisition, Inc.	-
02-42196 (AJG)	Express Communications, Inc.	-
02-42197 (AJG)	FiberNet Rochester, Inc.	-

WorldCom, Inc. **Schedule 1**

Total Disbursements by Legal Entity

Case #	Name of Company	Disbursements 11/1/2002 - 11/30/2002
02-42198 (AJG)	Fibernet, Inc.	-
02-42199 (AJG)	Healan Communications, Inc.	-
02-42200 (AJG)	Intelligent Investment Partners, Inc.	-
02-42201 (AJG)	Intermedia Capital, Inc.	-
02-42202 (AJG)	Intermedia Communications of Virginia, Inc.	-
02-42203 (AJG)	Intermedia Investment, Inc.	-
02-42204 (AJG)	Intermedia Licensing Company	-
02-42205 (AJG)	Jones Lightwave of Denver, Inc.	-
02-42206 (AJG)	Marconi Telegraph Cable Company, Inc.	-
02-42207 (AJG)	MCI Canada, Inc.	-
02-42208 (AJG)	MCI Equipment Acquisition Corporation	-
02-42209 (AJG)	MCI Galaxy III Transponder Leasing, Inc.	-
02-42210 (AJG)	MCI Global Access Corporation	-
02-42211 (AJG)	MCI Global Support Corporation	-
02-42212 (AJG)	MCI International Telecommunications Corporation	119,721,411
02-42213 (AJG)	MCI International, Inc.	-
02-42214 (AJG)	MCI International Telecommunications Holding Corporation	-
02-42215 (AJG)	MCI Investments Holdings, Inc.	-
02-42216 (AJG)	MCI Network Technologies, Inc.	-
02-42217 (AJG)	MCI Omega Properties, Inc.	-
02-42218 (AJG)	MCI Research, Inc.	-
02-42219 (AJG)	MCI Transcon Corporation	-
02-42220 (AJG)	MCI Wireless, Inc.	-
02-42221 (AJG)	MCI WORLDCOM Capital Management Corporation	-
02-42222 (AJG)	MCI WORLDCOM Communications of Virginia, Inc.	-
02-42223 (AJG)	MCI WORLDCOM Communications, Inc.	-
02-42224 (AJG)	MCI WORLDCOM Financial Management Corporation	-
02-42225 (AJG)	MCI WORLDCOM Global Networks U.S., Inc.	-
02-42226 (AJG)	MCI WORLDCOM International, Inc.	-
02-42227 (AJG)	MCI WorldCom Management Company, Inc.	180,154,732
02-42228 (AJG)	MCI WORLDCOM Network Services of Virginia, Inc.	-
02-42229 (AJG)	MCI WORLDCOM Network Services, Inc.	1,182,408,804
02-42230 (AJG)	MCI WORLDCOM Synergies Management Company, Inc.	-
02-42231 (AJG)	MCI/OTI Corporation	-
02-42232 (AJG)	MCImetro Access Transmission Services of Virginia, Inc.	-
02-42233 (AJG)	Metrex Corporation	-
02-42234 (AJG)	Metropolitan Fiber Systems of Arizona, Inc.	-
02-42235 (AJG)	Metropolitan Fiber Systems of Baltimore, Inc.	-
02-42236 (AJG)	Metropolitan Fiber Systems of California, Inc.	-
02-42237 (AJG)	Metropolitan Fiber Systems of Connecticut, Inc.	-
02-42238 (AJG)	Metropolitan Fiber Systems of Dallas, Inc.	-
02-42239 (AJG)	Metropolitan Fiber Systems of Delaware, Inc.	-
02-42240 (AJG)	Metropolitan Fiber Systems of Denver, Inc.	-
02-42241 (AJG)	Metropolitan Fiber Systems of Detroit, Inc.	-
02-42242 (AJG)	Metropolitan Fiber Systems of Florida, Inc.	-
02-42243 (AJG)	Metropolitan Fiber Systems of Houston, Inc.	-

