

T-Mobile

2nd Quarter 2014 Financial Results,
Supplementary Data,
Non-GAAP Reconciliations and
Pro forma Reconciliations
July 31, 2014

The Un-carrier.



Definitions of Terms

Operating and financial measures are utilized by T-Mobile's management to evaluate its operating performance and, in certain cases, its ability to meet liquidity requirements. Although companies in the wireless industry may not define measures in precisely the same way, T-Mobile believes the measures facilitate key operating performance comparisons with other companies in the wireless industry.

- 1 Customer - SIM card with a unique T-Mobile mobile identity number which generates revenue. Branded customers generally include customers that are qualified either for postpaid service, where they generally pay after incurring service, or prepaid service, where they generally pay in advance. Wholesale customers include Machine-to-Machine ("M2M") and Mobile Virtual Network Operator ("MVNO") customers that operate on T-Mobile's network, but are managed by wholesale partners.
- 2 Churn - Number of customers whose service was discontinued as a percentage of the average number of customers during the specified period. T-Mobile believes churn provides management with useful information to evaluate customer retention and loyalty.
- 3 Average Revenue Per User ("ARPU") - Average monthly service revenue earned from customers. Service revenues for the specified period divided by the average customers during the period, further divided by the number of months in the period. T-Mobile believes ARPU provides management with useful information to assess its per-customer service revenue realization and to assist in forecasting its future service revenues, and evaluate the average monthly service revenues generated from its customer base.

Branded postpaid Average Billings per User ("ABPU") - Average monthly branded postpaid service revenue earned from customers plus equipment installment plan ("EIP") billings divided by the average branded postpaid customers during the period, further divided by the number of months in the period. T-Mobile believes ABPU provides management, investors, and analysts with useful information to evaluate per-branded postpaid customer billings as it approximates the expected cash collections, including equipment installments, from T-Mobile's customers each month.

Service revenues - Postpaid, including handset insurance, prepaid, wholesale, and roaming and other service revenues.

- 4 Cost of services - Costs to operate and maintain T-Mobile's networks, including direct switch and cell site costs, such as rent, fixed line costs, utilities, maintenance, and labor costs associated with network employees; long distance costs; regulatory fees; roaming fees paid to other carriers; fixed and variable costs paid to third parties for the use of proprietary data applications.

Cost of equipment sales - Costs to sell T-Mobile's equipment, including equipment, accessories, inventory adjustments, shipping, and warranty expenses.

Selling, general and administrative expenses - Salaries and wages and benefits not directly attributable to a service or product; bad debt charges; taxes other than income taxes; advertising and sales commission costs; customer billing; call center and information technology costs; regulatory fees, professional service fees; and rent and utilities for administrative space.

- 5 Adjusted EBITDA - Earnings before interest expense (net of interest income), tax, depreciation, amortization, stock-based compensation and expenses not reflective of T-Mobile's ongoing operating performance. Adjusted EBITDA margin is Adjusted EBITDA divided by service revenues. Adjusted EBITDA is a non-GAAP financial measure utilized by T-Mobile's management to monitor the financial performance of its operations. T-Mobile uses Adjusted EBITDA internally as a metric to evaluate and compensate its personnel and management for their performance, and as a benchmark to evaluate T-Mobile's operating performance in comparison to its competitors. Management also uses Adjusted EBITDA to measure T-Mobile's ability to provide cash flows to meet future debt service, capital expenditures and working capital requirements, and to fund future growth. T-Mobile believes analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate overall operating performance and facilitate comparisons with other wireless communications companies. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for income from operations, net income, or any other measure of financial performance reported in accordance with GAAP. The reconciliation of Adjusted EBITDA to net income (loss) is detailed in the Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures schedule.
- 6 Cash capital expenditures - Amounts paid for construction and the purchase of property and equipment.
- 7 Smartphones are defined as UMTS/HSPA/HSPA+ 21/HSPA+ 42/4G LTE enabled converged devices, which integrate voice and data services.
- 8 Simple Free Cash Flow - Adjusted EBITDA less cash capital expenditures. Simple Free Cash Flow is utilized by management as a measure of liquidity and an indicator of how much cash is generated from the ordinary course of business operations. Simple free cash flow should not be construed as an alternative to cash flows from operating activities as determined in accordance with GAAP.
- 9 Net debt - Short-term debt, long-term debt to affiliates, and long-term debt (excluding tower obligations), less cash and cash equivalents.

