

T-Mobile

3rd Quarter 2014 Financial Results,
Supplementary Data,
Non-GAAP Reconciliations and
Pro forma Reconciliations

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 - Branded postpaid, including handset insurance, branded 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 - 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							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Customers, end of period									
Branded postpaid phone customers	19,668	20,355	20,997	21,797	23,054	23,633	24,807	20,997	24,807
Branded postpaid mobile broadband customers	426	428	433	502	568	897	1,102	433	1,102
Total branded postpaid customers	20,094	20,783	21,430	22,299	23,622	24,530	25,909	21,430	25,909
Branded prepaid customers	6,028	14,935	14,960	15,072	15,537	15,639	16,050	14,960	16,050
Total branded customers	26,122	35,718	36,390	37,371	39,159	40,169	41,959	36,390	41,959
M2M customers	3,290	3,423	3,430	3,602	3,822	4,047	4,269	3,430	4,269
MVNO customers	4,556	4,875	5,219	5,711	6,094	6,329	6,662	5,219	6,662
Total wholesale customers	7,846	8,298	8,649	9,313	9,916	10,376	10,931	8,649	10,931
Total customers, end of period	33,968	44,016	45,039	46,684	49,075	50,545	52,890	45,039	52,890

(in thousands)	Quarter							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Net customer additions (losses)									
Branded postpaid phone customers	(190)	685	643	800	1,256	579	1,175	1,138	3,010
Branded postpaid mobile broadband customers	(9)	3	5	69	67	329	204	(1)	600
Total branded postpaid customers	(199)	688	648	869	1,323	908	1,379	1,137	3,610
Branded prepaid customers	202	(10)	24	112	465	102	411	216	978
Total branded customers	3	678	672	981	1,788	1,010	1,790	1,353	4,588
M2M customers	200	133	7	172	220	225	222	340	667
MVNO customers	376	319	344	492	383	235	333	1,039	951
Total wholesale customers	576	452	351	664	603	460	555	1,379	1,618
Total net customer additions	579	1,130	1,023	1,645	2,391	1,470	2,345	2,732	6,206
Acquired customers	—	8,918	—	—	—	—	—	8,918	—

Note: Certain customer numbers may not add due to rounding

	Quarter							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Branded postpaid phone churn	1.9 %	1.5 %	1.7 %	1.6 %	1.5 %	1.5 %	1.6 %	1.7 %	1.5 %
Branded prepaid churn	7.0 %	5.4 %	5.0 %	5.1 %	4.3 %	4.5 %	4.8 %	5.5 %	4.5 %

	Quarter							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Service revenues (in millions)	\$ 4,005	\$ 4,756	\$ 5,138	\$ 5,169	\$ 5,337	\$ 5,484	\$ 5,684	\$ 13,899	\$ 16,505
Total revenues (in millions)	\$ 4,677	\$ 6,228	\$ 6,688	\$ 6,827	\$ 6,875	\$ 7,185	\$ 7,350	\$ 17,593	\$ 21,410
Adjusted EBITDA (in millions)	\$ 1,178	\$ 1,124	\$ 1,344	\$ 1,239	\$ 1,088	\$ 1,451	\$ 1,346	\$ 3,646	\$ 3,885
Adjusted EBITDA margin	29 %	24 %	26 %	24 %	20 %	26 %	24 %	26 %	24 %
Net Income (loss) (in millions)	\$ 107	\$ (16)	\$ (36)	\$ (20)	\$ (151)	\$ 391	\$ (94)	\$ 55	\$ 146
Cash Capex - Property & Equipment (in millions)	\$ 1,076	\$ 1,050	\$ 1,017	\$ 882	\$ 947	\$ 940	\$ 1,131	\$ 3,143	\$ 3,018
Branded postpaid phone ARPU	\$ 54.50	\$ 54.04	\$ 52.62	\$ 51.13	\$ 50.48	\$ 49.32	\$ 49.84	\$ 53.70	\$ 49.87
Branded postpaid ABPU	\$ 57.28	\$ 58.72	\$ 59.08	\$ 58.78	\$ 59.54	\$ 59.79	\$ 61.59	\$ 58.38	\$ 60.34
Branded prepaid ARPU	\$ 28.25	\$ 34.78	\$ 35.71	\$ 35.84	\$ 36.09	\$ 37.16	\$ 37.59	\$ 34.02	\$ 36.96
Smartphone sales volume (in millions)	2.2	4.3	5.6	6.2	6.9	6.2	6.9	12.1	20.0
Smartphone sales / phone sales	75 %	86 %	88 %	91 %	92 %	93 %	93 %	85 %	92 %
Branded postpaid handset upgrade rate	5 %	10 %	9 %	9 %	7 %	8 %	9 %	24 %	24 %
EIP financed (in millions)	\$ 298	\$ 811	\$ 1,011	\$ 1,207	\$ 1,249	\$ 1,342	\$ 1,317	\$ 2,120	\$ 3,908
EIP billings (in millions)	\$ 194	\$ 314	\$ 435	\$ 528	\$ 657	\$ 810	\$ 967	\$ 943	\$ 2,434
EIP receivables (net) (in millions)	\$ 774	\$ 1,292	\$ 1,867	\$ 2,546	\$ 3,086	\$ 3,583	\$ 3,963	\$ 1,867	\$ 3,963

