

PROXY PAPER

SPRINT NEXTEL CORPORATION

GLASS
LEWIS & Co.

NYSE: **S**

ISIN: **US8520611000**

MEETING DATE: 25 JUNE 2013

RECORD DATE: 18 APRIL 2013

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COMPANY DESCRIPTION

Sprint Nextel Corporation is a holding company, with its operations primarily conducted by its subsidiaries. It operates in two segments: Wireless and Wireline.

INDEX MEMBERSHIP: DJSI NA; RUSSELL 1000; RUSSELL 3000; S&P 500; FTSE4GOOD GLOBAL INDEX

SECTOR: TELECOMMUNICATION SERVICES

INDUSTRY: WIRELESS TELECOMMUNICATION SERVICES

COUNTRY OF TRADE: UNITED STATES

COUNTRY OF INCORPORATION: UNITED STATES

VOTING IMPEDIMENT: NONE

DISCLOSURES: *THIS REPORT CONTAINS A DISCLOSURE NOTE. TO VIEW, SEE APPENDIX*

OWNERSHIP COMPANY PROFILE COMPENSATION PREVIOUS BOARD PEER COMPARISON VOTE RESULTS **APPENDIX**

2013 MERGER PROXY

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Merger	FOR	FOR	
2.00	Advisory Vote on Golden Parachutes	FOR	FOR	
3.00	Right to Adjourn Meeting	FOR	FOR	

1.00: MERGER

Update: June 19, 2013

On June 11, 2013, Sprint Nextel Corporation ("Sprint" or the "Company") and SoftBank Corp. ("Softbank") executed an amended merger agreement that values the entire issued share capital of Sprint at approximately \$20,891.2 million.

Pursuant to the revised offer, each outstanding share of Sprint Series 1 common stock will be exchanged for the right to receive, at each shareholder's election, one of the following forms of consideration: (i) \$7.65 in cash, without interest and less any applicable taxes; or (ii) one share of Starburst II, Inc. ("New Sprint"), an indirect wholly-owned subsidiary of SoftBank which will thereafter be renamed "Sprint Corporation". Elections will be prorated such that New Sprint will pay \$16.64 billion in cash and the former shareholders and other Sprint equityholders will own approximately 22.3% of the fully diluted share capital of New Sprint immediately following the SoftBank merger. The remaining 77.7% will be held indirectly by SoftBank.

The amended merger agreement also provides for: (i) the termination of certain waiver letters previously granted by SoftBank to Sprint permitting discussions between the Company and DISH Network Corporation ("DISH"); (ii) an increase in the amount of the termination fee that the Company is required to pay SoftBank under specified circumstances, including in connection with a "superior offer", from \$600.0 million to \$800.0 million; (iii) an increase in the maximum amount Sprint may be required to reimburse SoftBank for its fees and expenses in certain circumstances from \$75.0 million to \$200.0 million; (iv) amendments to the definition of "superior offer" and the conditions under which Sprint may terminate the merger agreement; and (v) the adoption of a shareholder rights plan by Sprint no later than June 17, 2013.

To allow for additional consideration of the foregoing amendments by the Company's shareholders, Sprint adjourned its original special meeting from June 12, 2013 to June 25, 2013.

Revised Softbank Deal Value

The Company states that based on the number of shares of Sprint common stock outstanding as of June 7, 2013, if all Sprint shareholders were to make the same election, each individual shareholder would receive cash consideration of \$5.50 per Sprint share and stock consideration of 0.28 of a share of New Sprint common stock per Sprint share.

New Sprint does not have any reported trading history and will not be a listed firm until after the closing of the proposed transaction. Based on Sprint's unaffected closing share price as of October 10, 2012 and the selected exchange ratio of one New Sprint share for each Sprint share outstanding, the illustrative implied value of 0.28 New Sprint shares is approximately \$1.41. Taken together with the aforementioned prorated cash component, the illustrative blended merger value of the SoftBank offer is approximately \$6.91 per share, representing a premium of approximately 37.1% to Sprint's unaffected closing share price and a 9.9% increase from SoftBank's original offer.

