T··Mobile·

4th 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 to provide management, investors, and analysts with useful information to assess and evaluate past performance and assist in forecasting future performance.

- 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.
- 3 Customers per account The number of branded postpaid customers as of the end of the period divided by the number of branded postpaid accounts as of the end of the period. An account may include branded postpaid phone and mobile broadband customers.
- 4 Average Revenue Per Account (ARPA) Average monthly branded postpaid service revenue earned per account. Branded postpaid service revenues for the specified period divided by the average number of branded postpaid accounts during the period, further divided by the number of months in the period. T-Mobile considers branded postpaid ARPA to be indicative of its revenue growth potential given the increase in the average number of branded postpaid phone customers per account and increased penetration of mobile broadband devices.

Average Billings Per Account (ABPA) - Average monthly branded postpaid service revenue earned from customers plus equipment installment plan (EIP) billings divided by the average number of branded postpaid accounts during the period, further divided by the number of months in the period. T-Mobile believes average branded postpaid customer billings per account is indicative of estimated cash collections, including equipment installments, from T-Mobile's customers each month on a per account basis.

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.

Branded postpaid phone ARPU excludes mobile broadband customers and related revenues.

Branded Postpaid Average Billings per User (ABPU) - Average monthly branded postpaid service revenue earned from customers plus 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 branded postpaid ABPU is indicative of estimated 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.

- 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.
- 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 its 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.
- 7 Cash capital expenditures Amounts paid for construction and the purchase of property and equipment.
- 8 Smartphones UMTS/HSPA/HSPA+ 21/HSPA+ 42/4G LTE enabled converged devices, which integrate voice and data services.
- 9 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.
- 10 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

				Qua	rter				Year Ended D	ecember 31,
(in thousands)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 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	25,844	21,797	25,844
Branded postpaid mobile broadband customers	426	428	433	502	568	897	1,102	1,341	502	1,341
Total branded postpaid customers	20,094	20,783	21,430	22,299	23,622	24,530	25,909	27,185	22,299	27,185
Branded prepaid customers	6,028	14,935	14,960	15,072	15,537	15,639	16,050	16,316	15,072	16,316
Total branded customers	26,122	35,718	36,390	37,371	39,159	40,169	41,959	43,501	37,371	43,501
M2M customers	3,290	3,423	3,430	3,602	3,822	4,047	4,269	4,421	3,602	4,421
MVNO customers	4,556	4,875	5,219	5,711	6,094	6,329	6,662	7,096	5,711	7,096
Total wholesale customers	7,846	8,298	8,649	9,313	9,916	10,376	10,931	11,517	9,313	11,517
Total customers, end of period	33,968	44,016	45,039	46,684	49,075	50,545	52,890	55,018	46,684	55,018

				Qua	rter				Year Ended D	ecember 31,
(in thousands)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2013	2014
Net customer additions (losses)										
Branded postpaid phone customers	(190)	685	643	800	1,256	579	1,175	1,037	1,938	4,047
Branded postpaid mobile broadband customers	(9)	3	5	69	67	329	204	239	68	839
Total branded postpaid customers	(199)	688	648	869	1,323	908	1,379	1,276	2,006	4,886
Branded prepaid customers	202	(10)	24	112	465	102	411	266	328	1,244
Total branded customers	3	678	672	981	1,788	1,010	1,790	1,542	2,334	6,130
M2M customers	200	133	7	172	220	225	222	152	512	819
MVNO customers	376	319	344	492	383	235	333	434	1,531	1,385
Total wholesale customers	576	452	351	664	603	460	555	586	2,043	2,204
Total net customer additions	579	1,130	1,023	1,645	2,391	1,470	2,345	2,128	4,377	8,334
Acquired customers	-	8,918	-	-		-	-	-	8,918	-

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

				Qua	rter				Year Ended	December 31,
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2013	2014
Branded postpaid phone churn	1.89 %	1.54 %	1.70 %	1.63 %	1.47 %	1.48 %	1.64 %	1.73 %	1.69 %	1.58 %
Branded prepaid churn	6.97 %	5.44 %	4.96 %	5.10 %	4.34 %	4.50 %	4.78 %	5.39 %	5.37 %	4.76 %

