

SPRINT NEXTEL CORP  
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Third Party Commentary on SoftBank / Sprint Transaction

In light of Softbank's revised offer and the Sprint Board's recommendation, Paulson & Co. Inc. ( Paulson ) Sprint's second largest shareholder with 231 million shares as of the latest 13F filing intends to vote all its shares in favor of the Softbank transaction. In addition to the improved financial terms, Paulson believes Softbank has exceptional operating expertise in the wireless area and a strategic vision which will make Sprint a formidable competitor in the future.

*Paulson & Co. Will Vote All Shares In Favor of Softbank's Improved Offer for Sprint, PR Newswire*

June 10, 2013

Dish seeking more time is like your son telling you he can't finish all of his homework because he was playing video games. Dish's lack of action before SoftBank's most recent move speaks volumes.

*Dealpolitik: Dish Losing the Sprint for SoftBank, Wall Street Journal MoneyBeat*

June 11, 2013

Even if Mr. Ergen were willing to show his hand, Sprint shareholders might still opt for SoftBank's offer. Cash-strapped Sprint is arguably losing ground every day its network lags behind those of Verizon Wireless and AT&T. The financial backing of a stable investor with wireless experience would be a boon.

*Heard on the Street: SoftBank's Hard Cash Makes Sprint a Slog for Dish, Wall Street Journal*

June 11, 2013

We view the higher cash component as enough to gain favour with [Sprint] shareholders and expect the deal to close by the end of June.

*Dish's spoiling tactics in Sprint bid left in tatters*, Financial Times (citing an analyst with S&P Capital IQ)

June 11, 2013

Sprint shareholders should take the money and run.

[T]ime is not on Sprint's side because it needs to quickly reverse customer losses to improve its earnings.

*SoftBank raises Sprint offer, wins key shareholder support*, Reuters News (quoting an analyst with Macquarie)

June 11, 2013

SoftBank is likely to win support from shareholders because it can close the deal much faster (in less than a month) than Dish, which would need several months to complete the deal.

*Softbank bumps its Sprint bid to \$21.6B*, VentureBeat

June 11, 2013

The deal, if approved by the Federal Communications Commission and Sprint's shareholders, should make the telecommunications industry more competitive by providing consumers better and cheaper choices for phone and broadband connections.

If it competes aggressively in the United States, SoftBank could help shake up the highly concentrated American industry. The wireless industry is dominated by four national providers, and most consumers have either one or two choices for high-speed Internet service at home.

*A Deal That Could Benefit Mobile Users*, New York Times Editorial Board

May 29, 2013

ISS said Sprint shareholders should vote for the proposed transaction with SoftBank, given the strategic merits of the SoftBank deal, the sales and negotiation process overseen by the board, the strength of the valuation relative to precedent transactions and the market reaction to the offer.

*ISS recommends vote for SoftBank's Sprint bid, Reuters*

June 1, 2013

Sprint needs more investment to bulk up its long-term evolution network to offer faster Internet speeds, helping it lure subscribers from AT&T and Verizon, ISS said. SoftBank offers the resources and experience to help Sprint, it said.

*Softbank's Sprint Bid Backed by ISS as Dish Ruling Left Open, Bloomberg News*

June 1, 2013

In its report, I.S.S. found that SoftBank's offer fairly valued Sprint and provided much-needed capital that would help the wireless provider expand its network and turn around its long-struggling fortunes.

*I.S.S. Backs Sprint's Deal With SoftBank, New York Times Dealbook*

June 1, 2013

Were Dish to win Sprint, the combined company would also be the most highly leveraged among large telecoms, leaving little-to-no room for error.

U.S. consumers already have experience with highly levered, capital scarce wireless industry competitors to AT&T and Verizon. No matter the discounts offered by Sprint, T-Mobile and MetroPCS as independent wireless providers, consumers have regularly fled the networks when adopting smartphones, favoring higher priced but better data service offered by AT&T and Verizon.

Ultimately, SoftBank's deal for Sprint and Sprint's deal for Clearwire give consumers the best chance at price competitive nationwide smartphone service.

*Wireless Goes Wild as Consumer Is Given Shakedown, TheStreet*

June 1, 2013

Dish's core business, a subscription video business, is in secular decline.

The whole premise of Ergen's thesis is that Sprint-Dish together can offer a bundle to the home. I would argue they are late in that game. I don't think they have the assets combined to compete with the Verizons and Comcasts of the world.

