
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

x

For the quarterly period ended June 30, 2014
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

o

For the transition period from _____ to _____

Commission File number 1-04721

SPRINT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

46-1170005

(I.R.S. Employer Identification No.)

6200 Sprint Parkway, Overland Park, Kansas

(Address of principal executive offices)

66251

(Zip Code)

Registrant's telephone number, including area code: (855) 848-3280

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐ No ☒

COMMON SHARES OUTSTANDING AT AUGUST 1, 2014:

Sprint Corporation Common Stock	3,945,492,794
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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

SPRINT CORPORATION CONSOLIDATED BALANCE SHEETS

	Successor	
	June 30, 2014	March 31, 2014
	(in millions, except share and per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,171	\$ 4,970
Short-term investments	1,322	1,220
Accounts and notes receivable, net of allowance for doubtful accounts and deferred interest of \$254 and \$197	3,751	3,607
Device and accessory inventory	1,116	982
Deferred tax assets	78	128
Prepaid expenses and other current assets	936	672
Total current assets	11,374	11,579
Property, plant and equipment, net	16,852	16,299
Intangible assets		
Goodwill	6,343	6,383
FCC licenses and other	41,764	41,978
Definite-lived intangible assets, net	7,119	7,558
Other assets	967	892
Total assets	\$ 84,419	\$ 84,689
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,492	\$ 3,163
Accrued expenses and other current liabilities	5,137	5,544
Current portion of long-term debt, financing and capital lease obligations	807	991
Total current liabilities	9,436	9,698
Long-term debt, financing and capital lease obligations	31,687	31,787
Deferred tax liabilities	14,268	14,207
Other liabilities	3,664	3,685
Total liabilities	59,055	59,377
Commitments and contingencies		
Stockholders' equity:		
Common stock, voting, par value \$0.01 per share, 9.0 billion authorized, 3.945 billion and 3.941 billion issued at June 30, 2014 and March 31, 2014	39	39
Paid-in capital	27,383	27,354
Accumulated deficit	(2,015)	(2,038)
Accumulated other comprehensive loss	(43)	(43)
Total stockholders' equity	25,364	25,312
Total liabilities and stockholders' equity	\$ 84,419	\$ 84,689

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Successor		Predecessor
	Three Months Ended June 30,		Three Months Ended June 30,
	2014	2013	2013
<i>(in millions, except per share amounts)</i>			
Net operating revenues	\$ 8,789	\$ —	\$ 8,877
Net operating expenses:			
Cost of services and products (exclusive of depreciation and amortization included below)	4,678	—	5,045
Selling, general and administrative	2,284	22	2,442
Severance, exit costs and asset impairments	27	—	632
Depreciation	868	—	1,563
Amortization	413	—	69
	8,270	22	9,751
Operating income (loss)	519	(22)	(874)
Other (expense) income:			
Interest expense	(512)	—	(428)
Equity in losses of unconsolidated investments, net	—	—	(257)
Other income (expense), net	1	(153)	17
	(511)	(153)	(668)
Income (loss) before income taxes	8	(175)	(1,542)
Income tax benefit (expense)	15	61	(55)
Net income (loss)	\$ 23	\$ (114)	\$ (1,597)
Basic net income (loss) per common share	\$ 0.01		\$ (0.53)
Diluted net income (loss) per common share	\$ 0.01		\$ (0.53)
Basic weighted average common shares outstanding	3,945		3,022
Diluted weighted average common shares outstanding	4,002		3,022
Other comprehensive income, net of tax:			
Net unrealized holding gains on securities	\$ —	\$ 96	\$ 36
Net unrecognized net periodic pension and other postretirement benefits	—	—	15
Other comprehensive income	—	96	51
Comprehensive income (loss)	\$ 23	\$ (18)	\$ (1,546)