T-Mobile US, Inc. Supplementary Operating and Financial Data

(in thousands)	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Customers, end of period								
Branded postpaid phone customers	19,668	20,355	20,997	21,797	23,054	23,633	20,355	23,633
Branded postpaid mobile broadband customers	426	428	433	502	568	897	428	897
Total branded postpaid customers	20,094	20,783	21,430	22,299	23,622	24,530	20,783	24,530
Branded prepaid customers	6,028	14,935	14,960	15,072	15,537	15,639	14,935	15,639
Total branded customers	26,122	35,718	36,390	37,371	39,159	40,169	35,718	40,169
M2M customers	3,290	3,423	3,430	3,602	3,822	4,047	3,423	4,047
MVNO customers	4,556	4,875	5,219	5,711	6,094	6,329	4,875	6,329
Total wholesale customers	7,846	8,298	8,649	9,313	9,916	10,376	8,298	10,376
Total customers, end of period	33,968	44,016	45,039	46,684	49,075	50,545	44,016	50,545

(in thousands)	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Net customer additions (losses)								
Branded postpaid phone customers	(190)	685	643	800	1,256	579	496	1,835
Branded postpaid mobile broadband customers	(9)	3	5	69	67	329	(6)	396
Total branded postpaid customers	(199)	688	648	869	1,323	908	490	2,231
Branded prepaid customers	202	(10)	24	112	465	102	191	567
Total branded customers	3	678	672	981	1,788	1,010	681	2,798
M2M customers	200	133	7	172	220	225	333	445
MVNO customers	376	319	344	492	383	235	695	618
Total wholesale customers	576	452	351	664	603	460	1,028	1,063
Total net customer additions	579	1,130	1,023	1,645	2,391	1,470	1,709	3,861
Acquired customers	—	8,918	—	—	—	—	8,918	—

Note: Certain customer numbers may not add due to rounding

	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Branded postpaid phone churn	1.9%	1.5%	1.7%	1.6%	1.5%	1.5%	1.7%	1.5%
Branded prepaid churn	7.0%	5.4%	5.0%	5.1%	4.3%	4.5%	6.0%	4.4%

	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Service revenues (in millions)	\$4,005	\$4,756	\$5,138	\$5,169	\$5,337	\$5,484	\$8,762	\$10,821
Total revenues (in millions)	\$4,677	\$6,228	\$6,688	\$6,827	\$6,875	\$7,185	\$10,905	\$14,060
Adjusted EBITDA (in millions)	\$1,178	\$1,124	\$1,344	\$1,239	\$1,088	\$1,451	\$2,302	\$2,539
Adjusted EBITDA margin	29%	24%	26%	24%	20%	26%	26%	23%
Net Income (loss) (in millions)	\$107	(\$16)	(\$36)	(\$20)	(\$151)	\$391	\$91	\$240
Cash Capex - Property & Equipment (in millions)	\$1,076	\$1,050	\$1,017	\$882	\$947	\$940	\$2,126	\$1,887
Branded postpaid phone ARPU	\$54.50	\$54.04	\$52.62	\$51.13	\$50.48	\$49.32	\$54.26	\$49.89
Branded postpaid ABPU	\$57.28	\$58.72	\$59.08	\$58.78	\$59.54	\$59.79	\$58.01	\$59.67
Branded prepaid ARPU	\$28.25	\$34.78	\$35.71	\$35.84	\$36.09	\$37.16	\$32.61	\$36.63
Smartphone sales volume (in millions)	2.2	4.3	5.6	6.2	6.9	6.2	6.5	13.1
Smartphone sales / phone sales	75%	86%	88%	91%	92%	93%	82%	92%
Branded postpaid handset upgrade rate	5%	10%	9%	9%	7%	8%	15%	15%
EIP Financed (in millions)	\$298	\$811	\$1,011	\$1,207	\$1,249	\$1,342	\$1,109	\$2,591
EIP Billings (in millions)	\$194	\$314	\$435	\$528	\$657	\$810	\$508	\$1,467
EIP Receivables (net) (in millions)	\$774	\$1,292	\$1,867	\$2,546	\$3,086	\$3,583	\$1,292	\$3,583