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

	Quarter									Y	ear Ended I)ecei	mber 31,							
	Ç	1 2013	Ç	2 2013	Q	23 2013	Q	24 2013	Ç	1 2014	Q	2 2014	Q	3 2014	Q	4 2014		2013		2014
Service revenues (in millions)	\$	4,005	\$	4,756	\$	5,138	\$	5,169	\$	5,337	\$	5,484	\$	5,684	\$	5,870	\$	19,068	\$	22,375
Total revenues (in millions)	\$	4,677	\$	6,228	\$	6,688	\$	6,827	\$	6,875	\$	7,185	\$	7,350	\$	8,154	\$	24,420	\$	29,564
Adjusted EBITDA (in millions)	\$	1,178	\$	1,124	\$	1,344	\$	1,239	\$	1,088	\$	1,451	\$	1,346	\$	1,751	\$	4,885	\$	5,636
Adjusted EBITDA margin		29%		24%		26%		24%		20%		26%		24%		30%		26%		25%
Net income (loss) (in millions)	\$	107	\$	(16)	\$	(36)	\$	(20)	\$	(151)	\$	391	\$	(94)	\$	101	\$	35	\$	247
Cash capex - Property & Equipment (in millions)	\$	1,076	\$	1,050	\$	1,017	\$	882	\$	947	\$	940	\$	1,131	\$	1,299	\$	4,025	\$	4,317
Branded postpaid ARPA	\$	117.27	\$	115.95	\$	112.64	\$	109.85	\$	108.97	\$	107.11	\$	109.80	\$	109.87	\$	113.84	\$	108.95
Branded postpaid ABPA	\$	124.24	\$	127.04	\$	127.47	\$	127.34	\$	129.74	\$	131.81	\$	138.73	\$	143.79	\$	126.55	\$	136.17
Branded postpaid customers per account		2.17		2.16		2.16		2.18		2.18		2.23		2.29		2.36		2.18		2.36
Branded postpaid phone ARPU	\$	54.50	\$	54.04	\$	52.62	\$	51.13	\$	50.48	\$	49.32	\$	49.84	\$	48.26	\$	53.03	\$	49.44
Branded postpaid ABPU	\$	57.28	\$	58.72	\$	59.08	\$	58.78	\$	59.54	\$	59.79	\$	61.59	\$	61.80	\$	58.48	\$	60.73
Branded prepaid ARPU	\$	28.25	\$	34.78	\$	35.71	\$	35.84	\$	36.09	\$	37.16	\$	37.59	\$	37.51	\$	34.59	\$	37.10
Smartphone sales units (in millions)		2.2		4.3		5.6		6.2		6.9		6.2		6.9		8.0		18.3		28.0
Smartphone sales / phone sales		75%		86%		88%		91%		92%		93%		93%		93%		87%		93%
Branded postpaid handset upgrade rate		5%		10%		9%		9%		7%		8%		9%		11%		33%		35%
EIP financed (in millions)	\$	298	\$	811	\$	1,011	\$	1,207	\$	1,249	\$	1,342	\$	1,317	\$	1,902	\$	3,327	\$	5,810
EIP billings (in millions)	\$	194	\$	314	\$	435	\$	528	\$	657	\$	810	\$	967	\$	1,162	\$	1,471	\$	3,596
EIP receivables, net (in millions)	\$	774	\$	1,292	\$	1,867	\$	2,546	\$	3,086	\$	3,583	\$	3,963	\$	4,690	\$	2,546	\$	4,690
EIP receivables classified as prime		44%		52%		53%		54%		53%		53%		53%		54%		54%		54%
Bad debt expense (1)	\$	114	\$	97	\$	121	\$	131	\$	130	\$	105	\$	103	\$	106	\$	463	\$	444
Losses from factoring arrangement (1)	\$	-	\$	-	\$	-	\$	-	\$	27	\$	59	\$	49	\$	44	\$	-	\$	179
Total bad debt expense and losses from factoring arrangement (1)	\$	114	\$	97	\$	121	\$	131	\$	157	\$	164	\$	152	\$	150	\$	463	\$	623

⁽¹⁾ Bad debt expense and losses from factoring arrangement in the first quarter of 2014 through the third quarter of 2014 have been restated to conform to the presentation in the fourth quarter of 2014. Total bad debt and losses from factoring arrangement remains unchanged.

