SPRINT NEXTEL CORP
Form DEFA14A
May 17, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a party other than the Registrant ¨

Check appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

x Definitive Additional Materials

¨ Soliciting Material under § 240.14a-12

SPRINT NEXTEL CORPORATION

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (Check the appropriate box):

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¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0- 11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

This filing consists of the following document first used on May 17, 2013:

Presentation Entitled Sprint SoftBank Merger Investor Presentation

May 2013
Sprint
SoftBank Merger
Investor Presentation

1

Cautionary Statement Regarding Forward Looking Statements

This document includes forward-looking statements within the meaning of the securities laws. The words may, could, should, estimate, project, forecast, intend, expect, anticipate, believe, target, plan, providing guidance and similar expressions are intended to identify information that is not historical in nature.

This document contains forward-looking statements relating to the

proposed transactions between Sprint Nextel Corporation (Sprint) and SoftBank Corp. (SoftBank) and its group companies, including Starburst II, Inc. (Starburst II), and the proposed acquisition by Spr
(Clearwire). All statements, other than historical facts, including, but not limited to: statements regarding the expected timir
transactions; the ability of the parties to complete the transactions considering the various closing conditions; the expected bene
such as improved operations, enhanced revenues and cash flow, growth potential, market profile and financial strength; the cor
position of SoftBank or Sprint; and any assumptions underlying any of the foregoing, are forward-looking statements. Such sta
current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. The inclusion of such stateme
regarded as a representation that such plans, estimates or expectations will be achieved. You should not place undue reliance on such statements. Important factors that could cause actual results to differ materially from such plans,

estimates or expectations include, among others, that (1) there may be a material adverse change of SoftBank; (2) the proposed financing may involve unexpected costs, liabilities or delays or may not be completed on terms acceptable to SoftBank, if at all; and (3) other factors as detailed from time to time in Sprint s, Starburst II s and Cle
Securities and Exchange Commission (SEC), including Sprint s and Clearwire s Annual Reports on Form 10-K for the yea
2012, and other factors that are set forth in the proxy statement/prospectus contained in Starburst II s Registration Statement o
declared effective by the SEC on May 1, 2013, and in other materials that will be filed by Sprint, Starburst II and Clearwire in connection with the transactions, which will be available on the SEC s web site (www.sec.gov). There can be no assurance that the transactions wi
completed, that such transactions will close within the anticipated time period or that the expected benefits of such transactions
All forward-looking statements contained in this document and the documents referenced herein are made only as of the date o
they are contained, and none of

Sprint, SoftBank or Starburst II undertakes any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events except as requi
are cautioned not to place undue reliance on any of these forward-looking statements.

Introduction

3
Introduction
SoftBank Merger
Provides Cash and
Stock Consideration
at a Premium Value
Sprint shareholders will receive $12.1 billion in cash and 30% ownership in newly capitalized Sprint (New Sprint)
Package
of
consideration
valued
at

$6.34
-
$7.33
per
share
(per
the
proxy
and
before
synergies),
a
26%
-
45% premium to the 10/10/12 price (before press reports of a SoftBank merger)
7.8x multiple of 2013E EBITDA versus comparable transaction multiples of 7.1x for AT&T/TMO and 6.1x for TMO/Metro
New Sprint
Positioned for
Success
SoftBank
brings
extensive
wireless
experience
and
a
track
record
of
success
SoftBank brings LTE leadership, global scale and expertise in 2.5GHz spectrum
Governance structure intended to protect public shareholder interests: e.g. majority independent directors at close, mandatory liquidity offer and SoftBank non-compete
Positive market reaction to the transaction announcement in October
SoftBank Merger
Provides Equity
Capital
Upon closing, SoftBank s $3.1 billion of convertible debt outstanding converts and SoftBank funds $4.9 billion in primary common equity capital
The inflow of capital funds the Clearwire acquisition and LTE network build-out in order to better compete with AT&T and Verizon
S&P and Moody s placed Sprint on positive review as a result of the SoftBank transaction
Sprint s Board
Exercised Diligence
Board met regularly to consider strategic alternatives and the SoftBank merger
Board and management pursued alternatives and actively negotiated for better terms
Board supports the SoftBank merger (special committee is reviewing the DISH offer)
The Sprint board of directors believes that the proposed merger is in the best interests
of