T-Mobile US, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions, except share and per share amounts)	June 30, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 3,080	\$ 5,891
Accounts receivable, net of deferred interest and allowances of \$473 and \$381	3,939	3,619
Accounts receivable from affiliates	87	41
Inventory	791	586
Current portion of deferred tax assets, net	820	839
Other current assets	1,179	1,252
Total current assets	9,896	12,228
Property and equipment, net of accumulated depreciation of \$21,137 and \$19,649	15,537	15,349
Goodwill	1,683	1,683
Spectrum licenses	21,828	18,122
Other intangible assets, net of accumulated amortization of \$643 and \$476	1,040	1,204
Other assets	1,680	1,367
Total assets	\$ 51,664	\$ 49,953
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,555	\$ 4,567
Current payables and short-term debt to affiliates	236	199
Short-term debt	272	244
Deferred revenue	447	445
Other current liabilities	621	353
Total current liabilities	7,131	5,808
Long-term debt to affiliates	5,600	5,600
Long-term debt	14,369	14,345
Long-term financial obligation	2,502	2,496
Deferred tax liabilities	4,757	4,645
Deferred rents	2,237	2,113
Other long-term liabilities	505	701
Total long-term liabilities	29,970	29,900
Commitments and contingencies		
Stockholders' equity		
Preferred stock, par value \$0.00001 per share, 100,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, par value \$0.00001 per share, 1,000,000,000 shares authorized; 808,508,529 and 803,262,309 shares issued, 807,126,024 and 801,879,804 shares outstanding	—	—
Additional paid-in capital	37,411	37,330
Treasury stock, at cost, 1,382,505 and 1,382,505 shares issued	—	—
Accumulated other comprehensive income	—	3
Accumulated deficit	(22,848)	(23,088)
Total stockholders' equity	14,563	14,245
Total liabilities and stockholders' equity	\$ 51,664	\$ 49,953

T-Mobile US, Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(Unaudited)

(in millions, except shares and per share amounts)	Three Months Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Revenues					
Branded postpaid revenues	\$ 3,511	\$ 3,447	\$ 3,284	\$ 6,958	\$ 6,547
Branded prepaid revenues	1,736	1,648	1,242	3,384	1,745
Total branded revenues	5,247	5,095	4,526	10,342	8,292
Wholesale revenues	172	174	143	346	293
Roaming and other service revenues	65	68	87	133	177
Total service revenues	5,484	5,337	4,756	10,821	8,762
Equipment sales	1,600	1,448	1,379	3,048	1,984
Other revenues	101	90	93	191	159
Total revenues	7,185	6,875	6,228	14,060	10,905
Operating expenses					
Cost of services, exclusive of depreciation and amortization shown separately below	1,453	1,464	1,327	2,917	2,436
Cost of equipment sales	2,215	2,286	1,936	4,501	2,822
Selling, general and administrative	2,151	2,096	1,847	4,247	3,353
Depreciation and amortization	1,129	1,055	888	2,184	1,643
MetroPCS transaction and integration costs	22	12	26	34	39
Restructuring costs	—	—	23	—	54
Other, net	(747)	(10)	—	(757)	(2)
Total operating expenses	6,223	6,903	6,047	13,126	10,345
Operating income (loss)	962	(28)	181	934	560
Other income (expense)					
Interest expense to affiliates	(85)	(18)	(225)	(103)	(403)
Interest expense	(271)	(276)	(109)	(547)	(160)
Interest income	83	75	40	158	75
Other income (expense), net	(12)	(6)	118	(18)	112
Total other expense, net	(285)	(225)	(176)	(510)	(376)
Income (loss) before income taxes	677	(253)	5	424	184
Income tax expense (benefit)	286	(102)	21	184	93
Net income (loss)	\$ 391	\$ (151)	\$ (16)	\$ 240	\$ 91
Other comprehensive income (loss), net of tax:					
Net gain on cross currency interest rate swaps, net of tax effect of \$0, \$0, \$39, \$0, and \$13	—	—	66	—	23
Net loss on foreign currency translation, net of tax effect of \$0, \$0, (\$62), \$0, and (\$37)	—	—	(104)	—	(62)
Unrealized loss on available-for-sale securities, net of tax effect of \$0, (\$1), \$0, (\$1), and \$0	—	(3)	—	(3)	—
Other comprehensive loss, net of tax	0	(3)	(38)	(3)	(39)
Total comprehensive income (loss)	\$ 391	\$ (154)	\$ (54)	\$ 237	\$ 52
Earnings (loss) per share					
Basic	\$ 0.49	\$ (0.19)	\$ (0.02)	\$ 0.30	\$ 0.15
Diluted	0.48	(0.19)	(0.02)	0.30	0.15
Weighted average shares outstanding					
Basic	803,923,913	802,520,723	664,603,682	803,226,194	600,302,111
Diluted	813,556,137	802,520,723	664,603,682	812,903,135	601,694,911