Note: Certain customer numbers may not add due to rounding.

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

(in millions, except share and per share amounts)	September 30, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 5,787	\$ 5,891
Accounts receivable, net of deferred interest and allowances of \$465 and \$381	4,433	3,619
Accounts receivable from affiliates	82	41
Inventory	674	586
Current portion of deferred tax assets, net	950	839
Other current assets	1,369	1,252
Total current assets	13,295	12,228
Property and equipment, net of accumulated depreciation of \$21,410 and \$19,649	15,798	15,349
Goodwill	1,683	1,683
Spectrum licenses	21,689	18,122
Other intangible assets, net of accumulated amortization of \$726 and \$476	956	1,204
Other assets	1,694	1,367
Total assets	\$ 55,115	\$ 49,953
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,057	\$ 4,567
Current payables to affiliates	315	199
Short-term debt	1,168	244
Deferred revenue	452	445
Other current liabilities	613	353
Total current liabilities	8,605	5,808
Long-term debt to affiliates	5,600	5,600
Long-term debt	16,284	14,345
Long-term financial obligation	2,510	2,496
Deferred tax liabilities	4,744	4,645
Deferred rents	2,289	2,113
Other long-term liabilities	558	701
Total long-term liabilities	31,985	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; 808,680,349 and 803,262,309 shares issued, 807,297,844 and 801,879,804 shares outstanding	—	—
Additional paid-in capital	37,466	37,330
Treasury stock, at cost, 1,382,505 and 1,382,505 shares issued	—	—
Accumulated other comprehensive income	1	3
Accumulated deficit	(22,942)	(23,088)
Total stockholders' equity	14,525	14,245
Total liabilities and stockholders' equity	\$ 55,115	\$ 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			Nine Months Ended September 30,	
	September 30, 2014	June 30, 2014	September 30, 2013	2014	2013
Revenues					
Branded postpaid revenues	\$ 3,670	\$ 3,511	\$ 3,302	\$ 10,628	\$ 9,849
Branded prepaid revenues	1,790	1,736	1,594	5,174	3,339
Total branded revenues	5,460	5,247	4,896	15,802	13,188
Wholesale revenues	171	172	157	517	449
Roaming and other service revenues	53	65	85	186	262
Total service revenues	5,684	5,484	5,138	16,505	13,899
Equipment sales	1,561	1,600	1,467	4,609	3,452
Other revenues	105	101	83	296	242
Total revenues	7,350	7,185	6,688	21,410	17,593
Operating expenses					
Cost of services, exclusive of depreciation and amortization shown separately below	1,488	1,453	1,444	4,405	3,880
Cost of equipment sales	2,308	2,215	2,015	6,809	4,837
Selling, general and administrative	2,283	2,151	1,933	6,530	5,286
Depreciation and amortization	1,138	1,129	987	3,322	2,630
Cost of MetroPCS business combination	97	22	12	131	51
Gains on disposal of spectrum licenses	(13)	(747)	—	(770)	—
Other, net	—	—	—	—	52
Total operating expenses	7,301	6,223	6,391	20,427	16,736
Operating income	49	962	297	983	857
Other income (expense)					
Interest expense to affiliates	(83)	(85)	(183)	(186)	(586)
Interest expense	(260)	(271)	(151)	(807)	(311)
Interest income	97	83	50	255	125
Other income (expense), net	(14)	(12)	(7)	(32)	105
Total other expense, net	(260)	(285)	(291)	(770)	(667)
Income (loss) before income taxes	(211)	677	6	213	190
Income tax expense (benefit)	(117)	286	42	67	135
Net income (loss)	\$ (94)	\$ 391	\$ (36)	\$ 146	\$ 55
Other comprehensive income (loss), net of tax					
Net gain on cross currency interest rate swaps, net of tax effect of \$0, \$0, \$0, \$0, and \$13	—	—	—	—	23
Net loss on foreign currency translation, net of tax effect of \$0, \$0, \$0, \$0, and (\$37)	—	—	—	—	(62)
Unrealized gain (loss) on available-for-sale securities, net of tax effect of \$0, \$0, \$0, (\$1), and \$0	1	—	—	(2)	—
Other comprehensive income (loss), net of tax	1	—	—	(2)	(39)
Total comprehensive income (loss)	\$ (93)	\$ 391	\$ (36)	\$ 144	\$ 16
Earnings (loss) per share					
Basic	\$ (0.12)	\$ 0.49	\$ (0.05)	\$ 0.18	\$ 0.09
Diluted	(0.12)	0.48	(0.05)	0.18	0.09
Weighted average shares outstanding					
Basic	807,221,761	803,923,913	726,877,458	804,572,685	642,957,645
Diluted	807,221,761	813,556,137	726,877,458	813,507,827	645,520,524