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

(in millions, except share and per share amounts)	Dec	cember 31, 2014	Dec	ember 31, 2013
Assets				
Current assets				
Cash and cash equivalents	\$	5,315	\$	5,891
Accounts receivable, net of allowances of \$83 and \$109		1,865		2,148
Equipment installment plan receivables, net		3,062		1,471
Accounts receivable from affiliates		76		41
Inventories		1,085		586
Deferred tax assets, net		988		839
Other current assets		1,593		1,252
Total current assets		13,984		12,228
Property and equipment, net		16,245		15,349
Goodwill		1,683		1,683
Spectrum licenses		21,955		18,122
Other intangible assets, net		870		1,204
Equipment installment plan receivables due after one year, net		1,628		1,075
Other assets		288		292
Total assets	\$	56,653	\$	49,953
Liabilities and Stockholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	\$	7,364	\$	4,567
Current payables to affiliates		231		199
Short-term debt		87		244
Deferred revenue		459		445
Other current liabilities		635		353
Total current liabilities		8,776		5,808
Long-term debt		16,273		14,345
Long-term debt to affiliates		5,600		5,600
Long-term financial obligation		2,521		2,496
Deferred tax liabilities		4,873		4,645
Deferred rents		2,331		2,113
Other long-term liabilities		616		701
Total long-term liabilities		32,214		29,900
Commitments and contingencies				
Stockholders' equity				
5.50% Mandatory Convertible Preferred Stock Series A, par value \$0.00001 per share, 100,000,000 shares authorized; 20,000,000 and 0 shares issued, \$1,000 and \$0 aggregate liquidation value		-		-
Common Stock, par value \$0.00001 per share, 1,000,000,000 shares authorized; 808,851,108 and 803,262,309 shares issued, 807,468,603 and 801,879,804 shares outstanding		-		_
Additional paid-in capital		38,503		37,330
Treasury stock, at cost, 1,382,505 and 1,382,505 shares issued		-		-
Accumulated other comprehensive income		1		3
Accumulated deficit		(22,841)		(23,088)
Total stockholders' equity		15,663		14,245
Total liabilities and stockholders' equity	\$	56,653	\$	49,953

T-Mobile US, Inc. Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

		Three Months Ende	ed	Year	Ended
	December 31,	September 30,	December 31,	December 31,	December 31,
(in millions, except shares and per share amounts)	2014	2014	2013	2014	2013
Revenues					
Branded postpaid revenues	\$ 3,764	\$ 3,670	\$ 3,317	\$ 14,392	\$ 13,166
Branded prepaid revenues	1,812	1,790	1,606	6,986	4,945
Total branded revenues	5,576	5,460	4,923	21,378	18,111
Wholesale revenues	214	171	164	731	613
Roaming and other service revenues	80	53	82	266	344
Total service revenues	5,870	5,684	5,169	22,375	19,068
Equipment sales	2,180	1,561	1,581	6,789	5,033
Other revenues	104	105	77	400	319
Total revenues	8,154	7,350	6,827	29,564	24,420
Operating expenses Cost of services, exclusive of depreciation and amortization shown separately below	1,383	1,488	1,399	5,788	5,279
Cost of equipment sales	2,812	2,308	2,139	9,621	6,976
Selling, general and administrative	2,333	2,283	2,096	8,863	7,382
Depreciation and amortization	1,090		997	4,412	3,627
Cost of MetroPCS business combination	168	,	57	299	108
Gains on disposal of spectrum licenses	(70)			(840)	(2)
Other, net	5	` /	_	5	54
Total operating expenses	7,721	7,301	6,688	28,148	23,424
Operating income	433	49	139	1,416	996
Other income (expense)	733	7)	137	1,410	
Interest expense to affiliates	(92)) (83)	(92)	(278)	(678)
Interest expense	(266)		(234)	(1,073)	(545)
Interest income	104	97	64	359	189
Other income (expense), net	21	(14)	(16)	(11)	89
Total other expense, net	(233)		(278)	(1,003)	(945)
Income (loss) before income taxes	200		(139)	413	51
Income tax expense (benefit)	99	(117)	(119)	166	16
Net income (loss)	\$ 101				\$ 35
Other comprehensive income (loss), net of tax:	ψ 101	J (/+)	φ (20)	ψ 2 - 1	ψ 33
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, \$1, \$(1), and \$1		1	1	(2)	1
Other comprehensive income (loss), net of tax		1	1	(2)	(38)
Total comprehensive income (loss)	\$ 101	\$ (93)	\$ (19)	\$ 245	\$ (3)
Earnings (loss) per share					
Basic	\$ 0.13	\$ (0.12)	\$ (0.03)	\$ 0.31	\$ 0.05
Diluted	\$ 0.12	\$ (0.12)	\$ (0.03)	\$ 0.30	\$ 0.05
Weighted average shares outstanding					
Basic	807,396,425	807,221,761	761,964,720	805,284,712	672,955,980
Diluted	821,707,289	807,221,761	761,964,720	815,922,258	676,885,215

