

Ahead of the Bell: Adviser Supports Sprint Deal

Associated Press

A shareholder advisory firm is backing Softbank in its attempted acquisition of a huge chunk of Sprint Nextel.

The \$20.1 billion bid from Japan's second-biggest mobile company would ease Sprint's debt burden and provide ample cash to improve its network and become a serious competitor, according to Institutional Shareholder Services.

Mobile data in Japan travels nearly twice as fast as mobile data in the U.S., ISS said, and Softbank's expertise could help accelerate Sprint's, making it faster than AT&T and Verizon.

"Given the strategic merits of the SoftBank transaction, the sales and negotiation process overseen by the board, the strength of the valuation relative to precedent transactions, and the market reaction, a vote for the transaction is warranted," ISS said.

Softbank wants to buy 70 percent of Sprint, based in Overland Park, Kan.

Dish Network Corp., the satellite television broadcaster, has put up a competing \$25.5 billion bid for the entire company.

The support from ISS comes days after a government committee cleared the offer. The Treasury Department's Committee on Foreign Investment in the United States said Wednesday that it hadn't found any national security reasons to prevent it. There were concerns that Softbank's use of Chinese networking equipment could open up U.S. networks to snooping by China.

The deal still needs approval from the Federal Communications Commission and Sprint's stockholders, who are scheduled to vote June 12. Sprint and SoftBank say they expect the tie-up to be completed in July.

Sprint Nextel Corp. stock closed at \$7.30 on Friday, and is up 29 percent since the start of the year.

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