

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Sprint Nextel Corporation		2 Issuer's employer identification number (EIN) 48-0457967	
3 Name of contact for additional information Brad Hampton	4 Telephone No. of contact 800-259-3755	5 Email address of contact investor.relations@sprint.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 6200 Sprint Parkway		7 City, town, or post office, state, and Zip code of contact Overland Park, KS 66251	
8 Date of action July 10, 2013		9 Classification and description Series 1 Common Stock, par value \$2.00 per share	
10 CUSIP number 852061100	11 Serial number(s)	12 Ticker symbol S	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **See attachment.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **See attachment.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **See attachment.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

18 Can any resulting loss be recognized? ▶ See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ /s/ Gary E. Charde Date ▶ August 23, 2013

Print your name ▶ Gary E. Charde Title ▶ Vice President, Tax

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				

Sprint Nextel Corporation
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14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On July 10, 2013, pursuant to an Agreement and Plan of Merger dated as of October 15, 2012 (as amended), Sprint Nextel Corporation and SoftBank Corp. consummated a transaction (the "**SoftBank Merger**") wherein each outstanding share of Series 1 common stock, \$2.00 par value, of Sprint Nextel Corporation ("**Old Sprint Common Stock**") was converted into (a) one share of common stock, par value \$0.01 per share, of Starburst II, Inc. ("**New Sprint Common Stock**"), or (b) a combination of \$5.647658 in cash and 0.261744048 of a share of New Sprint Common Stock. Starburst II, Inc. then changed its name to Sprint Corporation. The receipt of only New Sprint Common Stock or a combination of cash and New Sprint Common Stock was based on an election that Sprint Nextel Corporation shareholders were entitled to make prior to consummation of the transaction. The transaction, including the consideration received, is more fully described in the proxy statement/prospectus, which is included in the Registration Statement on Form S-4 that has been filed with the Securities and Exchange Commission.

Part I of Form 8937 contains information related to Sprint Nextel Corporation, the "reporting issuer" for shares of Old Sprint Common Stock. Comparable information for Sprint Corporation, the issuer of New Sprint Common Stock, is as follows:

Issuer Name:	Sprint Corporation
Issuer EIN:	46-1170005
Classification/Description:	Common stock, par value \$0.01 per share
CUSIP number:	85207 U 10 5

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. shareholder as an adjustment per share or as a percentage of old basis.

Because the quantitative effect of the SoftBank merger on tax basis can vary from U.S. shareholder to U.S. shareholder, it cannot be expressed as a specific adjustment amount per share or as a percentage of old basis. In general, after performing the calculations described below, a U.S. shareholder's tax basis will either stay the same or be reduced, but it should not increase.

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16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

The basis adjustment procedures described below can only be applied after determining the amount of taxable gain to be recognized as a result of the SoftBank Merger. These taxable gain calculations and basis adjustment rules should be applied separately to each “block” of Old Sprint Common Stock that a U.S. shareholder held at the time of the SoftBank Merger. A “block” of stock is shares of stock purchased at the same time and the same price in a single transaction.

U.S. Shareholders Receiving Solely New Sprint Common Stock

A U.S. shareholder who received solely New Sprint Common Stock in exchange for each separate block of Old Sprint Common Stock generally will not recognize gain or loss in the SoftBank Merger, except in respect of cash received in lieu of a fractional share of New Sprint Common Stock (as discussed below).

The tax basis of New Sprint Common Stock received (including a fractional share for which cash is received) by a U.S. shareholder will equal the tax basis of the shares of Old Sprint Common Stock surrendered by the U.S. shareholder pursuant to the SoftBank Merger. This determination is performed separately for each block of Old Sprint Common Stock.

