

## T-Mobile Adds Customers in Record Numbers for Second Straight Year While Leading the Industry in Service Revenue and Adjusted EBITDA Growth

### *America's Un-carrier Captures ALL of the Industry's Postpaid Phone Growth in FY 2015*

#### Fourth Quarter and Full-Year 2015 Highlights:

- Customer momentum continues for the fastest growing wireless company in America:
  - 2.1 million total net adds in 4Q15 – 8.3 million in 2015
  - 1.3 million branded postpaid net adds in 4Q15 – 4.5 million in 2015
  - 917,000 branded postpaid phone net adds in 4Q15 – 3.5 million in 2015
  - 469,000 branded prepaid net adds in 4Q15 – 1.3 million in 2015
  - Branded postpaid phone churn of 1.46%, down 27 bps YoY in 4Q15 – down 19 bps YoY in 2015
- Strong financial performance balances growth and profitability:
  - Service revenues up 11.7% YoY in 4Q15 and up 10.9% YoY in 2015
  - Total revenues up 1.1% YoY in 4Q15 and up 8.4% YoY in 2015
  - Adjusted EBITDA of \$2.3 billion in 4Q15 and \$7.4 billion in 2015
    - Adjusted EBITDA up 30.2% YoY in 4Q15 and up 31.2% YoY in 2015
    - Adjusted EBITDA margin of 35% in 4Q15, up from 30% in 3Q15 and 4Q14
  - Net income of \$297 million in 4Q15 and \$733 million in 2015
  - Earnings per share of \$0.34 in 4Q15 and \$0.82 in 2015
  - Net cash provided by operating activities of \$2.2 billion in 4Q15 and \$5.4 billion in 2015
  - Adjusted free cash flow of \$897 million in 4Q15 and \$1.0 billion in 2015
  - Stable branded postpaid phone ARPU of \$48.05 in 4Q15
- America's fastest and fastest growing 4G LTE network continues to achieve milestones:
  - 305 million 4G LTE POPs covered – more than doubling geographic LTE footprint in 2015
  - "Extended Range LTE" covers approximately 190 million POPs across more than 300 market areas
  - Entered into agreements to acquire additional 700 MHz A-Block spectrum covering approximately 48 million POPs, bringing total low-band coverage to 258 million POPs
  - Fastest 4G LTE network in the US – leading in average download speeds for 8<sup>th</sup> consecutive quarter
- T-Mobile was once again ranked highest in the J.D. Power Wireless Customer Care Study
- Strong outlook for 2016:
  - Target of 2.4 to 3.4 million branded postpaid net customer additions
  - Target of \$9.1 to \$9.7 billion of Adjusted EBITDA
    - Guidance includes aggregate impact of leasing and Data Stash of \$0.7 to \$1.0 billion
  - Target of \$4.5 to \$4.8 billion of cash capital expenditures

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**BELLEVUE, Wash. – February 17, 2016** – T-Mobile US, Inc. (NASDAQ: TMUS) today reported fourth quarter and full-year 2015 results which show continued customer momentum driving strong financial growth. For the full year 2015, T-Mobile added 8.3 million total net customers and outperformed the industry once again by delivering 11% growth in service revenue and 31% growth in Adjusted EBITDA. T-Mobile's growth has been fueled by the performance of its nationwide 4G LTE network, which now covers 305 million Americans and continues to be the fastest in the nation.

"T-Mobile is #1 in postpaid phone growth, #1 in service revenue growth, #1 in Adjusted EBITDA growth, not to mention #1 in customer care and #1 in network speed," said John Legere, President and CEO of T-Mobile. "We set out to change this industry, we're well on our way and we won't stop."

## Industry-Leading Customer Growth in 2015

In the fourth quarter of 2015, T-Mobile added 2.1 million net customers, bringing its total customer count to more than 63 million at year-end 2015. This was the eleventh consecutive quarter that the Company has generated more than 1 million net customer additions and the third consecutive quarter with more than 2 million net customer additions. Full-year 2015 also marked the second consecutive year that the Company added more than 8 million net customers, which once again outperformed the wireless industry.