Statement from DISH Network Corporation

After market close on June 18, 2013, DISH issued a press release updating the status of its proposal to merge with Sprint. The release notes, among other things, DISH's view that the decisions made by Sprint to prematurely terminate ongoing due diligence processes and accept extreme deal protections in its revised agreement with SoftBank made it impracticable for DISH to submit a revised offer by the June 18, 2013 deadline imposed by Sprint. DISH intends to consider its options with respect to Sprint, and will focus its efforts and resources on completing the outstanding tender offer for the outstanding share capital of Clearwire Corporation ("Clearwire").

■ BOARD RATIONALE

In determining to approve the amended merger agreement with SoftBank and terminate ongoing discussions with DISH, the board notes, among other factors, the following: (i) the cash purchase price paid to Sprint shareholders has been significantly increased, and represents an attractive premium for Sprint shareholders; (ii) the cash portion of the consideration has been increased from 55% to 72%; (iii) current Sprint shareholders will own approximately 22% of a better capitalized, more competitive company; (iv) the purchase price underlying SoftBank's primary investment in Sprint effectively increased from \$5.25 to \$6.25 per share; (v) the SoftBank merger will improve Sprint's capital structure, positioning it to better compete against the current duopoly of AT&T Inc. and Verizon Communications; (vi) the current merger represents a significant premium to the DISH proposal, particularly when taking into account the value of synergies between Sprint and SoftBank, the debt burden DISH proposed Sprint incur to finance the proposed DISH transaction and the lost time value in light of DISH's need to restart the multi-month regulatory review; and (vii) the per

share cash consideration of the SoftBank merger is 16% greater than the per share cash consideration of the DISH proposal, assuming full proration.

In expanding on the viability of the DISH proposal, the board also notes the following: (i) the regulatory process associated with the DISH proposal would significantly delay the closing of that transaction until the first half of 2014, therefore creating uncertainty that the closing of the proposed transaction would actually occur; (ii) DISH has not yet begun the FCC and state approval processes; (iii) the leverage included in the DISH proposal could significantly reduce Sprint's ability to make necessary technology investments and could constrain the combined firm's future growth prospects by weakening its financial credibility with employees, vendors and customers; (iv) DISH never submitted an actionable offer to the Sprint special committee by the committee's deadline of June 6, 2013; and (v) the DISH proposal did not provide a combined operational and financial plan or address Sprint's interim funding needs.

■ GLASS LEWIS ANALYSIS

As noted in our original analysis, we accept, from the very start, that the scope and competitive position of Sprint within the U.S. wireless telecommunications industry clearly limits the strategic alternatives available to the Company. With respect to potential Sprint suitors in particular, it has been apparent for some time that the most capable and interested buyers were limited to SoftBank, with which Sprint executed the original merger agreement, and DISH, which made late stage efforts to acquire both the Company and Clearwire. While the latter effort remains subject to considerable uncertainty -- as evidenced by the Clearwire board's determination to recommend Clearwire shareholders reject the Sprint buyout offer and accept the DISH tender offer -- we nevertheless consider the Sprint board reasonably vetted the DISH proposal prior to executing the amended agreement with SoftBank.

In particular, we see Sprint sought and received two waivers from SoftBank, which waivers provided increased flexibility to the Sprint board in conducting negotiations with DISH, including by permitting the mutual exchange of confidential due diligence materials. In connection therewith, we note the Company furnished DISH with significant confidential documentation, retained a range of external financial and legal advisers to negotiate and review transaction terms and held both telephonic and in person discussions with members of DISH senior management. Further, Sprint authorized DISH to provide certain confidential materials to at least two external equity sponsors as part of its effort to obtain sufficient financing for a definitive buyout proposal. Notwithstanding what we view as reasonable effort by the Sprint board to explore the preliminary DISH bid, we note DISH was unable to provide a "best and final" offer, or, based on available information, any clear indication of sufficient financing, by June 7, 2013.

Given the very significant regulatory impediments and approvals involved in executing a new transaction with DISH, as well as the prospective risks associated with SoftBank's ability to abandon the Sprint buyout, we recognize the board's desire to pursue a focused due diligence process within a defined time frame. That DISH was unable to provide any guidance on a definitive offer or any clear source of financing by the date requested by the Sprint special committee communicates, at the very least, an indeterminate degree of procedural uncertainty and a corresponding increase in execution risk, in our view. By extension of the foregoing framework, we consider the board's determination to review -- and subsequently accept -- the revised and definitive offer from SoftBank reasonable, particularly as it involved a certain increase in value for shareholders, no further delays associated with renewed due diligence and no financing contingencies.

