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BELLSOUTH CORP  
Form 11-K  
June 28, 2001

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM 11-K

Annual Report Pursuant to Section 15(d) of  
the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2000

or

Transition Report Pursuant to Section 15(d)  
of the Securities Exchange Act of 1934

For the transition  
period from \_\_\_ to \_\_\_

Commission file  
number 1-8607

BellSouth Retirement Savings Plan

BellSouth Corporation  
1155 Peachtree Street, N.E.  
Atlanta, Georgia 30309-3610

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BELLSOUTH RETIREMENT SAVINGS PLAN

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Plan Administrator of  
the BellSouth Retirement Savings Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the BellSouth Retirement Savings Plan (the "Plan") at December 31, 2000 and 1999, and the changes in net assets available for benefits for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Fund Information in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of each fund. The Fund Information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP  
Atlanta, Georgia

June 25, 2001

BELLSOUTH RETIRE

STATEMENT OF NET ASSETS AVAILABLE

December  
(In Tho

	BellSouth Stock Fund	Indexed Stock Fund	Interest Income Fund	Vanguard Index Trust Growth Portfolio	Fidelity Growth & Income Portfolio	Balanced Fund
ASSETS	-----	-----	-----	-----	-----	-----

Share of Trust net

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assets.....	\$1,559,490	\$1,102,940	\$940,836	\$260,329	\$180,106	\$104,327
Investment in BellSouth Retirement Savings Employee Stock Ownership Plan Trust:						
Shares of BellSouth common stock allocated to participants.....	--	--	--	--	--	--
Shares of BellSouth common stock held for future allocation.....	--	--	--	--	--	--
Temporary cash investments.....	--	--	--	--	--	--
<b>Total Investments.....</b>	<b>1,559,490</b>	<b>1,102,940</b>	<b>940,836</b>	<b>260,329</b>	<b>180,106</b>	<b>104,327</b>
Contributions receivable.....	1,818	1,420	822	838	568	403
Fund, BellSouth Savings and Security Plan and other transfers receivable--net.....	--	--	1,993	--	--	6
<b>Total Assets.....</b>	<b>1,561,308</b>	<b>1,104,360</b>	<b>943,651</b>	<b>261,167</b>	<b>180,674</b>	<b>104,736</b>
LIABILITIES						
Distributions payable... Fund, BellSouth Savings and Security Plan and other transfers payable--net.....	1,353	1,135	1,109	35	17	106
Notes payable.....	474	422	--	764	72	--
	--	--	--	--	--	--
<b>Total Liabilities.....</b>	<b>1,827</b>	<b>1,557</b>	<b>1,109</b>	<b>799</b>	<b>89</b>	<b>106</b>
<b>Net Assets Available for Benefits.....</b>	<b>\$1,559,481</b>	<b>\$1,102,803</b>	<b>\$942,542</b>	<b>\$260,368</b>	<b>\$180,585</b>	<b>\$104,630</b>

The accompanying notes are an integ

MENT SAVINGS PLAN

FOR BENEFITS, WITH FUND INFORMATION

31, 2000  
usands)

	T. Rowe Price	DFA U.S.	Personal Choice	DFA	DFA U.S.	Participant	Employ
Bond	Mid-Cap	6-10 Value	Retirement	International	Large Cap	Loans	Owns
Fund	Growth	Portfolio II	Account	Value II Fund	Fund	Other	Allocated

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\$101,672	\$156,369	\$70,023	\$99,053	\$38,750	\$28,632	\$68,799	\$14,862	\$	--
--	--	--	--	--	--	--	--	--	1,155,338
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	536
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
101,672	156,369	70,023	99,053	38,750	28,632	68,799	14,862		1,155,874
124	489	165	--	98	127	--	--		--
--	--	22	539	--	5	1,461	--		3,484
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
101,796	156,858	70,210	99,592	38,848	28,764	70,260	14,862		1,159,358
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
38	36	22	--	--	13	51	--		353
9	39	--	--	85	--	--	14,862		--
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
47	75	22	--	85	13	51	14,862		353
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
\$101,749	\$156,783	\$70,188	\$99,592	\$38,763	\$28,751	\$70,209	\$	--	\$1,159,005
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

ral part of these financial statements.

BELLSOUTH RETIRE

STATEMENT OF NET ASSETS AVAILABLE

December  
(In Tho

ASSETS	BellSouth Stock Fund	Indexed Stock Fund	Interest Income Fund	Vanguard Index Trust Growth Portfolio	Fidelity Growth & Income Portfolio	Balanced Fund
	-----	-----	-----	-----	-----	-----
Share of Trust net						

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assets.....	\$2,043,032	\$1,249,328	\$942,806	\$250,596	\$191,653	\$113,737
Investment in BellSouth Retirement Savings Employee Stock Ownership Plan Trust:						
Shares of BellSouth common stock allocated to participants.....	--	--	--	--	--	--
Shares of BellSouth common stock held for future allocation.....	--	--	--	--	--	--
Temporary cash investments.....	--	--	--	--	--	--
<b>Total Investments.....</b>	<b>2,043,032</b>	<b>1,249,328</b>	<b>942,806</b>	<b>250,596</b>	<b>191,653</b>	<b>113,737</b>
Contributions receivable.....	1,965	1,414	673	583	498	195
Fund, BellSouth Savings and Security Plan and other transfers receivable--net.....	--	424	--	319	--	--
<b>Total Assets.....</b>	<b>2,044,997</b>	<b>1,251,166</b>	<b>943,479</b>	<b>251,498</b>	<b>192,151</b>	<b>113,932</b>
LIABILITIES						
Distributions payable... Fund, BellSouth Savings and Security Plan and other transfers payable--net.....	703	603	100	33	21	27
Notes payable.....	143	--	702	--	389	485
	--	--	--	--	--	--
<b>Total Liabilities.....</b>	<b>846</b>	<b>603</b>	<b>802</b>	<b>33</b>	<b>410</b>	<b>512</b>
<b>Net Assets Available for Benefits.....</b>	<b>\$2,044,151</b>	<b>\$1,250,563</b>	<b>\$942,677</b>	<b>\$251,465</b>	<b>\$191,741</b>	<b>\$113,420</b>