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

	Year l	Ended
	December 31,	December 31,
(in millions)	2014	2013
Operating activities		
Net income	\$ 247	\$ 3.
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	4,412	3,62
Stock-based compensation expense	196	10
Excess tax benefit from stock-based compensation	(34)	_
Deferred income tax expense	122	1
Amortization of debt discount and premium, net	(47)	(6
Bad debt expense	444	46
Losses from factoring arrangement	179	_
Deferred rent expense	225	22
Losses (gains) and other, net	(755)	20
Changes in operating assets and liabilities		
Accounts receivable	(90)	(15
Equipment installment plan receivables	(2,429)	(2,01
Inventories	(499)	4
Deferred purchase price from factoring arrangement	(204)	-
Other current and long-term assets	(328)	31
Accounts payable and accrued liabilities	2,395	61
Other current and long-term liabilities	312	14
Net cash provided by operating activities	4,146	3,54
Investing activities		
Purchases of property and equipment	(4,317)	(4,02
Purchases of spectrum licenses and other intangible assets, including deposits	(2,900)	(38
Short term affiliate loan receivable, net		30
Proceeds from disposals of property and equipment and intangible assets	20	
Cash and cash equivalents acquired in MetroPCS business combination	_	2,14
Payments to acquire financial assets, net	(9)	2,17
Change in restricted cash equivalents	(9)	(10
investments in unconsolidated affiliates, net	(40)	`
Net cash used in investing activities	(40)	(3 00
Financing activities	(7,246)	(2,09
	2.002	2.40
Proceeds from issuance of long-term debt	2,993	2,49
Repayments of long-term debt and capital lease obligations	(1,019)	(
Proceeds from issuance of preferred stock	982	-
Proceeds from issuance of common stock	_	1,78
Repayments of short-term debt for purchases of inventory, property and equipment, net	(418)	(24
Repayments related to a variable interest entity	_	(8
Distribution to affiliate	_	(4
Proceeds from exercise of stock options	27	13
Taxes paid related to net share settlement of stock awards	(73)	-
Excess tax benefit from stock-based compensation	34	_
Other, net	(2)	_
Net cash provided by financing activities	2,524	4,04
Change in cash and cash equivalents	(576)	5,49
Cash and cash equivalents		
Beginning of year	5,891	39
End of year	\$ 5,315	\$ 5,89

T-Mobile US, Inc.