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Successor		Predecessor
	Three Months Ended June 30,		Three Months Ended June 30,
	2014	2013	2013
<i>(in millions)</i>			
Cash flows from operating activities:			
Net income (loss)	\$ 23	\$ (114)	\$ (1,597)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,281	—	1,632
Provision for losses on accounts receivable	225	—	99
Share-based and long-term incentive compensation expense	26	—	16
Deferred income tax (benefit) expense	(23)	(61)	52
Equity in losses of unconsolidated investments, net	—	—	257
Contribution to pension plan	(10)	—	—
Amortization and accretion of long-term debt premiums and discounts	(74)	—	13
Change in fair value of derivative	—	167	—
Other changes in assets and liabilities:			
Accounts and notes receivable	(369)	7	(143)
Inventories and other current assets	(97)	—	93
Accounts payable and other current liabilities	(272)	1	614
Non-current assets and liabilities, net	(66)	—	189
Other, net	35	8	10
Net cash provided by operating activities	679	8	1,235
Cash flows from investing activities:			
Capital expenditures	(1,246)	—	(1,571)
Expenditures relating to FCC licenses	(41)	—	(68)
Reimbursements relating to FCC licenses	95	—	—
Acquisitions, net of cash acquired	—	—	(509)
Investment in Clearwire (including debt securities)	—	—	(160)
Proceeds from sales and maturities of short-term investments	900	—	949
Purchases of short-term investments	(1,002)	—	(295)
Other, net	17	—	—
Net cash used in investing activities	(1,277)	—	(1,654)
Cash flows from financing activities:			
Repayments of debt, financing and capital lease obligations	(210)	—	(303)
Debt financing costs	—	—	(1)
Proceeds from issuance of common stock, net	9	—	44
Net cash used in financing activities	(201)	—	(260)
Net (decrease) increase in cash and cash equivalents	(799)	8	(679)
Cash and cash equivalents, beginning of period	4,970	3	6,275
Cash and cash equivalents, end of period	\$ 4,171	\$ 11	\$ 5,596

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in millions)

	Successor					
	Common Stock		Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance, March 31, 2014	3,941	\$ 39	\$ 27,354	\$ (2,038)	\$ (43)	\$ 25,312
Net income	—	—	—	23	—	23
Issuance of common stock, net	4	—	9	—	—	9
Share-based compensation expense	—	—	20	—	—	20
Balance, June 30, 2014	<u>3,945</u>	<u>\$ 39</u>	<u>\$ 27,383</u>	<u>\$ (2,015)</u>	<u>\$ (43)</u>	<u>\$ 25,364</u>

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X for interim financial information. All normal recurring adjustments considered necessary for a fair presentation have been included. Certain disclosures normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) have been omitted. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes contained in our transition report on Form 10-K for the period ended March 31, 2014. Unless the context otherwise requires, references to "Sprint," "we," "us," "our" and the "Company" mean Sprint Corporation and its consolidated subsidiaries for all periods presented, inclusive of Successor and Predecessor periods, and references to "Sprint Communications" are to Sprint Communications, Inc. and its consolidated subsidiaries.

On July 10, 2013 (SoftBank Merger Date), SoftBank Corp. and certain of its wholly-owned subsidiaries (together, "Softbank") completed the merger (SoftBank Merger) with Sprint Nextel Corporation (Sprint Nextel) contemplated by the Agreement and Plan of Merger, dated as of October 15, 2012 (as amended, the Merger Agreement), and the Bond Purchase Agreement, dated as of October 15, 2012 (as amended, the Bond Agreement). As a result of the SoftBank Merger, Starburst II, Inc. (Starburst II) became the parent company of Sprint Nextel. Immediately thereafter, Starburst II changed its name to Sprint Corporation and Sprint Nextel changed its name to Sprint Communications, Inc. In connection with the change of control, as a result of the SoftBank Merger, Sprint Communications' assets and liabilities were adjusted to fair value on the closing date of the SoftBank Merger. The consolidated financial statements distinguish between the predecessor period (Predecessor) relating to Sprint Communications for periods prior to the SoftBank Merger and the successor period (Successor) relating to Sprint Corporation, formerly known as Starburst II for periods subsequent to the incorporation of Starburst II on October 5, 2012. The Successor financial information includes the activity and accounts of Sprint Corporation as of and for the three-month period ended June 30, 2014 and as of March 31, 2014, which includes the activity and accounts of Sprint Communications, inclusive of the consolidation of Clearwire Corporation and its wholly-owned subsidiary Clearwire Communications LLC (together, "Clearwire"), prospectively following completion of the SoftBank Merger (Post-merger period), beginning on July 11, 2013. The accounts and operating activity for the Successor three-month period ended June 30, 2013 consisted solely of the activity of Starburst II prior to the close of the SoftBank Merger, which primarily related to merger expenses that were incurred in connection with the SoftBank Merger (recognized in selling, general and administrative expense) and interest related to the \$3.1 billion convertible bond (Bond) Sprint Communications, Inc. issued to Starburst II. The Predecessor financial information represents the historical basis of presentation for Sprint Communications for the three-month period ended June 30, 2013 prior to the SoftBank Merger. As a result of the valuation of assets acquired and liabilities assumed at fair value at the time of the SoftBank Merger, the financial statements for the Successor period are presented on a measurement basis different than the Predecessor period (Sprint Communications historical cost) and are, therefore, not comparable. In addition, in order to align with SoftBank's reporting schedule, the Board of Directors approved a change in fiscal year end to March 31, effective March 31, 2014. References herein to fiscal year 2014 refer to the twelve-month period ending March 31, 2015. See *Note 3. Significant Transactions* for additional information regarding the SoftBank Merger.