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

(in millions)	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2014	June 30, 2014	September 30, 2013	2014	2013
Operating activities					
Net cash provided by operating activities	\$ 1,062	\$ 970	\$ 826	\$ 2,791	\$ 2,541
Investing activities					
Purchases of property and equipment	(1,131)	(940)	(1,017)	(3,018)	(3,143)
Purchases of spectrum licenses and other intangible assets	(23)	(2,367)	(1)	(2,390)	(52)
Short term affiliate loan receivable, net	—	—	—	—	300
Cash and cash equivalents acquired in MetroPCS business combination	—	—	—	—	2,144
Change in restricted cash equivalents	—	—	(100)	—	(100)
Investments in unconsolidated affiliates, net	(10)	(9)	(22)	(30)	(22)
Other, net	(1)	6	10	(2)	5
Net cash used in investing activities	(1,165)	(3,310)	(1,130)	(5,440)	(868)
Financing activities					
Proceeds from issuance of long-term debt	2,993	—	498	2,993	498
Proceeds from issuance of short-term debt for purchases of inventory	100	—	—	100	—
Repayments of short-term debt for purchases of inventory, property and equipment	(283)	(5)	(194)	(514)	(194)
Repayments related to a variable interest entity	—	—	(40)	—	(80)
Distribution to affiliate	—	—	—	—	(41)
Proceeds from exercise of stock options	2	9	44	25	116
Taxes paid related to net share settlement of stock awards	—	(72)	—	(72)	—
Excess tax benefit from stock-based compensation	1	33	1	34	4
Other, net	(3)	(16)	(2)	(21)	(5)
Net cash provided by (used in) financing activities	2,810	(51)	307	2,545	298
Change in cash and cash equivalents	2,707	(2,391)	3	(104)	1,971
Cash and cash equivalents					
Beginning of period	3,080	5,471	2,362	5,891	394
End of period	\$ 5,787	\$ 3,080	\$ 2,365	\$ 5,787	\$ 2,365