In recognition of these developments, however, we also note the board accepted new terms and provisions that, in our view, effectively eliminated the possibility that DISH would be in a reasonable position to submit a legitimate offer for the Company between June 10 and June 18, 2013, the latter date representing the final deadline specified by Sprint. Among other things, the Sprint board accepted a 48.1% increase in aggregate termination and reimbursement fees, terminated any mutual due diligence processes with DISH and amended the definition of a "superior offer" under the SoftBank merger agreement. In addition, the Sprint board was compelled to adopt a poison pill no later than June 17, 2013, essentially eliminating the possibility that DISH could accrue a significant stake in Sprint through, for example, a tender offer similar to the that undertaken at Clearwire. In what was clearly a two-suitor race, we consider the foregoing provisions clearly placed DISH at a significant disadvantage over the final one-week period, and represent a departure from the board's erstwhile efforts to secure post-execution flexibility. Nevertheless, we again note the board invested considerable time and resources in openly evaluating the DISH bid prior to June 10, 2013, which efforts failed to result in an indicative offer or any financing agreements. Thus, while we find the new terms codified in the revised SoftBank merger agreement are fairly regressive, we do not consider this issue alone serves as sufficient cause to oppose the amended transaction.

Turning, then, to the quantitative side of the new agreement, we see the full Sprint board obtained revised fairness opinions from Citigroup Global Markets, Inc., Rothschild Inc. and UBS Securities LLC (together, the "Advisers"). In arriving at their individual opinions, we note the Advisers jointly compiled a range quantitative analyses. Further, we see the independent special committee separately retained Merrill, Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") to

provide a fairness opinion comparable to -- but separate from -- those provided by the Advisers.

In review of the Advisers' analyses, we see the firms first estimated the implied value of the revised merger consideration by completing illustrative analyses of New Sprint's pro forma value. We accept this step as reasonable, given that New Sprint has no trading history and, by extension, the implied value of the share-based consideration is subject to uncertainty. We also note our estimated blended merger value of \$6.91 per share, which is tied to Sprint's unaffected trading price as of October 10, 2012, falls within the more conservative price range derived by the Advisers (\$6.87 to \$7.73). Thus, we consider this range reflects a decidedly more reasonable estimate of the implied value of the SoftBank consideration as viewed relative to the Advisers' discounted cash flow range (\$8.13 to \$9.02), which significantly exceeds Sprint's trading value at any time since announcement of the original SoftBank transaction. With this preface in place, we note our blended per share estimate and the Advisers' conservative reference range each compare favorably to the disclosed historical share price, discounted cash flow, comparable companies, precedent transactions, premiums paid and unaffected research analyst price target analyses. We find each of the analyses are reasonably disclosed and explained in Sprint's revised proxy filing, and, taken together, are supportive of the SoftBank offer.

For its part, Merrill makes a comparable effort to estimate the implied value of the revised merger consideration, relying on comparable company multiples and discounted cash flow analyses to derive implied equity reference ranges. Consistent with the disclosed efforts of the Advisers, we see Merrill's discounted cash flow analyses result in an aggregate reference range (\$8.08 to \$9.63) well in excess of Sprint's affected trading value. As a result, we believe this range offers shareholders less in the way of tangible value than the more conservative range derived through use of forward peer multiples (\$6.70 to \$7.20), which also encompasses our estimated blended merger value of \$6.91 per share. Similar with the disclosed efforts of the Advisers, we see our blended merger value and Merrill's conservative range each fall above or toward the high end of the reference ranges derived in Merrill's comparable companies, precedent transactions and discounted cash flow analyses. Viewed collectively with the opinions provided by the Advisers, and absent a definitive alternative bid, we believe there is sufficient cause to suggest the revised SoftBank transaction represents an attractive value for Sprint shareholders.

Conclusion

Following several weeks of uncertainty regarding DISH's indicative bid for Sprint and its corollary potential to force an increased offer from SoftBank, we believe shareholders have been provided with sufficient information with which to render an informed decision on the revised agreement. As a starting point, while we recognize the concerns expressed by DISH in its June 18 press release -- including Sprint's agreement to rather onerous and preclusive deal protections -- we also believe the Sprint board previously made reasonable effort to accommodate DISH's due diligence requests in the context of a decidedly complex and tenuous series of interconnected transactions and agreements. To that point, based on available disclosure, it does not appear the stage of DISH's diligence efforts, as supported by the Sprint board, warranted the considerable completion risks associated with an ongoing and indeterminate delay in a vote on the SoftBank transaction.

