

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

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

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)

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(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 Sprint
(Clearwire). All statements, other than historical facts, including, but not limited to: statements regarding the expected timing
transactions; the ability of the parties to complete the transactions considering the various closing conditions; the expected benefits
such as improved operations, enhanced revenues and cash flow, growth potential, market profile and financial strength; the composition
position of SoftBank or Sprint; and any assumptions underlying any of the foregoing, are forward-looking statements. Such statements
current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. The inclusion of such statements
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 Clearwire's
Securities and Exchange Commission (SEC), including Sprint's and Clearwire's Annual Reports on Form 10-K for the year
2012, and other factors that are set forth in the proxy statement/prospectus contained in Starburst II's Registration Statement of
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 will
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 of
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 required. All forward-looking statements 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 and 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 cash flow

(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 of

(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 E

(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 between

(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

24

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