U.S. Shareholders Receiving Combination of Cash and New Sprint Common Stock

To the extent the same U.S. shareholder received different forms of consideration for different blocks of stock (i.e., some blocks received only New Sprint Common Stock while other blocks received a combination of cash and New Sprint Common Stock), all of the cash and New Sprint Common Stock received by that U.S. shareholder for all blocks of stock should be aggregated and reallocated proportionately among each block of Old Sprint Common Stock surrendered by the U.S. shareholder based on the relative fair market values of such blocks on July 10, 2013. Failure to perform this reallocation of consideration among blocks of stock could result in errors in the calculation of taxable gain and tax basis.

A U.S. shareholder who received both cash and New Sprint Common Stock will generally recognize taxable gain with respect to each block of Old Sprint Common Stock surrendered equal to the lesser of (1) the sum of the amount of cash and the fair market value of the New Sprint Common Stock allocable to the block of Old Sprint Common Stock, over the U.S. shareholder’s tax basis in the block of Old Sprint Common Stock, and (2) the amount of cash allocable to the block of Old Sprint Common Stock. If the result of calculation (1) is zero or a negative number, no taxable gain will be recognized by the U.S. shareholder with respect to the block of Old Sprint Common Stock. As described above, this calculation is performed separately for each block of stock, and should take into account any reallocation of consideration among

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the blocks of stock that may be necessary due to the U.S. shareholder having received different types of consideration for different blocks of Old Sprint Common Stock. Furthermore, a loss realized on one block of stock may not offset a gain recognized on another block of stock.

In the calculation above, for purposes of calculating the fair market value of the New Sprint Common Stock received, Sprint believes that a price of \$5.84 per share should be used, which represents the closing price of New Sprint Common Stock on the "when-issued" market on July 10, 2013, the closing date of the SoftBank Merger. The tax law does not dictate how fair market value should be determined under these circumstances and other possibilities may exist, which could produce different results.

The tax basis of New Sprint Common Stock received (including a fractional share for which cash is received) by a U.S. shareholder receiving a combination of cash and New Sprint Common Stock will equal the tax basis of the shares of Old Sprint Common Stock surrendered by the U.S. shareholder pursuant to the SoftBank merger, reduced by the amount of cash received by the U.S. shareholder (excluding any cash received in lieu of a fractional share of New Sprint Common Stock) and increased by the amount of gain (excluding any gain or loss with respect to a fractional share, as described below), if any, recognized by the U.S. shareholder on the exchange. As with the calculation of taxable gain, this calculation is performed separately for each block of stock, and should take into account any reallocation of consideration among the blocks of stock that may be necessary due to the U.S. shareholder having received different types of consideration for different blocks of stock.

17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

For U.S. federal income tax purposes, it is expected, and the discussion contained herein assumes, that the exchanges of Old Sprint Common Stock for New Sprint Common Stock that occur pursuant to the SoftBank Merger will be treated as transfers governed by Section 351 of the Internal Revenue Code of 1986, as amended. The determination of tax basis of the New Sprint Common Stock received in the SoftBank Merger is governed by Section 358(a) of the Internal Revenue Code of 1986, as amended.

18. Can any resulting loss be recognized?

U.S. shareholders will generally not recognize loss in the SoftBank Merger, except possibly in the case of cash received in lieu of a fractional share of New Sprint Common Stock. In addition, a loss realized on one block of stock may not offset a gain recognized on another block of stock.

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19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The tax effects of the SoftBank Merger should be reported by a U.S. shareholder in the tax year that includes the date, July 10, 2013.

Other relevant considerations include the following:

Holding Period

The holding period of the New Sprint Common Stock received in the SoftBank Merger with respect to a block of Old Sprint Common Stock will include the holding period of the shares of that block of Old Sprint Common Stock surrendered.

Cash Received in Lieu of Fractional Shares

A U.S. shareholder who receives cash in lieu of a fractional share of New Sprint Common Stock in the SoftBank Merger will be deemed to have received that fractional share in the SoftBank Merger and then to have had the fractional share redeemed in exchange for cash. The U.S. shareholder will generally recognize gain or loss equal to the difference between the amount of cash received for the fractional share and the portion of the U.S. shareholder's tax basis in the shares of Old Sprint Common Stock surrendered in the SoftBank Merger that is allocable to the fractional share taking into account the calculations and adjustments described above.