It is within that framework that we believe shareholders should consider their final vote determination here. In short, Sprint is in need of considerable financing in order to build out its 4G LTE network, which build out remains the linchpin of the Company's strategy to compete with much larger industry leaders AT&T and Verizon. While we accept that SoftBank is not the only firm potentially capable of providing strategic and financial support for that strategy, it is worth noting that, to date, SoftBank is the only firm to emerge with a definitive, binding offer to do so. In contrast, DISH has yet to provide a definitive offer for shareholders to consider, nor does it appear DISH has clearly secured financing for a buyout. This latter issue is of particular concern, given that Sprint has posted losses every fiscal year since 2007 and was cash flow negative over the last twelve-month period. When taken together with the significant capital expenditures required for a network build-out, we believe Sprint's operating performance and financial condition command considerably greater certainty around the degree to which any alternative bid would be heavily debt financed.

With the foregoing factors considered, we also note the revised quantitative terms provide considerably greater cash value directly to Sprint shareholders, and that the overall valuation appears attractive based on the cogent and well-disclosed analyses of the Advisers and Merrill. While we acknowledge that DISH may yet approach Sprint with a new offer, we do not believe this uncertain prospect serves as adequate cause for shareholders to reject an improved cash offer and a minority equity stake in the financially secure post-closing firm. Based on these factors and the unanimous support of the board, we believe shareholders should support this proposal.

Accordingly, we recommend shareholders vote **FOR** this proposal.

Note: To the extent additional materials are released by Sprint, SoftBank or DISH in advance of the Company's June 25, 2013 special meeting, we reserve the right to review such materials and, in our discretion, update our analyses and recommendations accordingly.

Our original analysis follows:

SUMMARY

Sprint Nextel Corporation ("Sprint" or the "Company") and SoftBank Corp. ("SoftBank") have entered into an agreement that values the entire issued share capital of Sprint at approximately \$18,953.2 million.

Pursuant to the proposed transaction, each outstanding share of Sprint Series 1 common stock will be exchanged for the right to receive, at each shareholder's election, one of the following forms of consideration: (i) \$7.30 in cash, without interest and less any applicable taxes; or (ii) one share of Starburst II, Inc. ("New Sprint"), an indirect wholly-owned subsidiary of SoftBank which will thereafter be renamed "Sprint Corporation". Elections will be prorated such that New Sprint will pay \$12.14 billion in cash and the former shareholders and other Sprint equityholders will own approximately 30.0% of the fully diluted share capital of New Sprint immediately following the SoftBank merger. The remaining 70.0% will be held indirectly by SoftBank.

As a result, New Sprint will be considered a "controlled company" under the rules of the New York Stock Exchange (the "NYSE") and will qualify for certain exemptions relating to corporate governance under the NYSE's listing standards. New Sprint is applying to have the New Sprint common stock listed on the NYSE under the symbol "S", the same symbol currently used by Sprint.

Softbank Deal Value

The Company states that based on the number of shares of Sprint common stock outstanding as of April 18, 2013, if all Sprint shareholders were to make the same election, each individual shareholder would receive cash consideration of \$4.03 per Sprint share and stock consideration of 0.4484 of a share of New Sprint common stock per Sprint share.

New Sprint does not have any reported trading history and will not be a listed firm until after the closing of the proposed transaction. Based on Sprint's unaffected closing share price as of October 10, 2012 and the selected exchange ratio of one New Sprint share for each Sprint share outstanding, the illustrative implied value of 0.4484 New Sprint shares is approximately \$2.26. Taken together with the aforementioned prorated cash component, the illustrative blended merger value of the SoftBank offer is approximately \$6.29, representing a premium of approximately 24.7% to Sprint's unaffected closing share price.

Sprint's volume-weighted average closing share price for the period between October 11, 2012 and April 12, 2013, the final trading date before announcement of a competing offer from DISH Network Corporation ("DISH"), was \$5.76, with a final closing price of \$6.22.

BACKGROUND

On October 11, 2012, market rumors emerged indicating SoftBank's prospective intention to engage in a major strategic transaction with Sprint. On the same day, shares of Clearwire Corporation ("Clearwire"), a major wireless telecommunications firm in which Sprint held a 49% interest, closed up 70.7% to \$2.22.