WorldCom, Inc. **Schedule 1**
Total Disbursements by Legal Entity

Case #	Name of Company	Disbursements 11/1/2002 - 11/30/2002
02-42244 (AJG)	Metropolitan Fiber Systems of Indianapolis, Inc.	-
02-42245 (AJG)	Metropolitan Fiber Systems of Minneapolis/St. Paul, Inc.	-
02-42246 (AJG)	Metropolitan Fiber Systems of New Hampshire, Inc.	-
02-42247 (AJG)	Metropolitan Fiber Systems of New Jersey, Inc.	-
02-42248 (AJG)	Metropolitan Fiber Systems of New Orleans, Inc.	-
02-42249 (AJG)	Metropolitan Fiber Systems of New York, Inc.	-
02-42250 (AJG)	Metropolitan Fiber Systems of Ohio, Inc.	-
02-42251 (AJG)	Metropolitan Fiber Systems of Oregon, Inc.	-
02-42252 (AJG)	Metropolitan Fiber Systems of Philadelphia, Inc.	-
02-42253 (AJG)	Metropolitan Fiber Systems of Pittsburgh, Inc.	-
02-42254 (AJG)	Metropolitan Fiber Systems of Seattle, Inc.	-
02-42255 (AJG)	Metropolitan Fiber Systems of St. Louis, Inc.	-
02-42256 (AJG)	Metropolitan Fiber Systems/McCourt, Inc.	-
02-42257 (AJG)	MFS CableCo U.S., Inc.	-
02-42258 (AJG)	MFS Datanet, Inc.	-
02-42259 (AJG)	MFS Telecom, Inc.	-
02-42260 (AJG)	MFS Telephone of Missouri, Inc.	-
02-42261 (AJG)	MFS Telephone of New Hampshire, Inc.	-
02-42262 (AJG)	MFS Telephone of Virginia, Inc.	-
02-42263 (AJG)	MFS Telephone, Inc.	-
02-42264 (AJG)	MFSA Holding, Inc.	-
02-42265 (AJG)	Military Communications Center, Inc.	-
02-42266 (AJG)	MobileComm Europe Inc.	-
02-42267 (AJG)	Mtel Asia, Inc.	-
02-42268 (AJG)	Mtel Cellular, Inc.	-
02-42269 (AJG)	Mtel International, Inc.	-
02-42270 (AJG)	Mtel Latin America, Inc.	-
02-42271 (AJG)	Mtel Microwave, Inc.	-
02-42272 (AJG)	Mtel Service Corporation	-
02-42273 (AJG)	N.C.S. Equipment Corporation	-
02-42274 (AJG)	National Telecommunications of Florida, Inc.	-
02-42275 (AJG)	Netwave Systems, Inc.	-
02-42276 (AJG)	networkMCI, Inc.	-
02-42277 (AJG)	Northeast Networks, Inc.	-
02-42278 (AJG)	Nova Cellular Co.	-
02-42279 (AJG)	NTC, Inc.	-
02-42280 (AJG)	Overseas Telecommunications, Inc.	-
02-42281 (AJG)	Shared Technologies Fairchild Communications Corporation	-
02-42282 (AJG)	Shared Technologies Fairchild Telecom, Inc.	-
02-42283 (AJG)	Shared Technologies Fairchild, Inc.	-
02-42284 (AJG)	SkyTel Communications, Inc.	-
02-42285 (AJG)	SkyTel Corp.	-
02-42286 (AJG)	Southernnet of South Carolina, Inc.	-
02-42287 (AJG)	Southernnet Systems, Inc.	-
02-42288 (AJG)	Southernnet, Inc.	-
02-42289 (AJG)	Telecom*USA, Inc.	-

WorldCom, Inc. **Schedule 1**
Total Disbursements by Legal Entity

Case #	Name of Company	Disbursements 11/1/2002 - 11/30/2002
02-42290 (AJG)	Teleconnect Company	-
02-42291 (AJG)	Teleconnect Long Distance Services & Systems Co.	-
02-42292 (AJG)	Tenant Network Services, Inc.	-
02-42293 (AJG)	TransCall America, Inc.	-
02-42294 (AJG)	Tru Vision Wireless, Inc.	-
02-42295 (AJG)	Tru Vision-Flippin, Inc.	-
02-42296 (AJG)	TTI National, Inc.	-
02-42297 (AJG)	UUNET Australia Limited	-
02-42298 (AJG)	UUNET Caribbean, Inc.	-
02-42299 (AJG)	UUNET Holdings Corp.	-
02-42300 (AJG)	UUNET International Ltd.	-
02-42301 (AJG)	UUNET Japan Ltd.	-
02-42302 (AJG)	UUNET Technologies, Inc.	-
02-42303 (AJG)	Virginia Metrotel, Inc.	-
02-42304 (AJG)	Wireless One, Inc.	-
02-42305 (AJG)	Wireless Video Services	-
02-42306 (AJG)	WorldCom Broadband Solutions, Inc.	-
02-42307 (AJG)	WorldCom East, Inc.	-
02-42308 (AJG)	WorldCom ETC, Inc.	-
02-42309 (AJG)	WorldCom Federal Systems, Inc.	-
02-42310 (AJG)	WorldCom ICC, Inc.	-
02-42311 (AJG)	WorldCom International, Inc.	-
02-42312 (AJG)	WorldCom International Data Services, Inc.	-
02-42313 (AJG)	WorldCom International Mobile Services, Inc.	-
02-42314 (AJG)	WorldCom Overseas Holdings, Inc.	-
02-42315 (AJG)	WorldCom Ventures, Inc.	-
02-42316 (AJG)	WorldCom Wireless, Inc.	-
02-42317 (AJG)	ICI Capital LLC	-
02-42318 (AJG)	Intermedia Services LLC	-
02-42319 (AJG)	MCI International Services, L.L.C.	-
02-42320 (AJG)	MCI Payroll Services, LLC	-
02-42321 (AJG)	MCI WORLDCOM Brands, L.L.C.	-
02-42322 (AJG)	MCI WORLDCOM Brooks Telecom, LLC	-
02-42323 (AJG)	MCI WORLDCOM MFS Telecom, LLC	-
02-42324 (AJG)	MCImetro Access Transmission Services LLC	-
02-42325 (AJG)	SkyTel Payroll Services, LLC	-
02-42326 (AJG)	UUNET Payroll Services, LLC	-
02-42327 (AJG)	WorldCom International Mobile Services LLC	-
02-42328 (AJG)	WorldCom Payroll Services, LLC	-
02-42329 (AJG)	WorldCom Purchasing, LLC	-
02-42330 (AJG)	MFS/C-TEC	-
02-43305 (AJG)	Western Business Network, Inc.	-
02-43306 (AJG)	1-800-Collect, Inc.	-
02-43307 (AJG)	B.T.C. Real Estate Investments, Inc.	-
02-43308 (AJG)	Brooks Fiber Communications of Idaho, Inc.	-
02-43309 (AJG)	Brooks Fiber Communications of Virginia, Inc.	-