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

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:

								Qua	rter								Y	ear Ended l	Decen	nber 31,
(in millions)	Q	1 2013	Q	2 2013	Q3	3 2013	Q	4 2013	Q	1 2014	Q	2 2014	Q	3 2014	Q	4 2014		2013		2014
Net income (loss)	\$	107	\$	(16)	\$	(36)	\$	(20)	\$	(151)	\$	391	\$	(94)	\$	101	\$	35	\$	247
Adjustments:																				
Interest expense to affiliates		178		225		183		92		18		85		83		92		678		278
Interest expense		51		109		151		234		276		271		260		266		545		1,073
Interest income		(35)		(40)		(50)		(64)		(75)		(83)		(97)		(104)		(189)		(359)
Other expense (income), net		6		(118)		7		16		6		12		14		(21)		(89)		11
Income tax expense (benefit)		72		21		42		(119)		(102)		286		(117)		99		16		166
Operating income (loss)		379		181		297		139		(28)		962		49		433		996		1,416
Depreciation and amortization		755		888		987		997		1,055		1,129		1,138		1,090		3,627		4,412
Cost of MetroPCS business combination		13		26		12		57		12		22		97		168		108		299
Stock-based compensation (1)		-		6		48		46		49		63		45		54		100		211
Gains on disposal of spectrum licenses (1)		-		-		-		-		-		(731)		11		-		-		(720)
Other, net (1)		31		23		-		-		-		6		6		6		54		18
Adjusted EBITDA	\$	1,178	\$	1,124	\$	1,344	\$	1,239	\$	1,088	\$	1,451	\$	1,346	\$	1,751	\$	4,885	\$	5,636
Adjusted EBITDA of MetroPCS (2) Pro Forma Combined		291		141		-		-		-		-		-		-		432		-
Adjusted EBITDA	\$	1,469	\$	1,265	\$	1,344	\$	1,239	\$	1,088	\$	1,451	\$	1,346	\$	1,751	\$	5,317	\$	5,636

⁽¹⁾ Stock-based compensation includes tax impacts and may not agree to stock based compensation expense in the consolidated financial statements. 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 Consolidated Statements of Comprehensive Income (Loss) primarily due to certain routine operating activities, such as insignificant or 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.

T-Mobile US, Inc.

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

The following tables illustrate the calculation of ARPA and ABPA and reconcile these measures to the related service revenues, which we consider to be the most directly comparable GAAP financial measure to ARPA and ABPA:

(in millions, except average number								Qua	ırter								Y	ear Ended	Decer	nber 31,
of accounts, ARPA and ABPA)	Ç	21 2013	Ç	22 2013	Q	3 2013	Q	4 2013	Q	1 2014	Q	2 2014	Ç	23 2014	Ç	24 2014		2013		2014
Calculation of Branded Postpaid AR	PA																			
Branded postpaid service revenues	\$	3,263	\$	3,284	\$	3,302	\$	3,317	\$	3,447	\$	3,511	\$	3,670	\$	3,764	\$	13,166	\$	14,392
Divided by: Average number of branded postpaid accounts (in thousands) and number of months in period		9,275		9,441		9,772		10,064		10,543		10,928		11,141		11,421		9,638		11,008
Branded postpaid ARPA	\$	117.27	\$	115.95	\$	112.64	\$	109.85	\$	108.97	\$	107.11	\$	109.80	\$	109.87	\$	113.84	\$	108.95
Calculation of Branded Postpaid ABI	PA																			
Branded postpaid service revenues	\$	3,263	\$	3,284	\$	3,302	\$	3,317	\$	3,447	\$	3,511	\$	3,670	\$	3,764	\$	13,166	\$	14,392
Add: EIP billings		194		314		435		528		657		810		967		1,162		1,471		3,596
Total billings for branded postpaid customers	\$	3,457	\$	3,598	\$	3,737	\$	3,845	\$	4,104	\$	4,321	\$	4,637	\$	4,926	\$	14,637	\$	17,988
Divided by: Average number of branded postpaid accounts (in thousands) and number of months in period		9,275		9,441		9,772		10,064		10,543		10,928		11,141		11,421		9,638		11,008
Branded postpaid ABPA	\$	124.24	\$	127.04	\$	127.47	\$	127.34	\$	129.74	\$	131.81	\$	138.73	\$	143.79	\$	126.55	\$	136.17

T-Mobile US, Inc.