The accompanying notes are an integ

MENT SAVINGS PLAN

FOR BENEFITS, WITH FUND INFORMATION

31, 1999  
usands)

	T. Rowe Price Mid-Cap Growth	DFA U.S. 6-10 Value Portfolio II	Personal Choice Retirement Account	DFA International Value II Fund	DFA U.S. Large Cap Value II Fund	Participant Loans	Other	Employee Ownership Allocated
	\$97,496	\$78,505	\$62,984	\$41,515	\$39,662	\$28,003	\$67,106	\$1,677 \$
								--

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--	--	--	--	--	--	--	--	1,288,767
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	2,040
97,496	78,505	62,984	41,515	39,662	28,003	67,106	1,677	1,290,807
114	219	140	--	84	85	--	--	--
--	144	343	2,311	486	277	247	--	--
97,610	78,868	63,467	43,826	40,232	28,365	67,353	1,677	1,290,807
7	13	13	--	2	4	--	--	176
11	--	--	--	--	--	--	1,677	105
--	--	--	--	--	--	--	--	--
18	13	13	--	2	4	--	1,677	281
\$97,592	\$78,855	\$63,454	\$43,826	\$40,230	\$28,361	\$67,353	\$ --	\$1,290,526

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BELLSOUTH RETIRE

STATEMENT OF CHANGES  
FOR BENEFITS, WITH

Year Ended Dec  
(In Tho

BellSouth Stock Fund	Indexed Stock Fund	Interest Income Fund	Vanguard Index Trust Growth Portfolio	Fidelity Growth & Income Portfolio	Balanced Fund	Bond Fund
----------------------------	--------------------------	----------------------------	---	---	------------------	--------------

Net Assets Available for

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Benefits, December 31, 1999.....	\$2,044,151	\$1,250,563	\$942,677	\$251,465	\$191,741	\$113,420	\$ 97,5
Employee contributions..	55,561	46,626	42,046	25,372	16,772	7,615	3,8
Transfer of participants' balances--net.....	(235,693)	9,117	45,389	78,930	(6,633)	(11,252)	(1,3
Supplemental contributions.....	--	--	--	--	--	--	--
Allocation of shares to participants.....	--	--	--	--	--	--	--
Transfer for loan repayment.....	--	--	--	--	--	--	--
Total Contributions, Allocations and Transfers.....	(180,132)	55,743	87,435	104,302	10,139	(3,637)	2,4
Share of Trust investment activities..	(140,385)	(104,914)	49,094	(69,159)	(4,001)	3,528	9,5
Total.....	(320,517)	(49,171)	136,529	35,143	6,138	(109)	11,9
Less: Distributions to participants.....	164,153	98,589	136,664	26,240	17,294	8,681	7,7
Interest on notes payable.....	--	--	--	--	--	--	--
Net Assets Available for Benefits, December 31, 2000.....	\$1,559,481	\$1,102,803	\$942,542	\$260,368	\$180,585	\$104,630	\$101,7

The accompanying notes are an integ

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MENT SAVINGS PLAN

IN NET ASSETS AVAILABLE  
FUND INFORMATION

ember 31, 2000  
usands)

T. Rowe Price Mid-Cap Growth	DFA U.S. 6-10 Value Portfolio II	Personal Choice Retirement Account	DFA International Value II Fund	DFA U.S. Large Cap Value II Fund	Participant Loans	Other	Employee Stock Ownership Pla	Allocated	Unall
\$ 78,855	\$63,454	\$ 43,826	\$40,230	\$28,361	\$ 67,353	\$ --	\$1,290,526	\$ 39	
12,930	5,438	--	4,010	2,628	--	--	--	--	

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70,249	1,315	102,103	(1,834)	(2,074)	(12,206)	(1,224)	(27,913)	
--	--	--	--	--	--	--		5
--	--	--	--	--	--	--	100,059	(10
--	--	--	--	--	--	--	(16,723)	1
-----	-----	-----	-----	-----	-----	-----	-----	-----
83,179	6,753	102,103	2,176	554	(12,206)	(1,224)	55,423	(3
7,289	5,928	(46,304)	(178)	2,312	17,361	1,224	(114,698)	(8
-----	-----	-----	-----	-----	-----	-----	-----	-----
90,468	12,681	55,799	1,998	2,866	5,155	--	(59,275)	(11
-----	-----	-----	-----	-----	-----	-----	-----	-----
12,540	5,947	33	3,465	2,476	2,299	--	72,246	
--	--	--	--	--	--	--	--	2
-----	-----	-----	-----	-----	-----	-----	-----	-----
\$156,783	\$70,188	\$ 99,592	\$38,763	\$28,751	\$ 70,209	\$ --	\$1,159,005	\$ 25
=====	=====	=====	=====	=====	=====	=====	=====	=====

