

Virgin Mobile USA, Inc.
Form DEFA14A
July 28, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

VIRGIN MOBILE USA, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

On July 28, 2009, Virgin Mobile sent the following letter to retailers and original equipment manufacturers with which Virgin Mobile does business:

Dear [retailer / original equipment manufacturer]:

This morning, Sprint Nextel and Virgin Mobile issued a press release announcing a definitive agreement for Sprint to purchase Virgin Mobile [INSERT LINK TO RELEASE]. Our company will be brought together with Boost into a new business unit focused on aggressive growth and becoming the clear leader in prepaid wireless.

As one of our key partners, I wanted to reach out directly and thank you; this exciting new development is a testament to Virgin Mobile's successes to which you and your team have certainly contributed.

[I am proud to lead this new business division of Sprint, and am happy to report that the Virgin Mobile USA company and brand will remain intact, here in Warren, New Jersey.]

[I am especially proud to say that our CEO Dan Schulman will lead this new business division of Sprint, and am happy to report that the Virgin Mobile USA company and brand will remain intact, here in Warren, New Jersey.]

Since our launch in 2002, Virgin Mobile has consistently executed initiatives to strengthen the company's growth, move forward and maintain its position in the wireless industry. This transaction is another example of how we, with our partners, take new and meaningful steps to deliver the best value for customers, employees and shareholders.

Virgin Mobile USA redefined the prepaid market in the U.S. and has driven much of the growth of the market in general. Sprint has been a dedicated and responsive partner, first as one of our two founding joint owners and, since going public, as a supportive network partner and strategic investor. They have also built Boost to be a successful business, and have shown their commitment to growing prepaid overall. I look forward to being able to bring together the strong capabilities of these organizations.

Virgin Mobile customers, both prepaid and postpaid, will feel no interruption in service, and experience no impact in the short term. As we go into next year, we should be able to offer more competitive offers, more sophisticated handsets, and a broader range of data services.

Other Virgin Mobile companies around the world, including Virgin Media in the UK and, more recently, Virgin Mobile Canada have shown how transactions like this can preserve the best of a Virgin Mobile company, while enabling them to be a stronger competitor in their market.

Please note that until the transaction closes, which we expect to happen in Q4 2009, Boost Mobile and Virgin Mobile USA will continue to operate independently.

[I/We] look forward to sharing the new opportunities that this next phase for our company will create and, again, appreciate your support.

Safe Harbor

This report includes forward-looking statements regarding the proposed acquisition and related transactions that are not historical or current facts and deal with potential future circumstances and developments, in particular information regarding the rate of growth in the prepaid wireless segment, expected synergies from the acquisition, and whether and when the transactions contemplated by the merger agreement will be consummated. Forward-looking

statements are qualified by the inherent risk and uncertainties surrounding future expectations generally and may materially differ from actual future experience. Risks and uncertainties that could affect forward-looking statements include: the failure to realize synergies as a result of operational efficiencies, streamlined distribution and general and administrative reductions in the timeframe expected or at all; unexpected costs or liabilities; the result of the review of the proposed transaction by various regulatory agencies, and any conditions imposed in connection with the consummation of the transaction; approval of the transaction agreement by the stockholders of Virgin Mobile and satisfaction of various other conditions to the closing of the transaction contemplated by the transaction agreement; and the risks that are described from time to time in Sprint Nextel's and Virgin Mobile's respective reports filed with the Securities and Exchange Commission (SEC), including the annual report on Form 10-K for the year ended December 31, 2008 and quarterly report on Form 10-Q for the quarter ended March 31, 2009 of each of Sprint Nextel and Virgin Mobile. This report speaks only as of its date and Sprint Nextel and Virgin Mobile disclaim any duty to update the information herein.

Important Additional Information will be Filed with the SEC

In connection with the proposed transaction, Sprint Nextel will file a registration statement on Form S-4 with the SEC. VIRGIN MOBILE STOCKHOLDERS ARE ENCOURAGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, INCLUDING THE PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION. The final proxy statement/prospectus will be mailed to stockholders of Virgin Mobile. Investors and security holders will be able to obtain the documents free of charge at the SEC's web site, www.sec.gov, or by directing a request to Virgin Mobile Investor Relations at investorrelations@virginmobileusa.com or 908-607-4108. In addition, investors and security holders may access copies of the documents filed with the SEC by Virgin Mobile on its web site at www.virginmobileusa.com, when they become available.

Participants in Solicitation

Sprint Nextel, Virgin Mobile and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the transaction. Information concerning Sprint's participants is set forth in the proxy statement dated March 30, 2009 for Sprint Nextel's 2009 annual meeting of shareholders as filed with the SEC on Schedule 14A. Information concerning Virgin Mobile's participants is set forth in the proxy statement dated April 7, 2009 for Virgin Mobile's 2009 annual meeting of stockholders as filed with the SEC on Schedule 14A. Additional information regarding the interests of participants of Sprint Nextel and Virgin Mobile in the solicitation of proxies in respect of the proposed transaction will be included in the registration statement and proxy statement/prospectus contained therein, to be filed with the SEC.