On October 15, 2012, Sprint and SoftBank jointly announced the execution of the current merger agreement.

On October 18, 2012, Sprint announced it would acquire a further 4.8% stake in Clearwire from Eagle River Holdings, L.L.C. ("Eagle River"), resulting in a controlling stake of approximately 50.2%.

By November 6, 2012, Clearwire shareholders holding approximately 26.5% of Clearwire's outstanding share capital (the "Dissenting Shareholders") publicly expressed concern regarding Sprint's acquisition of a control position in Clearwire through the Eagle River transaction.

On December 13, 2012, Sprint announced it agreed to acquire the remaining equity interests of Clearwire it did not already hold at a price of \$2.97 per Clearwire share. The transaction would be subject to, among other things, approval of Clearwire's unaffiliated shareholders at a duly called special meeting, to be held May 21, 2013. On the same date, Clearwire's shares closed up 14.9% to \$3.16.

On January 8, 2013, DISH Network Corporation ("DISH") publicly announced a counter-bid of \$3.30 per Clearwire share,

subject to, among other things, the cancellation of certain financing agreements executed by and between Sprint and SoftBank. The following day, Clearwire's shares closed up 7.2% to \$3.13.

On April 15, 2013, Sprint announced it received an unsolicited proposal from DISH to acquire Sprint. The offer contemplated the issuance of \$4.76 in cash and 0.05953 new DISH shares for each outstanding Sprint share, for an implied value of \$7.00 per Sprint share based on closing prices as of April 12, 2013.

On May 20, 2013, Sprint announced it received a waiver of various provisions of the merger agreement between Sprint and SoftBank, such that Sprint would be permitted to furnish non-public information to DISH and to engage in discussions and negotiations around DISH's April 15, 2013 offer. At such time, the Sprint board also indicated that its recommendation in favor of the SoftBank agreement had not changed. To date, Sprint has not commented further on discussions with DISH and, as noted in the Company's primary proxy filing, Sprint does not believe it is possible to predict when or if the board's special committee and the Sprint board will make any determination with respect to the DISH proposal. There is no obligation under the existing agreement with SoftBank for any such determination to be made within a specified time period.

On May 21, 2013, Sprint and Clearwire jointly announced an increase in Sprint's offer from \$2.97 per Clearwire share to \$3.40 per Clearwire share. On the same date, Clearwire announced the adjournment of its meeting to May 31, 2013. The Dissenting Shareholders expressed their continued opposition to Sprint's revised bid. On the same date, Clearwire's shares closed up 4.3% to \$3.40.

On May 29, 2013, DISH publicly announced it would increase its Clearwire bid to \$4.40 per share, to be conducted through a tender offer process. The amended offer remained conditional on several factors, including the valid tender of no less than 25.0% of Clearwire's issued and outstanding share capital and the execution of certain agreements. The following day, Clearwire's shares closed up 29.3% to \$4.50.

On May 31, 2013, Clearwire further adjourned its special meeting to June 13, 2013 and indicated a special committee of the board would, consistent with its fiduciary duties, engage with DISH to discuss, negotiate and/or provide information in connection with DISH's revised proposal.

On June 3, 2013, Sprint sent a letter to the Clearwire board indicating its view that the DISH proposal for Clearwire is not actionable and violates Delaware law.

■ BOARD RATIONALE

In determining to recommend shareholders support the proposed transaction, the board notes, among other factors, the following: (i) the implied value of the proposed consideration, as derived by the Company's independent financial advisers, implies attractive premiums to certain measures of Sprint's historical unaffected closing share price; (ii) SoftBank's successful track record of improving the competitive position of target companies and driving growth and financial performance in prior acquisitions, and its experience as a leader in providing LTE technology to its subscribers; (iii) the complementary nature of the respective businesses of Sprint and SoftBank, including a shared history of technical and marketing innovations and the potential for purchasing power synergies; (iv) SoftBank's current credit profile and Sprint's credit profile following the merger, including the likelihood that SoftBank would be able to complete the debt financing on the terms of its commitment letter; (v) the positive effect on Sprint's balance sheet from the initial \$3.1 billion investment by SoftBank, followed by the additional \$4.9 billion cash contribution to New Sprint by SoftBank at the effective time of the merger, particularly as the additional equity is expected to provide financial flexibility to New Sprint and enable New Sprint to be a stronger and more robust competitor in the U.S. telecom market; and (vi) the structure of the consideration affords discretion to Sprint shareholders in electing for cash or stock for their Sprint holdings.