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

The following tables illustrate the calculation of ARPU and ABPU and reconcile these measures to the related service revenues, which we consider to be the most directly comparable GAAP financial measure to ARPU and ABPU:

(in millions, except average number								Qua	rter								Y	ear Ended	Decei	mber 31,
of customers, ARPU and ABPU)	Q	1 2013	Ç	22 2013	Ç	23 2013	Q	24 2013	(2014	Ç	22 2014	Q	3 2014	Ç	24 2014		2013		2014
Calculation of Branded Postpaid Pho	ne A	RPU																		
Branded postpaid service revenues Less: Branded postpaid mobile broadband revenues	\$	3,263	\$	3,284 (42)	\$	3,302 (41)	\$	3,317	\$	3,447	\$	3,511 (54)	\$	3,670 (68)	\$	3,764	\$	13,166 (169)	\$	14,392 (261)
Branded postpaid phone service revenues	\$	3,219	\$	3,242	\$	3,261	\$	3,275	\$	3,400	\$	3,457	\$	3,602	\$	3,672	\$	12,997	\$	14,131
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		25,359		20,424		23,817
Branded postpaid phone ARPU	\$	54.50	\$	54.04	\$	52.62	\$	51.13	\$	50.48	\$	49.32	\$	49.84	\$	48.26	\$	53.03	\$	49.44
Calculation of Branded Postpaid AB	PU																			
Branded postpaid service revenues	\$	3,263	\$	3,284	\$	3,302	\$	3,317	\$	3,447	\$	3,511	\$	3,670	\$	3,764	\$	13,166	\$	14,392
Add: EIP billings Total billings for branded		194		314		435		528	_	657		810		967		1,162		1,471		3,596
postpaid customers Divided by: Average number of branded postpaid customers (in thousands) and number of months in period	\$	3,457 20,117	\$	3,598	\$	3,737 21,084	\$	3,845 21,805	\$	4,104 22,975	\$	4,321 24,092	\$	4,637 25,095	\$	4,926 26,572	\$	20,858	\$	17,988 24,683
Branded postpaid ABPU	\$	57.28	\$	58.72	\$	59.08	\$	58.78	\$	59.54	\$	59.79	\$	61.59	\$	61.80	\$	58.48	\$	60.73
Calculation of Branded Prepaid ARE	PU																			
Branded Prepaid Service Revenues	\$	503	\$	1,242	\$	1,594	\$	1,606	\$	1,648	\$	1,736	\$	1,790	\$	1,812	\$	4,945	\$	6,986
Divided by: Average number of branded prepaid customer (in thousands) and number of months in period		5,936		11,902		14,877		14,935		15,221		15,569		15,875		16,097		11,913		15,691
Branded prepaid ARPU	\$	28.25	\$	34.78	\$	35.71	\$	35.84	\$	36.09	\$	37.16	\$	37.59	\$	37.51	\$	34.59	\$	37.10

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

				Qua	rter				Year Ended D	ecember 31,
(in thousands)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 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	25,844	21,797	25,844
Branded postpaid mobile broadband customers	426	428	433	502	568	897	1,102	1,341	502	1,341
Total branded postpaid customers	20,094	20,783	21,430	22,299	23,622	24,530	25,909	27,185	22,299	27,185
Branded prepaid customers	15,023	14,935	14,960	15,072	15,537	15,639	16,050	16,316	15,072	16,316
Total branded customers	35,117	35,718	36,390	37,371	39,159	40,169	41,959	43,501	37,371	43,501
M2M customers	3,290	3,423	3,430	3,602	3,822	4,047	4,269	4,421	3,602	4,421
MVNO customers	4,556	4,875	5,219	5,711	6,094	6,329	6,662	7,096	5,711	7,096
Total wholesale customers	7,846	8,298	8,649	9,313	9,916	10,376	10,931	11,517	9,313	11,517
Total customers, end of period	42,963	44,016	45,039	46,684	49,075	50,545	52,890	55,018	46,684	55,018