T-Mobile US, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Three Months Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Operating activities					
Net cash provided by operating activities	\$ 970	\$ 759	\$ 806	\$ 1,729	\$ 1,715
Investing activities					
Purchases of property and equipment	(940)	(947)	(1,050)	(1,887)	(2,126)
Purchases of spectrum licenses and other intangible assets	(2,367)	—	(2)	(2,367)	(51)
Short term affiliate loan receivable, net	—	—	25	—	300
Cash and cash equivalents acquired in MetroPCS business combination	—	—	2,144	—	2,144
Investments in unconsolidated affiliates, net	(9)	(11)	—	(20)	—
Other, net	6	(7)	(1)	(1)	(5)
Net cash provided by (used in) investing activities	(3,310)	(965)	1,116	(4,275)	262
Financing activities					
Repayments of short-term debt for purchases of property and equipment	(5)	(226)	—	(231)	—
Repayments related to a variable interest entity	—	—	(40)	—	(40)
Distribution to affiliate	—	—	(41)	—	(41)
Taxes paid related to net share settlement of stock awards	(72)	—	—	(72)	—
Excess tax benefit from stock-based compensation	33	—	3	33	3
Proceeds from exercise of stock options	9	14	72	23	72
Other, net	(16)	(2)	(3)	(18)	(3)
Net cash used in financing activities	(51)	(214)	(9)	(265)	(9)
Change in cash and cash equivalents	(2,391)	(420)	1,913	(2,811)	1,968
Cash and cash equivalents					
Beginning of period	5,471	5,891	449	5,891	394
End of period	\$ 3,080	\$ 5,471	\$ 2,362	\$ 3,080	\$ 2,362

T-Mobile US, Inc.

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures
(Unaudited)

This Investor Quarterly includes non-GAAP financial measures. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information provided in accordance with GAAP. Reconciliations for the non-GAAP financial measures to the most directly comparable GAAP financial measures are provided below.

Adjusted EBITDA is reconciled to net income (loss) as follows:

(in millions)	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Net income (loss)	\$ 107	\$ (16)	\$ (36)	\$ (20)	\$ (151)	\$ 391	\$ 91	\$ 240
Adjustments:								
Interest expense to affiliates	178	225	183	92	18	85	403	103
Interest expense	51	109	151	234	276	271	160	547
Interest income	(35)	(40)	(50)	(64)	(75)	(83)	(75)	(158)
Other expense (income), net	6	(118)	7	16	6	12	(112)	18
Income tax expense (benefit)	72	21	42	(119)	(102)	286	93	184
Operating income (loss)	379	181	297	139	(28)	962	560	934
Depreciation and amortization	755	888	987	997	1,055	1,129	1,643	2,184
MetroPCS transaction and integration costs	13	26	12	57	12	22	39	34
Restructuring costs	31	23	—	—	—	—	54	—
Stock-based compensation	—	6	48	46	49	63	6	112
Other, net ⁽¹⁾	—	—	—	—	—	(725)	—	(725)
Adjusted EBITDA	\$ 1,178	\$ 1,124	\$ 1,344	\$ 1,239	\$ 1,088	\$ 1,451	\$ 2,302	\$ 2,539
Adjusted EBITDA of MetroPCS ⁽²⁾	291	141	—	—	—	—	432	—
Pro Forma Combined Adjusted EBITDA	\$ 1,469	\$ 1,265	\$ 1,344	\$ 1,239	\$ 1,088	\$ 1,451	\$ 2,734	\$ 2,539