T-Mobile also saw ongoing strength in branded postpaid customers with net additions of 1.3 million in the fourth quarter of 2015. This was the sixth consecutive quarter in which the Company has reported more than 1 million branded postpaid net customer additions. Branded postpaid phone net customer additions were 917,000 in the fourth quarter of 2015, bringing the total branded postpaid phone net customer additions to approximately 10 million since the launch of the Uncarrier. For full-year 2015, the Company added 4.5 million branded postpaid net customer additions, well above the revised guidance for branded postpaid net customer additions of 3.8 to 4.2 million provided in connection with the third quarter of 2015 earnings.

Branded prepaid net customer additions in the fourth quarter of 2015 were 469,000. For full-year 2015, the Company added 1.3 million branded prepaid net customer additions.

Wholesale net customer additions were 301,000 in the fourth quarter of 2015 and 2.4 million for full-year 2015.

Branded postpaid phone churn was 1.46% in the fourth quarter of 2015, down 27 basis points from the fourth quarter of 2014, marking the best year-over-year churn improvement in 2015. Sequentially, churn was stable instead of the typical seasonal increase. Branded prepaid churn was 4.20% in the fourth quarter of 2015, compared to 5.39% in the fourth quarter of 2014.

Total devices sold or leased were 10.8 million units in the fourth quarter of 2015, including 10.0 million smartphones.

## Strong Financial Performance

In addition to strong customer growth, T-Mobile delivered outstanding financial results as it outperformed the industry in service revenue and Adjusted EBITDA growth in 2015.

Service revenues for the fourth quarter of 2015 grew by an industry-leading 11.7% year-over-year, primarily due to rapid growth in the Company's customer base. T-Mobile's total revenues for the fourth quarter of 2015 grew by 1.1% year-over-year. The year-over-year change in total revenues was impacted by lower equipment revenues, which declined by 29.5% year-over-year primarily due to the mix shift to the JUMP! On Demand program. Under the JUMP! On Demand program, equipment revenues associated with leased devices are recognized over the lease term rather than when the device is delivered to the customer, resulting in lower equipment revenues for the quarter. Full-year 2015 service revenues increased by 10.9% year-over-year, and total revenues increased by 8.4% year-over-year.

Branded postpaid phone Average Revenue per User (ARPU) of \$48.05 in the fourth quarter of 2015 was generally stable sequentially as continued strategic focus on family plan penetration and promotional activity was offset by higher data attach rates. Year-over-year, branded postpaid phone ARPU declined by 0.4%. Branded postpaid Average Billings per User (ABPU) was a record \$63.74 in the fourth quarter of 2015, up 3.1% year-over-year primarily due to growth in total EIP billings and lease revenues on a per user basis. Lines per account grew to 2.54 in the fourth quarter of 2015, up from 2.36 in the fourth quarter of 2014.

T-Mobile grew Adjusted EBITDA by 30.2% year-over-year for the fourth quarter of 2015 to \$2.3 billion. The increase was primarily due to higher service revenues from growth in the customer base, MetroPCS synergies, focused cost control, and decreased losses on equipment sales primarily driven by the impact of customers shifting to leasing devices with JUMP! On Demand, partially offset by higher selling, general and administrative expenses due to customer growth. The Company expanded its Adjusted EBITDA margin to 35% for the fourth quarter of 2015, up from 30% in the fourth quarter of 2014. Adjusted EBITDA in the fourth quarter of 2015 benefited from a gain of \$139 million related to a spectrum license transaction. For full-year 2015, Adjusted EBITDA grew by 31.2% to \$7.4 billion.

The aggregate impact from leasing and Data Stash on Adjusted EBITDA in the fourth quarter of 2015 was \$246 million, including lease revenues of \$194 million and the non-cash net impact from Data Stash of \$52 million. For full-year 2015,

the aggregate impact was \$158 million, including lease revenues of \$224 million, partially offset by the net impact from Data Stash of \$66 million.

