



WE WON'T STOP

T-Mobile®

**2nd Quarter 2015
Financial Results,
Supplementary Data and
Non-GAAP Reconciliations**

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.

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.

5. Cost of services - Costs directly attributable to providing wireless service through the operation of T-Mobile's network, including direct switch and cell site costs, such as rent, network access and transport costs, utilities, maintenance, associated labor costs, long distance costs, regulatory program costs, roaming fees paid to other carriers and data content costs.

Cost of equipment sales - Costs of devices and accessories sold to customers and dealers, device costs to fulfill insurance and warranty claims, write-downs of inventory related to shrinkage and obsolescence, and shipping and handling costs.

Selling, general and administrative expenses - Costs not directly attributable to providing wireless service for the operation of sales, customer care and corporate activities. These include commissions paid to dealers and retail employees for activations and upgrades, labor and facilities costs associated with retail sales force and administrative space, marketing and promotional costs, customer support and billing, bad debt expense and administrative support activities.

6. 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. Free Cash Flow - Net cash provided by operating activities less cash capital expenditures for property and equipment. Free Cash Flow is utilized by T-Mobile's management, investors, and analysts to evaluate cash available to pay debt and provide further investment in the business. The reconciliation of Free Cash Flow to net cash provided by operating activities is detailed in the Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures schedule.

10. Adjusted Free Cash Flow - Free Cash Flow excluding decommissioning payments related to the shutdown of the CDMA portion of the MetroPCS network.

11. 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 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	2014	2015
Customers, end of period								
Branded postpaid phone customers	23,054	23,633	24,807	25,844	26,835	27,595	23,633	27,595
Branded postpaid mobile broadband customers	568	897	1,102	1,341	1,475	1,723	897	1,723
Total branded postpaid customers	23,622	24,530	25,909	27,185	28,310	29,318	24,530	29,318
Branded prepaid customers	15,537	15,639	16,050	16,316	16,389	16,567	15,639	16,567
Total branded customers	39,159	40,169	41,959	43,501	44,699	45,885	40,169	45,885
M2M customers	3,822	4,047	4,269	4,421	4,562	4,529	4,047	4,529
MVNO customers	6,094	6,329	6,662	7,096	7,575	8,494	6,329	8,494
Total wholesale customers	9,916	10,376	10,931	11,517	12,137	13,023	10,376	13,023
Total customers, end of period	49,075	50,545	52,890	55,018	56,836	58,908	50,545	58,908

(in thousands)	Quarter						Six Months Ended June 30,	
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	2014	2015
Net customer additions (losses)								
Branded postpaid phone customers	1,256	579	1,175	1,037	991	760	1,835	1,751
Branded postpaid mobile broadband customers	67	329	204	239	134	248	396	382
Total branded postpaid customers	1,323	908	1,379	1,276	1,125	1,008	2,231	2,133
Branded prepaid customers	465	102	411	266	73	178	567	251
Total branded customers	1,788	1,010	1,790	1,542	1,198	1,186	2,798	2,384
M2M customers	220	225	222	152	141	(33)	445	108
MVNO customers	383	235	333	434	479	919	618	1,398
Total wholesale customers	603	460	555	586	620	886	1,063	1,506
Total net customer additions	2,391	1,470	2,345	2,128	1,818	2,072	3,861	3,890

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

	Quarter						Six Months Ended June 30,	
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	2014	2015
Branded postpaid phone churn	1.47 %	1.48 %	1.64 %	1.73 %	1.30 %	1.32 %	1.47 %	1.31 %
Branded prepaid churn	4.34 %	4.50 %	4.78 %	5.39 %	4.62 %	4.93 %	4.42 %	4.78 %