(1) Other, net for Q2 2014 and the six months ended June 30, 2014 represents the gain on spectrum swap transactions with Verizon completed in April 2014. Other, net transactions may not agree in total to the other, net classification in the Condensed Consolidated Statements of Comprehensive Income primarily due to certain routine operating activities, such as insignificant routine spectrum license exchanges that would be expected to reoccur, and are therefore included in Adjusted EBITDA.

(2) The Adjusted EBITDA of MetroPCS for the second quarter of 2013 reflects the Adjusted EBITDA of MetroPCS for April 2013 and is included for informational purposes to allow for a comparison of T-Mobile's Adjusted EBITDA for periods following the completion of the business combination of T-Mobile USA and MetroPCS to pro forma combined Adjusted EBITDA for periods prior to the completion of the business combination. For first quarter of 2013 and earlier periods the Adjusted EBITDA of MetroPCS reflects the amounts previously reported by MetroPCS.

The following schedule reflects the branded postpaid phone ARPU calculation and provides a reconciliation to total branded postpaid service revenues reported in T-Mobile's condensed consolidated statements of comprehensive income.

(in millions, except average number of branded postpaid phone customers and branded postpaid phone ARPU)	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Branded postpaid service revenues	\$ 3,263	\$ 3,284	\$ 3,302	\$ 3,317	\$ 3,447	\$ 3,511	\$ 6,547	\$ 6,958
Less: Branded postpaid mobile broadband revenues	(44)	(42)	(41)	(42)	(47)	(54)	(86)	(101)
Branded postpaid phone service revenues	\$ 3,219	\$ 3,242	\$ 3,261	\$ 3,275	\$ 3,400	\$ 3,457	\$ 6,461	\$ 6,857
Divided by: Average number of branded postpaid phone customers (in thousands) and number of months in period	19,689	19,999	20,657	21,352	22,447	23,368	19,844	22,908
Branded postpaid phone ARPU	\$ 54.50	\$ 54.04	\$ 52.62	\$ 51.13	\$ 50.48	\$ 49.32	\$ 54.26	\$ 49.89

The following schedule reflects the branded postpaid ABPU calculation and provides a reconciliation of the billings for branded postpaid customers used for the branded postpaid ABPU calculation to total branded postpaid service revenues reported in T-Mobile's condensed consolidated statements of comprehensive income.

(in millions, except average number of branded postpaid customers and branded postpaid ABPU)	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Branded postpaid service revenues	\$ 3,263	\$ 3,284	\$ 3,302	\$ 3,317	\$ 3,447	\$ 3,511	\$ 6,547	\$ 6,958
Add: EIP billings	194	314	435	528	657	810	508	1,467
Total billings for branded postpaid customers	\$ 3,457	\$ 3,598	\$ 3,737	\$ 3,845	\$ 4,104	\$ 4,321	\$ 7,055	\$ 8,425
Divided by: Average number of branded postpaid customers (in thousands) and number of months in period	20,117	20,425	21,084	21,805	22,975	24,092	20,271	23,533
Branded postpaid ABPU	\$ 57.28	\$ 58.72	\$ 59.08	\$ 58.78	\$ 59.54	\$ 59.79	\$ 58.01	\$ 59.67

Pro Forma Combined Results

The following pages contain certain pro forma combined financial and other operating data for periods through the second quarter of 2013 that are presented solely for informational purposes to provide comparative customer and financial trends since the business combination of T-Mobile USA and MetroPCS was completed for the combined company. The pro forma combined amounts for periods through and including the second quarter of 2013 were created by combining certain financial results and other operating data of the individual entities for the relevant periods. The pro forma combined financial data have not been determined in accordance with the requirements of Article 11 of Regulation S-X. The following pages also include reconciliations for certain additional non-GAAP financial measures to the most directly comparable GAAP financial measures.