The problem with the Dish-Sprint proposal is Sprint's problem for a long time was that they were overleveraged and they didn't have the financial wherewithal to build out their network, to really compete with AT&T and Verizon. SoftBank solves that problem. Dish exacerbates that.

In his heart of hearts, [Charlie Ergen] doesn't really want to own Clearwire. He doesn't really want to own Sprint. He wants to agitate to get a network access deal from Sprint.

*Dish Trying to Agitate Sprint, Not Buy: Grubman, CNBC*

May 31, 2013

SoftBank is much further along in the approval process. And Dish, which only started due diligence on Sprint last week, would need to assume another \$9 billion in debt to finance its deal. That could seriously hurt the competitiveness of the combined company.

*Heard on the Street: Clearwire Wager Has High Stakes for Dish Investors, Wall Street Journal*

May 30, 2013

But by upping the offer for Clearwire now, Dish risks an increase in its total costs if it succeeds in buying Sprint - its ability to finance that \$25.5bn deal has already been questioned, among others by some Sprint directors.

*Dish, a fickle suitor, turns to its old dance partner Clearwire after Softbank-Sprint deal clears hurdle, Quartz*

May 30, 2013

The question is whether a less leveraged Sprint able to execute its network vision on the sturdier financial footing provided by Softbank's cash and delivering a growing suite of wireless broadband services creates more shareholder value than an unproven Quad Play attempting to take share with a highly leveraged balance sheet and assets that require significant capital investment. History suggests that the alternative of a SoftBank/Sprint combination will create more shareholder value.

The growth prospects of the combination of SoftBank and Sprint, however, with a deleveraged balance sheet and a strong core wireless business, are far better than being part of a highly leveraged company whose core business is in secular decline.

*Grubman: Dish/Sprint Numbers Don't Add Up to Shareholder Value*, New York Times Dealbook

29 May 2013

Softbank is far along in the government approval process. Dish, on the other hand, could be a long way from gaining FCC approval.

*The Softbank-Sprint deal cleared the national security hurdle, so what's Dish's next move?* Quartz

29 May 2013

As The Washington Post reported, CFIUS approval of the SoftBank proposal makes Dish's offer less attractive because the proposed deal came later and faces potentially lengthy regulatory reviews.

*Sprint, SoftBank get clearance on national security concerns*, Washington Post, Post Tech Blog

29 May 2013

SoftBank's deal, which was announced last October, is expected to give Sprint more muscle to compete with the major players in the wireless industry. The increased size achieved by the combined operations of the two carriers could lead to a better selection of phones, more competitive price plans, and ultimately, better service.

*Sprint, SoftBank reportedly reach security deal with U.S.*, CNET.com

28 May 2013

SoftBank's bid got a momentum boost today after California's Public Utilities Commission signed off on its Sprint transaction, giving the deal the final state approval it needed. The process of 23 state reviews took seven months.

*SoftBank Said to Give U.S. Veto Power Over Sprint Board Seat*, Bloomberg News

23 May 2013



SoftBank says it is committed to using only network equipment that is acceptable to the U.S. government and will not use equipment from China's Huawei in Sprint's network. Dish has not made such promises.

*Dish on national security PR offensive against SoftBank, Reuters News*

May 22, 2013

Dish's claim that Japanese ownership of the U.S. cellphone operator is a risk to national security is half-baked and shows boss Charlie Ergen's desperation.

SoftBank has promised to rip out networking equipment used by Sprint's network partner Clearwire and produced by Huawei, a Chinese manufacturer embodying the U.S. Congress's cybersecurity concerns.

Dish hasn't yet made a similar promise alongside its \$26 billion offer for all of Sprint, which suggests its complaint isn't really about national security, but rather about having the weaker position in an M&A fight. Lawmakers and investors alike can afford to ignore the diversion.

*BREAKINGVIEWS-Security is diversion in \$20 bln-plus Sprint fight, Reuters Breakingviews*

May 23, 2013

*[Regarding national security protections]* The government wouldn't have as many levers to pull if Sprint were to accept a rival \$25.5 billion takeover offer from Dish Network Corp.

*Wary of China, U.S. Steps Into Sprint's Board, Wall Street Journal*

May 23, 2013

Trying to stir up objections now feels like a desperate act.

