

- CONFIDENTIAL -

CENTER|VIEW PARTNERS

Project Canine
Confidential Discussion Materials for the
Special Committee of the Board of Directors of Collie

December 16, 2012



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Summary of Indicative Dalmatian Proposal

	Proposal	Comments
Spectrum	<ul style="list-style-type: none"> ~40MHz contiguous spectrum in LTE Band 41 (the "Portfolio") 11.367bn total MHz-pops <ul style="list-style-type: none"> 9.528bn MHz-pops Owned 1.839bn MHz-pops Leased 	
Gross Value	<ul style="list-style-type: none"> \$2.46bn ~\$0.216/MHz-pop 	
Adjustments	<ul style="list-style-type: none"> ~\$177mm⁽¹⁾ NPV of spectrum lease payments ~\$200 - \$600mm tax liability 	<ul style="list-style-type: none"> Tax liability dependent on Shepherd decision regarding use of NOLs (if available) vs. conversion to Class A shares
Net Value ⁽²⁾	<ul style="list-style-type: none"> ~\$0.183/MHz-pop ~\$1.7bn - \$2.1bn in aggregate 	
Other	<ul style="list-style-type: none"> Option to purchase additional 2MHz adjacent to Portfolio at same price Match right to purchase/lease additional 20MHz of spectrum Agreement to "swap" spectrum at cost with replacement of "filter channels" if Dalmatian or Collie acquires spectrum contiguous to Portfolio Commercial agreement between Collie and Dalmatian 	<ul style="list-style-type: none"> Additional 20MHz likely exceeds current Excess Spectrum definition Commercial agreement is defined only in broad terms Dalmatian has on prior occasion expressed willingness to consider using acquired Collie debt as partial consideration
Liquidity Impact		<ul style="list-style-type: none"> Collie agreements restrict use of proceeds from asset sale <ul style="list-style-type: none"> Baskets allow for funding of (i) up to one year of capex and (ii) operating expenses up to 25% of proceeds (less amounts used to fund capex) Remainder must be used to tender for first lien If holders do not tender, Collie's use of proceeds is not restricted <ul style="list-style-type: none"> Current trading levels suggest debtholders may not tender

Source: Collie management.

(1) Collie management estimate based on 10% discount rate; Dalmatian proposal estimates NPV of spectrum lease payments as \$277 million based on 5% discount rate.

(2) Reflects \$177mm NPV of spectrum lease payments and assumes \$200mn tax liability.

Illustrative Cash Flow Impact of Potential Dalmatian Transaction

	Single Carrier Case					Multiple Carrier Case					
Gross Proceeds to Collie	\$2,460					\$2,460					
Less: NPV of Spectrum Leases	(177)					(177)					
Less: Cash Taxes	(200)					(200)					
Less: 2013E CapEx Spend (a)	(293)					(327)					
Less: 25% of Proceeds after CapEx Reserve (b)	(447)					(439)					
Proceeds to be Used to Tender for Debt	\$1,342					\$1,317					
	2013E	2014E	2015E	2016E	2017E	2013E	2014E	2015E	2016E	2017E	
Memo: Status Quo Cash Balance	(\$301)	(\$1,882)	(\$3,181)	(\$3,845)	(\$3,932)	(\$350)	(\$1,654)	(\$2,075)	(\$898)	\$1,596	
Assuming No Holders Tender	Status Quo Period Cash Flow	(\$1,130)	(\$1,581)	(\$1,298)	(\$665)	(\$87)	(\$1,178)	(\$1,305)	(\$420)	\$1,176	\$2,494
	Net Proceeds from Spectrum Sale (after Tender)	1,342	-	-	-	-	1,317	-	-	-	-
	Proceeds Reserved for CapEx / General (a+b)	741	-	-	-	-	766	-	-	-	-
	Annual Interest Savings ⁽¹⁾	-	-	-	-	-	-	-	-	-	-
	Pro Forma Ending Cash Balance	\$1,782	\$201	(\$1,098)	(\$1,762)	(\$1,849)	\$1,733	\$429	\$8	\$1,185	\$3,679
Assuming 100% of Holders Tender	Status Quo Period Cash Flow	(\$1,130)	(\$1,581)	(\$1,298)	(\$665)	(\$87)	(\$1,178)	(\$1,305)	(\$420)	\$1,176	\$2,494
	Net Proceeds from Spectrum Sale (after Tender)	-	-	-	-	-	-	-	-	-	-
	Proceeds Reserved for CapEx / General (a+b)	741	-	-	-	-	766	-	-	-	-
	Annual Interest Savings ⁽¹⁾	165	165	165	165	165	161	161	161	161	161
	Pro Forma Ending Cash Balance	\$604	(\$813)	(\$1,946)	(\$2,447)	(\$2,369)	\$578	(\$566)	(\$824)	\$513	\$3,169

Refinancing of Senior Secured Notes could help address funding gap

Source: Financial projections per Collie management.
 Note: U.S. dollars in millions.
 (1) Based on weighted average interest rate of 12.25% on Senior Secured Notes.