■ MANAGEMENT OF THE COMBINED FIRM

During the 24-month period immediately following the effective time of the SoftBank merger, the New Sprint board will consist of ten members, determined as follows: (i) one director who will also be the CEO of New Sprint; (ii) three individuals designated by SoftBank who qualify as "independent directors", as such term is defined in the NYSE listing rules; (iii) three additional individuals proposed by Sprint and reasonably acceptable to SoftBank from the members of Sprint's board immediately prior to the closing of the SoftBank merger, who are expected to be independent directors; and (iv) three additional individuals nominated by SoftBank or its controlled affiliated and elected by the shareholders of New Sprint, and who may or may not qualify as Independent directors. It is anticipated that at all times, one of the directors designated by SoftBank, subject to U.S. government approval, will serve as the "Security Director" pursuant to the anticipated Network Security Agreement.

At all times following the period described above until such time as the combined voting interest of SoftBank and its controlled affiliates in New Sprint falls below 50% and remains below 50% for 90 consecutive days, the New Sprint board will include not fewer than three individuals who qualify as independent directors. Thereafter, unless and until the combined voting interest of SoftBank and its controlled affiliates in New Sprint remains below 10% for 90 consecutive days, the New Sprint board will include a number of individuals nominated by SoftBank or its controlled affiliate that is proportional to the combined voting interest of SoftBank and its controlled affiliates in New Sprint, rounded up to the nearest whole number. The executive officers of New Sprint will be determined by the New Sprint board.

■ VOTE REQUIRED

Approval of the proposed transaction requires the affirmative vote of the holders of a majority of the outstanding shares of Sprint common stock entitled to vote at the special shareholders' meeting.

Although SoftBank may be deemed to beneficially own 16.4% of Sprint's common stock, such holdings are based solely on SoftBank's beneficial ownership underlying the bond purchase agreement between the Company and SoftBank, and, by extension, will not be issued and outstanding as of the meeting record date and may not be voted at the special shareholders' meeting.

■ GLASS LEWIS ANALYSIS

From the very start, we recognize the scope and competitive position of Sprint within the U.S. wireless telecommunications industry inherently limits certain strategic alternatives otherwise available to the Company, including prospective combinations with other major industry players. As a recent and well publicized indication of the challenges endemic to further industry consolidation, shareholders need look no further than AT&T's failed bid to acquire T-Mobile USA from Deutsche Telekom AG, which was terminated in December 2011 following staunch opposition by the Antitrust Division of the United States Department of Justice. In lieu of this alternative, T-Mobile USA recently combined with pre-paid carrier MetroPCS to create the fourth largest U.S. wireless carrier, behind Sprint and established industry leaders AT&T and Verizon Communications Inc. Within this landscape, we understand, in principle, the board's relatively tight focus on a limited number of practicable transactions, including the acquisition of a smaller competitor, a full consolidation of Clearwire or a prospective debt or equity raise.

We also note SoftBank, a large telecommunications provider operating primarily in Japan, has been a participant in Sprint's alternatives review since at least June 2012, offering, among other things, to finance Sprint directly or to finance a combination between the Company and another strategic party. While these transaction structures would not contemplate the contribution of any operating assets by SoftBank, it is worth noting Sprint would be afforded strong financial backing with which to pursue its own domestic growth strategy, including the potential acquisition of additional spectrum assets. Given the purportedly unfavorable terms proposed by other potential strategic partners, the board's view on the likelihood of attracting another interested and capable strategic or financial bidder and the Company's interest in securing a definitive transaction, subsequent discussions with SoftBank quickly centered on a two-stage financing and acquisition that would leave SoftBank as the controlling shareholder in a re-listed Sprint. Sprint's existing shareholders would hold the remaining minority stake in the re-listed firm, which ownership was understood to be approximately 30.0% of New Sprint's issued and outstanding share capital.

We generally consider the Sprint board took appropriate steps throughout the remaining pre-execution process -- which occurred between September and October 2012 -- to ensure the more onerous provisions proposed by SoftBank were reduced or eliminated from the final merger agreement. These steps included a drastic reduction in codified termination fees (from \$2.0 billion to \$600.0 million), elimination of "naked no vote" expense reimbursements to SoftBank and removal of a "force the vote" provision that would preclude Sprint's ability to terminate the merger to accept a superior proposal and require the Company to submit the SoftBank transaction to a vote of Sprint's shareholders even if the Sprint board changed its recommendation. Taken together, the foregoing modifications provide the Sprint board with considerably greater flexibility in fully evaluating any alternative offers that might arise on a post-execution basis.