Softbank has also offered to pay \$1 billion to remove the Huawei equipment already used by Clearwire, the US wireless company that Sprint is trying to fully acquire. Dish, by contrast, which doesn't require CFIUS approval, has not said what it would do with Clearwire's Huawei equipment.

*Dish Network shows its desperation by resorting to fear-mongering against Softbank, Quartz*

May 22, 2013

Dish Network's pay-TV pain signals trouble for its \$25.5 billion bid for Sprint Nextel. Weak quarterly results unveiled on Thursday show why the company covets the telecom operator. But the poor earnings - net income dropped 40 percent - also show why Sprint shareholders should be skeptical of Dish's offer.

The company's pay-TV business is maturing quickly. It added a net 36,000 subscribers in the three months to March, compared to 104,000 a year ago. Dish is also finding it more costly to acquire subscribers.

Moreover, Dish is swimming against increasingly unfavorable tides

The trouble is, Dish's earnings flop makes rival bidder SoftBank's offer look even more appealing. Granted, the Japanese company is offering only \$20 billion. But it would plow money into Sprint, unlike Dish, which would pile on more debt. Also, under SoftBank's offer, Sprint's investors would still own a pure-play telecommunications company, whereas Dish's deal would leave them with a pay-TV business with uncertain long-term prospects.

*Dish's pay-TV pain signals trouble for Sprint bid, Reuters Breakingviews*

May 9, 2013

SoftBank could close the acquisition this year while DISH could be a lot further out, he said.

In the long run, SoftBank also is a better partner, Moorman said. SoftBank is in the wireless telecom business and brings expertise in the 2.5 GHz spectrum to Sprint

Moreover, SoftBank has a history of making acquisitions and driving up EBITDA margins.

As for Sprint's network build-out, SoftBank has the access to capital that will be necessary in deploying all of Clearwire's spectrum and building a wireless network that can compare to Verizon and AT&T, Moorman said in an April 25 research note he provided to SNL Kagan. The network buildout would be much slower under the DISH alternative versus the SoftBank alternative and this could hurt [Sprint] competitively as LTE has become [the] competitive tool of choice for wireless providers.

DISH does not have any experience in the wireless business.

*Analysts: SoftBank is better for Sprint, but DISH offers more money, SNL Financial (quoting an analyst with S&P Capital IQ)*

May 9, 2013

If Dish wins control of Sprint, the wireless company's stock owners would be putting their faith in Ergen, an industry outsider. With Son and SoftBank, today's Sprint shareholders become minority owners to a proven industry insider.

*Sprint shareholders' choice: Trust in Son or Ergen?* Denver Business Journal

May 8, 2013

We think one of the challenges that Dish faces is that the offering record that they have in their own pay-TV business makes us question whether they have the capabilities to win in wireless

*SoftBank/Sprint Decision Could Fall on Clyburn's Watch*, Communications Daily (citing an analyst with New Street Research)

May 6, 2013

SoftBank is beating all comers in the race for Sprint Nextel. Dish Network's \$25.5 billion bid may look better on paper, but it actually falls short of SoftBank's \$20.1 billion proposal. The Dish pitch would pump the U.S. telecom's debt levels so high that they could weaken the combined company and leave investors with a pay TV business poised for decline.

*SoftBank beating all comers in race for Sprint*, Reuters Breakingviews

April 30, 2013

In many ways, SoftBank's proposal, which delivers a one-time \$4.9 billion cash infusion into Sprint on top of the \$3.1 billion the Japanese carrier has already invested, seems to carry lower risk.

*Heard on the Street: Sprint Shareholders Shouldn't Rush Into Dish's Arms*, Wall Street Journal

April 30, 2013

The most arresting [of Mr Son's valuation sums] were around the cost to Sprint of the delay in much-needed investment (61c/share) should it choose to wait for Dish, and the hefty \$1bn (9c/share) charge if the SoftBank deal is broken.

*SoftBank: Sprint finish*, Financial Times Lex Column

April 30, 2013

Softbank is providing capital that would fund Sprint's network construction and leave the company with a slimmer balance sheet.

*Sprint gets waivers from Softbank to talk to Dish*, The Deal

April 29, 2013

The wireless industry might prefer Ergen to win over Softbank because Ergen's resulting debt leverage would hamper his ability to invest the necessary capital to be competitive.

*Intel Backs SoftBank Offer for Sprint Over Dish*, TheStreet (quoting an analyst with BTIG)

April 29, 2013

SoftBank brings a cash infusion for Sprint; Dish brings a boatload of debt.