Character of Recognized Gain or Loss

Any gain or loss (in the case of a loss, only with respect to the sale of a fractional share) recognized by a U.S. shareholder holding Old Sprint Common Stock will generally be capital gain or loss, and will generally be long-term capital gain or loss if the U.S. shareholder held the Old Sprint Common Stock surrendered for more than one year as of July 10, 2013.

Examples Illustrating SoftBank Merger Tax Consequences

Assumptions for Examples

The following examples illustrate the calculations described in Form 8937. In each example, it is assumed that a U.S. shareholder owned 200 shares of Sprint Nextel Corporation common stock (Old Sprint Common Stock) at the time of the merger in a single block. It is also assumed, for purposes of calculating the total consideration received in the merger (Step 2), that the fair market value of the New Sprint Common Stock received in the merger was \$5.84 per share, which was the closing price of the New Sprint Common Stock on the "when-issued" market on July 10, 2013 (the day on which the merger closed).

In the first three examples, the cash and New Sprint Common Stock received that is allocable to the 200 share block of Old Sprint Common Stock is 52.3488096 shares of New Sprint Common Stock (200 shares of Old Sprint Common Stock, multiplied by the 0.261744048 stock exchange ratio) and \$1,129.53 in cash (200 shares of Old Sprint Common Stock, multiplied by the \$5.647658 cash ratio). In exchange for the 0.34488096 fractional share, the U.S. shareholder received an additional cash payment of \$2.27 (0.34488096 fractional share, multiplied by the \$6.50 assumed per fractional share price), leaving the U.S. shareholder with 52 shares of New Sprint Common Stock (please note: the per share amount received for fractional shares may differ). The first three examples differ as to the U.S. shareholder's assumed tax basis in the Old Sprint Common Stock before the transaction. Example 1 assumes a tax basis of \$6 per share of Old Sprint Common Stock, Example 2 assumes a tax basis of \$10 per share, and Example 3 assumes a tax basis of \$1 per share.

In Example 4, the U.S. shareholder is assumed to have received solely New Sprint Common Stock in the merger. Therefore, 200 shares of New Sprint Common Stock is received in exchange for the 200 share block of Old Sprint Common Stock. The example assumes a pre-transaction tax basis of \$3 per share of Old Sprint Common Stock.

The information contained herein is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the SoftBank Merger. In addition, this information does not address tax consequences which may vary depending on the individual circumstances of Sprint shareholders, or any non-income tax or any foreign, state or local tax consequences of the SoftBank Merger. Accordingly, Sprint shareholders are strongly urged to consult with their own tax advisors to determine the particular U.S. federal, state, local or foreign income or other tax consequences of the SoftBank Merger to them. Nothing contained herein is intended to replace the discussion of tax consequences contained on pages 162-165 of the proxy statement/prospectus dated May 1, 2013.

Example 1:

Step 1: Tax Basis of Old Sprint Common Stock

200 shares x \$6.00/share	<u>1,200.00</u>
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Step 2: Total Consideration Received in the Merger

Stock Merger Consideration (200 shares Old Sprint Common Stock X 0.261744048 stock exchange ratio X \$5.84)	305.72
Plus: Cash Merger Consideration (200 shares Old Sprint Common Stock X \$5.647658)	<u>1,129.53</u>
Total Consideration Received	<u>1,435.25</u>

Step 3: Taxable Gain or Loss Realized in the Merger

Total Consideration Received	1,435.25
Less: Tax Basis of Old Sprint Common Stock	<u>(1,200.00)</u>
Total Gain Realized	<u>235.25</u>

Step 4: Taxable Gain Recognized in the Merger

Taxable Gain Recognized (Lesser of Total Gain Realized or Cash Merger Consideration)	<u>235.25</u>
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Step 5: Total Basis in New Sprint Common Stock