These negotiations carry particular poignancy here. As noted in Sprint's primary proxy filing, DISH submitted a cash-and-stock offer to acquire the Company's entire issued share capital on April 15, 2013. The offer stipulated that each outstanding Sprint share would be exchanged for the right to receive: (i) \$4.76 in cash, without interest and less any applicable taxes; and (ii) 0.05953 newly-issued DISH shares. On the same date, Sprint's shares closed up 13.5% to \$7.06. In response, the Sprint board formed a special committee for the express purpose of evaluating the DISH proposal and making a recommendation to the full board as to whether said proposal is, or is reasonably likely to lead to, a "superior offer", as defined in the SoftBank merger agreement. The Company has since received expanded waivers from SoftBank permitting Sprint to receive and transmit confidential information and actively engage in negotiations with DISH.

SoftBank has also communicated its opinion that the DISH proposal does not constitute a "superior offer".

For its part, the Sprint board states that it has not determined whether the DISH proposal constitutes a superior offer and that it is not possible at this time to predict when or if the Sprint special committee will make any determination with respect to the DISH proposal. There is no obligation under the merger agreement for any such determination to be made within a specified time period. Notwithstanding this procedural uncertainty, it does appear negotiations between DISH and Sprint remain active. Without speaking to the financial fairness of the existing offer from SoftBank or the inherent risks and uncertainties attendant to ongoing discussions with DISH, we believe it is critical for shareholders to have sufficient information with which to make a fully informed voting decision, particularly in the context of a transformational strategic transaction.

Here, then, with an ongoing board process to evaluate what appears to be a bona fide offer from an interested and capable third-party, we believe approval of the existing agreement would be premature, irrespective of the board's reasonable pre-execution efforts. In our view, the Sprint board should be commended for negotiating the many provisions in the Softbank agreement that now allow Sprint to actively consider a potentially greater value for shareholders and the Company. As it stands, the market appears to believe the DISH agreement could represent a value greater than that offered by Softbank, as evidenced by the 13.5% one-day price jump on DISH's announced offer and a significant increase in the volume-weighted trading price of Sprint's shares since that time. Taken collectively, we believe the interests of all shareholders would be best served by deferring judgement on the SoftBank transaction until such time as the board has provided clear disclosure around its view on the DISH proposal.

Accordingly, we recommend shareholders **ABSTAIN** from voting on this proposal.

2.00: ADVISORY VOTE ON GOLDEN PARACHUTES

PROPOSAL REQUEST: Approval of Golden Parachute Payments
PRIOR YEAR VOTE RESULT: N/A
BINDING/ADVISORY: Advisory
REQUIRED TO APPROVE: N/A

RECOMMENDATIONS & CONCERNS:
FOR- NO CONCERNS

Update: June 19, 2013

We have updated our report to reflect certain amendments to the buyout transaction with SoftBank. We now recommend shareholders support this proposal. For further discussion of the revised transaction terms, please refer to our analysis of Proposal 1.

We recommend shareholders vote **FOR** this proposal.

Our original analysis follows:

Named Executive Officers	CASH	EQUITY	PERQUISITES/ BENEFITS	TAX GROSS-UPS	TOTAL
Daniel R. Hesse <i>President and Chief Executive Officer</i>	\$19,553,914	\$13,872,328	\$50,561	-	\$33,476,803
Joseph J. Euteneuer	\$7,183,802	\$6,214,374	\$50,561	-	\$13,448,737
Keith O. Cowan	-	-	-	-	-
Steven L. Elfman	\$6,255,062	\$5,225,077	\$44,119	-	\$11,526,258
Robert L. Johnson	\$3,691,209	\$2,366,997	\$66,309	-	\$6,124,515

CASH Double-trigger

EQUITY Double-trigger

CEO:

**SEVERANCE
MULTIPLE:** 2x

BASIS: Annual base salary plus a target bonus

**ADDITIONAL
AWARD:** Pro rata 2012 STIP bonus and performance units under LTIP

TYPES: Options and Restricted stock.