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BELLSOUTH RETIRE

STATEMENT OF CHANGES  
FOR BENEFITS, WITH

Year Ended Dec  
(In Tho

	BellSouth Stock Fund	Indexed Stock Fund	Interest Income Fund	Vanguard Index Trust Growth Portfolio	Fidelity Growth & Income Portfolio	Balanced Fund	Bond Fund
	-----	-----	-----	-----	-----	-----	-----
Net Assets Available for Benefits, December 31, 1998.....	\$2,251,426	\$1,104,970	\$910,241	\$129,374	\$180,281	\$114,206	\$119,84
Employee contributions..	59,895	46,729	31,079	17,866	16,939	7,306	4,55
Transfer of participants' balances--net.....	(30,420)	(52,577)	74,445	69,439	(14,643)	(9,183)	(18,48
Supplemental contributions.....	--	--	--	--	--	--	--
Allocation of shares to participants.....	--	--	--	--	--	--	--



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Transfer for loan repayment.....	--	--	--	--	--	--	--	--
Total Contributions, Allocations and Transfers.....	29,475	(5,848)	105,524	87,305	2,296	(1,877)	(13,92)	
Share of Trust investment activities.....	(88,643)	221,237	52,988	48,269	18,251	8,543	(2,11)	
Total.....	(59,168)	215,389	158,512	135,574	20,547	6,666	(16,03)	
Less: Distributions to participants.....	148,107	69,796	126,076	13,483	9,087	7,452	6,21	
Interest on notes payable.....	--	--	--	--	--	--	--	
Net Assets Available for Benefits, December 31, 1999.....	\$2,044,151	\$1,250,563	\$942,677	\$251,465	\$191,741	\$113,420	\$ 97,59	

The accompanying notes are an integ

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MENT SAVINGS PLAN

IN NET ASSETS AVAILABLE  
FUND INFORMATION

ember 31, 1999  
usands)

DFA U.S. 6-10 Portfolio II	Personal Choice Retirement Account	DFA International Value II Fund	DFA U.S. Large Cap Value II Fund	Participant Loans	Other	Employee Stock Ownership Plan		Tot
						Allocated	Unallocated	
\$68,227	\$ --	\$32,888	\$30,731	\$59,546	\$ --	\$1,262,543	\$549,469	\$6,87
5,617	--	3,055	2,951	--	--	--	--	20
(14,894)	42,305	(46)	(4,761)	3,489	(119)	(10,649)	--	3
--	--	--	--	--	--	--	48,889	4
--	--	--	--	--	--	130,890	(130,890)	
--	--	--	--	--	--	(15,134)	15,134	

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(9,277)	42,305	3,009	(1,810)	3,489	(119)	105,107	(66,867)	28
7,210	1,521	5,516	1,030	7,007	119	(36,417)	(61,709)	19
(2,067)	43,826	8,525	(780)	10,496	--	68,690	(128,576)	48
2,706	--	1,183	1,590	2,689	--	40,707	--	43
--	--	--	--	--	--	--	27,498	2
\$63,454	\$43,826	\$40,230	\$28,361	\$67,353	\$ --	\$1,290,526	\$393,395	\$6,89

ral part of these financial statements.

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BELLSOUTH RETIRE

STATEMENT OF CHANGES  
FOR BENEFITS, WITH

Year Ended Dec  
(In Tho

	BellSouth Stock Fund	Indexed Stock Fund	Interest Income Fund	Vanguard Index Trust Growth Portfolio	Fidelity Growth & Income Portfolio	Balanced Fund
Net Assets Available for Benefits, December 31, 1997.....	\$1,155,485	\$1,040,696	\$896,002	\$ 46,552	\$161,078	\$105,313
Employee contributions..	38,881	49,196	31,162	8,531	15,368	7,731
Transfer of participants' balances--net.....	195,300	(181,786)	17,034	49,022	(27,030)	(10,731)
Supplemental contributions.....	--	--	--	--	--	--
Allocation of shares to participants.....	--	--	--	--	--	--
Transfer for loan repayment.....	--	--	--	--	--	--
Total Contributions, Allocations and Transfers.....	234,181	(132,590)	48,196	57,553	(11,662)	(3,000)
Share of Trust investment activities..	951,469	267,172	56,477	29,180	42,185	20,798

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Total.....	1,185,650	134,582	104,673	86,733	30,523	17,798
Less: Distributions to participants.....	89,709	70,308	90,434	3,911	11,320	8,905
Interest on notes payable.....	--	--	--	--	--	--
Net Assets Available for Benefits, December 31, 1998.....	\$2,251,426	\$1,104,970	\$910,241	\$129,374	\$180,281	\$114,206

The accompanying notes are an integ

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MENT SAVINGS PLAN

IN NET ASSETS AVAILABLE  
FUND INFORMATION

ember 31, 1998  
usands)

Bond Fund	T. Rowe Price Mid-Cap Growth	DFA U.S. 6-10 Value Portfolio II	DFA International Value II Fund	DFA U.S. Large Cap Value II Fund	Participant Loans	Other	Employee Stock Ownership Plan Allocated	Unallocated
\$110,032	\$41,001	\$102,314	\$31,817	\$37,756	\$60,917	\$ --	\$ 671,576	\$ 227,922
5,207	5,285	7,440	3,026	3,321	--	--	--	--
4,693	3,946	(31,294)	(4,852)	(11,553)	35	(733)	(11,693)	--
--	--	--	--	--	--	--	--	47,444
--	--	--	--	--	--	--	116,832	(116,832)
--	--	--	--	--	--	--	(12,910)	12,910
9,900	9,231	(23,854)	(1,826)	(8,232)	35	(733)	92,229	(56,478)
9,655	9,425	(5,649)	4,538	3,751	4,941	733	547,026	409,620
19,555	18,656	(29,503)	2,712	(4,481)	4,976	--	639,255	353,142
9,747	2,379	4,584	1,641	2,544	6,347	--	48,288	--