T-Mobile US, Inc. Supplementary Pro Forma Combined Operating and Financial Data

(in thousands)	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Customers, end of period								
Branded postpaid phone customers	19,668	20,355	20,997	21,797	23,054	23,633	20,355	23,633
Branded postpaid mobile broadband customers	426	428	433	502	568	897	428	897
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Branded prepaid customers	15,023	14,935	14,960	15,072	15,537	15,639	14,935	15,639
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M2M customers	3,290	3,423	3,430	3,602	3,822	4,047	3,423	4,047
MVNO customers	4,556	4,875	5,219	5,711	6,094	6,329	4,875	6,329
Total wholesale customers	7,846	8,298	8,649	9,313	9,916	10,376	8,298	10,376
Total customers, end of period	42,963	44,016	45,039	46,684	49,075	50,545	44,016	50,545

(in thousands)	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Net customer additions (losses)								
Branded postpaid phone customers	(190)	685	643	800	1,256	579	496	1,835
Branded postpaid mobile broadband customers	(9)	3	5	69	67	329	(6)	396
Total branded postpaid customers	(199)	688	648	869	1,323	908	490	2,231
Branded prepaid customers	310	(87)	24	112	465	102	222	567
Total branded customers	111	601	672	981	1,788	1,010	712	2,798
M2M customers	200	133	7	172	220	225	333	445
MVNO customers	376	319	344	492	383	235	695	618
Total wholesale customers	576	452	351	664	603	460	1,028	1,063
Total net customer additions	687	1,053	1,023	1,645	2,391	1,470	1,740	3,861

Note: Certain Customer numbers may not add due to rounding

	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Branded postpaid phone Churn	1.9%	1.5%	1.7%	1.6%	1.5%	1.5%	1.7%	1.5%
Branded prepaid churn	4.4%	4.9%	5.0%	5.1%	4.3%	4.5%	4.7%	4.4%

All historical and current porting activity between the T-Mobile and MetroPCS brands has been removed from deactivations and treated as migration activity between brands/products, consistent with the treatment of the combined business. The effect of this treatment lowers the churn rates for both branded postpaid and branded prepaid customer bases.

	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Service revenues (in millions)	\$5,106	\$5,122	\$5,138	\$5,169	\$5,337	\$5,484	\$10,229	\$10,821
Thereof, branded postpaid revenues (in millions)	\$3,263	\$3,284	\$3,302	\$3,317	\$3,447	\$3,511	\$6,547	\$6,958
Thereof, branded prepaid revenues (in millions)	\$1,604	\$1,608	\$1,594	\$1,606	\$1,648	\$1,736	\$3,212	\$3,384
Total revenues (in millions)	\$5,964	\$6,651	\$6,688	\$6,827	\$6,875	\$7,185	\$12,615	\$14,060
Adjusted EBITDA (in millions)	\$1,469	\$1,265	\$1,344	\$1,239	\$1,088	\$1,451	\$2,734	\$2,539
Adjusted EBITDA margin	29%	25%	26%	24%	20%	26%	27%	23%
Cash Capex - Property & Equipment (in millions)	\$1,230	\$1,111	\$1,017	\$882	\$947	\$940	\$2,341	\$1,887
Branded postpaid phone ARPU	\$54.50	\$54.04	\$52.62	\$51.13	\$50.48	\$49.32	\$54.26	\$49.89
Branded prepaid ARPU	\$35.87	\$35.97	\$35.71	\$35.84	\$36.09	\$37.16	\$35.92	\$36.63