On July 9, 2013 (Clearwire Acquisition Date), Sprint Communications completed the acquisition of the remaining equity interests in Clearwire that it did not already own for approximately \$3.5 billion, net of cash acquired, or \$5.00 per share (Clearwire Acquisition). The consideration paid was allocated to assets acquired and liabilities assumed based on their estimated fair values at the time of the Clearwire Acquisition. The effects of the Clearwire Acquisition are included in the Predecessor period financial information and are therefore included in the allocation of the consideration transferred at the closing date of the SoftBank Merger.

The preparation of the unaudited interim consolidated financial statements requires management of the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities at the date of the unaudited interim consolidated financial statements. These estimates are inherently subject to judgment and actual results could differ.

Certain prior period amounts have been reclassified to conform to the current period presentation.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. New Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board (FASB) issued authoritative guidance regarding *Income Taxes: Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force)*, which amends existing guidance related to the financial presentation of unrecognized tax benefits by requiring an entity to net its unrecognized tax benefits against the deferred tax assets for all available same-jurisdiction loss or other tax carryforwards that would apply in settlement of the uncertain tax positions. The amendments were effective January 1, 2014, were applied prospectively to all unrecognized tax benefits that existed at the effective date, and did not have a material effect on our consolidated financial statements.

In April 2014, the FASB issued authoritative guidance regarding *Reporting of Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which changes the criteria for determining which disposals can be presented as discontinued operations and modifies related disclosure requirements. The updated guidance defines discontinued operations as a disposal of a component or group of components that is disposed of or is classified as held for sale and represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results. Additionally, the disclosure requirements for discontinued operations were expanded and new disclosures for individually significant dispositions that do not qualify as discontinued operations are required. The guidance is effective prospectively for fiscal years and interim reporting periods within those years beginning after December 15, 2014, with early adoption permitted for transactions that have not been reported in financial statements previously issued or available for issuance. The standard will be effective for the Company's fiscal year beginning April 1, 2015 and will be applied to relevant future transactions.

In May 2014, the FASB issued new authoritative literature, *Revenue from Contracts with Customers*. The issuance is part of a joint effort by the FASB and the International Accounting Standards Board (IASB) to enhance financial reporting by creating common revenue recognition guidance for U.S. GAAP and IFRS and, thereby, improving the consistency of requirements, comparability of practices and usefulness of disclosures. The new standard will supersede much of the existing authoritative literature for revenue recognition. The standard and related amendments will be effective for the Company for its annual reporting period beginning April 1, 2017, including interim periods within that reporting period. Early application is not permitted. Entities are allowed to transition to the new standard by either retrospective application or recognizing the cumulative effect. The Company is currently evaluating the newly issued guidance, including which transition approach will be applied and the estimated impact it will have on our consolidated financial statements.