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

	Quarter						Six Months Ended June 30,	
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	2014	2015
Financial Metrics								
Service revenues (in millions)	\$ 5,337	\$ 5,484	\$ 5,684	\$ 5,870	\$ 5,819	\$ 6,144	\$ 10,821	\$ 11,963
Total revenues (in millions)	\$ 6,875	\$ 7,185	\$ 7,350	\$ 8,154	\$ 7,778	\$ 8,179	\$ 14,060	\$ 15,957
Adjusted EBITDA (in millions)	\$ 1,088	\$ 1,451	\$ 1,346	\$ 1,751	\$ 1,388	\$ 1,817	\$ 2,539	\$ 3,205
Adjusted EBITDA margin	20 %	26 %	24 %	30 %	24 %	30 %	23 %	27 %
Net income (loss) (in millions)	\$ (151)	\$ 391	\$ (94)	\$ 101	\$ (63)	\$ 361	\$ 240	\$ 298
Cash capex - Property & Equipment (in millions)	\$ 947	\$ 940	\$ 1,131	\$ 1,299	\$ 982	\$ 1,191	\$ 1,887	\$ 2,173
Revenue Metrics								
Branded postpaid ARPA	\$ 108.97	\$ 107.11	\$ 109.80	\$ 109.87	\$ 108.04	\$ 113.50	\$ 108.02	\$ 110.81
Branded postpaid ABPA	\$ 129.74	\$ 131.81	\$ 138.73	\$ 143.79	\$ 145.03	\$ 152.31	\$ 130.79	\$ 148.72
Branded postpaid accounts, end of period	10,812	11,017	11,297	11,506	11,831	12,061	11,017	12,061
Branded postpaid customers per account	2.18	2.23	2.29	2.36	2.39	2.43	2.23	2.43
Branded postpaid phone ARPU	\$ 50.48	\$ 49.32	\$ 49.84	\$ 48.26	\$ 46.43	\$ 48.19	\$ 49.89	\$ 47.33
Branded postpaid ABPU	\$ 59.54	\$ 59.79	\$ 61.59	\$ 61.80	\$ 60.94	\$ 63.29	\$ 59.67	\$ 62.14
Branded prepaid ARPU	\$ 36.09	\$ 37.16	\$ 37.59	\$ 37.51	\$ 37.81	\$ 37.83	\$ 36.63	\$ 37.82
Devices								
Smartphone sales units (in millions)	6.9	6.2	6.9	8.0	8.0	7.4	13.1	15.4
Branded postpaid handset upgrade rate	7 %	8 %	9 %	11 %	8 %	9 %	15 %	17 %
Equipment Installment Plans								
EIP financed (in millions)	\$ 1,249	\$ 1,342	\$ 1,317	\$ 1,902	\$ 1,483	\$ 1,697	\$ 2,591	\$ 3,180
EIP billings (in millions)	\$ 657	\$ 810	\$ 967	\$ 1,162	\$ 1,292	\$ 1,393	\$ 1,467	\$ 2,685
EIP receivables, net (in millions)	\$ 3,086	\$ 3,583	\$ 3,963	\$ 4,690	\$ 4,842	\$ 5,114	\$ 3,583	\$ 5,114
Customer Quality								
EIP receivables classified as prime	53 %	53 %	53 %	54 %	52 %	52 %	53 %	52 %
Total bad debt expense and losses from factoring arrangement (in millions)	\$ 157	\$ 164	\$ 152	\$ 150	\$ 169	\$ 156	\$ 321	\$ 325

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

(in millions, except share and per share amounts)	June 30, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 2,642	\$ 5,315
Accounts receivable, net of allowances of \$91 and \$83	1,827	1,865
Equipment installment plan receivables, net	3,503	3,062
Accounts receivable from affiliates	52	76
Inventories	1,135	1,085
Deferred tax assets, net	1,479	988
Other current assets	1,019	1,593
Total current assets	11,657	13,984
Property and equipment, net	16,910	16,245
Goodwill	1,683	1,683
Spectrum licenses	24,272	21,955
Other intangible assets, net	735	870
Equipment installment plan receivables due after one year, net	1,611	1,628
Other assets	320	288
Total assets	\$ 57,188	\$ 56,653
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,645	\$ 7,364
Current payables to affiliates	101	231
Short-term debt	386	87
Deferred revenue	574	459
Other current liabilities	558	635
Total current liabilities	8,264	8,776
Long-term debt	16,386	16,273
Long-term debt to affiliates	5,600	5,600
Long-term financial obligation	2,526	2,521
Deferred tax liabilities	5,306	4,873
Deferred rents	2,411	2,331
Other long-term liabilities	642	616
Total long-term liabilities	32,871	32,214
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 20,000,000 shares issued and outstanding; \$1,000 and \$1,000 aggregate liquidation value	—	—
Common Stock, par value \$0.00001 per share, 1,000,000,000 shares authorized; 816,196,073 and 808,851,108 shares issued, 814,813,568 and 807,468,603 shares outstanding	—	—
Additional paid-in capital	38,595	38,503
Treasury stock, at cost, 1,382,505 and 1,382,505 shares issued	—	—
Accumulated other comprehensive income	1	1
Accumulated deficit	(22,543)	(22,841)
Total stockholders' equity	16,053	15,663
Total liabilities and stockholders' equity	\$ 57,188	\$ 56,653