Net income amounted to \$297 million, up from \$138 million in the third quarter of 2015 and \$101 million in the fourth quarter of 2014. For the full-year 2015, net income was \$733 million compared to \$247 million in 2014. Earnings per share (EPS) in the fourth quarter of 2015 was \$0.34, more than double the EPS of \$0.15 in the third quarter of 2015 and almost triple the EPS of \$0.12 in the fourth quarter of 2014. For the full-year 2015, EPS was \$0.82 compared to \$0.30 in 2014.

Net cash provided by operating activities was \$2.2 billion in the fourth quarter of 2015, up from \$1.4 billion in the fourth quarter of 2014. For full-year 2015, net cash provided by operating activities was \$5.4 billion compared to \$4.1 billion in 2014. Free cash flow was \$802 million in the fourth quarter of 2015, up from \$56 million in the fourth quarter of 2014. For full-year 2015, free cash flow was \$690 million compared to a loss of \$171 million in 2014. Free cash flow in the fourth quarter of 2015 included net cash proceeds of \$795 million related to sales of certain EIP receivables beginning in November 2015. Adjusted free cash flow, which excludes decommissioning payments related to the one-time shutdown of the CDMA portion of the MetroPCS network, was \$897 million in the fourth quarter of 2015 and \$1.0 billion for full-year 2015.

### **Expansion of America's Fastest 4G LTE Network Fuels Growth**

T-Mobile delivered on several major network milestones in 2015. The Company more than doubled its geographic 4G LTE footprint during the year, expanding its reach to 305 million Americans, and exceeding its stated goal of 300 million.

T-Mobile is rapidly deploying both Wideband LTE to add capacity to America's Fastest LTE Network and Extended Range LTE to enhance coverage and in-building performance. Extended Range LTE, which operates on the Company's low-band 700 MHz A-Block spectrum, currently covers approximately 190 million people in more than 300 market areas. In February 2016, T-Mobile entered into agreements with multiple parties to acquire additional 700 MHz A-Block spectrum covering approximately 48 million POPs. These acquisitions will increase T-Mobile's total low-band spectrum holdings from 210 million POPs to 258 million POPs upon closing.

Cash capital expenditures reflect T-Mobile's continued investment in the expansion of its 4G LTE network. In the fourth quarter of 2015, cash capital expenditures were \$1.4 billion, up from \$1.1 billion in the third quarter of 2015 and \$1.3 billion in the fourth quarter of 2014. For the full-year 2015, cash capital expenditures were \$4.7 billion compared to \$4.3 billion in 2014, of which \$246 million was capitalized interest for full-year 2015 compared to \$65 million in 2014.

### **MetroPCS Integration**

100% of the MetroPCS spectrum has been re-farmed and integrated into the T-Mobile network. Total decommissioning costs for the CDMA network shutdowns amounted to \$21 million in the fourth quarter of 2015, down compared to the \$193 million in the third quarter of 2015.

### **Highest Ranking in Customer Care**

J.D. Power again recognized T-Mobile for its Customer Care performance, awarding the Company the highest ranking among full service wireless providers in the J.D. Power 2016 Wireless Customer Care Full Service Study – Volume 1. The award marks the second time in a row T-Mobile has been recognized, further demonstrating the Company's track record as an organization with a strong focus and commitment to providing an outstanding customer experience whether you call in, come in to the store, or access online.

### **2016 Outlook Guidance**

T-Mobile expects to drive further customer momentum while delivering strong growth in Adjusted EBITDA and free cash flow in 2016.

With the success of its Simple Choice plan, network investment, and the continued evolution of the Un-carrier strategy, branded postpaid net customer additions for 2016 are expected to be between 2.4 and 3.4 million.

For the full-year 2016, T-Mobile expects Adjusted EBITDA to be in the range of \$9.1 to \$9.7 billion. This guidance includes the aggregate impact from leasing and Data Stash of approximately \$0.7 to \$1.0 billion.

Cash capital expenditures for 2016 are expected to be in the range of \$4.5 to \$4.8 billion.

## Quarterly Financial Results

For more details on T-Mobile's fourth quarter and full-year 2015 financial results, including the Investor Factbook with detailed financial tables and reconciliations of certain historical non-GAAP measures disclosed in this release to the most comparable measures under GAAP, please visit T-Mobile US, Inc.'s Investor Relations website at <http://investor.T-Mobile.com>.