In June 2014, the FASB issued authoritative guidance regarding *Compensation - Stock Compensation*, which provides guidance on how to treat performance targets that can be achieved after the requisite service period. The updated guidance requires that a performance target that affects vesting and could be achieved after the requisite service period be treated as a performance condition and accounted for under current guidance as opposed to a nonvesting condition that would impact the grant-date fair value of the award. The guidance is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015 with early adoption permitted. Entities may apply the amendments either (i) prospectively to all awards granted or modified after the effective date; or (ii) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter with the cumulative effect as an adjustment to the opening retained earnings balance as of the beginning of the earliest annual period presented. The Company is currently evaluating the newly issued guidance and assessing the impact it will have on our consolidated financial statements.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Significant Transactions

Acquisition of Remaining Interest in Clearwire

On July 9, 2013, Sprint Communications completed the Clearwire Acquisition. The cash consideration paid totaled approximately \$3.5 billion, net of cash acquired of \$198 million. Approximately \$125 million of the cash consideration was accrued as "Accrued expenses and other current liabilities" on the consolidated balance sheet for dissenting shares relating to stockholders who exercised their appraisal rights.

The fair value of consideration, which is measured at the estimated fair value of each element of consideration transferred as of the Clearwire Acquisition Date, was determined as the sum of (a) approximately \$3.7 billion of cash transferred to Clearwire stockholders, which included \$125 million of cash relating to dissenting shares, (b) approximately \$3.3 billion representing the estimated fair value of Clearwire shares held by Sprint Communications immediately preceding the acquisition and (c) approximately \$59 million of share-based payment awards (replacement awards) exchanged for awards held by Clearwire employees.

Purchase Price Allocation

The consideration transferred has been allocated to assets acquired and liabilities assumed based on their estimated fair values at the time of the Clearwire Acquisition. The allocation of consideration transferred was based on management's judgment after evaluating several factors, including a valuation assessment. Management finalized its purchase price allocation during the quarter ended June 30, 2014. Adjustments made since the initial purchase price allocation decreased recorded goodwill by approximately \$269 million and are primarily attributable to a reduction of approximately \$270 million made to deferred tax liabilities as a result of additional analysis. The remaining adjustments were insignificant.

The following table summarizes the purchase price allocation of consideration in the Clearwire Acquisition:

Purchase Price Allocation (in millions):

Current assets	\$	778
Property, plant and equipment		1,245
Identifiable intangibles		12,870
Goodwill		437
Other assets		25
Current liabilities		(1,070)
Long-term debt		(4,288)
Deferred tax liabilities		(2,130)
Other liabilities		(876)
Net assets acquired	\$	6,991

The excess of the consideration transferred over the estimated fair values of assets acquired and liabilities assumed was recorded as goodwill.

SoftBank Transaction

As discussed above, the SoftBank Merger was completed on July 10, 2013. Sprint Communications, Inc. stockholders received consideration in a combination of both cash and stock, subject to proration. Consideration paid in the SoftBank Merger was \$14.1 billion, net of cash acquired of \$2.5 billion, and the estimated fair value of the 22% interest in Sprint Corporation issued to the then existing stockholders of Sprint Communications, Inc.

In addition, pursuant to the Bond Agreement, on October 15, 2012, Sprint Communications, Inc. issued a Bond to Starburst II with a principal amount of \$3.1 billion, interest rate of 1%, and maturity date of October 15, 2019, which was converted into 590,476,190 shares of Sprint Communications, Inc. common stock at \$5.25 per share immediately prior to the close of the SoftBank Merger. As a result of the completion of the SoftBank Merger and subsequent open market stock purchases, SoftBank owned approximately 80% of the outstanding voting common stock of Sprint Corporation as of June 30, 2014. Other Sprint stockholders owned the remaining approximately 20% as of June 30, 2014.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consideration Transferred and Investments by SoftBank

The fair value of consideration transferred, which is measured at the estimated fair value of each element of consideration transferred as of the SoftBank Merger Date, was determined as the sum of (a) approximately \$16.6 billion of cash transferred to Sprint Communications, Inc. stockholders, (b) approximately \$5.3 billion representing shares of Sprint issued to Sprint Communications, Inc. stockholders and (c) approximately \$193 million of share-based payment awards (replacement awards) exchanged for awards held by Sprint employees.

