

- *Offers Clearwire Up to \$1.6 Billion in Conditional Aggregate Revenues and Funding*
- *Clearwire to Receive Total of \$926 Million from Sprint for Unlimited 4G WiMAX Services in 2012 and 2013; WiMAX Network to Operate Through at Least 2015*
- *Sprint to Provide Support for Future LTE Services*
- *Companies Agree on Parameters for Additional Sprint Equity Investment*
- *Clearwire to Pay \$237 Million Total Interest for First-Priority, Second-Priority and Exchangeable Notes as Scheduled*

[Sprint Nextel](#) and Clearwire announced agreements potentially worth up to \$1.6 billion over the next four years in payments for WiMAX services, possible pre-payments for LTE services and potential equity investments. The agreements further align Clearwire's LTE network build as a complement to Sprint's Network Vision strategy.

Clearwire also announced that it has made interest payments totaling \$237 million on its first-priority, second-priority and exchangeable notes which were due Dec. 1, 2011.

"These agreements are a result of the technical MOU we outlined during our third quarter results call and extend our relationship with Clearwire," said Dan Hesse, Sprint CEO. "It provides Sprint improved pricing, allows us to continue to provide WiMAX 4G services to our customers today and to new customers in the future and provides additional LTE capacity to help complement our Network Vision strategy and meet our customers' growing data demands."

"Today's announcement further cements the mutually beneficial relationship between our two companies," said Erik Prusch, president and CEO of Clearwire. "It is an important step toward

meeting Clearwire's key goals of extending our current 4G network arrangement, securing a commitment to our future LTE Advanced-ready network, and funding the business. We continue to move closer to realizing the full value of our deep spectrum resources as we are uniquely positioned to meet the rapidly growing demand for 4G mobile broadband."

### **Wholesale Pricing and 4G Availability**

The agreements modify prior wholesale pricing agreements and provide Sprint with unlimited access to Clearwire's WiMAX network to meet its growing 4G data demands. Under the terms of the agreements, Sprint will pay Clearwire a total of \$926 million, approximately two-thirds of which will be paid in 2012, for unlimited 4G WiMAX retail services during 2012 and 2013, subject to certain conditions. The agreements also establish long-term usage-based pricing for WiMAX services in 2014 and beyond. Sprint will have access to Clearwire's WiMAX network through at least 2015. Sprint plans to continue selling WiMAX devices with two-year contracts through at least 2012 and support those devices through the life of the contract.

In addition, the agreement contains separate, competitive pricing for re-wholesaling by Sprint that provides flexibility for Sprint to grow its 4G WiMAX wholesale business while at the same time providing Clearwire increased pricing flexibility that should allow Clearwire to grow its wholesale markets and attract new customers.

### **TDD-LTE Collaboration**

The agreements also lay the foundation for the deployment of Clearwire's planned LTE Advanced-ready overlay network and outline the terms for Sprint to gain access to the additional LTE capacity. The TDD-LTE rollout will capitalize on Clearwire's deep spectrum resources to deliver on 4G capacity needs over the long-term. Under the terms, Sprint will pay Clearwire up to \$350 million in a series of prepayments over a period of up to two years for LTE capacity if Clearwire achieves certain build-out targets and network specifications by June 2013. The agreements also establish long-term usage-based pricing for LTE services for 2012 and beyond. The companies have agreed to collaborate on a network build plan and will jointly select LTE macro-cell sites to cover Sprint's high usage area "hotspots." Clearwire plans to seek additional funding before initiating the build-out of its LTE Advanced-ready network.

In addition, Clearwire and Sprint will work collaboratively to support the ecosystem for TDD-LTE in Band Class 41 for devices, chipsets and standards. Subject to the timing of the build-out and other factors, Sprint expects to launch devices including laptop cards and phones that will utilize Clearwire's TDD-LTE network in 2013.

## **Equity Investment**

Sprint has committed to providing additional equity funding to Clearwire in the event of an equity offering. If Clearwire raises new equity between \$400 and \$700 million, Sprint will participate in the offering on a pro rata basis up to \$347 million, consistent with Sprint's current voting interest of 49.6 percent on the same terms and conditions as other participating companies.