Sprint
shareholders
and
recommends
shareholders
vote
FOR
the
merger

Sprint Background and Business Plan

5

SoftBank Transaction Will Help Sprint Continue to Deliver Exceptional Value to Shareholders

Sprint is focused on its LTE network build-out to improve its competitive position

Incremental capital is required to accelerate the build-out

The SoftBank transaction delivers:

Immediate and meaningful realization of value;

Significant capital to rapidly accelerate Sprint s network build-out plans;

Expertise in successful deployment of 2.5GHz spectrum for LTE;

Increased scale and much improved global purchasing power;

Competitive wireless experience in Japan; and

The opportunity for Sprint shareholders to participate in the upside value creation through continued ownership in a better capitalized, more competitive New Sprint

6
Phases of the Sprint Turnaround
Improve the brand
Reverse subscriber trends
Begin growing revenue
Eliminate costs
Conserve capital in
preparation for investment
phase
Build world-class network
platform
Eliminate duplicative
network cost structure
Focus on growth of core

Sprint platform business
Expect strong margin
improvement from Network
Vision and continue
revenue growth
I. Recovery
II. Investment
III. Margin Expansion
2008
2011
2012
2013
2014 +
Sprint Turnaround

7
Significant
Gap
Versus
AT&T
and
Verizon
Source: Company filings.
(1) Reported
as
of
1
Quarter

2013.
(2) Defined as cash from operations less capital expenditures. AT&T and Verizon reflect consolidated cash from operations ar
Capex requirements highlight the importance of scale and cash flow
st
2012A Capital Expenditures
$8,857
$10,795
$4,261
$3,747
$434
$837
Verizon
AT&T
Sprint
TMO / Metro
LEAP
USM
2012A
Free
Cash
Flow
(2)
2012A EBITDA
$29,728
$23,467
$4,803
$6,398
$601
$804
Verizon
AT&T
Sprint
TMO / Metro
LEAP
USM
Retail
Subscribers
(mm)
(1)
98.9
77.9
47.3
35.1
4.6
5.7
Verizon
AT&T
Sprint
TMO / Metro
LEAP

USM
$15,311
$19,711
($1,262)
$1,297
($252)
$63
Verizon
AT&T
Sprint
TMO / Metro
LEAP
USM
Note: EBITDA and capital expenditures for Verizon and AT&T include wireless only.

8
Significant Funding Need to Change Sprint s Position
$8.4bn funding gap, or 55% of Sprint
market cap on 10/10/12
Management
prepared
the
business
cases
that
were
outlined
in

the
proxy
(illustrated
below)
The Clearwire Acquisition Model contemplated an $8+ billion funding need
Today
Sprint
is
rated
B1
/
B+
by
Moody s
and
S&P,
respectively
Note: See proxy pages 112 through 114 for business cases prepared by management.
(1) Proxy case assumed CLWR equity purchase price of $2.00 / share and certain refinancing of existing Clearwire debt. Free c
(2) Expected close in May 2013. Excludes potential shutdown costs of $130-150mm (on an NPV basis)
(3) CLWR draw for April and May pursuant to financing plan providing for draws of $80mm per month.
(4) June - December Clearwire cash burn assumed to be $80mm per month.
(5) Includes ST and LT Restricted Cash.
Four Business Cases from Proxy
($ in millions)
Amount
Funding Gap
$8,370
Purchase of CLWR Equity (@ $2.97 / share)
(1)
2,274
Purchase of US Cellular Spectrum
(2)
480
CLWR Draws Under NPA
(3)
160
CLWR Negative Cash Burn Post-Closing
(4)
560
Total Cash Needs
$11,844
2013 / 2014 Sprint Debt Maturities
648
1Q'13 EOP Cash - Sprint
$7,769
1Q'13 EOP Cash - CLWR
(5)
801
Total Cash

