

# Dish Crystalizing Sprint Bid With \$2.5B Debt Offering

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Dish Tuesday [announced](#) [1] a \$2.5 billion debt offering to be placed in escrow for use toward the \$9.3 billion the company still needs to raise for the cash consideration portion of its \$25.5 billion offer to merge with Sprint.

Dish's bid for Sprint is currently in competition with SoftBank's offer of \$20.1 billion to acquire a 70-percent stake in Sprint. Sprint last year agreed to that deal, which Sprint shareholders will vote on during a June 12 special meeting. But Sprint's focus could shift toward considering the Dish offer in light of Dish's new \$2.5 billion financing push, a move that serves as more than a gesture of good will toward the Sprint bid since it will likely cost Dish to place that money into escrow.

According to a Bloomberg [report](#) [2], Sprint has thus far kept its books closed to Dish, not allowing the satellite-TV provider to perform due diligence. The report cited sources claiming it was because Sprint had questions about how Dish would raise the financing as well as suggested cost savings Dish said would come from merging the two companies. If the Sprint's books are opened to Dish, confirming the cost savings of a merger would be easier for Dish.

Dish's \$25.5 billion offer translates out to roughly \$17.3 billion in cash and \$8.2 billion in stock. The \$9.3 billion in cash Dish needs to supplement what it already has on hand will partially be taken care of by the \$2.5 billion debt sale, but Dish still needs to find partners to help finance the remainder.

Last week, Dish reportedly [reached out](#) [3] to Jeffries and Barclays for part of the money. Meanwhile, SoftBank reportedly told potential lenders that assisting Dish in paying for its Sprint bid could hurt their chances to underwrite the imminent IPO of Chinese e-commerce site Alibaba, of which SoftBank owns approximately 33 percent.

The bottom line is that Sprint's decision comes down to going with either a domestic industrial buyer in Dish or an overseas financial buyer in SoftBank. Dish could offer cost and revenue synergies to the deal, particularly the latter if Dish's TV offerings can be bundled with Sprint's wireless service. SoftBank can offer cost synergies to Sprint via vendor leverage the Japanese carrier could provide in buying devices. SoftBank CEO Masayoshi Son [said](#) [4] Sprint could see nearly \$3 billion in annual operating savings by 2017.

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In a [meeting](#) [5] with the FCC last week, Dish again asked that the SoftBank transaction be held in abeyance while Sprint considers Dish's offer. Dish added that it could be helpful in using the 2.5 GHz spectrum by leveraging its installation operations to place antennas directly on houses to bring high-speed connections to unserved or underserved parts of the country.

### Source URL (retrieved on 06/12/2013 - 2:09am):

<http://www.wirelessweek.com/news/2013/05/dish-crystalizing-sprint-bid-25b-debt-offering>

### Links:

[1] <http://dish.client.shareholder.com/releasedetail.cfm?ReleaseID=764568>

[2] <http://www.wirelessweek.com/news/2013/05/report-sprint-pushes-dish-more-details-merger-bid>

[3] <http://www.wirelessweek.com/news/2013/05/report-softbank-pushing-banks-not-finance-dish%E2%80%99s-sprint-bid>

[4] <http://www.bloomberg.com/news/2013-05-08/softbank-said-to-say-sprint-deal-will-save-3-billion-a-year.html>

[5] <http://apps.fcc.gov/ecfs/document/view?id=7022313290>