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--	--	--	--	--	--	--	--	31,595
-----	-----	-----	-----	-----	-----	-----	-----	-----
\$119,840	\$57,278	\$ 68,227	\$32,888	\$30,731	\$59,546	\$ --	\$1,262,543	\$ 549,469
=====	=====	=====	=====	=====	=====	=====	=====	=====

ral part of these financial statements.

BELLSOUTH RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

(Dollars in Thousands, Except Per-Participant Amounts)

1. Plan Description

General

The following description of the BellSouth Retirement Savings Plan (the Plan) provides only general information. For additional information, participants should refer to the Plan Prospectus/Summary Plan Description, as supplemented (SPD). A copy of the SPD can be obtained by calling the BellSouth Participant Service Center at 1-800-995-1000. In addition, copies of the Plan, trust agreement and other related documents which include details of the Plan can be obtained by writing to: Secretary, BellSouth Savings Plan Committee, Room 13C09, 1155 Peachtree Street, N.E., Atlanta, Georgia 30309-3610.

The Plan was established by BellSouth Corporation (BellSouth) to provide a convenient way for management employees to save for their retirement on a long-term basis and to acquire an ownership interest in BellSouth. The Plan consists of two parts: one is a profit sharing plan which includes a qualified cash or deferred arrangement and which is intended to qualify as such under Sections 401(a), 401(k) and 401(m) and related sections of the Internal Revenue Code of 1986, as amended (the Code); the second part is an Employee Stock Ownership Plan (ESOP) which is designed as a stock bonus plan to invest primarily in shares of BellSouth Common Stock and which is intended to qualify under Sections 401(a), 401(m) and 4975(e)(7) and related sections of the Code. All regular full-time and part-time employees of participating BellSouth companies who are not covered by a collective bargaining agreement, have attained the age of 18, and have completed at least one month of service are eligible to participate. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended.

Master Trust

For investment purposes, the assets of the Plan are held in the BellSouth Master Savings Trust (the Master Savings Trust). The Master Savings Trust also holds the assets of the BellSouth Savings and Security Plan (SSP).

Investment Options

At December 31, 2000, the Plan's assets were comprised of the following investment vehicles: BellSouth Stock Fund, Indexed Stock Fund, Interest Income Fund, Bond Fund, Balanced Fund, Personal Choice Retirement Account and the following mutual funds: Fidelity Growth & Income Portfolio, Vanguard Index Trust Growth Portfolio, DFA U.S. 6-10 Value Portfolio II, T. Rowe Price Mid-

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Cap Growth, DFA U.S. Large Cap Value II Fund and DFA International Value II Fund. All investments are valued on a daily basis.

The Personal Choice Retirement Account, or PCRA, was added as an investment option in 1999. Unlike the other funds offered by the Plan, the PCRA is an individual brokerage account in which participants act as their own investment advisor and may choose from a broad range of investment options. The investment options include no-load and load mutual funds, most stocks listed on many U.S. securities exchanges, bonds and other fixed-income investments. Participants who open a PCRA are also assessed additional fees and commissions which are discussed in Note 4. There were 1,346 and 431 participants invested in the PCRA at December 31, 2000 and 1999, respectively.

Funds within the PCRA cannot be accessed directly for loans, withdrawals or distributions. Participants who want a loan, withdrawal or distribution to include amounts held in the PCRA must first transfer the desired amount from the PCRA to another fund in the Plan for a minimum of one day.

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### BELLSOUTH RETIREMENT SAVINGS PLAN

#### NOTES TO FINANCIAL STATEMENTS--(Continued)

(Dollars in Thousands, Except Per-Participant Amounts)

#### 1. Plan Description--(continued)

##### Concentrations of Risk

At December 31, 2000 and 1999, the Plan's assets were significantly concentrated in shares of BellSouth Common Stock, the value of which is subject to fluctuations related to corporate, industry and economic factors.

The Plan's other investment options include a variety of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities subject participants to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits, With Fund Information.

##### Vesting

All participant and employing company contributions vest immediately.

##### Participant Loans (Whole Dollars)

Participants may borrow from their fund accounts a minimum of \$1,000 up to the lesser of \$50,000 or 50 percent of their before-tax account balances as defined by the Plan document and any amounts rolled over to the Plan from other qualified plans. Loan balances are secured by the assets allocated to the participant's accounts and bear interest at various rates which ranged from 7.00% to 11.00% at December 31, 2000. Principal and interest are paid ratably through periodic payroll deductions for active employees and by coupon for nonactive employees. As discussed earlier, amounts held in a PCRA are not directly available for loans.

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### Service Providers

As of May 1, 1999, State Street Bank & Trust Company serves as the Trustee for the Master Savings Trust. During 1998, and in 1999 prior to May 1, Bankers Trust Company served as the Trustee for the Master Savings Trust. Metropolitan Life Insurance Company serves as the recordkeeper and service center provider for the Plan. Charles Schwab & Co. Inc. provides brokerage services for the PCRA.