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 September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Net income (loss)	\$ 107	\$ (16)	\$ (36)	\$ (20)	\$ (151)	\$ 391	\$ (94)	\$ 55	\$ 146
Adjustments:									
Interest expense to affiliates	178	225	183	92	18	85	83	586	186
Interest expense	51	109	151	234	276	271	260	311	807
Interest income	(35)	(40)	(50)	(64)	(75)	(83)	(97)	(125)	(255)
Other expense (income), net	6	(118)	7	16	6	12	14	(105)	32
Income tax expense (benefit)	72	21	42	(119)	(102)	286	(117)	135	67
Operating income (loss)	379	181	297	139	(28)	962	49	857	983
Depreciation and amortization	755	888	987	997	1,055	1,129	1,138	2,630	3,322
Cost of MetroPCS business combination	13	26	12	57	12	22	97	51	131
Stock-based compensation	-	6	48	46	49	63	45	54	157
Gains on disposal of spectrum licenses ⁽¹⁾	-	-	-	-	-	(731)	11	-	(720)
Other, net ⁽¹⁾	31	23	-	-	-	6	6	54	12
Adjusted EBITDA	\$ 1,178	\$ 1,124	\$ 1,344	\$ 1,239	\$ 1,088	\$ 1,451	\$ 1,346	\$ 3,646	\$ 3,885
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	\$ 1,346	\$ 4,078	\$ 3,885

⁽¹⁾ Gains on disposal of spectrum licenses and other, net transactions may not agree in total to the gains on disposal of spectrum licenses and other, net in the condensed consolidated statements of comprehensive income (loss) 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 September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Branded postpaid service revenues	\$ 3,263	\$ 3,284	\$ 3,302	\$ 3,317	\$ 3,447	\$ 3,511	\$ 3,670	\$ 9,849	\$ 10,628
Less: Branded postpaid mobile broadband revenues	(44)	(42)	(41)	(42)	(47)	(54)	(68)	(127)	(169)
Branded postpaid phone service revenues	\$ 3,219	\$ 3,242	\$ 3,261	\$ 3,275	\$ 3,400	\$ 3,457	\$ 3,602	\$ 9,722	\$ 10,459
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	24,091	20,115	23,302
Branded postpaid phone ARPU	\$ 54.50	\$ 54.04	\$ 52.62	\$ 51.13	\$ 50.48	\$ 49.32	\$ 49.84	\$ 53.70	\$ 49.87

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 September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Branded postpaid service revenues	\$ 3,263	\$ 3,284	\$ 3,302	\$ 3,317	\$ 3,447	\$ 3,511	\$ 3,670	\$ 9,849	\$ 10,628
Add: EIP billings	194	314	435	528	657	810	967	943	2,434
Total billings for branded postpaid customers	\$ 3,457	\$ 3,598	\$ 3,737	\$ 3,845	\$ 4,104	\$ 4,321	\$ 4,637	\$ 10,792	\$ 13,062
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	25,095	20,542	24,054
Branded postpaid ABPU	\$ 57.28	\$ 58.72	\$ 59.08	\$ 58.78	\$ 59.54	\$ 59.79	\$ 61.59	\$ 58.38	\$ 60.34

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							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Customers, end of period									
Branded postpaid phone customers	19,668	20,355	20,997	21,797	23,054	23,633	24,807	20,997	24,807
Branded postpaid mobile broadband customers	426	428	433	502	568	897	1,102	433	1,102
Total branded postpaid customers	20,094	20,783	21,430	22,299	23,622	24,530	25,909	21,430	25,909
Branded prepaid customers	15,023	14,935	14,960	15,072	15,537	15,639	16,050	14,960	16,050
Total branded customers	35,117	35,718	36,390	37,371	39,159	40,169	41,959	36,390	41,959
M2M customers	3,290	3,423	3,430	3,602	3,822	4,047	4,269	3,430	4,269
MVNO customers	4,556	4,875	5,219	5,711	6,094	6,329	6,662	5,219	6,662
Total wholesale customers	7,846	8,298	8,649	9,313	9,916	10,376	10,931	8,649	10,931
Total customers, end of period	42,963	44,016	45,039	46,684	49,075	50,545	52,890	45,039	52,890