Additionally, SoftBank invested approximately \$5.0 billion of capital contributions in Sprint. The fair value of the investments by SoftBank was determined based on the cash transferred, including \$3.1 billion to purchase the Bond and \$1.9 billion at the close of the SoftBank Merger.

Purchase Price Allocation

The consideration transferred has been allocated to assets acquired and liabilities assumed based on their estimated fair values as of the SoftBank Merger Date, inclusive of the Clearwire Acquisition described above. The excess of the consideration transferred over the estimated fair values of assets acquired and liabilities assumed was recorded as goodwill. Goodwill resulting from the SoftBank Merger is allocated to the Wireless segment. The allocation of consideration transferred was based on management's judgment after evaluating several factors, including a valuation assessment. Management finalized its purchase price allocation during the quarter ended June 30, 2014. Adjustments made since the initial purchase price allocation decreased recorded goodwill by approximately \$476 million. Indefinite-lived intangible assets increased by approximately \$300 million due to additional analysis performed by management during the quarter ended December 31, 2013 and the quarter ended June 30, 2014 related to the value assigned to certain FCC licenses. The remainder of the decrease is due to insignificant changes in various accounts.

The following table summarizes the purchase price allocation of consideration transferred:

Purchase Price Allocation (in millions):

Current assets	\$ 8,576
Investments	133
Property, plant and equipment	14,558
Identifiable intangibles	50,672
Goodwill	6,343
Other assets	244
Current liabilities	(10,623)
Long-term debt	(29,481)
Deferred tax liabilities	(14,256)
Other liabilities	(3,989)
Net assets acquired, prior to conversion of the Bond	22,177
Conversion of Bond	3,100
Net assets acquired, after conversion of the Bond	\$ 25,277

Accounts Receivable Facility

Transaction Overview

On May 16, 2014, certain wholly-owned subsidiaries of Sprint entered into a two-year committed facility (Receivables Facility) to sell certain accounts receivable (the Receivables) on a revolving basis, subject to a maximum funding limit of \$1.3 billion. The actual amount available to draw upon will vary based on eligible receivables as defined in the agreement, therefore, the amount available to withdraw will vary. In connection with the Receivables Facility, Sprint formed wholly-owned subsidiaries that are bankruptcy remote special purpose entities (SPEs). Pursuant to the Receivables Facility, certain Sprint subsidiaries (Originators) will transfer selected Receivables to the SPEs. The SPEs will then sell the Receivables to a bank agent on behalf of unaffiliated multi-seller asset-backed commercial paper conduits (Conduits) or their sponsoring banks. Sales of eligible Receivables to the Conduits may occur daily and are settled on a monthly basis. Sprint pays a fee for the drawn and undrawn portions of the Receivables Facility, respectively. The Receivables primarily consist of wireless service charges currently due from subscribers and are short-term in nature. A subsidiary of Sprint will service the Receivables in exchange for a monthly servicing fee, and Sprint guarantees the performance of obligations of the servicer and

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

the Originators under the Receivables Facility. As of June 30, 2014, Sprint had not sold any Receivables to the Conduits and the amount available under the Receivables Facility was \$1.2 billion.

Receivables sold will be treated as a sale for accounting purposes. The expected accounting impacts include the de-recognition of Receivables sold by the SPEs to the Conduits, recognition of cash received in exchange for the sale and recognition at fair value of a receivable due to Sprint from the Conduits for the difference between the Receivables sold and the cash received, less estimated fees and other items.

Each SPE's sole business consists of the purchase or acceptance through capital contributions of the Receivables from the Originators and the subsequent retransfer of, or granting of a security interest in, such Receivables to the bank agent under the Receivables Facility. In addition, each SPE is a separate legal entity with its own separate creditors who will be entitled, upon its liquidation, to be satisfied out of the SPE's assets prior to any assets or value in the SPE becoming available to the Originators or Sprint, and the assets of the SPE are not available to pay creditors of Sprint or any of its affiliates (other than any other SPE).

Variable Interest Entity

Sprint determined the Conduits are considered variable interest entities (VIEs) because they lack sufficient equity to finance their activities. Sprint's interests in the Receivables purchased by the Conduits, which are comprised of the net receivables due to Sprint, are not considered variable interests because they are in assets which represent less than 50% of the total activity of the Conduits.