WorldCom, Inc. **Schedule 1**

Total Disbursements by Legal Entity

Case #	Name of Company	Disbursements 11/1/2002 - 11/30/2002
02-43310 (AJG)	BTC Finance Corp.	-
02-43311 (AJG)	CC Wireless, Inc.	-
02-43312 (AJG)	Compuplex Incorporated	-
02-43313 (AJG)	Cross Country Telecommunications, Inc.	-
02-43314 (AJG)	CS Network Services, Inc.	-
02-43315 (AJG)	Fibercom of Missouri, Inc.	-
02-43316 (AJG)	Institutional Communications Company	-
02-43317 (AJG)	J.B. Telecom, Inc.	-
02-43318 (AJG)	Metropolitan Fiber Systems of Alabama, Inc.	-
02-43319 (AJG)	Metropolitan Fiber Systems of Columbus, Inc.	-
02-43320 (AJG)	Metropolitan Fiber Systems of Hawaii, Inc.	-
02-43321 (AJG)	Metropolitan Fiber Systems of Iowa, Inc.	-
02-43322 (AJG)	Metropolitan Fiber Systems of Kansas City, Missouri, Inc.	-
02-43323 (AJG)	Metropolitan Fiber Systems of Kansas, Inc.	-
02-43324 (AJG)	Metropolitan Fiber Systems of Kentucky, Inc.	-
02-43325 (AJG)	Metropolitan Fiber Systems of Massachusetts, Inc.	-
02-43326 (AJG)	Metropolitan Fiber Systems of Nebraska, Inc.	-
02-43327 (AJG)	Metropolitan Fiber Systems of Nevada, Inc.	-
02-43328 (AJG)	Metropolitan Fiber Systems of North Carolina, Inc.	-
02-43329 (AJG)	Metropolitan Fiber Systems of Oklahoma, Inc.	-
02-43330 (AJG)	Metropolitan Fiber Systems of Rhode Island, Inc.	-
02-43331 (AJG)	Metropolitan Fiber Systems of Tennessee, Inc.	-
02-43332 (AJG)	Metropolitan Fiber Systems of Virginia, Inc.	-
02-43333 (AJG)	Metropolitan Fiber Systems of Wisconsin, Inc.	-
02-43334 (AJG)	MFS Foreign Personnel, Inc.	-
02-43335 (AJG)	Mtel American Radiodetermination Corporation	-
02-43336 (AJG)	Mtel Digital Services, Inc.	-
02-43337 (AJG)	Mtel Space Technologies Corporation	-
02-43338 (AJG)	Mtel Technologies, Inc.	-
02-43339 (AJG)	Southern Wireless Video, Inc.	-
02-43340 (AJG)	TMC Communications, Inc.	-
02-43341 (AJG)	Wireless Video Enhanced Services	-
02-43342 (AJG)	Wireless Video Enterprises, Inc.	-
02-43343 (AJG)	MCI Systemhouse L.L.C.	-
02-43344 (AJG)	MCI WORLDCOM Brazil, LLC	-
02-43345 (AJG)	MFS International Holdings, L.L.C.	-
02-43346 (AJG)	New England Fiber Communications L.L.C.	-
02-43347 (AJG)	WorldCom Switzerland LLC	-
	Total	1,557,217,773