### 2. Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

With respect to the Statements of Net Assets Available for Benefits, With Fund Information for the years presented, allocated Share of Trust Net Assets includes investments at fair value, accrued interest income, accrued dividends, receivables for investments sold, payables for investments purchased and accrued administrative expenses of the Master Savings Trust.

With respect to the Statements of Changes in Net Assets Available for Benefits, With Fund Information for the years presented, allocated Share of Trust Investment Activities includes the sum of realized gains, net of realized losses, the net change in unrealized appreciation/(depreciation) on the fair value of the investments, interest income, dividends, investment manager fees and other administrative fees paid by the Master Savings Trust.

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## BELLSOUTH RETIREMENT SAVINGS PLAN

### NOTES TO FINANCIAL STATEMENTS--(Continued)

(Dollars in Thousands, Except Per-Participant Amounts)

### 2. Accounting Policies--(continued)

The values of investments in the Master Savings Trust are determined as follows:

- . Shares of BellSouth Common Stock and equity securities underlying the Indexed Stock Fund are valued on the basis of the closing price per share on December 31, 2000 and 1999 as reported on the New York Stock Exchange or, if no sales were made on that date, at the closing price on the next preceding day on which sales were made;
- . The values of mutual funds, all of which are traded on a national securities exchange, are based on published daily closing net asset values as reported by the respective securities exchanges;
- . Over-the-counter securities and government obligations are valued based on the bid prices on December 31, 2000 and 1999 from published sources where available and, if not available, from other sources considered reliable;
- . Common trusts are valued at amounts determined from published reports of the funds;

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- . Securities in the PCRA are valued by methods which are consistent with the methods discussed above; and
- . Annuity contracts with insurance companies and synthetic contracts are valued at principal plus reinvested interest.

Purchases and sales of securities are reflected as of the trade date.

Realized gains and losses on sales of investments are determined on the basis of average cost.

Dividend income is recognized on the date the trust is entitled to the benefit. Interest earned on investments is recognized on the accrual basis.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). SFAS No. 133 requires that an entity recognize all derivatives and measure those instruments at fair value.

SFAS No. 133 is effective for fiscal years beginning after June 15, 2000. Pursuant to SFAS No. 137, the Plan is required to adopt SFAS No. 133 effective January 1, 2001. Management has not yet been able to determine the impact of SFAS No. 133 on the Plan financial statements as a result of the inconsistency in accounting literature between SFAS No. 133, requiring derivatives to be measured at fair value, and the AICPA Audit and Accounting Guide on "Audits of Employee Benefit Plans" and Statement of Position 94-4, "Reporting of Investment Contracts Held by Health and Welfare Benefit Plans and Defined-Contribution Pension Plans", requiring benefit responsive investment contracts (including synthetic GICs) to be measured at contract value. Until this discrepancy is resolved, management is unable to determine the impact that SFAS 133 will have on the Plan financial statements. The carrying value of benefit responsive investment contracts (including synthetic GICs) in the Master Trust is \$1,219,984 at December 31, 2000. The carrying value of other derivative instruments in the Master Trust is \$86,830 at December 31, 2000.

The actual impact on the Plan's net assets available for plan benefits of adopting SFAS No. 133 will be made based on the derivative positions and hedging relationships at the date of adoption.

### 3. Contributions

Employee contributions to the Plan are recorded based on Basic Contributions of up to 6% and Supplemental Contributions of up to 9% for those participants wishing to contribute additional amounts. Total contributions may not exceed 15% of compensation. Contributions are designated by the participants as before-tax or after-tax, subject to certain IRS limitations.

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## BELLSOUTH RETIREMENT SAVINGS PLAN

### NOTES TO FINANCIAL STATEMENTS--(Continued)

(Dollars in thousands, Except Per-Participant Amounts)

### 3. Contributions--(continued)

As discussed in Section 3 of the Plan document, participants may also rollover amounts into the Plan from other qualified plans.

Participants' Basic Contributions receive a matching contribution in

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BellSouth stock which is contributed to the ESOP Allocated Fund based on the following formula:

Contribution Type	%	Company Match
Basic.....	2%	100%
Basic.....	3-6	Varies by Company
Supplemental.....	7-15	None

The matching percentage is based on company financial performance and the performance of BellSouth stock. The match percentage remains in effect for a twelve-month period from April 1 through March 31. The range of match rates on Basic Contributions in excess of 2% for the three years ended December 31, 2000 were as follows:

	2000	1999	1998
January-March.....	25% - 100%	25% - 100%	25% - 85%
April-December.....	25% - 100%	25% - 100%	25% - 100%

#### 4. Plan Expenses

Each participant in the Plan is charged a flat annual fee for Plan administrative expenses, including recordkeeping, trustee and other expenses considered reasonable by the Plan administrator. The fee is divided on a pro rata basis among each investment option of the participant. The per-participant fee was \$35.25 for 2000 and \$33.00 for 1999 and 1998. Additional fees are charged to individual participants for various services provided by the Plan's recordkeeper and the BellSouth Participant Service Center.

Participants who open a PCRA are charged a \$50 fee for the initial transfer into the PCRA and are charged an additional monthly fee of \$2.50 for each month that the participant maintains a PCRA balance.