Standard & Poor's and Moody's revised their outlooks on Sprint's credit rating to developing and uncertain, respectively, upon Dish's bid. In contrast, S&P and Moody's put the ratings on review for a possible upgrade following SoftBank's offer.

*Debt Dish May Give Sprint Indigestion*, Wall Street Journal

April 25, 2013

Investors' two main worries, she wrote, are that Ergen would not achieve his ambitious synergies and that capital expenditures would be more than expected.

*Sprint taps advisers to weigh Dish bid*, The Deal (citing an analyst with Wells Fargo Securities)

April 23, 2013



Sprint and SoftBank are already far along in the regulatory-approval process, with the Department of Justice having already signed off on antitrust issues. A Dish bid would reset the clock, costing Sprint precious time in the highly competitive wireless market, as a report from policy research firm MGA pointed out last week.

*Dish's Ergen Dishes on His Bid to Buy Sprint*, Barron's Tech Trader Daily

April 22, 2013

It is also unclear how the pay-TV provider will achieve its lofty projections for cost synergies of \$11 billion and additional revenue of \$24 billion.

*DISH buyout offer for Sprint puts high-yield bonds in the hotseat*, MarketWatch (citing Moody's)

April 22, 2013

With its reputation of being one of the most difficult companies to work for in America, Dish Network's corporate culture would probably clash with just about any potential merger partner.

*Workplace culture a big challenge of proposed Dish-Sprint merger*, Denver Post

April 21, 2013

The website 24/7 Wall St recently named Dish the meanest company in America.

*Charlie Ergen: Media mogul at a Sprint*, Financial Times

April 19, 2013

The proposed transaction with Dish leaves the combined entity with potentially too much leverage for a company with investment-grade competitors.

*Sprint Lenders Clash With Owners on Dish Bid: Corporate Finance*, Bloomberg News (citing a money manager with Seix Investment Advisors LLC)

April 18, 2013



On the face of it the Dish bid looks dangerously levered. Dish-Sprint would have more than \$40bn in net debt, nearly five times expected earnings before interest, tax, depreciation and amortisation.

Additionally, Dish would have to spend billions building out a network to make use of the spectrum it has, to support a unified offering of mobile phone, internet and video services.

Finally, Dish would be responsible for continuing losses at Clearwire, a wireless internet provider that Sprint is buying. Clearwire burnt through \$500m last year, an improvement over 2011. People close to the company said the losses would continue for years.

New Street Research analyst Jonathan Chaplin argued that the Dish offer failed to bring the capital or management needed to build and operate a next-generation mobile network.

*Rival offers weighed up in race for Sprint, Financial Times*

April 17, 2013

[B]oth proposals would also see existing Sprint shareholders keep a stake in the post-merger company this is where SoftBank may be on stronger footing Dish's case rests on still-vague plans to boost revenue by bundling satellite TV subscriptions with wireless contracts. SoftBank, however, says it can back Sprint with resources and expertise to invest in the rollout of a fourth-generation network that competes with AT&T and Verizon.

*Heard on the Street: SoftBank No Rush on Sprint, Wall Street Journal*

April 17, 2013

One potential downside to a Dish/Sprint deal for regulators is that the SoftBank/Sprint transaction is already in day 136 of its review at the FCC. A Dish/Sprint deal would have to start with a fresh clock.

*Dish Offers \$25.5 Billion in Rival Bid for Sprint, Communications Daily*

April 16, 2013

[T]he company would likely have less flexibility to make additional investments into its wireless network and/or acquisitions under Dish's proposal than under SoftBank's deal terms.

*Wall Street Divided Over Dish Deal, Wall Street Journal MoneyBeat (citing an analyst with Gabelli & Company)*

April 16, 2013



One of the most compelling elements of the SoftBank combination is that SoftBank has a proven track record of turning around a struggling wireless asset and being outstanding cost managers.

*Wall Street Divided Over Dish Deal*, Wall Street Journal MoneyBeat (citing an analyst with New Street Research)

April 16, 2013

Sprint is heavily indebted already, and Dish would issue about \$9 billion in debt to finance the acquisition, bringing the total for the combined company to \$47 billion, Novosel calculates. That's about 5.8 times the combined company's annual earnings before interest, taxes, depreciation and amortization, which would call into question the company's ability to pay off its debt, he said.