(in thousands)	Quarter							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Net customer additions (losses)									
Branded postpaid phone customers	(190)	685	643	800	1,256	579	1,175	1,138	3,010
Branded postpaid mobile broadband customers	(9)	3	5	69	67	329	204	(1)	600
Total branded postpaid customers	(199)	688	648	869	1,323	908	1,379	1,137	3,610
Branded prepaid customers	310	(87)	24	112	465	102	411	247	978
Total branded customers	111	601	672	981	1,788	1,010	1,790	1,384	4,588
M2M customers	200	133	7	172	220	225	222	340	667
MVNO customers	376	319	344	492	383	235	333	1,039	951
Total wholesale customers	576	452	351	664	603	460	555	1,379	1,618
Total net customer additions	687	1,053	1,023	1,645	2,391	1,470	2,345	2,763	6,206

Note: Certain Customer numbers may not add due to rounding

	Quarter							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Branded postpaid phone churn	1.9 %	1.5 %	1.7 %	1.6 %	1.5 %	1.5 %	1.6 %	1.7 %	1.5 %
Branded prepaid churn	4.4 %	4.9 %	5.0 %	5.1 %	4.3 %	4.5 %	4.8 %	4.8 %	4.5 %

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							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Service revenues (in millions)	\$ 5,106	\$ 5,122	\$ 5,138	\$ 5,169	\$ 5,337	\$ 5,484	\$ 5,684	\$ 15,366	\$ 16,505
Thereof, branded postpaid revenues (in millions)	\$ 3,263	\$ 3,284	\$ 3,302	\$ 3,317	\$ 3,447	\$ 3,511	\$ 3,670	\$ 9,849	\$ 10,628
Thereof, branded prepaid revenues (in millions)	\$ 1,604	\$ 1,608	\$ 1,594	\$ 1,606	\$ 1,648	\$ 1,736	\$ 1,790	\$ 4,806	\$ 5,174
Total revenues (in millions)	\$ 5,964	\$ 6,651	\$ 6,688	\$ 6,827	\$ 6,875	\$ 7,185	\$ 7,350	\$ 19,303	\$ 21,410
Adjusted EBITDA (in millions)	\$ 1,469	\$ 1,265	\$ 1,344	\$ 1,239	\$ 1,088	\$ 1,451	\$ 1,346	\$ 4,078	\$ 3,885
Adjusted EBITDA margin	29 %	25 %	26 %	24 %	20 %	26 %	24 %	27 %	24 %
Cash Capex - Property & Equipment (in millions)	\$ 1,230	\$ 1,111	\$ 1,017	\$ 882	\$ 947	\$ 940	\$ 1,131	\$ 3,358	\$ 3,018
Branded postpaid phone ARPU	\$ 54.50	\$ 54.04	\$ 52.62	\$ 51.13	\$ 50.48	\$ 49.32	\$ 49.84	\$ 53.70	\$ 49.87
Branded prepaid ARPU	\$ 35.87	\$ 35.97	\$ 35.71	\$ 35.84	\$ 36.09	\$ 37.16	\$ 37.59	\$ 35.85	\$ 36.96