Investment manager fees are paid by the Master Savings Trust. The Plan's share of investment manager fees included in allocated share of Trust investment activities in the Statements of Changes in Net Assets Available for Benefits, with Fund Information for the years presented, were as follows:

	For the Year Ended December 31,		
	2000	1999	1998
BellSouth Stock Fund.....	\$ 329	\$ 278	\$ --
Indexed Stock Fund.....	(93)	396	182
Interest Income Fund.....	405	417	363
Balanced Fund.....	119	133	106
Bond Fund.....	228	161	331
	\$988	\$1,385	\$982



The Master Savings Trust did not pay investment management fees for the BellSouth Stock Fund during 1998.

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BELLSOUTH RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS--(Continued)

(Dollars in Thousands, Except Per-Participant Amounts)

4. Plan Expenses--(continued)

For the mutual funds, investment manager fees are not paid directly from the Master Savings Trust. However, these investments are subject to mutual fund management fees which reduce the overall return of the respective mutual fund. These fees, expressed as percentages of fund assets, which were assessed against the mutual funds by their respective managers, were as follows:

	For the Year Ended December 31,		
	2000	1999	1998
	----	----	----
Vanguard Index Trust Growth Portfolio.....	0.12%	0.12%	0.20%
Fidelity Growth & Income Portfolio.....	0.67%	0.68%	0.71%
T. Rowe Price Mid-Cap Growth.....	0.87%	0.91%	0.91%
DFA U.S. 6-10 Value Portfolio II.....	0.44%	0.44%	0.45%
DFA International Value II Fund.....	0.50%	0.50%	0.55%
DFA U.S. Large Cap Value II Fund.....	0.37%	0.37%	0.39%

5. Tax Status

The Internal Revenue Service has determined and informed BellSouth by a favorable determination letter dated April 14, 1998 that the Plan and related Trust meet the requirements of Section 401(a) of the Code and are exempt from federal income taxes under Section 501(a) of the Code.

The Plan has been amended subsequent to the determination letter referred to above. BellSouth believes that the Plan, in its current form, will maintain its tax exempt status. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The federal income tax effects on participants with respect to the Plan are described in the SPD.

6. Termination Priorities

BellSouth intends to continue the Plan indefinitely but reserves the right to terminate or amend it. In the event the Plan is terminated and if BellSouth or its subsidiaries sponsor another defined contribution plan, the participants may elect to have their account balances transferred to the other

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plan. If BellSouth or its subsidiaries do not sponsor such a plan, the participants would receive a lump-sum distribution of their account balances.

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### BELLSOUTH RETIREMENT SAVINGS PLAN

#### NOTES TO FINANCIAL STATEMENTS--(Continued)

(Dollars in Thousands, Except Per-Participant Amounts)

#### 7. Interest in BellSouth Master Savings Trust

The assets of the Plan are held in the Master Savings Trust and are commingled with the assets of the SSP. The assets of the Master Savings Trust are allocated to the Plan based upon the total of each individual plan participant's share of the Master Savings Trust's assets. The Plan's allocated share of the total net assets of all funds in the Master Savings Trust was 68.19369% at December 31, 2000 and 65.57168% at December 31, 1999. The Plan's allocated share of the net assets of each fund in the Master Savings Trust at December 31, 2000 and 1999 were as follows:

	2000	1999
	-----	-----
BellSouth Stock Fund.....	54.09021%	53.82512%
Indexed Stock Fund.....	86.20217%	85.80108%
Interest Income Fund.....	73.76164%	72.94221%
Vanguard Index Trust Growth Portfolio.....	72.77800%	73.57265%
Fidelity Growth & Income Portfolio.....	72.92631%	73.01791%
Balanced Fund.....	82.02028%	81.91873%
Bond Fund.....	92.17892%	92.69418%
T. Rowe Price Mid-Cap Growth.....	74.76342%	79.40384%
DFA U.S. 6-10 Value Portfolio II.....	84.22762%	84.92757%
Personal Choice Retirement Account.....	100.0000%	100.0000%
DFA International Value II Fund.....	86.39532%	87.58686%
DFA U.S. Large Cap Value II Fund.....	76.79393%	75.17285%
Participant Loans.....	63.24551%	63.13932%
Other.....	60.59535%	49.57092%

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### BELLSOUTH RETIREMENT SAVINGS PLAN

#### NOTES TO FINANCIAL STATEMENTS--(Continued)

(Dollars in Thousands, Except Per-Participant Amounts)

#### 7. Interest in BellSouth Master Savings Trust--(continued)

The financial position of the Master Savings Trust at December 31, 2000 and 1999 was as follows:

	2000	1999
--	------	------

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Assets:	-----	-----
Investments at value:		
BellSouth Stock Fund:		
Shares of BellSouth Common Stock#.....	\$2,867,936	\$3,775,655
Temporary cash investments.....	15,254	16,370
Distributable shares .....	18	63
Indexed Stock Fund:		
Equity Index Fund#.....	1,279,516	1,456,096
Interest Income Fund:		
General account investment contracts.....	74,600	93,672
Security backed investments.....	1,145,384	1,096,133
Temporary cash investments.....	48,616	96,209
Vanguard Index Trust Growth Portfolio:		
Securities.....	357,703	340,612
Fidelity Growth & Income Portfolio:		
Securities.....	246,970	262,475
Balanced Fund:		
Securities.....	114,758	126,019
Temporary cash investments.....	12,333	12,975
Bond Fund:		
Securities.....	136,945	113,524
Temporary cash investments.....	4,954	1,786
T. Rowe Price Mid-Cap Growth:		
Securities.....	209,152	98,869
DFA U.S. 6-10 Value Portfolio II:		
Securities.....	83,136	74,162
DFA International Value II Fund:		
Securities.....	44,852	45,283
Personal Choice Retirement Account:		
Securities.....	51,004	25,360
Mutual funds.....	29,181	8,592
Common trusts.....	2,508	291
Temporary cash investments.....	16,360	9,351
DFA U.S. Large Cap Value II Fund:		
Securities.....	37,284	37,252
Participant Loans:		
Loans to participants.....	108,781	106,282
Contribution Account+:		
BellSouth Common Shares.....	5,086	--
Temporary cash investments.....	1,346	42
Distribution Account+:		
Temporary cash investments.....	17,958	47
Expense Account+:		
Temporary cash investments.....	2,540	3,290

