

EXHIBIT 3
 Bell South Corporation
 Balance Sheet December 31, 2005
 (in millions)

Assets	As Reported	Adjustments	As Restated
Current assets	\$ 4,209	-	\$4,209
Property, plant, and equipment, net	21,723	-	21,723
Investments/advances to			
Cingular Wireless	21,274	-	21,274
Other assets	7,814	(4,511) ^A	3,303
Intangible assets, net	1,533	-	1,533
Total assets	<u>\$56,553</u>	<u>(\$4,511)</u>	<u>\$52,042</u>
Liabilities and shareholders' equity			
Current liabilities	\$ 8,654	-	\$8,654
Long-term debt	13,079	-	13,079
Deferred income taxes	6,607	(1,874) ^B	4,733
Other noncurrent liabilities	4,679	739 ^A	5,418
Total liabilities	<u>\$33,019</u>	<u>(\$1,135)</u>	<u>\$31,884</u>
Common stock	2020	-	2020
Paid-in capital	7,960	-	7,960
Retained earnings	20,383	(94) ^C	20,289
Accumulated other			
comprehensive income	(14)	(3,282) ^D	(3,296)
Treasury stock	(6,815)	-	(6,815)
Total shareholders' equity	<u>23,066</u>	<u>(3,376)</u>	<u>19,690</u>
Total liabilities and shareholders' equity	<u>\$56,553</u>	<u>(\$4,511)</u>	<u>\$52,042</u>

A) (\$1,932)	Funding status of plans, as of 12/31/05
+ 3,318	Existing prepaid benefit cost, as of 12/31/05
<u>\$ 5,250</u>	Increase in plan obligations on balance sheet, as:
	\$4,511 : elimination of prepaid pension costs
	739 : increase in accrued pension costs
B) \$ 5,250	Additional plan obligation
35.7%	Effective tax rate during 2005
<u>\$ 1,874</u>	Reduction in deferred income taxes
C) (\$219)	Recognition of previously unrecognized transition obligation, as of 12/31/04
78	Tax effects of transition obligation recognition (219 x 35.7%)
73	Reversal of 2005 amortization of transition obligation
(26)	Tax effects of 2005 amortization reversal (73 x 35.7%)
<u>(\$94)</u>	Adjustment to retained earnings
D) \$ 5,250	Additional plan obligations
(1,874)	Tax effects of additional plan obligations
3,376	Net additional liability, net of tax
(94)	Retained earnings adjustment
<u>\$ 3,282</u>	Comprehensive income adjustment