Note 4. Installment Receivables

Certain subscribers have the option to purchase their devices in installments over a 24-month period. The carrying value of installment receivables approximates fair value because the receivables are recorded at their present value, net of the deferred interest and allowance for credit losses. At the time of sale, we impute the interest on the installment receivable and record it as a reduction to equipment revenue and as a reduction to the face amount of the related receivable. Interest income is recognized over the term of the installment contract as operating revenue. Short-term installment receivables are recorded in "Accounts and notes receivable, net" and long-term installment receivables are recorded in "Other assets" in the consolidated balance sheets.

The following table summarizes the installment receivables:

	Successor	
	June 30, 2014	March 31, 2014
	<i>(in millions)</i>	
Installment receivables, gross	\$ 1,199	\$ 740
Deferred interest	(114)	(77)
Installment receivables, net of deferred interest	1,085	663
Allowance for credit losses	(104)	(47)
Installment receivables, net	<u>\$ 981</u>	<u>\$ 616</u>

Classified on the consolidated balance sheets as:

Accounts and notes receivable, net	\$ 610	\$ 299
Other assets	371	317
Installment receivables, net	<u>\$ 981</u>	<u>\$ 616</u>

We categorize our installment receivables as prime and subprime based upon subscriber credit profiles and as unbilled, billed-current and billed-past due based upon the age of the receivable. We use proprietary scoring systems that measure the credit quality of our receivables using several factors, such as credit bureau information, subscriber credit risk scores and service plan characteristics. Payment history is subsequently monitored to further evaluate credit profiles. Prime subscriber receivables are those with lower delinquency risk and subprime subscriber receivables are those with higher delinquency risk. Subscribers within the subprime category may be required to pay a down payment on their equipment purchases. In addition, certain subscribers within the subprime category are required to pay an advance deposit. Installment receivables for which invoices have not yet been generated for the customer are considered unbilled. Installment receivables for which invoices have been generated but which are not past the contractual due date are considered billed - current.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Installment receivables for which invoices have been generated and the payment is approximately ten days past the contractual due date are considered billed - past due. Account balances are written-off if collection efforts were unsuccessful and future collection is unlikely based on the length of time from the day accounts become past due.

The balance and aging of installment receivables on a gross basis by credit category were as follows:

	Successor					
	June 30, 2014			March 31, 2014		
	Prime	Subprime	Total	Prime	Subprime	Total
	<i>(in millions)</i>					
Unbilled	\$ 730	\$ 390	\$ 1,120	\$ 466	\$ 242	\$ 708
Billed - current	30	21	51	16	9	25
Billed - past due	11	17	28	5	2	7
Installment receivables, gross	<u>\$ 771</u>	<u>\$ 428</u>	<u>\$ 1,199</u>	<u>\$ 487</u>	<u>\$ 253</u>	<u>\$ 740</u>

Activity in the deferred interest and allowance for credit losses for the installment receivables for the three-month period ended June 30, 2014 was as follows:

	Successor	
	Three Months Ended June 30,	Three Months Ended March 31,
	2014	2014
	<i>(in millions)</i>	
Deferred interest and allowance for credit losses, beginning of period	\$ 124	\$ 13
Bad debt expense	72	44
Write-offs, net of recoveries	(15)	—
Change in deferred interest on short-term and long-term installment receivables	37	67
Deferred interest and allowance for credit losses, end of period	<u>\$ 218</u>	<u>\$ 124</u>

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Financial Instruments

Cash and cash equivalents, accounts and notes receivable, and accounts payable are carried at cost, which approximates fair value. Short-term investments (consisting primarily of time deposits, commercial paper, and U.S. Treasury securities), totaling approximately \$1.3 billion and \$1.2 billion as of the Successor periods ended June 30, 2014 and March 31, 2014, respectively, are recorded at amortized cost, and the respective carrying amounts approximate fair value using quoted prices in active markets. The fair value of marketable equity securities totaling \$47 million and \$50 million as of the Successor periods ended June 30, 2014 and March 31, 2014, are measured on a recurring basis using quoted prices in active markets. The estimated fair value of the majority of our current and long-term debt, excluding our credit facilities, is determined based on quoted prices in active markets or by using other observable inputs that are derived principally from, or corroborated by, observable market data.

