

Making Clearwire Clear

*Compelling value and growth
from a tiny company with a
billion shares outstanding.*



February 4, 2010



Today's Agenda

- Clearwire Financials and Management
- Spectrum Holdings
- 4G model and experience
 - Interim 3G – HSPA 7.2, +, EVDO B
- Network Construction and Funding
- Handsets and Devices
- International





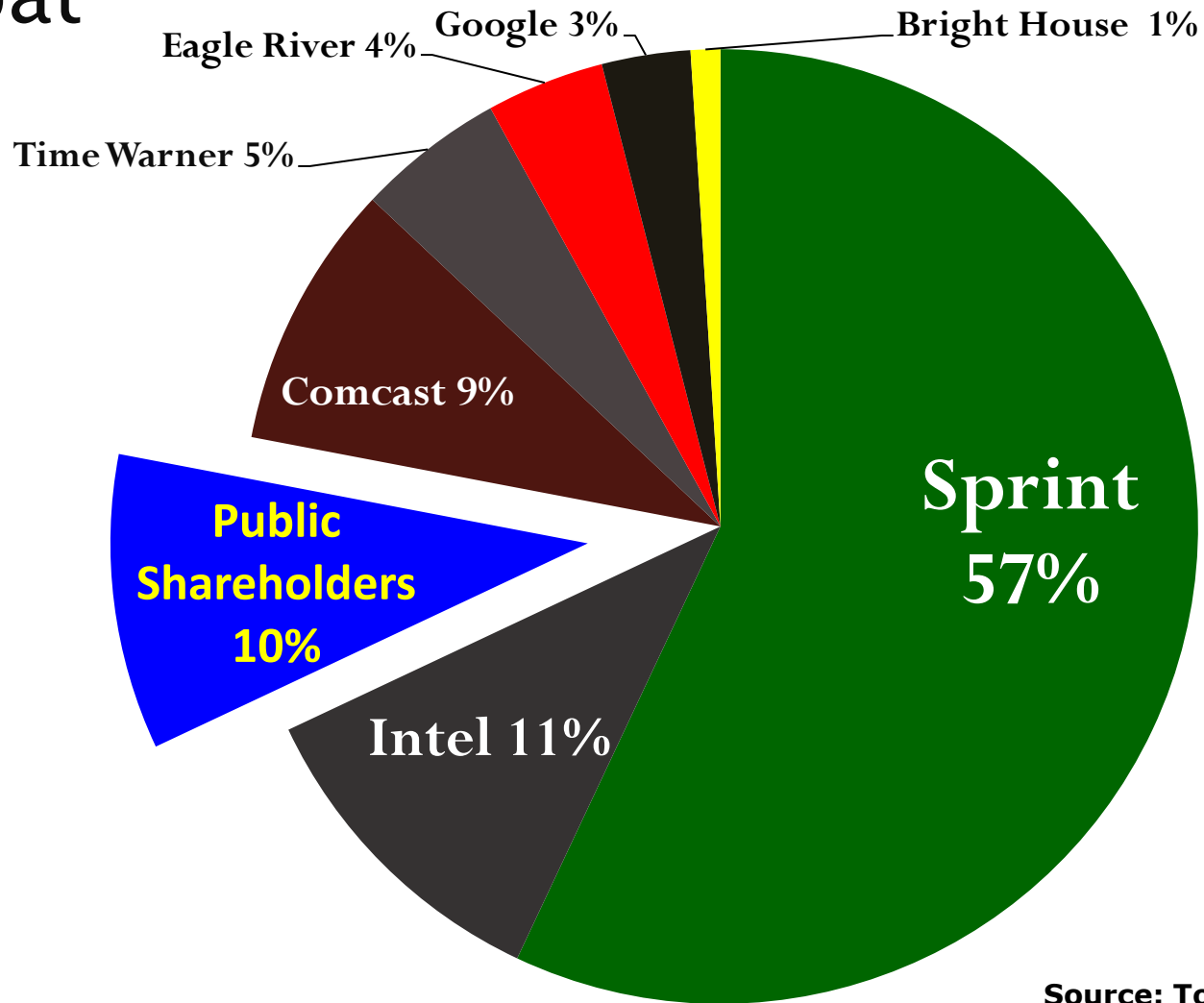
Clearwire's Capitalization

How we think about Clearwire for Valuation purposes

- ~ 1.0 Billion Shares outstanding (988 MM real)
- We think Market Value equals Enterprise Value for current valuation purposes
- It will spend the cash to build the network
- Any surpluses will likely be short lived



A billion shares but only 100MM float



Source: TownHall Research



Old School Valuation

Implied DCF Values (\$ Billions)

