



Clearwire IPO on its way

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Clearwire, a wireless broadband company that plans to blanket continents with WiMax, could start trading on the public market as soon as Thursday.

[Clearwire](#), which was [founded by billionaire Craig McCaw](#) and has backing from Intel and Motorola, [filed for its initial public offering](#) with the Securities and Exchange Commission in May 2006. The company's underwriters, which include Merrill Lynch, Morgan Stanley and JPMorgan Chase, are expected to price the company's shares on Wednesday night.

Trading should begin Thursday under the ticker symbol "CLWR" on the Nasdaq. Clearwire plans to offer 20 million shares priced between \$23 and \$25 a share, for a high end total of about \$480 million.

Clearwire uses a version of [WiMax](#), a packet-based technology that transmits data faster than current cellular technology and across longer distances than Wi-Fi gear. It claims to offer download speeds up to 1.5Mbps (megabits per second) and upload speeds up to 256Kbps (kilobits per second). Today the company offers a fixed wireless service that essentially competes with DSL and cable modem service. But eventually it hopes to allow people to use a mobile version of the technology so they can use WiMax on the go.

Last summer, the company [received \\$900 million in financing from Intel and Motorola](#). As part of the deal, the companies agreed to work with each other to popularize mobile WiMax. Clearwire also sold its NextNet Wireless equipment division to Motorola.

The companies agreed to cooperate on research, development and deployment of WiMax technology and services. Motorola will sell NextNet equipment to Clearwire, and Intel will concentrate on squeezing WiMax chips into future notebooks. Clearwire also agreed to share with Intel a portion of its revenue from subscribers on its domestic mobile WiMax network who use mobile computing devices containing microprocessors based on Intel's mobile WiMax technology.

Clearwire initially launched its service in August 2004. As of December 31, 2006, it offered service to 8.6 million people scattered throughout 34 U.S. markets, according to documents filed with the SEC; the company also offered service to 1 million homes internationally in Brussels, Belgium and Dublin, Ireland. Also as of the end of 2006, the company had approximately 184,400 U.S. subscribers and 21,800 international subscribers.

In total the company generated \$100 million in revenue for 2006, but it lost about \$284 million. Since its inception it has lost a total of approximately \$458.6 million. The company's heavy losses are among its long list of risk factors in its SEC filing.

The company faces competition from a slew of wireless providers including [Sprint Nextel, which is also building a mobile WiMax network](#).

But some investors are optimistic that Clearwire's McCaw will strike gold yet again. McCaw, chairman and co-chief executive of Clearwire, built McCaw Cellular Communications into the first nationwide mobile carrier in the U.S. In 1997, he sold the business to AT&T for \$11.4 billion. AT&T Wireless was subsequently spun off by the old AT&T. It was later acquired by Cingular Communications, which is now owned by the new AT&T.

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