(in millions, except net debt ratio)	Three Months Ended				
	Jun 30, 2013	Sep 30, 2013	Dec 31, 2013	Mar 31, 2014	Jun 30, 2014
Net Debt (excluding Tower Obligations) to Last Twelve Months Adjusted EBITDA Ratio					
Short-term debt	\$ 210	\$ 195	\$ 244	\$ 151	\$ 272
Long-term debt to affiliates	11,200	11,200	5,600	5,600	5,600
Long-term debt	6,276	6,761	14,345	14,331	14,369
Less: Cash and cash equivalents	(2,362)	(2,365)	(5,891)	(5,471)	(3,080)
Net Debt (excluding Tower Obligations)	\$ 15,324	\$ 15,791	\$ 14,298	\$ 14,611	\$ 17,161
Last twelve months Adjusted EBITDA *	5,781	5,433	5,317	4,936	5,122
Net Debt (excluding Tower Obligations) to Last Twelve Months Adjusted EBITDA Ratio	2.7	2.9	2.7	3.0	3.4
* Pro Forma Combined EBITDA					

Pro Forma Combined Reconciliations

(in millions)	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Service Revenues								
T-Mobile (1)	\$ 4,005	\$ 4,756	\$ 5,138	\$ 5,169	\$ 5,337	\$ 5,484	\$ 8,762	\$ 10,821
MetroPCS	1,101	366	—	—	—	—	1,467	—
Total service revenues	\$ 5,106	\$ 5,122	\$ 5,138	\$ 5,169	\$ 5,337	\$ 5,484	\$ 10,229	\$ 10,821
Branded Revenues								
T-Mobile (1)	\$ 3,766	\$ 4,526	\$ 4,896	\$ 4,923	\$ 5,095	\$ 5,247	\$ 8,292	\$ 10,342
MetroPCS	1,101	366	—	—	—	—	1,467	—
Total branded revenues	\$ 4,867	\$ 4,892	\$ 4,896	\$ 4,923	\$ 5,095	\$ 5,247	\$ 9,759	\$ 10,342
Branded Prepaid Revenues								
T-Mobile (1)	\$ 503	\$ 1,242	\$ 1,594	\$ 1,606	\$ 1,648	\$ 1,736	\$ 1,745	\$ 3,384
MetroPCS	1,101	366	—	—	—	—	1,467	—
Total branded prepaid revenues	\$ 1,604	\$ 1,608	\$ 1,594	\$ 1,606	\$ 1,648	\$ 1,736	\$ 3,212	\$ 3,384
Total Revenues								
T-Mobile (1)	\$ 4,677	\$ 6,228	\$ 6,688	\$ 6,827	\$ 6,875	\$ 7,185	\$ 10,905	\$ 14,060
MetroPCS	1,287	423	—	—	—	—	1,710	—
Total revenues	\$ 5,964	\$ 6,651	\$ 6,688	\$ 6,827	\$ 6,875	\$ 7,185	\$ 12,615	\$ 14,060

(in millions)	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Cash Capex - Property & Equipment								
T-Mobile (1)	\$ 1,076	\$ 1,050	\$ 1,017	\$ 882	\$ 947	\$ 940	\$ 2,126	\$ 1,887
MetroPCS	154	61	—	—	—	—	215	—
Total Cash Capex - Property & Equipment	\$ 1,230	\$ 1,111	\$ 1,017	\$ 882	\$ 947	\$ 940	\$ 2,341	\$ 1,887

(1) The second quarter of 2013 represents the results for T-Mobile USA for April, 2013 and the results for T-Mobile USA and MetroPCS on a combined basis for May and June 2013, as the business combination was completed on April 30, 2013.

(in millions)	Quarter						Six Months Ended June 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2013	2014
Simple Free Cash Flow								
Pro Forma Combined Adjusted EBITDA	\$ 1,469	\$ 1,265	\$ 1,344	\$ 1,239	\$ 1,088	\$ 1,451	\$ 2,734	\$ 2,539
Pro Forma Combined Total Cash Capex - Property & Equipment	1,230	1,111	1,017	882	947	940	2,341	1,887
Simple Free Cash Flow	\$ 239	\$ 154	\$ 327	\$ 357	\$ 141	\$ 511	\$ 393	\$ 652