$8,570
Actual
Projected
Parameter
Business Plan Cases
2012
2013
2014
EBITDA
Baseline (8/3/2012)
$4,803
$6,167
$8,236
Revised Baseline (9/5/2012)
--
5,600
7,000
With Additional Network Build
--
5,584
7,179
Clearwire Acquisition Model
(1)
--
5,349
6,899
Capex
Baseline
$4,261
$5,297
$4,171
Revised Baseline
--
6,448
4,641
With Additional Network Build
--
6,826
5,585
Clearwire Acquisition Model
(1)
--
7,885
4,791
Free Cash
Baseline
($1,262)
($2,374)
$1,824
Flow

Revised Baseline
--
(4,508)
(1,135)
With Additional Network Build
--
(4,852)
(2,000)
Clearwire Acquisition Model
(1)
--
(6,537)
(1,833)

SoftBank Transaction Provides Significant
Premium to Shareholders and Ability to
Participate in Ongoing Value Creation

10
Transaction Overview
Step 1
Pre-Transaction
~3.0 billion Sprint
shares outstanding
SoftBank invested
$3.1 billion in
convertible debt @
$5.25 / share
(1)
at signing
SoftBank
$4.9 billion cash
infusion

70% SoftBank
(3.2bn shares)
SoftBank
Source: Company filings
(1)
Converts into equity representing approximately 16.4% of common shares immediately prior to closing of Steps 2a and 2b
Step 2a
Step 2b
30% existing
Sprint
shareholders
(1.4bn shares)
$8 billion cash infusion into Sprint
$12.1 billion
cash to Sprint
shareholders
Sprint shareholders
Completed on
October 22, 2012
At Close
Post-Close
Ownership

11

SoftBank Transaction Meaningfully Improves Sprint s Financial Position

Clearwire
transaction
is
conditioned
on
the
SoftBank
transaction
closing
(or
a

new
superior
transaction)
Upon closing the merger, SoftBank will (i) convert its $3 billion of convertible Sprint debt and (ii) contribute $5 billion of cash for common equity, significantly reducing net leverage
S&P and Moody s placed Sprint on positive review as a result of the transaction; S&P noted: We believe the financial risk profile would benefit from about $8 billion of additional liquidity, which can be used to help fund its network upgrade and accelerate its rollout of fourth generation (4G) services.
Net Leverage
(3)
Balance Sheet Cash
(1)
Total Debt
(2)
Sprint + Clearwire
Sprint + Clearwire + Softbank
Excludes $2.3bn of
cash for CLWR
acquisition
$3.1bn of debt
converted to equity
$5bn from common
equity issuance
Source: Company Filings.
(1)
Based on Sprint standalone cash of $7.8bn plus $0.8bn CLWR cash, less $2.3bn for the CLWR acquisition. Pro forma Includes
the assumed exercise of warrants.
(2)
Based on $24.8bn standalone debt plus $4.6bn of CLWR debt , less $0.2bn of CLWR notes held by Sprint. Pro forma assumes
(3)
Based on LTM EBITDA of $4.9bn as of 1Q 13 ($5.1bn of LTM Sprint EBITDA less ($170)mm of LTM Clearwire EBITDA)
$6.3
$11.5
3/31/2013A
3/31/2013 PF
$29.2
$26.1
3/31/2013A
3/31/2013 PF
4.6x
3.0x
3/31/2013A
3/31/2013 PF

12
Implied
New
Sprint
Public
Trading
Price
Consistent
with
Comparables
Verizon and AT&T trade at 7.2x and 6.3x, respectively
(versus New Sprint
multiples)