*Dish's Ergen says Sprint debt manageable*, Associated Press (citing a corporate bond analyst with Gimme Credit)

April 16, 2013

Dish could face a difficult transition from the traditional pay-television business into the fast-paced wireless industry if it wins the bid, says Carrie MacGillivray, program vice president for mobile services at IDC Research. SoftBank, in contrast, has more experience with mobile operations.

*Will Dish serve Sprint customers well?* MarketWatch

April 16, 2013

SoftBank would be a more compelling partner for Sprint. They don't have to match what Dish does because the value proposition after any deal closes we think is stronger with SoftBank than it is with Dish.

*Surprise Bids for Sprint Have Further to Go: Real M&A*, Bloomberg (citing an analyst with New Street Research)

April 16, 2013

With SoftBank, Sprint would get an additional \$4.9 billion of cash and a majority owner willing to weather the short-term pains of churn and heavy investment.

*Heard on the Street: Serving up Sprint on a Dish*, Wall Street Journal

April 15, 2013

If Dish were to acquire Sprint, the combined company would take on about \$36 billion in debt. Much of the revenue for the new company will come from the paid TV business of Dish, which analysts say is on the decline.

*Wireless spectrum is the key to Dish's \$25.5 B bid for Sprint*, CNET.com

April 15, 2013

SoftBank is a much larger company and a wireless one, to boot. SoftBank could bring its own innovations, leverage over handset makers in the form of ownership of spectrum in Japan, and history of successfully competing against larger telecom companies to the US.

*Sprint is Dish's last, desperate attempt to be able to offer cell service before its deal with the FCC runs out*, Quartz.com

April 15, 2013

Part of Dish's justification is that the deal would create new revenue opportunities worth almost as much, in present value terms, as the offer for Sprint. It's the kind of vague promise that's easy to make but very difficult to deliver.

*Dish \$25.5bln Sprint bid mixes hype with reality*, Reuters Breakingviews

April 15, 2013

However, we believe there is substantial risk to realizing expected cost and revenue synergies. We expect a combined DISH/Sprint would have significant network capital investment

requirements over a multiyear period beyond current expectations in order to deliver a robust video, wireless data, fixed broadband, and mobile video solution that DISH outlined in its proposal.

*DISH Bid for Sprint Laced with Risk and Reward Ratings Endorsement Policy*, Fitch Ratings

April 15, 2013

For his video plan to work, though, Mr. Ergen would likely need the programmers who control rights to mobile use of their shows to sign off. While Dish executives have said they have sewn up some of those rights, Dish's relationships with media partners are among the most contentious of any major TV distributor.

*Dish Network's Bid for Sprint Bets on Consumers Hungry for Data*, Wall Street Journal

April 15, 2013

Earlier this month the Hollywood Reporter dubbed Charlie Ergen the most hated man in Hollywood.

*Dish Networks tries to buy mobile provider Sprint Nextel for \$25.5bn*, The Guardian

April 15, 2013

But for Sprint, he sees the new offer as a cause of more confusion and delay in its efforts to catch up to Verizon and AT&T. Sprint's strategic options could be limited while this new deal is being considered and that would be a benefit to the competition.

*Dish Makes \$25.5B Offer For Sprint*, Broadcasting & Cable (citing the founder of Recon Analysts)

April 15, 2013

### 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, pro forecast, intend, expect, anticipate, believe, target, plan, providing guidance and similar expressions are intended to identify information 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 of Clearwire Corporation ( Clearwire ). All statements, other than historical facts, including, but not limited to: statements regarding the expected timing of the closing of the transactions; the ability of the parties to complete the transactions considering the various closing conditions; the expected benefits of the transactions such as improved operations, enhanced revenues and cash flow, growth potential, market profile and financial strength; the competitive ability and position of SoftBank or Sprint; and any assumptions underlying any of the foregoing, are forward-looking statements. Such statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. The inclusion of such statements should not be 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 filings with the Securities and Exchange Commission ( SEC ), including Sprint s and Clearwire s Annual Reports on Form 10-K for the year ended December 31, 2012 and Quarterly Reports on Form 10-Q for the quarter ended March 31, 2013, and other factors that are set forth in the proxy statement/prospectus contained in Starburst II s Registration Statement on Form S-4, which was 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 be completed, or if completed, that such transactions will close within the anticipated time period or that the expected benefits of such transactions will be realized.

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