				Qua	rter				Year Ended I	December 31,
(in thousands)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2013	2014
Net customer additions (losses)										
Branded postpaid phone customers	(190)	685	643	800	1,256	579	1,175	1,037	1,938	4,047
Branded postpaid mobile broadband customers	(9)	3	5	69	67	329	204	239	68	839
Total branded postpaid customers	(199)	688	648	869	1,323	908	1,379	1,276	2,006	4,886
Branded prepaid customers	310	(87)	24	112	465	102	411	266	359	1,244
Total branded customers	111	601	672	981	1,788	1,010	1,790	1,542	2,365	6,130
M2M customers	200	133	7	172	220	225	222	152	512	819
MVNO customers	376	319	344	492	383	235	333	434	1,531	1,385
Total wholesale customers	576	452	351	664	603	460	555	586	2,043	2,204
Total net customer additions	687	1,053	1,023	1,645	2,391	1,470	2,345	2,128	4,408	8,334

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

		Quarter											
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2013	2014			
Branded postpaid phone churn	1.89 %	1.54 %	1.70 %	1.63 %	1.47 %	1.48 %	1.64 %	1.73 %	1.69 %	1.58 %			
Branded prepaid churn	4.42 %	4.90 %	4.96 %	5.10 %	4.34 %	4.50 %	4.78 %	5.39 %	4.84 %	4.76 %			

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.

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

	Quarter															Year Ended December 31,				
	Q	1 2013	Q	2 2013	Q	Q3 2013		Q4 2013		Q1 2014		Q2 2014		Q3 2014		Q4 2014		2013		2014
Service revenues (in millions)	\$	5,106	\$	5,122	\$	5,138	\$	5,169	\$	5,337	\$	5,484	\$	5,684	\$	5,870	\$	20,535	\$	22,375
Thereof, branded postpaid revenues (in millions)	\$	3,263	\$	3,284	\$	3,302	\$	3,317	\$	3,447	\$	3,511	\$	3,670	\$	3,764	\$	13,166	\$	14,392
Thereof, branded prepaid revenues (in millions)	\$	1,604	\$	1,608	\$	1,594	\$	1,606	\$	1,648	\$	1,736	\$	1,790	\$	1,812	\$	6,412	\$	6,986
Total revenues (in millions)	\$	5,964	\$	6,651	\$	6,688	\$	6,827	\$	6,875	\$	7,185	\$	7,350	\$	8,154	\$	26,130	\$	29,564
Adjusted EBITDA (in millions)	\$	1,469	\$	1,265	\$	1,344	\$	1,239	\$	1,088	\$	1,451	\$	1,346	\$	1,751	\$	5,317	\$	5,636
Adjusted EBITDA margin		29%		25%		26%		24%		20%		26%		24%		30%		26%		25%
Cash capex - Property & Equipment (in millions)	\$	1,230	\$	1,111	\$	1,017	\$	882	\$	947	\$	940	\$	1,131	\$	1,299	\$	4,240	\$	4,317
Branded postpaid phone ARPU	\$	54.50	\$	54.04	\$	52.62	\$	51.13	\$	50.48	\$	49.32	\$	49.84	\$	48.26	\$	53.03	\$	49.44
Branded prepaid ARPU	\$	35.87	\$	35.97	\$	35.71	\$	35.84	\$	36.09	\$	37.16	\$	37.59	\$	37.51	\$	35.85	\$	37.10

	Three Months Ended														
(in millions, except net debt ratio)		Jun 30, 2013		Sep 30, 2013		Dec 31, 2013		Mar 31, 2014		Jun 30, 2014		Sep 30, 2014		Dec 31, 2014	
Net Debt (excluding Tower Obligations) to Last Twelve Months Adjusted EBITDA Ratio															
Short-term debt	\$	210	\$	195	\$	244	\$	151	\$	272	\$	1,168	\$	87	
Long-term debt to affiliates		11,200		11,200		5,600		5,600		5,600		5,600		5,600	
Long-term debt		6,276		6,761		14,345		14,331		14,369		16,284		16,273	
Less: Cash and cash equivalents		(2,362)		(2,365)		(5,891)		(5,471)		(3,080)		(5,787)		(5,315)	
Net Debt (excluding Tower Obligations)	\$	15,324	\$	15,791	\$	14,298	\$	14,611	\$	17,161	\$	17,265	\$	16,645	
Last twelve months Adjusted EBITDA *		5,781		5,433		5,317		4,936		5,122		5,124		5,636	
Net Debt (excluding Tower Obligations) to Last Twelve Months Adjusted EBITDA Ratio		2.7		2.9		2.7		3.0		3.4		3.4		3.0	
* Pro Forma Combined ERITDA															