Verizon and AT&T trade at 6.8x and 6.1x, respectively
(versus New Sprint
multiples)
Does not include
any potential
synergies
Pro-rata cash per share received by existing Sprint
shareholders upon closing of the SoftBank transaction
($7.30 / share x 55.2%)
Remaining percentage of Sprint shares after SoftBank
secondary purchase (1
55.2%)
Sprint s
share
price
prior
to
DISH s
public
proposal
implies
a
value
of
New
Sprint
(public
stub)
in
line
with comparable publicly traded companies
Includes shares issued from $5bn primary common
issuance to SoftBank and conversion of $3bn of convertible
debt into equity
(1) $24.8bn of Sprint debt, plus $4.4bn of CLWR debt (excluding $184mm held by Sprint), less $3.1bn conversion of Softbank
(2) $7.8bn of Sprint cash plus $0.8bn of CLWR cash, plus $4.9 of primary issuance from Softbank plus $0.3bn from exercise o
(3) April 23, 2013 proxy statement, page 114.
Day Before
DISH Proposal
(4/12/13)
Sprint Price per Share
$6.22
Pro-rata cash per share from Softbank ($12.1bn)
4.03
Implied Stock Consideration per Share
$2.19
% Stock Consideration
44.8%
Implied Equity Value per Share of "New Sprint"
$4.89

PF Shares Outstanding
4.6
Pro Forma Equity Value of "New Sprint"
$22.4
Plus: S + CLWR Debt at 3/31/2013
(1)
26.1
Less: S + CLWR Cash at 3/31/2013
(2)
(11.5)
PF Firm Value (Including CLWR) of "New Sprint"
$37.0
2013E EBITDA (S + CLWR)
(3)
$5.3
FV / 2013E EBITDA
6.9x
2014E EBITDA (S + CLWR)
(3)
$6.9
FV / 2014E EBITDA
5.4x

13
50%
47%
42%
39%
27%
SoftBank Has Extensive Wireless Experience Driving Growth and Margin
SoftBank Subscriber Growth
(millions)
2012 Wireless EBITDA Margins
06
13 CAGR: + 17%

Source: Company filings, investor presentations
Source: Company filings, investor presentations
Note: Includes SoftBank Mobile (including communication modules), Willcom, and EMOBILE s accumulated subscribers.
15.0
41.9
Mar-04
Mar-05
Mar-06
Mar-07
Mar-08
Mar-09
Mar-10
Mar-11
Mar-12
Mar-13
SoftBank acquired
Vodafone Japan
in March 2006

14

SoftBank Transaction Provides Global Scale Benefits

Sprint + SoftBank will be the world s third largest seller of smartphones (significant economies of scale)

Sprint will leverage SoftBank s experience in building out LTE on 2.5 GHz spectrum to improve the customer experience: (1) accelerated expansion of nationwide footprint (2) faster data speeds
(3) increased capacity

Given the complementary nature of Sprint and SoftBank s businesses, including a shared history of technical and marketing innovations and the potential for purchasing power synergies, the transaction provides the opportunity to further enhance Sprint s standalone record of consumer service and innovation in the telecommunications market

99mm
86mm
78mm
58mm

38mm
35mm
Verizon
Softbank + Sprint
AT&T
NTT Docomo
KDDI
T-mobile + Metro
Softbank
39mm
Sprint
47mm
(1)
Note: SoftBank subscribers as of 4/31/2013 and all others as of 3/31/2013.
(1) Total wireless subscribers excluding communication modules. Softbank subscribers pro forma for Mobile, Willcom, and El
(1)
Retail Wireless Subscribers

15
New Sprint Governance Protects Minority Shareholders
Board
10 member: 3 new independent, 3 legacy Sprint independent directors, 3 SoftBank directors, CEO (years 1 and 2)

Year 3: 6 independents, 3 SoftBank, CEO

After Year 3: at least 3 independent directors
Committees have at least one independent director (if SoftBank owns 50% or more)
Approval of a Majority of
Disinterested Directors
Required (for 2 years)
Dividends

Business combination with SoftBank (or settlement of claims)
Differential consideration to SoftBank in a business combination
Waiver of Delaware 203
Non-compete
SoftBank will not compete in the U.S. (expires once SoftBank owns less than 10% of the voting power of Sprint)

Carve-outs for $100mm or less investments
Mandatory Offer
Mandatory offer to all non-SoftBank Sprint shareholders if SoftBank s voting interest exceeds 85% (price not to be less than the 20-day VWAP preceding the offer)
Offer requires approval of a majority of independent directors
Expires when SoftBank owns less than 20%
Note: In general, amendments require majority of the minority shareholder vote as long as SoftBank owns more than 50%.