- Low \$14
- Mid \$18
- High \$24





Management

- Three generations of management
- Adapting to new business requirements
- Bill Morrow + Barry West: dream ticket
- The new-look executive team





Spectrum Portfolio

- Evolution
 - 'old' Clearwire plus Sprint
 - patchwork approach pioneered by McCaw
 - leasing and sharing agreements
- Frequency Dynamics
 - 2.5GHz, once spurned, now beachfront
 - increasing value of higher frequencies (dense deployments, small cells, indoor stations)





Clearwire Spectrum Portfolio

- 2.5 GHz
- 120 MHz deep
- 235+ million “pops”
- 28.2 Billion MHz/pops
- Carried at \$4.5 B



2.5 GHz vs. 700 MHz

- 700 MHz is better
 - Distance or Carry
 - Building Penetration
- 2.5 GHz
 - Divisible Cells
 - High Density
- Technology as equalizer
 - Femto and Pico cells



700 MHz Auction Vs CLWR



Block	A	B	C	D	E	Total	Clearwire
Depth	12	12	22	0	6	52	120
MHz Pops	3.4	3.4	6.3	0	1.7	14.8	28.2
Price	\$4.0	\$9.1	\$4.7	0	\$1.3	19.0	
Px/MHz/pop	\$1.16	\$2.67	\$0.76	0	\$0.74	\$1.28	\$0.16
Buyer	VZ	T	VZ	No Sale	QCOM, DISH		



Quirks	interference issues	Best of the blocks	Very large block but comes with open access stipulation	Public Safety Shared block, did not sell	Theoretically the best one for mobile TV.	EBS 5% rule, Center-point Licensing
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How these licenses are different

- Centerpoint
 - Lower Cost Towers/Antennas
- Traditional Territory
- EBS Restrictions
- Open requirement in Block D



What is wrong with 3G extensions?



- In developed markets, 4G is almost always complementary to 3G
- To justify 4G, new models and services are needed
 - wireless DSL or souped-up 3G lack ROI





4G Model Position

- Drivers behind '4G' networks and services
 - mobile, always-on broadband
 - data explosion
 - operator need to support this cost effectively
- Replacing or complementing DSL, cable, fiber?



LTE and WiMAX

- Similar technologies, different models
- For now Clearwire has headstart
- Verizon LTE comparison
 - Timescales
 - Devices
 - Bands
 - Roaming
 - Open access
- Future CLWR options - WiMAX2 or LTE convergence?



Clearwire's 4G model

- Blueprint for the 4G model in WiMAX or LTE
- Multiple revenue streams to leverage spectrum advantage
- The investor/MVNOs bedrock of business
- Further MVNOs and mobile data offload
- Metrozones and public organizations
- Future extensions
 - dynamic spectrum partners (on-demand)
 - M2M
 - device MVNOs (compare UQ Japan)



Network Construction and Funding



- 30 +MM now, 140MM by YE 2010
 - high end of the range
 - Would not be surprised if the company raised the outlook when it reports
- Sub Growth to move up and to the right
 - Resellers may need
- Low density with backfill as demand mandates
- Debt Financed





Recent and Expected Results

Clearwire Recent Actual and Expected	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Low Guidance Interpretation</i>	<i>More Logical Guidance Interpretation</i>
In Thousands	31-Mar	30-Jun	30-Sep		30-Dec
Total Subs	500	511	555	636	713
Gross Adds	64	54	93	134	211
Lost Subs	38	42	49	53	53
Net Adds	25	12	44	81	158
Source: TownHall Research					



Devices

- Can Clearwire differentiate if it lags in phones?
- Importance of retail model of devices
- Smartphones this year, but not all about handsets
- Smartbooks, portable hotspots, media hubs etc
- Wireless embedded in all gadgets
- Significance of Taiwan ODM community to economics
- Compare device policy for 3G and Verizon LTE
- The open applications model



Clearwire in Europe

- Belgium, Denmark, Ireland, Spain, Germany, Romania
- European licenses cover 200m people in total
- The Malaga roll-out
- Spain – low penetration, no LTE until 2012
- Economics of 3.5GHz
- Interest in 2.6GHz, eg Spanish cablecos
- European partnerships, mobile data offload



International WiMAX

- Clearwire's international activities
 - India
- Roaming and procurement partnerships
- The Taiwanese hub
- Growing ecosystem as WiMAX gains ground
 - stimulus projects
 - Russia, Japan, India, S Africa etc
 - Body of expertise and testing
- WiMAX2, common ground with LTE?



QUESTIONS



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