^{*} Pro Forma Combined EBITDA

Pro Forma Combined Reconciliations

		Quarter														Year Ended December 31,				
(in millions)	Q1 2013		Q2 2013		Q	3 2013	Q	4 2013	Q	1 2014	Q	2 2014	Q3 2014		Q4 2014			2013		2014
Service Revenues																				
T-Mobile (1)	\$	4,005	\$	4,756	\$	5,138	\$	5,169	\$	5,337	\$	5,484	\$	5,684	\$	5,870	\$	19,068	\$	22,375
MetroPCS		1,101		366	_	-		-	_	-		-		-		-		1,467		-
Total service revenues	\$	5,106	\$	5,122	\$	5,138	\$	5,169	\$	5,337	\$	5,484	\$	5,684	\$	5,870	\$	20,535	\$	22,375
Branded Revenues																				
T-Mobile (1)	\$	3,766	\$	4,526	\$	4,896	\$	4,923	\$	5,095	\$	5,247	\$	5,460	\$	5,576	\$	18,111	\$	21,378
MetroPCS		1,101		366		-		-		-		-		-		-		1,467		-
Total branded revenues	\$	4,867	\$	4,892	\$	4,896	\$	4,923	\$	5,095	\$	5,247	\$	5,460	\$	5,576	\$	19,578	\$	21,378
Branded Prepaid Revenues																				
T-Mobile ⁽¹⁾	\$	503	\$	1,242	\$	1,594	\$	1,606	\$	1,648	\$	1,736	\$	1,790	\$	1,812	\$	4,945	\$	6,986
MetroPCS		1,101		366		-		-		-		-		-		-		1,467		-
Total branded prepaid revenues	\$	1,604	\$	1,608	\$	1,594	\$	1,606	\$	1,648	\$	1,736	\$	1,790	\$	1,812	\$	6,412	\$	6,986
Total Revenues																				
T-Mobile (1)	\$	4,677	\$	6.228	\$	6,688	\$	6.827	\$	6.875	\$	7.185	\$	7,350	\$	8,154	\$	24.420	\$	29,564
MetroPCS		1,287		423		-		-		-		_		-		-		1,710	,	-
Total revenues	\$	5,964	\$		\$	6,688	\$	6,827	\$	6,875	\$	7,185	\$	7,350	\$	8,154	\$	26,130	\$	29,564
								Ous	arter								v	ear Ended	Dece	mber 31.
(in millions)	0	1 2013	0	2 2013	0	3 2013	Q	4 2013		1 2014	0	2 2014	0	3 2014	C)4 2014		2013		2014
Cash Capex - Property & Equipment																				
T-Mobile (1)	\$	1,076	\$	1,050	\$	1,017	\$	882	\$	947	\$	940	\$	1,131	\$	1,299	\$	4,025	\$	4,317
MetroPCS		154		61		-		-		-		-		-		-		215		-
Total Cash Capex - Property & Equipment	\$	1,230	\$	1,111	\$	1,017	\$	882	\$	947	\$	940	\$	1,131	\$	1,299	\$	4,240	\$	4,317

⁽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.

	Quarter														Year Ended December 3					
(in millions)	Q	1 2013	Q2 2013		Q3 2013 Q4		4 2013	Q1 2014		Q2 2014		Q3 2014		Q4 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	\$	1,751	\$	5,317	\$	5,636
Pro Forma Combined Total Cash Capex - Property & Equipment		1,230		1,111		1,017		882		947		940		1,131		1,299		4,240		4,317
Simple Free Cash Flow	\$	239	\$	154	\$	327	\$	357	\$	141	\$	511	\$	215	\$	452	\$	1,077	\$	1,319