Premium Valuation Versus Benchmarks

17
$6.44
$6.34
$7.33
$7.16
Market Value
DCF Analysis
SoftBank Transaction Offered a Premium Package of Consideration
Note:
Valuation
ranges
as

noted
from
proxy
(does
not
include
any
potential
synergies).
(1) October 10, 2012 was the last trading day prior to the publication of news articles relating to a potential transaction betwee
(2) Based on 2014E EBITDA of $7.2bn as outlined in the proxy page 107.
(3) 52-week range as of October 10, 2012.
Implied Premium (%)
Value Per Share of Consideration
to Sprint Shareholders
Volume Weighted Average Share Price
52-week Range
$6.44
$7.33
$6.34
$7.16
28%
45%
26%
42%
24%
41%
22%
38%
47%
67%
45%
63%
81%
105%
78%
101%
79%
103%
76%
98%
13%
29%
11%
26%
204%
246%
199%
238%
Market Value

DCF Analysis
$5.04
Price as of 10/10/2012
$5.19
$4.38
$3.57
$3.61
30-Day
90-Day
180-Day
360-Day
$5.70
$2.12
52-Week High
52-Week Low
Per page 107 of the proxy: blended per share value assuming a pro-rata election between
$7.30
/
share
in
cash
and
New
Sprint
stock
valued
at
5.00x

6.25x
2014E
EBITDA
(2)
Same as above but the New Sprint stock was valued at the DCF value (as outlined on pages 107 and 108 of the proxy)
(1)
Market Price
(3)

18
Note: Market data as of 5/10/2013
60.6%
35.4%
(22.4%)
(78.1%)
239.9%
Wireless Price
Performance
(01/01/09
4/12/13)
0.0
200.0
400.0

600.0
800.0
1,000.0
1,200.0
$0.00
$1.00
$2.00
$3.00
$4.00
$5.00
$6.00
$7.00
$8.00
Jan-09
May-09
Sep-09
Jan-10
May-10
Sep-10
Jan-11
May-11
Sep-11
Jan-12
May-12
Sep-12
Jan-13
$7.33
$6.34
VWAP: $4.10
10/10/12: Press reports of potential
transaction between SoftBank & Sprint
Chart ends day prior to
DISH public offer (4/15/13)
Consideration Well Above Historical Trading Prices Despite Run-Up
(01/01/2009
4/12/2013)

19
SoftBank
Consideration
Consistent
With
or
Above
Value
Benchmarks
Outlined
in
the

Proxy
Analysis
as
outlined
in
the
proxy
on
pages
106

112.
The
analysis
did
not
include
any
potential
synergies.
(1)
DCF implied share prices as of respective valuation date. Value based on Sprint management projections: Revised Baseline wi
(2)
Based on Sprint management projected 2012E OIBDA ($4.7 billion)
4.5x -
5.5x
EV / 2013E
OIBDA
Discount rates
of 8.0% -
9.0%,
terminal trailing
OIBDA multiple
of 4.5x
5.5x
Selected
precedent 2012E
OIBDA multiple
range of
5.5x

7.0x
(2)
Based on
52-week high
and low
Based on 22
price targets
since Q2
earnings

released
25% -
35%
premium to
current share
price
Market value
consideration
$7.33
$6.44
Discount rates
of 8.0% -
9.0%,
terminal trailing
OIBDA multiple
of 4.5x
5.5x
Discounted
cash
flow
(1)
DCF value
Consideration
$7.16
45% of the
consideration is stock
Midpoint: $6.43
$ per Share
$6.34
Sprint
Standalone
(6/30/2012)
Sprint
Standalone
(6/30/2013)
Last 12 Months
High / Low
Trading
Comparables
Analyst
Price Targets
Precedent
Transactions
Premiums Paid
$2.12
$3.85
$2.50
$4.08
$6.30
$4.67