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, 2015	March 31, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Revenues					
Branded postpaid revenues	\$ 4,075	\$ 3,774	\$ 3,511	\$ 7,849	\$ 6,958
Branded prepaid revenues	1,861	1,842	1,736	3,703	3,384
Wholesale revenues	164	158	172	322	346
Roaming and other service revenues	44	45	65	89	133
Total service revenues	6,144	5,819	5,484	11,963	10,821
Equipment revenues	1,915	1,851	1,600	3,766	3,048
Other revenues	120	108	101	228	191
Total revenues	8,179	7,778	7,185	15,957	14,060
Operating expenses					
Cost of services, exclusive of depreciation and amortization shown separately below	1,397	1,395	1,453	2,792	2,917
Cost of equipment sales	2,661	2,679	2,215	5,340	4,501
Selling, general and administrative	2,438	2,372	2,151	4,810	4,247
Depreciation and amortization	1,075	1,087	1,129	2,162	2,184
Cost of MetroPCS business combination	34	128	22	162	34
Gains on disposal of spectrum licenses	(23)	—	(747)	(23)	(757)
Total operating expenses	7,582	7,661	6,223	15,243	13,126
Operating income	597	117	962	714	934
Other income (expense)					
Interest expense to affiliates	(92)	(64)	(85)	(156)	(103)
Interest expense	(257)	(261)	(271)	(518)	(547)
Interest income	114	112	83	226	158
Other income (expense), net	1	(8)	(12)	(7)	(18)
Total other expense, net	(234)	(221)	(285)	(455)	(510)
Income (loss) before income taxes	363	(104)	677	259	424
Income tax expense (benefit)	2	(41)	286	(39)	184
Net income (loss)	361	(63)	391	298	240
Dividends on preferred stock	(14)	(14)	—	(28)	—
Net income (loss) attributable to common stockholders	\$ 347	\$ (77)	\$ 391	\$ 270	\$ 240
Other comprehensive loss, net of tax:					
Unrealized loss on available-for-sale securities, net of tax effect of \$0, \$0, \$0, \$0 and \$(1)	—	—	—	—	(3)
Other comprehensive loss, net of tax	—	—	—	—	(3)
Total comprehensive income (loss)	\$ 361	\$ (63)	\$ 391	\$ 298	\$ 237
Earnings (loss) per share					
Basic	\$ 0.43	\$ (0.09)	\$ 0.49	\$ 0.33	\$ 0.30
Diluted	\$ 0.42	\$ (0.09)	\$ 0.48	\$ 0.33	\$ 0.30
Weighted average shares outstanding					
Basic	811,605,031	808,605,526	803,923,913	810,113,564	803,226,194
Diluted	821,122,537	808,605,526	813,556,137	819,548,539	812,903,135

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

(in millions)	Six Months Ended June 30,	
	2015	2014
Operating activities		
Net cash provided by operating activities	\$ 1,650	\$ 1,729
Investing activities		
Purchases of property and equipment	(2,173)	(1,887)
Purchases of spectrum licenses and other intangible assets	(1,844)	(2,367)
Other, net	(12)	(21)
Net cash used in investing activities	(4,029)	(4,275)
Financing activities		
Repayments of short-term debt for purchases of inventory, property and equipment, net	(248)	(231)
Other, net	(46)	(34)
Net cash used in financing activities	(294)	(265)
Change in cash and cash equivalents	(2,673)	(2,811)
Cash and cash equivalents		
Beginning of period	5,315	5,891
End of period	\$ 2,642	\$ 3,080