Tax Basis of Old Sprint Common Stock	1,200.00
Less: Cash Merger Consideration	<u>(1,129.53)</u>
Plus: Taxable Gain Recognized	<u>235.25</u>
Basis of New Sprint Common Stock (52.3488096 shares)	<u>305.72</u>

Step 6: Taxable Gain or Loss Recognized on Fractional Share

Cash Paid in Lieu of Fractional Share (0.3488096 shares X \$6.50)	2.27
Less: Basis Attributable to Fractional Share [(0.3488096 / 52.3488096) X 305.72]	<u>(2.04)</u>
Taxable Gain Recognized on Fractional Share	<u>0.23</u>

Step 7: Total Basis in the Remaining New Sprint Common Stock

Basis of New Sprint Common Stock (52.3488096 shares)	305.72
Less: Basis Attributable to Fractional Share	<u>(2.04)</u>
Basis in Remaining New Sprint Common Stock (52 shares)	<u>303.68</u>

Per Share Basis (\$303.68 / 52 shares)	5.84
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In this example, for the 200 share block of Old Sprint Common Stock, you would report a total taxable gain from the merger of \$235.48 (\$235.25 + \$0.23 for fractional share gain), and you would have a tax basis in the 52 shares of New Sprint Common Stock that you received of \$303.68.

This calculation is provided for illustrative purposes only. Specific questions about your unique situation should be discussed with your tax advisor.

Example 2:

Step 1: Tax Basis of Old Sprint Common Stock

200 shares x \$10.00/share 2,000.00

Step 2: Total Consideration Received in the Merger

Stock Merger Consideration (200 shares Old Sprint Common Stock X 0.261744048 stock exchange ratio X \$5.84) 305.72
Plus: Cash Merger Consideration (200 shares Old Sprint Common Stock X \$5.647658) 1,129.53
Total Consideration Received 1,435.25

Step 3: Taxable Gain or Loss Realized in the Merger

Total Consideration Received 1,435.25
Less: Tax Basis of Old Sprint Common Stock (2,000.00)
Total Loss Realized (564.75)

Step 4: Taxable Loss Recognized in the Merger

Taxable Loss Recognized (realized losses cannot be recognized) 0.00

Step 5: Total Basis in New Sprint Common Stock

Tax Basis of Old Sprint Common Stock 2,000.00
Less: Cash Merger Consideration (1,129.53)
Plus: Taxable Gain Recognized 0.00
Basis of New Sprint Common Stock (52.3488096 shares) 870.47

Step 6: Taxable Gain or Loss Recognized on Fractional Share

Cash Paid in Lieu of Fractional Share (0.3488096 shares X \$6.50) 2.27
Less: Basis Attributable to Fractional Share [(0.3488096 / 52.3488096) X 870.47] (5.80)
Taxable Loss Recognized on Fractional Share (3.53)

Step 7: Total Basis in the Remaining New Sprint Common Stock

Basis of New Sprint Common Stock (52.3488096 shares) 870.47
Less: Basis Attributable to Fractional Share (5.80)
Basis in Remaining New Sprint Common Stock (52 shares) 864.67

Per Share Basis (\$864.67 / 52 shares) 16.63

In this example, for the 200 share block of Old Sprint Common Stock, you would report a total taxable loss from the merger of \$3.53 (\$0 + \$ 3.53 for fractional share loss), and you would have a tax basis in the 52 shares of New Sprint Common Stock that you received of \$864.67.

This calculation is provided for illustrative purposes only. Specific questions about your unique situation should be discussed with your tax advisor.