$5.09
$5.70
$5.69
$7.00
$6.39
$6.80
$7.28
$7.82
Median: $5.50
Mean: $5.00
Midpoint: $5.95

20
Recent Market Prices Still Suggest a Premium to Precedent Transactions
Implied Sprint Standalone EBITDA Multiples
(Pre-SoftBank Transaction Closing)
Premium to Recent Precedent Transactions
(3)
(4)
Precedent Transaction Multiples
7.8x
7.1x
6.1x
($ in billions, except share prices)
Day Before DISH
Proposal

(4/12/13)
Share Price
$6.22
Pre-Transaction Shares
3,056
Implied Sprint Equity Value
$19.0
Plus: S + CLWR Debt (3/31/13)
29.2
Less: S + CLWR Cash (3/31/13)
(1)
(6.3)
Implied Firm Value
$41.9
Valuation
Metrics
2012A EBITDA (S + CLWR)
$4.6
Multiple
9.0x
2013E EBITDA (S + CLWR)
(2)
$5.3
Multiple
7.8x
Source: Public filings as of 1Q   13.
(1)
Sprint + Clearwire cash, net of $2.3bn used to acquire Clearwire equity.
(2)
As shown for CLWR Acquisition Model in the proxy page 114.
(3)
Based on 2011E OIBDA of $5.5 billion (signed transaction in March 2011 and subsequently withdrawn).
(4) Original transaction was a 5.3x multiple per the proxy (page 110). Adjusted for 26%
of $3.8bn debt reduction and based on 2013 consensus EBITDA of $1.4bn for Metro.

Board Process

22
Potential Strategic Alternatives Reviewed
Party
Date
Comments
W
5/11
9/11
Considered buying spectrum from W and entering into commercial arrangements with
W s shareholders (W was subsequently sold)
X
9/11
2/12
Considered merger; X subsequently merged with another party
Y
5/12

9/12
Considered merger (there were previous joint venture and combination discussions)
DISH
4/12
9/12
Considered spectrum partnerships with DISH; in September 2012, DISH CEO
indicated
that
DISH
was
focused
on
certain
regulatory
issues
and
would
require
a
significant due diligence period and believed that Sprint s market price was in excess
of its fundamental value
Sponsors
--
Indicated
interest,
but
difficult
to
execute
given
$8+bn
funding
gap
(versus a ~$15bn market cap in the fall of 2012) and a B1 / B+ balance sheet
Other
Foreign Telcos
--
Limited interest given global economy
Large
U.S. Telcos
--
Regulatory hurdles
Other U.S.
Cable
--
Sold spectrum to Verizon and entered into a resale agreement (sold or selling
Clearwire shares too)

23

Sprint s Board was Deliberate and Thorough in its Consideration of the
SoftBank Transaction

Sprint s board of directors regularly reviews the company s strategy in light of changing market conditions and the evolving landscape of the wireless industry

The proxy outlines the significant strategic alternatives reviewed since mid 2011

The board met to discuss the SoftBank merger multiple times between mid-September and mid-October (the announcement date)

The company engaged Skadden as legal advisor and Citi, Rothschild and UBS as financial advisors

On October 13, 2012, the Sprint board of directors held a special meeting and determined that the **SoftBank**
merger
was
in
the
best
interests

of
Sprint
and
its
shareholders,
approving
the
Merger
agreement
and
resolving to recommend that its shareholders vote in favor of the transaction
The Sprint board has not made any determination to change its recommendation of the SoftBank merger
Separately, the finance committee of the board also met numerous times

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Price and Terms Improved Through the Negotiation

Premium pricing versus a rising stock price: $3.46 trading price / share on 7/6/2012 (date of first meeting) and $5.00 trading price / share on 9/11/2012 (date of first proposal)