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:

(in millions)	Quarter						Six Months Ended June 30,	
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	2014	2015
Net income (loss)	\$ (151)	\$ 391	\$ (94)	\$ 101	\$ (63)	\$ 361	\$ 240	\$ 298
Adjustments:								
Interest expense to affiliates	18	85	83	92	64	92	103	156
Interest expense	276	271	260	266	261	257	547	518
Interest income	(75)	(83)	(97)	(104)	(112)	(114)	(158)	(226)
Other expense (income), net	6	12	14	(21)	8	(1)	18	7
Income tax expense (benefit)	(102)	286	(117)	99	(41)	2	184	(39)
Operating income (loss)	(28)	962	49	433	117	597	934	714
Depreciation and amortization	1,055	1,129	1,138	1,090	1,087	1,075	2,184	2,162
Cost of MetroPCS business combination	12	22	97	168	128	34	34	162
Stock based compensation	49	63	45	54	56	71	112	127
Gains on disposal of spectrum licenses ⁽¹⁾	—	(731)	11	—	—	—	(731)	—
Other, net	—	6	6	6	—	40	6	40
Adjusted EBITDA	\$ 1,088	\$ 1,451	\$ 1,346	\$ 1,751	\$ 1,388	\$ 1,817	\$ 2,539	\$ 3,205

(1) Gains on disposal of spectrum licenses may not agree to the Condensed 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.

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 of accounts, ARPA and ABPA)	Quarter						Six Months Ended June 30,	
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	2014	2015
Calculation of Branded Postpaid ARPA								
Branded postpaid service revenues	\$ 3,447	\$ 3,511	\$ 3,670	\$ 3,764	\$ 3,774	\$ 4,075	\$ 6,958	\$ 7,849
Divided by: Average number of branded postpaid accounts (in thousands) and number of months in period	10,543	10,928	11,141	11,421	11,645	11,966	10,736	11,806
Branded postpaid ARPA	\$ 108.97	\$ 107.11	\$ 109.80	\$ 109.87	\$ 108.04	\$ 113.50	\$ 108.02	\$ 110.81
Calculation of Branded Postpaid ABPA								
Branded postpaid service revenues	\$ 3,447	\$ 3,511	\$ 3,670	\$ 3,764	\$ 3,774	\$ 4,075	\$ 6,958	\$ 7,849
Add: EIP billings	657	810	967	1,162	1,292	1,393	1,467	2,685
Total billings for branded postpaid customers	\$ 4,104	\$ 4,321	\$ 4,637	\$ 4,926	\$ 5,066	\$ 5,468	\$ 8,425	\$ 10,534
Divided by: Average number of branded postpaid accounts (in thousands) and number of months in period	10,543	10,928	11,141	11,421	11,645	11,966	10,736	11,806
Branded postpaid ABPA	\$ 129.74	\$ 131.81	\$ 138.73	\$ 143.79	\$ 145.03	\$ 152.31	\$ 130.79	\$ 148.72