(Continued)

BELLSOUTH RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS--(Continued)

(Dollars in Thousands, Except Per-Participant Amounts)

7. Interest in BellSouth Master Savings Trust--(continued)

2000

1999

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	----	----
Dividends and interest income receivable.....	9,029	7,787
Receivable for investments sold.....	474	13,074
Other receivables.....	76	469
	-----	-----
	6,923,754	7,821,740
Liabilities:		
Payable for investments purchased.....	36,300	23,378
Variation margin payable.....	42	224
Other payables.....	392	--
	-----	-----
Trust net assets (excluding ESOP Trusts).....	6,887,020	7,798,138
Investment in ESOP Trusts:		
Shares of BellSouth Common Stock allocated to participants.....	2,034,525	2,350,638
Distributable shares.....	5	1
Shares of BellSouth Common Stock held for future allocation#.....	661,301	949,327
Temporary cash investments.....	21,672	25,505
	-----	-----
Total investments.....	9,604,523	11,123,609
Liabilities:		
Notes payable.....	306,959	391,429
	-----	-----
Trust net assets.....	\$9,297,564	\$10,732,180
	=====	=====
Investments at cost.....	\$7,371,056	\$ 7,276,780
	=====	=====

-----  
# Represents an individual investment which is 5% or more of the Net Assets of the Master Savings Trust.

+ These accounts are combined and presented as the "Other" fund in the accompanying financial statements.

BELLSOUTH RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS--(Continued)

(Dollars in Thousands, Except Per-Participant Amounts)

7. Interest in BellSouth Master Savings Trust--(continued)

Distributions from the BellSouth Stock Fund and the BellSouth Management Savings and ESOP Trust and the BellSouth Savings and Security ESOP Trust (the ESOP Trusts) that are payable in shares of BellSouth Common Stock are separated from the "Shares of BellSouth Common Stock" and "Shares of BellSouth Common Stock allocated to participants" lines and reflected as "Distributable Shares."

Assets in the BellSouth Stock Fund, Bond Fund, Indexed Stock Fund, mutual funds and some of the assets in the Balanced Fund and the PCRA Fund are invested in securities which fluctuate in market value, therefore the values of the fund units fluctuate daily.

Assets in the Interest Income Fund are invested in the following types of

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financial vehicles:

- . General Account Investment Contracts--These contracts are also referred to as traditional investment contracts. An investment contract is termed "general account" when the assets committed to the contract are commingled with other general assets of the contract issuer. The contract issuer promises to return the invested principal plus a stated rate of interest upon maturity. The quality of the promise is a function of the financial condition of the contract issuer.
- . Security Backed Investments--These are generic terms which refer to investment contracts other than "traditional" general account investment contracts as defined above. These investments consist of a combination of marketable securities, owned directly by the Plan or as units of a separate account or trust owned by the Plan, and an investment contract that provides liquidity for eligible employee benefits at book value. Market value securities are investments in fixed income securities owned by the Plan without a corresponding investment contract. Liquidation of these securities to pay eligible benefit events is at market value.
- Group Trust Investment Contracts--Group Trust refers to the INVESCO Group Trust for Retirement Benefit Plans. The INVESCO Group Trust contains a series of commingled investment funds, available only to INVESCO clients, constructed to provide a stable value portfolio with the beneficial elements of various fixed income management strategies. The Plan's investment in any one of the various INVESCO Group Trust Funds is unitized and may be "wrapped" by an independent financial institution through the issuance of an investment contract.
- Separate Account Investment Contracts--An investment contract is termed "separate account" when the assets committed to the contract are segregated from the general assets of the contract issuer through the use of a specifically identifiable separate account. The separate account may be comprised of investments from one Plan or Trust, or comprised of investments from multiple qualified retirement Plans and Trusts. Though ownership of the assets held in a separate account is retained by the contract issuer, the assets are protected from liabilities arising from the contract issuers' general operations. The investment performance of a separate account investment contract may be a function of the investment performance of the investments held in the separate account.
- Synthetic Investment Contract--The term "synthetic" investment contract is used to describe a variety of investment contracts under which a Plan retains ownership of the invested assets, or owns units of an account or trust which holds the invested assets. To ensure these invested assets may be accounted for at book value, a "synthetic" investment contract, also referred to as a "wrap" contract, is negotiated with an independent financial institution. Under the terms of these

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BELLSOUTH RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS--(Continued)

(Dollars in Thousands, Except Per-Participant Amounts)

7. Interest in BellSouth Master Savings Trust--(continued)

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investment contracts, the contract issuer ensures the Plan's ability to pay eligible employee benefits at book value. The investment performance of a synthetic investment contract may be a function of the investment performance of the invested assets.