Significantly improved

Increased the cash
to shareholders
(1)
55.2% cash consideration price per share and 44.8% stock consideration price per share (stock valued at primary price).
(2)
Expense reimbursement.
(1)
(2)
Parameter
First SoftBank
Proposal
(9/11/12)
Final
Primary Price / Share
$5.25
$5.25
Cash Merger Consideration / Share
6.75
7.30
$6.08
$6.38
Primary Investment
$8.0bn
$8.0bn
Cash to Shareholders
11.2bn
12.1bn
Total SoftBank Cash Invested
$19.2bn
$20.1bn
Acquire 100% of Clearwire
Condition to close
No condition
Break Fee
$2,000
$600
Fee on No-Vote
750
75
Force the Vote
Yes
No
Reverse Termination Fee
250
600
Liquidity Offer
None
Public Float < 15%
Blended Price / Share

Market Embraced the SoftBank Transaction

26
Sprint s Stock Has Continued to Perform Well Post Announcement
Stock
Price
Performance
(7/16/12

4/12/13)
10/10/12: Press reports of potential
transaction between SoftBank & Sprint
10/15/12: Sprint & SoftBank enter definitive
agreement to sell 70% stake to Sprint for
$20.1bn
Sprint announces agreement with Clearwire to

purchase unowned 49.6% stake for $2.97 / share
Analyst Price Targets
SoftBank deal announcement (21.5% increase in Target
Price
between
10/10

10/31)
Source: Factset and company filings.
0
200,000
400,000
600,000
800,000
1,000,000
$2.00
$2.50
$3.00
$3.50
$4.00
$4.50
$5.00
$5.50
$6.00
$6.50
$7.00
7/16/2012
8/16/2012
9/16/2012
10/16/2012
11/16/2012
12/16/2012
1/16/2013
2/16/2013
3/16/2013
$2
$3
$4
$5
$6
$7
$8
0%
25%
50%
75%
100%
79.8%
Increase
Oct-12

Nov-12
Dect-12
Jan-12
Feb-12
Mar-12
Sept-12
Jul-12
Jun-12
May-12
Apr-12
Aug-12

27
Favorable Reaction from Research Analysts
Analyst Commentary
New Sprint, with a **materially better balance sheet and lower**
cost of debt
and wider strategic options than today s Sprint, will be
worth substantially more [than Standalone Sprint].
-
Bank of America Merrill Lynch (10/15/2012)
Sprint s biggest issues were **balance sheet and spectrum needs**
and this deal has the ability to solve both.
-
UBS (10/15/2012)
SPRINT BALANCE SHEET SIGNIFICANTLY STRONGER POST

DEAL: Hesse made the point that post this deal, Sprint's balance sheet and leverage ratio will be close to that of VZ and T

Sprint will use this investment to pursue opportunities and strategic options that were not possible with the current balance sheet.

-

Wells Fargo (10/15/2012)

SoftBank brings a number of things that may offset the gap between their offer and our view of intrinsic value: 1) New capital from SoftBank will enable Sprint to accelerate consolidation of the industry. 2) New capital from SoftBank will also allow Sprint to meaningfully improve its spectrum position relative to AT&T and Verizon. **3) SoftBank has a strong track record of innovation** and cost management. Their expertise could add further value to Sprint over time.

-

Credit Suisse (10/15/2012)

We see the new company as focused on higher broadband speeds and more control of wireless applications/devices. We also see them making more acquisitions

We expect the company to save at least $1.5B per year on a combined basis from lower interest expense and combined synergies.

-

Oppenheimer (10/15/2012)

With a $3.1bn immediate cash infusion (1% convert) and another $17.0bn at close of the transaction,

Sprint will finally have the resources necessary to fully rebuild its aging and still disparate wireless network.

-

Canaccord Genuity (10/16/2012)

SoftBank sees value in the US mobile market, where smartphone demand is strong despite slower networks and the industry is currently undergoing a phase of consolidation. SoftBank s strong cash flows and cheaper financing could help **Sprint fund its** network upgrades and expansion for the opportunity in mobile internet/data.

