

Edgar Filing: CLEARWIRE CORP - Form 425

CLEARWIRE CORP
Form 425
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Filed by Sprint Nextel Corporation

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Securities Exchange Act of 1934

Subject Company: Clearwire Corporation

Commission File No. 001-33349

May 7, 2008

Forward Looking Statements

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Dan Hesse
President and Chief Executive Officer
Sprint Nextel Corporation

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Transaction Summary

(1) Subject to post closing adjustment of \$17 -
\$23 per share based on Clearwire's trading price 90 days post closing.

Nationwide Network

Sprint and Clearwire merge WiMAX assets to create a
nationwide wireless broadband network

Spectrum

Provides the depth of spectrum to satisfy mobile services that demand high capacity bandwidth such as real time video

Equity Investment

\$3.2B investment from committed strategic partners at initial

price

of

\$20

per

share

(1)

WiMAX Technology

Mobile broadband technology with highest speeds and lowest cost per delivered bit

New Products &

Revenue Streams

Leverage content, network, search, location, and voice, video & data expertise

Corporate Structure

Tax-efficient structure; new Clearwire remains publicly traded

Distribution, network infrastructure, technology and application partners expand network value

Strategic Partners

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Management Team and Governance
Management Team
Benjamin G. Wolff, CEO
Barry West, President
Board of Directors
Craig
O.

McCaw,
Chairman
Dan Hesse, Director
(1)
Brian Roberts, Director
(1)
Glenn Britt, Director
(1)
John Stanton, Director

Sprint:

5 remaining
appointments

Intel:

1 remaining appointment

Strategic Investors:

1 remaining independent Director

1 Independent Director to be nominated by the Board

(1) Committed to serve one year term as respective company representative.

Benefits for Sprint Shareholders

Maximizes the value of our 2.5 Ghz spectrum through combination with Clearwire spectrum to create a national footprint

Continues WiMAX deployment momentum

Realizes value for Sprint by utilizing Sprint network infrastructure and provides Sprint branded 4G product for resale by our sales force

Creates 3G MVNO with cable partners (Comcast, Time Warner and Bright House)

Preserves Sprint's financial flexibility by securing financing from new investors for 4G deployment
Public valuation benchmark for 4G business

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Ben Wolff
Chief Executive Officer
Clearwire Corporation

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Pro Forma Ownership Structure
49 -
53% Ownership
New
Existing
Shareholders
25 -

28% Ownership

20 -

25% Ownership

Notes:

(1) Ownership percentages based on in-the-money fully diluted shares at \$20 / share; 725mm total in-the-money fully diluted s

(2) Additional \$10 mm to be invested by Trilogy Equity Partners.

Investment

1,000

\$1,050

500

550

100

\$3,200

Total Cash Investment

STRATEGIC INVESTORS (\$MM)

(2)

6.9

7.2%

3.4

3.8

0.7

22.0%

%Ownership

(1)

(1)

(1)

(1)

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Strategic Agreements Aligned to Support Clearwire's
Mobile Broadband Platform

Jointly developed and powered by Google
open architecture devices.

Desktop and mobile content and applications available on 4G network.

Exclusive web and local search provider.

Search and advertising revenue sharing arrangement.
Intel to develop, market and support WiMAX chipsets for use in Clearwire network PCs and mobile devices.
Marketing commitments and branding exclusivity agreements.
Access revenue sharing, performance commitments for aligned incentives.
4G MVNO with the new Clearwire.
Enterprise sales.
Peering, infrastructure and back office agreements.
Jointly develop, test and launch 4G applications and services.
Distribution and marketing reach to broad existing customer base.
Compelling economics through bundled offerings.

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Cost Efficiencies and Reduced Funding Gap

Save costs by co-locating on Sprint sites

Eliminate duplicative capital expenditures

Towers

Leverage low cost microwave backhaul

Access

Sprint
and
Strategic
Investors
network
infrast
ructure

Combine vendor agreements and purchasing volume

Backhaul & Telecom

Multiple committed partners developing and marketing
devices

Growing ecosystem of PC, CE and phone vendors

High purchase volumes drive down device prices

Devices and Equipment

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Business Plan Highlights

Targeting 120-140 million covered POPs

by year-end 2010.

Network will provide high-speed wireless solutions to consumer, SOHO, mid size and enterprise business, public safety segments and educational institutions.

Economic model characterized by low fixed capital and operating expenditures.
Equity infusion of \$3.2 billion leaves an approximate future funding requirement of \$2.0
\$2.3 billion.

Expect to secure additional funding opportunistically.

May access capital markets for interim financing to allow Clearwire to accelerate its build through closing.

Note:

(1) \$0.8 Bn

cash includes long term investments.

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Clearwire s
Spectrum Portfolio
BN MHz-POPs
40
24.0
21.2
0.0

10.0
20.0
30.0
40.0
50.0

Notes:

(1) Verizon and AT&T are pro forma for 700 MHz auction.

Average

of

80%

of

the

2.5

MHz/POPs

in

top 100 markets

+

Spectrum Holdings (Key U.S. Carriers)

(1)

(1)

Clearwire's
Product Vision:
A
Seamless
&
Consistent
Experience
Home

and
Away
Future Handset
Services
Residential Data, Voice and
Mobile Broadband Services
Mobile Broadband
Services For
Embedded Laptops
and Consumer
Electronics
Future services targeting in
vehicle and machine to
machine

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Benefits for Clearwire Shareholders

Premium to recent share price trading levels, and enhanced upside prospects for shareholders.

Spectrum value realization, reduced financing risks and enhanced revenue opportunities.

Sprint's 4G assets complement Clearwire's assets and established wireless high-speed Internet business.

Strategic investors provide financial backing and expand market and revenue opportunities.

Accelerated deployment of the first nationwide mobile WiMAX network.

Seasoned industry-tested management team and world-class board of directors.

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Roadmap to Completion

Execute definitive agreement

Clearwire shareholder vote

Receive FCC and applicable anti-trust regulatory approvals

Close transaction

Completed

4

8 months

6

9 months

-

Immediately following receipt of all
approvals

Expected Timeline

Event

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Q & A