

SPRINT NEXTEL CORP  
Form 425  
May 08, 2013

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Under the Securities Act of 1933

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Under the Securities Exchange Act of 1934

Subject Company: Sprint Nextel Corporation

Commission File No.: 001-04721

Synergy Overview  
SoftBank Corp.  
May 2013

Cautionary Statement Regarding Forward Looking Statements

This document includes forward-looking statements within the meaning of the securities laws. The words may, could, should, estimate, project, forecast, intend, expect, anticipate, believe, target, plan, providing guidance and similar expressions are intended to identify information that is not historical in nature. This document contains forward-looking statements relating to

the  
proposed  
transactions  
between  
Sprint  
Nextel  
Corporation

( Sprint ) and SoftBank Corp. ( SoftBank ) and its group companies, including Starburst II, Inc. ( Starburst II ), and the proposed acquisition by Sprint of Clearwire Corporation ( Clearwire ). All statements, other than historical facts, including, but not limited to: statements regarding the expected timing of the closing of the transactions; the ability of the parties to complete

the  
transactions  
considering  
the  
various  
closing  
conditions;

the  
expected  
benefits

of  
the  
transactions  
such  
as  
improved

operations, enhanced revenues and cash flow, growth potential, market profile and financial strength; the competitive ability and position of SoftBank or Sprint; and any assumptions underlying any of the foregoing, are forward-looking statements. Such statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions.

The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. You should not place undue reliance on such statements. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, that (1) there may be a material adverse change

of SoftBank; (2) the proposed financing may involve unexpected costs, liabilities or delays or may not be completed on terms acceptable to SoftBank, if at all; and (3) other factors as detailed from time to time in Sprint's, Starburst II's and Clearwire's

filings with the Securities and Exchange Commission ( SEC ), including Sprint's and Clearwire's Annual Reports on Form 10-K for

the  
year  
ended  
December

31,  
2012,  
and  
other  
factors

that  
are  
set  
forth  
in

the  
proxy  
statement/prospectus  
contained  
in

Starburst II's Registration Statement on Form S-4, which was declared effective by the SEC on May 1, 2013, and in other materials that will be filed by Sprint, Starburst II and Clearwire in connection with the transactions, which will be available on SEC's web site ([www.sec.gov](http://www.sec.gov)). There can be no assurance that the transactions will be completed, or if completed, that such transactions will close within the anticipated time period or that the expected benefits of such transactions will be realized.

All forward-looking statements contained in this document and the documents referenced herein are made only as of the date of

the  
document  
in

which  
they  
are  
contained,

and  
none

of  
Sprint,  
SoftBank  
or  
Starburst

II  
undertakes

any  
obligation  
to

update

any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

1

SoftBank / Sprint Synergy Framework

SoftBank projects more than \$2bn of average annual Sprint operating expense synergies from 2014

2017

with an annual run-rate of over \$3bn by 2017

SoftBank also projects Sprint capital expenditure synergies of 32% to 36% of Sprint's planned network investment through 2017

SoftBank's synergy views are informed by 9 months of pre-announcement diligence and continuing post-closing planning discussions with Sprint management

Synergy projections are driven by pro forma network and subscriber scale benefits as well as implementation of SoftBank operational / technology expertise

SoftBank's synergies plus its \$8bn primary investment will accelerate Sprint's ongoing turnaround and position it to become the U.S. wireless industry's technology and operational leader

2

SoftBank / Sprint OpEx Synergy Drivers

Item

% of 2014 -

2017

OpEx Synergies

Description

Device / Accessory

Procurement

38%

-

Joint development through SoftBank global vendor relationships

-

Develop comprehensive portfolio of emerging products

-

Volume incentives / discounts from joint purchasing power

Network OpEx

19%

-

Implementation of SoftBank traffic management and network technology best practices

-  
Insourcing of network monitoring and maintenance  
Churn Improvement  
16%

-  
Improved credit screening and pricing structures

-  
Results in CPGA savings  
IT  
13%

-  
Joint development of cost-efficient IT platform

-  
Consolidation of IT development and operations resources  
Customer Care  
14%

-  
Implementation of SoftBank care service structure

-  
Improvement of average handling times  
Source: SoftBank Projections.

1  
Includes  
handsets,  
connected  
devices,  
accessories,  
insurance  
and  
related  
costs.

SoftBank projects average annual operating expense synergies of more than \$2bn  
from 2014

2017 with an annual run-rate over \$3bn by 2017

1



3

SoftBank / Sprint CapEx Synergy Drivers

Item

% of 2014 -

2017

CapEx Synergies

Description

Vendor Scale Benefits

42%

-

Equipment / construction incentives and discounts from joint purchasing power

Traffic Management

7%

-

Implementation of SoftBank traffic management efficiencies

-

Capacity improvement reduces new sites / network capacity

Core Capacity Build

33%

-

Future network capacity requirements due to growth in  
subscriber data traffic

-

Leverage joint purchasing power and SoftBank relationships

8T8R Deployment

18%

-

Implementation of new technology for TDD LTE BTS

-

Reduces required new sites

SoftBank

also

projects

to

generate

capital

expenditure

synergies

of

32%

to

36%

of

Sprint's planned network investment through 2017

Source: SoftBank Projections.

4

Device / Accessory Procurement OpEx Synergies

(% Discount)

Joint development  
through SoftBank  
global vendor  
relationships

Develop comprehensive  
portfolio of emerging  
products

Volume incentives /  
discounts from joint  
purchasing power

Source: SoftBank Projections.

Note: Reflects % discount to projected budget.

1

Includes  
handsets,  
connected  
devices,  
accessories,  
insurance  
and

related

costs.

1

3.3%

5.7%

8.3%

8.4%

2014

2015

2016

2017

5

IT OpEx

(% of Service Revenue)

Consolidation of

development

resources

Independence

from vendors

Joint development

of cost-efficient IT

platform

Source: SoftBank Projections.

1

SoftBank Mobile IT expense as % of SoftBank Mobile service revenue.

Historical Performance

1

Opportunities

1.9%

1.5%

1.2%

1.0%

0.8%

0.7%

0.6%

2006

2007

2008

2009

2010

2011

2012

66%

Improvement since  
Vodafone Acquisition

6  
Customer Care OpEx  
(Customer Care per Subscriber)

Improved handling  
times

Enhanced care  
service structure

Paperless operations

Collections rate  
improvement

Source: SoftBank Projections.

1  
SoftBank Mobile customer care expense per subscriber.

Historical Performance

1  
Opportunities

\$11.8

\$11.7

\$10.2

\$9.5

\$8.4

\$8.2

\$7.0

2006

2007

2008

2009

2010

2011

2012

41%

Improvement since  
Vodafone  
Acquisition



7

Involuntary Churn OpEx

(% Involuntary Churn)

Source: SoftBank Projections.

1

SoftBank Mobile 3G involuntary churn.

Improved credit

analysis

New pricing

structures

Involuntary churn

reductions

CPGA savings

67%

Improvement since

Vodafone Acquisition

Historical Performance

1

Opportunities

0.24%

0.33%

0.21%

0.15%

0.11%

0.11%

0.08%

2006

2007

2008

2009

2010

2011

2012

8  
Network Scale CapEx Synergies  
(% Discount)  
Network equipment  
and construction  
incentives / discounts  
from joint purchasing  
power  
Focus on post-Network  
Vision build  
Source: SoftBank Projections.  
Note: Reflects % discount to network investment plan, excluding core network equipment.  
26.0%  
27.6%  
21.1%  
18.7%  
2014  
2015  
2016  
2017