(in millions, except net debt ratio)	Three Months Ended					
	Jun 30, 2013	Sep 30, 2013	Dec 31, 2013	Mar 31, 2014	Jun 30, 2014	Sep 30, 2014
Net Debt (excluding Tower Obligations) to Last Twelve Months Adjusted EBITDA Ratio						
Short-term debt	\$ 210	\$ 195	\$ 244	\$ 151	\$ 272	\$ 1,168
Long-term debt to affiliates	11,200	11,200	5,600	5,600	5,600	5,600
Long-term debt	6,276	6,761	14,345	14,331	14,369	16,284
Less: Cash and cash equivalents	(2,362)	(2,365)	(5,891)	(5,471)	(3,080)	(5,787)
Net Debt (excluding Tower Obligations)	\$ 15,324	\$ 15,791	\$ 14,298	\$ 14,611	\$ 17,161	\$ 17,265
Last twelve months Adjusted EBITDA *	5,781	5,433	5,317	4,936	5,122	5,124
Net Debt (excluding Tower Obligations) to Last Twelve Months Adjusted EBITDA Ratio	2.7	2.9	2.7	3.0	3.4	3.4
* Pro Forma Combined EBITDA						

Pro Forma Combined Reconciliations

(in millions)	Quarter							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Service Revenues									
T-Mobile (1)	\$ 4,005	\$ 4,756	\$ 5,138	\$ 5,169	\$ 5,337	\$ 5,484	\$ 5,684	\$ 13,899	\$ 16,505
MetroPCS	1,101	366	—	—	—	—	—	1,467	—
Total service revenues	\$ 5,106	\$ 5,122	\$ 5,138	\$ 5,169	\$ 5,337	\$ 5,484	\$ 5,684	\$ 15,366	\$ 16,505
Branded Revenues									
T-Mobile (1)	\$ 3,766	\$ 4,526	\$ 4,896	\$ 4,923	\$ 5,095	\$ 5,247	\$ 5,460	\$ 13,188	\$ 15,802
MetroPCS	1,101	366	—	—	—	—	—	1,467	—
Total branded revenues	\$ 4,867	\$ 4,892	\$ 4,896	\$ 4,923	\$ 5,095	\$ 5,247	\$ 5,460	\$ 14,655	\$ 15,802
Branded Prepaid Revenues									
T-Mobile (1)	\$ 503	\$ 1,242	\$ 1,594	\$ 1,606	\$ 1,648	\$ 1,736	\$ 1,790	\$ 3,339	\$ 5,174
MetroPCS	1,101	366	—	—	—	—	—	1,467	—
Total branded prepaid revenues	\$ 1,604	\$ 1,608	\$ 1,594	\$ 1,606	\$ 1,648	\$ 1,736	\$ 1,790	\$ 4,806	\$ 5,174
Total Revenues									
T-Mobile (1)	\$ 4,677	\$ 6,228	\$ 6,688	\$ 6,827	\$ 6,875	\$ 7,185	\$ 7,350	\$ 17,593	\$ 21,410
MetroPCS	1,287	423	—	—	—	—	—	1,710	—
Total revenues	\$ 5,964	\$ 6,651	\$ 6,688	\$ 6,827	\$ 6,875	\$ 7,185	\$ 7,350	\$ 19,303	\$ 21,410

(in millions)	Quarter							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Cash Capex - Property & Equipment									
T-Mobile (1)	\$ 1,076	\$ 1,050	\$ 1,017	\$ 882	\$ 947	\$ 940	\$ 1,131	\$ 3,143	\$ 3,018
MetroPCS	154	61	—	—	—	—	—	215	—
Total Cash Capex - Property & Equipment	\$ 1,230	\$ 1,111	\$ 1,017	\$ 882	\$ 947	\$ 940	\$ 1,131	\$ 3,358	\$ 3,018

(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							Nine Months Ended September 30,	
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2013	2014
Simple Free Cash Flow									
Pro Forma Combined Adjusted EBITDA	\$ 1,469	\$ 1,265	\$ 1,344	\$ 1,239	\$ 1,088	\$ 1,451	\$ 1,346	\$ 4,078	\$ 3,885
Pro Forma Combined Total Cash Capex - Property & Equipment	1,230	1,111	1,017	882	947	940	1,131	3,358	3,018
Simple Free Cash Flow	\$ 239	\$ 154	\$ 327	\$ 357	\$ 141	\$ 511	\$ 215	\$ 720	\$ 867