## T-Mobile Social Media

Investors and others should note that the Company announces material financial and operational information to its investors using its investor relations website, press releases, SEC filings and public conference calls and webcasts. The Company also intends to use the @TMobileIR Twitter account (<https://twitter.com/TMobileIR>) and the @JohnLegere Twitter (<https://twitter.com/JohnLegere>) and Periscope accounts, which Mr. Legere also uses as a means for personal communications and observations, as means of disclosing information about the Company and its services and for complying with its disclosure obligations under Regulation FD. The information we post through these social media channels may be deemed material. Accordingly, investors should monitor these social media channels in addition to following the Company's press releases, SEC filings and public conference calls and webcasts. The social media channels that the Company intends to use as a means of disclosing the information described above may be updated from time to time as listed on the Company's investor relations website.

## About T-Mobile US, Inc.:

As America's Un-carrier, T-Mobile US, Inc. (NASDAQ: TMUS) is redefining the way consumers and businesses buy wireless services through leading product and service innovation. The Company's advanced nationwide 4G LTE network delivers outstanding wireless experiences to more than 63 million customers who are unwilling to compromise on quality and value. Based in Bellevue, Washington, T-Mobile US provides services through its subsidiaries and operates its flagship brands, T-Mobile and MetroPCS. For more information, please visit <http://www.t-mobile.com> or join the conversation on Twitter using \$TMUS.

## Q4 2015 Earnings Call, Livestream and Webcast Access Information

### Access via Phone (audio only):

Date:	Wednesday, February 17, 2016
Time:	8:30 a.m. (EST)
Call-in Numbers:	800-432-9830
International:	719-234-7318
Participant Passcode:	814769

*Please plan on accessing the earnings call ten minutes prior to the scheduled start time.*

### Access via Social Media:

Embedded livestream on Twitter handle: [@TMobileIR](https://twitter.com/TMobileIR)

### Submit Questions via Text or Twitter:

Text:	Send a text message to 313131, enter the keyword TMUS followed by a space
Twitter:	Send a tweet to @TMobileIR using \$TMUS

### Access via Webcast:

The earnings call will be broadcast live via the Company's Investor Relations website at <http://investor.t-mobile.com>. A replay of the earnings call will be available for two weeks starting shortly after the call concludes and can be accessed by dialing 888-203-1112 (toll free) or 719-457-0820 (international). The passcode required to listen to the replay is 814769.

To automatically receive T-Mobile financial news by e-mail, please visit the T-Mobile Investor Relations website, <http://investor.t-mobile.com>, and subscribe to E-mail Alerts.

## Forward-Looking Statements

This news release includes "forward-looking statements" within the meaning of the U.S. federal securities laws. Any statements made herein that are not statements of historical fact, including statements about T-Mobile US, Inc.'s plans, outlook, beliefs, opinion, projections, guidance, strategy, expected network modernization and other advancements, are forward-looking statements. Generally, forward-looking statements may be identified by words such as "anticipate," "expect," "suggests," "plan," "project," "believe," "intend," "estimates," "targets," "views," "may," "will," "forecast," and other similar expressions. The forward-looking statements speak only as of the date made, are based on current assumptions and expectations, and involve a number of risks and uncertainties. Important factors that could affect future results and cause those results to differ materially from those expressed in the forward-looking statements include, among others, the following: our ability to compete in the highly competitive U.S. wireless telecommunications industry; adverse conditions in the U.S. and international economies and markets; significant capital commitments and the capital expenditures required to effect our business plan; our ability to adapt to future changes in technology, enhance existing offerings, and introduce new offerings to address customers' changing demands; changes in legal and regulatory requirements, including any change or increase in restrictions on our ability to operate our network; our ability to successfully maintain and improve our network, and the possibility of incurring additional costs in doing so; major equipment failures; severe weather conditions or other force majeure events; and other risks described in our filings with the Securities and Exchange Commission, including those described in our most recently filed Annual Report on Form 10-K. You should not place undue reliance on these forward-looking statements. We do not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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