

Sprint Boosts Buyout Offer for Clearwire

Associated Press

OVERLAND PARK, Kan. (AP) — Sprint Nextel Corp. is offering 14 percent more than before for the stake in wireless data network operator Clearwire Corp. it does not already own, but a large shareholder said the offer was still inadequate.

Sprint said Tuesday that it is offering \$3.40 per share, or \$2.5 billion, for the remainder of Clearwire Corp. Its previous offer, from December, was for \$2.97 per share.

Sprint said this is its best and final offer, but investors appear to hold out some hope of an even better offer. Clearwire shares jumped 15 cents, or 4.6 percent, to \$3.41 in afternoon trading, just above Sprint's offer.

A vote on the previous offer had been scheduled for Tuesday, but Clearwire said it is postponing it until May 31.

Clearwire's board had already accepted the earlier offer, but minority shareholders have opposed it. A vocal shareholder, Crest Financial, said Tuesday that the new offer was also inadequate. It said Sprint, as the majority shareholder, was strong-arming smaller ones. It wants Clearwire to pursue a competitive bidding process instead.

Sprint is Clearwire's only major wholesale customer and uses its network to provide "Sprint 4G" service. Sprint has accepted a buyout offer from Softbank Corp. of Japan, giving it the financial means to consolidate its ownership of Clearwire. But both Sprint and Clearwire have gotten competing bids from satellite TV broadcaster Dish Network Corp., which wants to get into the wireless business.

Clearwire's main asset is its wireless spectrum — space on the airwaves — that could be used to provide high data download speeds. Those are a crucial competitive factor in today's wireless industry. But Clearwire's frequencies are difficult to use. They require many cell towers to cover an area, and the signals don't penetrate well into buildings.

Clearwire is based in Bellevue, Wash.

Separately, Sprint said it can now let Dish see its books and talk with Dish to see whether its competing offer to buy Sprint is better than its current deal with SoftBank. Sprint said late Monday that SoftBank had waived provisions of its deal with Sprint that will allow Sprint to talk with Dish.

SoftBank currently has a \$20.1 billion deal with Sprint to buy 70 percent of the company. Dish last month offered \$25.5 billion for the whole company. Softbank says it brings expertise and cash to Sprint. It says it still wants to close its deal by

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July 1. Many Wall Street analysts view Dish's bid as superior but risky, as it will result in a combined company with high debt.

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