

Dish Jumps in With Unsolicited, \$3.30 Per Share Offer for Clearwire

Ben Munson

Dish Network has offered to buy up to all of Clearwire's common stock at \$3.30 in a proposed deal that would allow Dish to purchase some spectrum assets from Clearwire. Under the conditions of the preliminary offer, Dish would acquire approximately 11.4 billion MHz-POPs from Clearwire, or 24 percent of its total spectrum holdings, for \$2.2 billion.

In a [statement](#) [1] yesterday, Clearwire described a commercial agreement proposed in the offer where it would agree to assist with construction, operation, maintenance and management of a wireless network covering AWS-4 spectrum and new deployments of 2.5 GHz spectrum.

In December, Clearwire entered a definitive agreement with Sprint, allowing it to acquire the remaining 50 percent of Clearwire stock it doesn't already own at \$2.97 per share. Softbank's offer to acquire a 70-percent interest in Sprint could hinge on that deal.

In response to Dish's offer, an 11 percent increase over the \$2.97 per share that it put on the table, Sprint said in a [statement](#) [2] that it "believes its agreement to acquire Clearwire, which offers Clearwire shareholders certain and attractive value, is superior to the highly conditional DISH proposal."

It went on to cite aspects of the proposed commercial agreement as reasons why the Dish offer is not viable.

In December, Dish received [approval](#) [3] to deploy a terrestrial network on its 40 MHz of spectrum in the AWS-4 band, with the FCC setting a four-year timetable for the company's network rollout. Sprint's plan to bid on the H Block, adjacent to Dish's spectrum at 2000-2020 MHz, has caused the two companies to clash over how a full-power H Block might affect Dish's holdings.

Further conflict arose last month when Dish [filed](#) [4] with the FCC for an extension on the commenting period for the Sprint, Clearwire deal. Not long after, Crest Financial Limited, an investment firm holding an 8.4 percent interest in Clearwire, filed a [petition](#) [5] for the FCC to reconsider Sprint's acquisition bid, citing a mishandling of the earlier Eagle River Holdings deal that gave Sprint a controlling interest in Clearwire.

From the start, Crest has been part of a chorus of investors and interested parties with a stake in Clearwire calling Sprint's offer price undervalued and an "[absolute outrage](#) [6]."

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In response to questions of whether Sprint was low-balling Clearwire with its offer, independent analyst Jeff Kagan talked about the previous lack of other offers for the company.

“If nobody else wants to acquire it, Sprint is going to acquire it at the lowest price that it can,” said Kagan.

But with this new offer from Dish, Kagan sees more interest in buying Clearwire.

“To tell you the truth, I wouldn’t be surprised if we heard of other companies now jumping into the same bidding war,” said Kagan, adding that we may see three or four interested parties trying to acquire Clearwire. “In the next few months, this could turn into a big bowl of spaghetti.”

Kagan went so far as to speculate that this could be the first step in Dish trying to acquire Sprint out from under Softbank, saying it's more than capable of competing with the Japanese company.

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<http://www.wirelessweek.com/news/2013/01/dish-jumps-unsolicited-330-share-offer-clearwire>

Links:

[1] http://seekingalpha.com/news-article/5244941-clearwire-corporation-provides-transaction-update?source=email_rt_mc_body

[2] http://newsroom.sprint.com/article_display.cfm?article_id=2489

[3] <http://www.wirelessweek.com/news/2012/12/fcc-limits-dish-spectrum-sets-4-year-timetable-rollout>

[4] <http://www.wirelessweek.com/news/2012/12/dish-asks-more-time-sprint-clearwire-deal>

[5] <http://www.wirelessweek.com/news/2013/01/crest-financial-files-block-sprint-clearwire-deal>

[6] <http://www.wirelessweek.com/news/2012/12/sprint-seals-deal-buy-100-percent-clearwire>