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 of customers, ARPU and ABPU)	Quarter						Six Months Ended June 30,	
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	2014	2015
Calculation of Branded Postpaid Phone ARPU								
Branded postpaid service revenues	\$ 3,447	\$ 3,511	\$ 3,670	\$ 3,764	\$ 3,774	\$ 4,075	\$ 6,958	\$ 7,849
Less: Branded postpaid mobile broadband revenues	(47)	(54)	(68)	(92)	(109)	(135)	(101)	(244)
Branded postpaid phone service revenues	\$ 3,400	\$ 3,457	\$ 3,602	\$ 3,672	\$ 3,665	\$ 3,940	\$ 6,857	\$ 7,605
Divided by: Average number of branded postpaid phone customers (in thousands) and number of months in period	22,447	23,368	24,091	25,359	26,313	27,250	22,908	26,781
Branded postpaid phone ARPU	\$ 50.48	\$ 49.32	\$ 49.84	\$ 48.26	\$ 46.43	\$ 48.19	\$ 49.89	\$ 47.33
Calculation of Branded Postpaid ABPU								
Branded postpaid service revenues	\$ 3,447	\$ 3,511	\$ 3,670	\$ 3,764	\$ 3,774	\$ 4,075	\$ 6,958	\$ 7,849
Add: EIP billings	657	810	967	1,162	1,292	1,393	1,467	2,685
Total billings for branded postpaid customers	\$ 4,104	\$ 4,321	\$ 4,637	\$ 4,926	\$ 5,066	\$ 5,468	\$ 8,425	\$ 10,534
Divided by: Average number of branded postpaid customers (in thousands) and number of months in period	22,975	24,092	25,095	26,572	27,717	28,797	23,533	28,257
Branded postpaid ABPU	\$ 59.54	\$ 59.79	\$ 61.59	\$ 61.80	\$ 60.94	\$ 63.29	\$ 59.67	\$ 62.14
Calculation of Branded Prepaid ARPU								
Branded Prepaid Service Revenues	\$ 1,648	\$ 1,736	\$ 1,790	\$ 1,812	\$ 1,842	\$ 1,861	\$ 3,384	\$ 3,703
Divided by: Average number of branded prepaid customers (in thousands) and number of months in period	15,221	15,569	15,875	16,097	16,238	16,396	15,395	16,317
Branded prepaid ARPU	\$ 36.09	\$ 37.16	\$ 37.59	\$ 37.51	\$ 37.81	\$ 37.83	\$ 36.63	\$ 37.82

T-MOBILE US, Inc.

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

Net debt (excluding Tower Obligations) to last twelve months adjusted EBITDA ratio is calculated as follows:

(in millions, except net debt ratio)	Three Months Ended					
	Mar 31, 2014	Jun 30, 2014	Sep 30, 2014	Dec 31, 2014	Mar 31, 2015	Jun 30, 2015
Short-term debt	\$ 151	\$ 272	\$ 1,168	\$ 87	\$ 467	\$ 386
Long-term debt to affiliates	5,600	5,600	5,600	5,600	5,600	5,600
Long-term debt	14,331	14,369	16,284	16,273	16,261	16,386
Less: Cash and cash equivalents	(5,471)	(3,080)	(5,787)	(5,315)	(3,032)	(2,642)
Net Debt (excluding Tower Obligations)	\$ 14,611	\$ 17,161	\$ 17,265	\$ 16,645	\$ 19,296	\$ 19,730
Divided by: Last twelve months Adjusted EBITDA ⁽¹⁾	\$ 4,936	\$ 5,122	\$ 5,124	\$ 5,636	\$ 5,936	\$ 6,302
Net Debt (excluding Tower Obligations) to Last Twelve Months Adjusted EBITDA Ratio	3.0	3.4	3.4	3.0	3.3	3.1

(1) March 31, 2014 Adjusted EBITDA for the last twelve months includes Pro Forma combined results from Q2 2013 to reflect the results of MetroPCS prior to the business combination.

Free cash flow and adjusted free cash flow are calculated as follows:

(in millions)	Quarter						Six Months Ended June 30,	
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	2014	2015
Net cash provided by operating activities	\$ 759	\$ 970	\$ 1,062	\$ 1,355	\$ 489	\$ 1,161	\$ 1,729	\$ 1,650
Cash purchases of property and equipment	(947)	(940)	(1,131)	(1,299)	(982)	(1,191)	(1,887)	(2,173)
Free Cash Flow	(188)	30	(69)	56	(493)	(30)	(158)	(523)
MetroPCS CDMA network decommissioning payments	9	5	15	52	71	103	14	174
Adjusted Free Cash Flow	\$ (179)	\$ 35	\$ (54)	\$ 108	\$ (422)	\$ 73	\$ (144)	\$ (349)