The value of the Interest Income Fund reflected in these financial statements is based upon the principal invested and the interest credited. The fair value of the Interest Income Fund, by investment type, at December 31, 2000 and 1999 was as follows:

	December 31, 2000	December 31, 1999
	-----	-----
General account investment contracts.....	\$ 74,600	\$ 93,672
Security backed investments:		
Underlying assets.....	1,171,635	1,093,149
Wrapper contracts.....	(26,251)	2,984
	-----	-----
Total contracts.....	\$1,219,984	\$1,189,805
	=====	=====

The contracts held by the Master Savings Trust in the Interest Income Fund are considered fully benefit-responsive in accordance with AICPA Statement of Position 94-4. The crediting interest rate was 6.60% at December 31, 2000 and 6.23% at December 31, 1999. The average yield was 6.51% in 2000 and 6.12% in 1999. Interest rates are reset on a semi-annual, quarterly or monthly basis to move the current book value of these investments toward the projected future market value over the life of the contract.

During 1990, the ESOP Trusts issued medium-term notes in the aggregate amount of \$850 million to fund the purchase of BellSouth Common Stock to be utilized at later dates to fulfill match obligations. Shares purchased with such funds are released for allocation to participant accounts based on a prescribed schedule coinciding with payments on the ESOP notes.

Assets held in the Master Savings Trust are generally unavailable to service the ESOP debt; however, the notes are guaranteed by and are subject to direct recourse against BellSouth. BellSouth contributes to the ESOP Trusts an amount necessary, net of ESOP dividends and interest, to service the ESOP notes. Such contributions are classified as Supplemental Contributions in the accompanying Statements of Changes in Net Assets Available for Benefits, With Fund Information. These contributions are subject to the claims of holders of debt securities issued by the ESOP Trusts but are held at BellSouth and paid to the ESOP Trusts twice yearly to fund, on a same day basis, required payments by the ESOP Trusts on the notes. Such contributions would not remain in the ESOP Trusts unless there was a default on the debt securities by the ESOP Trustee after having received the required contributions from BellSouth. Therefore, holders of the debt securities should not rely on the assets of the ESOP Trusts in arriving at an investment decision with respect to the debt securities.

In addition to Supplemental Contributions, BellSouth contributes amounts necessary to purchase any additional shares required to meet the match obligations after shares released by the ESOP Trusts have been used. Such contributions are classified as Employing Company Contributions in the accompanying Statements of Changes in Net Assets Available for Benefits, With Fund Information.

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In lieu of receiving cash dividends earned on shares of BellSouth Common Stock which have been allocated to participants from the ESOP Trusts, participant accounts are credited with equivalent shares of BellSouth Common Stock. Dividends on the related ESOP shares are transferred to the Unallocated ESOP Fund and are applied towards the service of the ESOP notes. The transfer of these earnings is classified as Transfer for Loan Repayment in the accompanying Statements of Changes in Net Assets Available for Benefits, With Fund Information.

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### BELLSOUTH RETIREMENT SAVINGS PLAN

#### NOTES TO FINANCIAL STATEMENTS--(Continued)

(Dollars in Thousands, Except Per-Participant Amounts)

#### 7. Interest in BellSouth Master Savings Trust--(continued)

BellSouth made supplemental cash contributions to the ESOP Trusts in the amount of \$75,497 in 2000, \$73,389 in 1999 and \$71,857 in 1998 for the purpose of servicing the guaranteed debt.

A description of each debt issue is as follows:

BellSouth Management Savings and ESOP Trust:

Title -----	Amount -----	Interest Rate -----	Due Date -----
Amortizing Medium-Term Notes, Series A.....	\$275,000	9.125%	July 1, 2003
Amortizing Medium-Term Notes, Series A.....	\$275,000	9.19%	July 1, 2003
	-----		
Total.....	\$550,000		
	=====		

BellSouth Savings and Security ESOP Trust:

Title -----	Amount -----	Interest Rate -----	Due Date -----
Amortizing Medium-Term Notes, Series A.....	\$300,000	9.125%	July 1, 2003

Maturities of the ESOP Trusts' long-term debt outstanding at December 31, 2000 were as follows:

	2001 -----	2002 -----	2003 -----	Total -----
Maturities.....	\$94,128	\$104,648	\$108,183	\$306,959
	=====	=====	=====	=====

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Investment activities of the Master Savings Trust are allocated to the Plan based upon the total of each individual Plan participant's share of the Master Savings Trust investment activities during the period ended December 31, 2000.

The Master Savings Trust investment activities for the years ended December 31, 2000, 1999 and 1998 were as follows:

	For the Year Ended December 31,		
	2000	1999	1998
Investment Activities:			
Dividends on shares of BellSouth Common Stock.....	\$ 112,515	\$ 119,742	\$ 110,822
Interest Income Fund income.....	70,326	71,112	78,395
Other interest.....	37,067	66,375	46,717
Net change in unrealized appreciation/(depreciation) on investments.....	(1,575,258)	(1,264,789)	2,617,133
Net realized gain on investments.....	589,455	1,084,574	1,161,504
Investment manager fees.....	(1,437)	(1,880)	(1,198)
Other fees.....	(3,325)	(2,999)	(3,262)
Net investment activities.....	\$ (770,657)	\$ 72,135	\$4,010,111

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the BellSouth Retirement Savings Plan has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

BellSouth Retirement Savings Plan  
By: BellSouth Corporation, as Plan  
Administrator

/s/ Clinton A. Demetriou  
By: \_\_\_\_\_  
Clinton A. Demetriou  
(Executive Director)

Date: June 27, 2001

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