Illustrative Future Realizable Spectrum Value

Key Assumptions

General

- Based on Single Customer Case (SCC)
- Assumes spectrum sale to Dalmatian per current term sheet
- Creditors do not tender debt
 - Proceeds of sale used to fund continued LTE buildout

Dalmatian Transaction

- Gross value: \$2.46bn
 - ~\$0.216/MHz-pop
 - ~\$177mm NPV of spectrum lease payments
 - ~\$200 tax liability
- Net value: \$2.1bn

Summary of Proceeds

Gross Proceeds to Collie	\$2,460
(Less): NPV of Spectrum Leases	(177)
(Less): Cash Taxes	(200)
Net Proceeds to Collie	\$2,083

Pro Forma Capitalization

	2012	2013	2014	2015
Status Quo				
Gross Debt	\$4,486	\$4,463	\$4,449	\$4,449
Plus: NPV Spectrum Leases	1,800	1,800	1,800	1,800
(Less): Cash / Plus: Funding Gap	(828)	301	1,882	3,181
Net Debt	\$5,457	\$6,564	\$8,132	\$9,430

Pro Forma for Dalmatian Transaction				
Gross Debt	\$4,486	\$4,463	\$4,449	\$4,449
Plus: NPV Spectrum Leases	1,623	1,623	1,623	1,623
(Less): Cash / Plus: Funding Gap	(2,911)	(1,782)	(201)	1,098
Net Debt	\$3,197	\$4,304	\$5,872	\$7,170

Source: Financial projections per Collie management.
 Note: \$ in millions.

Illustrative Future Realizable Spectrum Value – YE'14 Sale

Present Value (YE'12) at Various Costs of Equity

		\$ / MHz-pop Paid @ 12/31/2014							
		\$0.200	\$0.250	\$0.300	\$0.350	\$0.400	\$0.450	\$0.500	
Pro Forma Capitalization									
PF '14E TEV @ 35.6bn MHz-pops		\$7,127	\$8,908	\$10,690	\$12,471	\$14,253	\$16,035	\$17,816	
(Less): Debt		(4,449)	(4,449)	(4,449)	(4,449)	(4,449)	(4,449)	(4,449)	
(Less): PF NPV Spectrum Leases		(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	
Plus: Cash		201	201	201	201	201	201	201	
PF '14E Equity Value		\$1,255	\$3,036	\$4,818	\$6,600	\$8,381	\$10,163	\$11,945	
PF '14E Stock Price		\$0.84	\$2.03	\$3.22	\$4.41	\$5.60	\$6.79	\$7.98	
Present Value (YE'12) at Various Costs of Equity									Breakeven \$ / MHz-pop⁽¹⁾
10%	\$ / Share	\$0.69	\$1.68	\$2.66	\$3.65	\$4.63	\$5.61	\$6.60	\$0.316
	Required Probability ⁽¹⁾	nm	nm	nm	81%	64%	53%	45%	
15%	\$ / Share	\$0.64	\$1.54	\$2.44	\$3.34	\$4.24	\$5.14	\$6.04	\$0.330
	Required Probability ⁽¹⁾	nm	nm	nm	89%	70%	58%	49%	
20%	\$ / Share	\$0.58	\$1.41	\$2.24	\$3.06	\$3.89	\$4.72	\$5.54	\$0.344
	Required Probability ⁽¹⁾	nm	nm	nm	97%	76%	63%	54%	
25%	\$ / Share	\$0.54	\$1.30	\$2.06	\$2.82	\$3.59	\$4.35	\$5.11	\$0.359
	Required Probability ⁽¹⁾	nm	nm	nm	nm	83%	68%	58%	

Source: Financial projections per Collie management.

Note: \$ in millions except per share / per MHz-pop figures.

(1) Required probability for value to be equivalent to \$2.97.

(2) Required \$ / MHz-pop to represent equivalent value to illustrative offer at \$2.97 / share.