

SoftBank Ups Sprint Bid, Sprint Puts Dish in the Corner

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SoftBank late Monday [raised its bid to acquire Sprint](#) [1] to \$21.6 billion from \$20.1 billion, or \$7.65 per share. Under the new agreement, SoftBank would take a 78 percent stake in Sprint, up from the 70 percent promised in the previous offer.

The new terms are lucrative for Sprint shareholders, with the total cash consideration rising to \$16.64 billion on the weight of the \$1.5 billion extra from SoftBank as well as \$3 billion being diverted from SoftBank's proposed \$4.9 billion primary investment in the combined company.

As part of the new agreement, the pricing on SoftBank's \$1.9 billion primary investment will rise to \$6.25 per share from \$5.25.

In light of SoftBank's revised deal, Paulson & Co., Sprint's second-largest shareholder, has [committed to vote all its shares in favor of the SoftBank transaction](#) [2].

That decision falls in line with the views of Sprint's board and special committee, who have unanimously determined Dish's \$25.5 billion merger proposal for Sprint as unlikely to lead to a "superior offer." Following a "lack of progress" with Dish, whom Sprint granted clearance for due diligence, Sprint has ended discussions with Dish and requested that all financial documents Dish was allowed access to be destroyed. However, Sprint did set a June 18 deadline for Dish to put forward a "best and final" offer for Sprint.

In a brief statement, Dish [responded](#) [3], "We continue to believe that Sprint has tremendous value. We will analyze the revised SoftBank bid as we consider our strategic options."

Sprint and SoftBank have agreed to postpone a Sprint shareholder vote on the transaction from June 12 to June 25. Both companies are still anticipating closing the deal by July.

Sprint in its statement, however, did not make mention of a possible increase to its offer for Clearwire. Sprint owns approximately 50 percent of the wireless broadband company and has a current offer of \$3.40 per share to buy the rest. But that offer was [topped by Dish's proposed \\$4.40 per share for Clearwire](#) [4]. Considering how

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integral Sprint acquiring Clearwire's spectrum is to the SoftBank transaction as well as SoftBank's raised investment in the deal, Sprint could very well raise its Clearwire bid soon. Many of Clearwire's minority shareholders have opposed Sprint's offer since it started out at \$2.97, but could have a change of heart should Sprint top Dish's offer. Clearwire's shareholders are scheduled to vote on Sprint's current offer on June 13.

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Links:

- [1] <http://investors.sprint.com/file.aspx?IID=4057219&FID=17389040>
- [2] <http://www.prnewswire.com/news-releases/paulson--co-will-vote-all-shares-in-favor-of-softbanks-improved-offer-for-sprint-210916051.html>
- [3] <http://dish.client.shareholder.com/releasedetail.cfm?ReleaseID=770385>
- [4] <http://www.wirelessweek.com/news/2013/06/sprint-dish%E2%80%99s-clearwire-bid-%E2%80%99not-actionable%E2%80%9D-violates-law>