-
Macquarie (10/15/2012)

Regulatory Update

29
SoftBank Merger On Track to Close by Mid-2013
Hart-Scott-Rodino.
Each
Sprint
and
SoftBank
has
made
the
required
notifications
under
the HSR Act and the Antitrust Division and the Federal Trade Commission granted early

termination of the waiting period under the HSR Act on December 6, 2012
Federal
Communications
Commission
Approval.
Due
to
a
number
of
licenses
issued
by
the FCC that Sprint holds, Sprint is subject to regulation by the FCC under the
Communications Act and as a result, the FCC must approve the transfer of control of the
licenses from Sprint to SoftBank
CFIUS
and
DSS
Approvals.
These
agencies
approval
are
required
when
foreign
investment is involved in the transaction. Sprint and SoftBank believe that the merger will
not
give
rise
to
any
national
security
concerns
that
would
cause
the
transaction
to
be
blocked
State
and
Foreign.
Sprint,
as
a

holder
of
international
and
state
telecommunications
certificates and licenses, has submitted the filings necessary for approval
Shareholder
Vote.
Scheduled
for
June
12,
2013
with
expected
closing
July
1,
2013

DISH
Proposal

4/15/13

31

Consideration Regarding the Dish Offer

On April 15, 2013, Sprint received an unsolicited proposal from DISH Network

In accordance with its fiduciary and legal duties, Sprint s board of directors established a Special Committee comprised of five independent directors, Larry Glasscock, James Hance, Jr., V. Janet Hill, William Nuti and Rodney O Neal, to assess the merits of the DISH proposal

The Special Committee, along with its financial and legal advisors, will evaluate the proposal and make a recommendation to the full Sprint board as to whether the DISH proposal is, or is likely to lead to, a superior offer

While Sprint intends to keep its shareholders updated on any changes, as of now, the **Sprint board of directors have not made any determination to change its** recommendation of the SoftBank merger

32
Terms Outlined by DISH
DISH offered to acquire 100% of Sprint for $7.00 per share
Comprised
of
$4.76
per
share
in
cash
and
$2.24
per
share

in
DISH
stock
for
each
Sprint
share
Total
cash
proceeds
to
Sprint
shareholders
of
$17.4bn
($8.2bn
in
stock)
financed
with
$9.3bn
of
new
debt
and
$8.1bn of cash on balance sheet
DISH completed a $2.6bn senior note offering on May 15, 2013
DISH expects pro forma corporate ratings of B1/B+ and expressed willingness to obtain committed financing
Source: DISH press release and public filings.
(1)
Reflects Sprint and DISH stock prices on April 12, 2013.
(1)
At Offer
(4/15/13)
Current
(5/10/13)
Value of DISH Offer
Cash
$4.76
$4.76
Stock
2.24
2.33
Total
$7.00
$7.09
DISH Stock Price
$37.63
$39.19
Exchange Ratio

0.05953x
0.05953x
Value of Stock to Sprint
$2.24
$2.33
Economic
Voting
Pro Forma Ownership
DISH -
Ergen
36%
85%
DISH -
Public Shareholders
32
8
SoftBank
5
1
Sprint Shareholders
27
6
Versus $4.03 in the
SoftBank merger
(SoftBank merger
would be expected to
close sooner)
Versus current Sprint
price of $7.36 (5/10/13)

Conclusion

34
+
Attractive package of consideration, including (i) $7.30 / share
in cash for a
majority of the outstanding stock and (ii) stock in a stronger, better capitalized
company representing 30% of Sprint (in total)
Provides Sprint with $8.0 billion of primary capital to enhance its mobile network
and strengthen its balance sheet
Enables Sprint to benefit from SoftBank s global leadership in LTE network
development and deployment

Improves operating scale creating opportunities for opex and capex synergies
Creates opportunities for collaborative innovation in consumer services and applications
The Sprint board of directors believes that the proposed merger is in the best interests of Sprint shareholders and recommends shareholders vote FOR the merger