TREATMENT: Vesting is triggered upon qualifying termination

OTHER NEOs:

**SEVERANCE
MULTIPLE:** 1.5x to 2x

BASIS: Annual base salary plus a target bonus

**ADDITIONAL
AWARD:** Pro rata 2012 STIP bonus and performance units under LTIP

Glass Lewis has reviewed the golden parachute compensation arrangements in connection with the proposed change in control transaction. We believe shareholders should be mindful of the following issue when considering their support for this proposal:

Recent Compensation-Related Concerns

In our Proxy Paper for the most recent annual shareholder meeting, Glass Lewis raised numerous compensation-related concerns that shareholders should note when considering support of this proposal. These concerns include: narrow performance periods under the LTI plan, unchallenging performance targets under STI and LTI plans and excessive discretion to adjustment performance results under incentive plans. In addition, we note that the Company received pay-for-performance grades of D and F in our 2012 and 2011 Proxy Papers, respectively, and recommended shareholders to vote against the say-on-pay resolution for the two past years.

SUMMARY

Golden parachute payments represent less than 1% of the equity premium of the merger. On an absolute basis, however, these arrangements total to approximately \$66 million, which we find to be extremely large. Further, the Company's compensation program has historically received "D" and "F" grades on our pay-for-performance model. We believe shareholders should be mindful of the Company's history of misalignment, as severance multipliers and equity arrangements are derived from the Company's annual compensation levels.

Presently, the Company and SoftBank have not determined who will serve as officers following consummation of the merger other than Mr. Hesse, who is expected to serve as the initial CEO of New Sprint. Given Mr. Hesse's continued employment, our concerns outlined above are assuaged by the fact that all golden parachute arrangements are "double trigger" in nature. Thus, an executive may only receive his golden parachute payment upon certain qualifying terminations. For Mr. Hesse, who could receive approximately \$33 million in golden parachute payments upon termination, this is an important consideration for shareholders to understand. Moreover, as it currently stands, the Company has not entered into any egregious or excessive employment agreements with its NEOs.

In the aggregate, we believe our compensation-related concerns (leading to our Against recommendations at the past two Sprint annual meetings), are not related to this proposal and should be viewed separately. Structurally, these golden parachute payments should be satisfactory to shareholders given the strong reliance on double-trigger arrangements as well as the low overall value as a percent of the equity premium of the deal. In fact, given the double-trigger nature of the payments listed above, as well as Mr. Hesse's continued employment as the CEO of New Sprint, we would ordinarily recommend that shareholders should support this resolution.

However, as an extension of the board's ongoing review of a competing offer from DISH -- as discussed at length in our analysis of Proposal 1 -- we believe shareholders should refrain from voting on this proposal at this time.

Accordingly, we recommend shareholders **ABSTAIN** from this proposal.

3.00: RIGHT TO ADJOURN MEETING

Update: June 19, 2013

We have updated our report to reflect certain amendments to the buyout transaction with SoftBank. We now recommend shareholders support this proposal. For further discussion of the revised transaction terms, please refer to our analysis of Proposal 1.

We recommend shareholders vote **FOR** this proposal.

Our original analysis follows:

■ GLASS LEWIS ANALYSIS

A majority of all of the shares of common stock entitled to vote will constitute a quorum for the transaction of business at the special meeting. If there are insufficient votes to approve Proposal 1, the board requests that the meeting be adjourned in order to solicit additional proxies. Approval of the proposed transaction requires the affirmative vote of the holders of a majority of the outstanding shares of Sprint common stock entitled to vote at the special shareholders' meeting. However, as an extension of the board's ongoing review of a competing offer from DISH -- as discussed at length in our analysis of Proposal 1 -- we believe shareholders should refrain from voting on this proposal at this time.

Accordingly, we recommend shareholders **ABSTAIN** from voting on this proposal.

APPENDIX

Questions or comments about this report, GL policies, methodologies or data? Contact your client service representative or go to www.glasslewis.com/issuer/ for information and contact directions.

NOTES

Update: June 19, 2013. We have updated our report to reflect: (i) an adjournment of Sprint's original meeting to June 25, 2013; (ii) certain amendments to SoftBank's offer to acquire a majority interest in Sprint; and (iii) the withdrawal of DISH from further due diligence processes with respect to a potential offer for Sprint. We now recommend shareholders vote **FOR** all proposals.

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