

Dish Raises Bid for Clearwire to \$4.40 Per Share

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Dish Network has [raised its bid for Clearwire](#) [1] to \$4.40 per share, representing a 29 percent premium over the revised offer of [\\$3.40 per share Sprint last week submitted](#) [2] to the internet wholesaler.

The bid caused Clearwire's stock to skyrocket in after hours trading and it's currently up more than 20 percent in pre-market as of 8:13 a.m. CT.

"The Clearwire spectrum portfolio has always been a key component to implementing our wireless plans of delivering a superior product and service offering to customers," said Dish Chairman Charlie Ergen in a statement.

In a letter sent to Clearwire shareholders, Ergen said Dish was prepared to "de-link [Dish's] proposed acquisition of 40 MHz of [Clearwire's] BRS and EBS spectrum," in the terms of the new bid.

Further spelling out the new terms of the deal, Dish offered to purchase exchangeable notes from Clearwire in order to provide the struggling carrier with \$80 million in funding a month—or \$800 million total. Dish offered the funding on the condition that Clearwire stop drawing cash from Sprint, which has been allowing Clearwire to take the same \$80 million per month to keep up with expenses and continue its LTE buildout.

In the letter, Dish further said it needs to acquire at least a 25 percent stake in Clearwire to make the deal financially beneficial and that it would need at least three Clearwire board designees at that percentage of ownership. But Dish said it would be willing to reduce the voting stock percentage it acquired to 12.5 percent if need be.

When contacted on the matter, Sprint spokesman John Taylor told Wireless Week that Sprint was reviewing Dish's actions as it pertains to both Clearwire and DISH's proposal to acquire Sprint.

Clearwire's board is scheduled to vote May 31 on Sprint's offer. That vote was already in doubt due to heavy protest from Crest Financial Limited, Clearwire's largest minority shareholder.

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Further complicating things for Sprint is the carrier's deal with SoftBank that would allow the Japanese carrier to acquire a 70 percent stake in Sprint for \$20.1 billion. Sprint buying out Clearwire and bringing its 2.5 GHz spectrum holdings to the table has been considered a big component of the SoftBank deal.

Dish submitted a competing merger offer of \$25.5 billion for Sprint and has remained vocally opposed to Sprint selling to SoftBank. After Sprint and SoftBank [yesterday gained security clearance](#) [3] from the U.S. for their transaction, Dish [issued a statement](#) [4] saying the terms of the clearance did not adequately address national security risks.

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<http://www.wirelessweek.com/news/2013/05/dish-raises-bid-clearwire-440-share>

Links:

[1] <http://dish.client.shareholder.com/releasedetail.cfm?ReleaseID=767990>

[2] <http://www.wirelessweek.com/news/2013/05/sprint-raises-clearwire-offer>

[3] <http://www.wirelessweek.com/news/2013/05/sprint-softbank-strike-us-security-deal-stipulations>

[4] <http://dish.client.shareholder.com/releasedetail.cfm?ReleaseID=767978>