# Confidential Pre-Negotiation Summary

**E-mail this completed form and your one-page Negotiation Strategy to your COMM 3040 Strategy, Finance, and OB members by 6:00 pm on Monday, February 23.**

**Your side (check one):**  T-Mobile (TMUS)  \_\_\_\_\_\_\_\_\_\_\_\_  Dish Network Corp. (DISH) \_\_\_\_x\_\_\_\_\_

**Group members’ names:**Alex Derbyshire, Trent Holbrook, Will McComb, Bill Su, Jessica Thornton

**1. Report your strategic rationales for proposed synergies.**

Based on your analysis of the proposed acquisition, please list in order of importance the top five *strategic* value-added factors in this negotiation.  This list should include factors that your strategic analysis indicates will be the most important in order for the realization of the identified synergies.  Such factors may include but should not be limited to:  composition of board seats and top management, proposed layoffs, location of headquarters, level of autonomy of the target firm, or the strategic focus of the proposed entity. Please be as specific as possible regarding your expectations regarding each factor (e.g., board composition – retaining at least three board seats in the proposed entity).  Each group will have a different list of factors and the successful negotiation of these items should guide your discussion of price in the second phase of the negotiation.  Following the negotiation you will be asked to report on how the agreed upon strategic factors of the proposed entity compare to your list below.

1 .Dish has a large amount of unused spectrum that will be a huge asset to T-Mobile for future network expansion

2. Dish and T-Mobile can begin bundling their mobile and satellite streaming services, giving each company access to new customers and more efficient distribution channels

3. T-Mobile will be able to maintain its strong brand presence in the U.S. and continue growing core operations but costly SG&A operations will be consolidated

4. T-Mobile will gain up to two board seats, giving it a substantial degree of influence over long term operations at the merged company

5. In light of recent consolidations in the US Telecommunications Industry, a merger between Dish and T-Mobile would give T-Mobile the size needed to compete with other major competitors.

**2. Report your opening and walk-away prices.**

Please quote total equity values in billions of USD and then divide the total equity value in billions of USD by the number outstanding TMUS shares (assume 807.4 million outstanding shares) and quote the equity price per share in USD. Finally, report the cash portion of the equity price per share in USD and the number of newly issued DISH shares per TMUS share and the proportion of cash and stock.

***This “opening value” is the price you will initially offer as a starting point for the negotiation. It should be the maximum (minimum) valuation the TMUS (DISH) team can reasonably justify as an opening offer****.*

**Opening Value:  \_\_\_\_\_\_\_\_\_\_\_\_\_**\_**$26.72\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Total Equity Value in Billions)**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_$33.10\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Total Price Per Share)**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_$24.83\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Cash Price Per Share)**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.11\_\_\_\_\_\_\_\_\_\_\_\_\_(Number of DISH Shares Issued Per TMUS Share)**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_100%\_\_\_\_\_ (% Stake of TMUS that Deutsche Telekom Would Sell)**

***This ”walk-away value” is the highest (lowest) price you would offer (accept) for TMUS. It should be the maximum (minimum) valuation the DISH (TMUS) team can justify paying (receiving) for TMUS****.*

**Walk-away Value:    \_\_\_\_\_\_\_\_\_\_$32.76\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Total Equity Value in Billions)**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_$39.83\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Total Price Per Share)**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_$9.96\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Cash Price Per Share)**

**\_\_\_\_\_\_\_\_.39\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Number of DISH shares Issued Per TMUS Share)**

**\_\_\_\_\_\_\_\_\_\_\_\_\_90%\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(% Stake of TMUS Deutsche Telekom Would Sell)**

**3.  Confidentiality of Information and Results.**

(i)  You must respect the confidentiality of your and your counter party’s information.  Once negotiations begin, you may choose to reveal your information and/or ask to see your counter party’s information (note that doing so has important strategic implications, about which you should think carefully).  Until negotiations begin, you must stick to your own information.

(ii)  The goal of the negotiation is to determine the intrinsic value of TMUS if it is combined with DISH and then determine if your group can negotiate the most appropriate deal for the shareholders of the firm you are assigned to represent. If a price cannot be reached in the allotted time, you need to develop a plan that will keep negotiations moving forward in a future meeting.