Example 3:

Step 1: Tax Basis of Old Sprint Common Stock

200 shares x \$1.00/share	<u>200.00</u>
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Step 2: Total Consideration Received in the Merger

Stock Merger Consideration (200 shares Old Sprint Common Stock X 0.261744048 stock exchange ratio X \$5.84)	305.72
Plus: Cash Merger Consideration (200 shares Old Sprint Common Stock X \$5.647658)	<u>1,129.53</u>
Total Consideration Received	<u>1,435.25</u>

Step 3: Taxable Gain or Loss Realized in the Merger

Total Consideration Received	1,435.25
Less: Tax Basis of Old Sprint Common Stock	<u>(200.00)</u>
Total Gain Realized	<u>1,235.25</u>

Step 4: Taxable Gain Recognized in the Merger

Taxable Gain Recognized (Lesser of Total Gain Realized or Cash Merger Consideration)	<u>1,129.53</u>
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Step 5: Total Basis in New Sprint Common Stock

Tax Basis of Old Sprint Common Stock	200.00
Less: Cash Merger Consideration	<u>(1,129.53)</u>
Plus: Taxable Gain Recognized	<u>1,129.53</u>
Basis of New Sprint Common Stock (52.3488096 shares)	<u>200.00</u>

Step 6: Taxable Gain or Loss Recognized on Fractional Share

Cash Paid in Lieu of Fractional Share (0.3488096 shares X \$6.50)	2.27
Less: Basis Attributable to Fractional Share $[(.3488096 / 52.3488096) \times 200.00]$	<u>(1.33)</u>
Taxable Gain Recognized on Fractional Share	<u>0.94</u>

Step 7: Total Basis in the Remaining New Sprint Common Stock

Basis of New Sprint Common Stock (52.3488096 shares)	200.00
Less: Basis Attributable to Fractional Share	<u>(1.33)</u>
Basis in Remaining New Sprint Common Stock (52 shares)	<u>198.67</u>

Per Share Basis $(\$198.67 / 52 \text{ shares})$	3.82
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In this example, for the 200 share block of Old Sprint Common Stock, you would report a total taxable gain from the merger of \$1,130.47 (\$1,129.53 + \$0.94 for fractional share gain), and you would have a tax basis in the 52 shares of New Sprint Common Stock that you received of \$198.67.

This calculation is provided for illustrative purposes only. Specific questions about your unique situation should be discussed with your tax advisor.

Example 4:

Step 1: Tax Basis of Old Sprint Common Stock

200 shares x \$3.00/share 600.00

Step 2: Total Consideration Received in the Merger

Stock Merger Consideration (200 shares Old Sprint Common Stock X 1.00 stock exchange ratio X \$5.84) 1,168.00
Plus: Cash Merger Consideration 0.00
Total Consideration Received 1,168.00

Step 3: Taxable Gain or Loss Realized in the Merger

Total Consideration Received 1,168.00
Less: Tax Basis of Old Sprint Common Stock (600.00)
Total Gain Realized 568.00

Step 4: Taxable Gain Recognized in the Merger

Taxable Gain Recognized (Lesser of Total Gain Realized or Cash Merger Consideration) 0.00

Step 5: Total Basis in New Sprint Common Stock

Tax Basis of Old Sprint Common Stock 600.00
Less: Cash Merger Consideration 0.00
Plus: Taxable Gain Recognized 0.00
Basis of New Sprint Common Stock (200 shares) 600.00

Step 6: Taxable Gain or Loss Recognized on Fractional Share

Cash Paid in Lieu of Fractional Share (no fractional share received) 0.00
Less: Basis Attributable to Fractional Share (no fractional share received) 0.00
Taxable Gain Recognized on Fractional Share 0.00

Step 7: Total Basis in the Remaining New Sprint Common Stock

Basis of New Sprint Common Stock (200 shares) 600.00
Less: Basis Attributable to Fractional Share 0.00
Basis in Remaining New Sprint Common Stock (200 shares) 600.00

Per Share Basis (\$600.00 / 200 shares) 3.00

In this example, for the 200 share block of Old Sprint Common Stock, you would report a total taxable gain from the merger of \$0, and you would have a tax basis in the 200 shares of New Sprint Common Stock that you received of \$600.00.

This calculation is provided for illustrative purposes only. Specific questions about your unique situation should be discussed with your tax advisor.