The following table presents carrying amounts and estimated fair values of current and long-term debt:

	Successor				
	Carrying amount at June 30, 2014	Estimated Fair Value Using Input Type			Total estimated fair value
		Quoted prices in active markets	Observable	Unobservable	
			(in millions)		
Current and long-term debt	\$ 32,020	27,760	5,201	1,262	\$ 34,223

	Successor				
	Carrying amount at March 31, 2014	Estimated Fair Value Using Input Type			Total estimated fair value
		Quoted prices in active markets	Observable	Unobservable	
			(in millions)		
Current and long-term debt	\$ 32,277	\$ 27,516	\$ 5,421	\$ 1,262	\$ 34,199

Note 6. Property, Plant and Equipment

Property, plant and equipment consists primarily of network equipment and other long-lived assets used to provide service to our subscribers. As a result of our network modernization and shut-down of the Nextel platform, estimated useful lives of related equipment were shortened, causing incremental depreciation charges during this period of implementation. The incremental effect of accelerated depreciation expense totaled approximately \$430 million for the Predecessor three month-period ended June 30, 2013, of which the majority related to shortened useful lives of Nextel platform assets. Property plant and equipment for the Successor three-month period ended June 30, 2014 and Predecessor three-month period ended June 30, 2013 included non-cash additions of approximately \$180 million and \$340 million, respectively, along with corresponding increases in "Accounts payable and accrued expenses" and "Other current liabilities".

The following table presents the components of property, plant and equipment, and the related accumulated depreciation:

	Successor	
	June 30, 2014	March 31, 2014
	<i>(in millions)</i>	
Land	\$ 265	\$ 265
Network equipment, site costs and related software	15,915	14,902
Buildings and improvements	748	745
Non-network internal use software, office equipment and other	945	866
Construction in progress	2,180	1,970
Less: accumulated depreciation	(3,201)	(2,449)
Property, plant and equipment, net	\$ 16,852	\$ 16,299

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Note 7. Intangible Assets

Indefinite-Lived Intangible Assets

Our indefinite-lived intangible assets consist of FCC licenses, which were acquired primarily through FCC auctions and business combinations, certain of our trademarks, and goodwill. At June 30, 2014, we held 1.9 GHz, 800 MHz, 900 MHz and 2.5 GHz FCC licenses authorizing the use of radio frequency spectrum to deploy our wireless services. As long as the Company acts within the requirements and constraints of the regulatory authorities, the renewal and extension of these licenses is reasonably certain at minimal cost. Accordingly, we have concluded that FCC licenses are indefinite-lived intangible assets. Goodwill represents the excess of consideration paid over the estimated fair value of net tangible and identifiable intangible assets acquired in business combinations (*see Note 3. Significant Transactions*).

During the quarter ended June 30, 2014, the Company entered into definitive agreements with various counterparties to sell certain FCC licenses held by its Wireless Segment. The agreements are pending regulatory approval by the FCC. As of June 30, 2014, the carrying value of the FCC licenses reclassified from FCC licenses into held for sale was approximately \$300 million and is included within "Prepaid expenses and other current assets" on the consolidated balance sheets. These sales are not expected to have a material impact on the Company's consolidated results of operations.

	Successor		
	March 31, 2014	Net Reductions	June 30, 2014
	(in millions)		
FCC licenses	\$ 36,043	\$ (214)	\$ 35,829
Trademarks	5,935	—	5,935
Goodwill	6,383	(40) ⁽¹⁾	6,343
	<u>\$ 48,361</u>	<u>\$ (254)</u>	<u>\$ 48,107</u>

(1) Net reduction to goodwill for the Successor three-month period ended June 30, 2014 of approximately \$40 million was the result of purchase price allocation adjustments, which consisted of a \$44 million reduction associated with the SoftBank Merger and a \$4 million addition associated with the Clearwire Acquisition.

Intangible Assets Subject to Amortization

Customer relationships are amortized using the sum-of-the-months' digits method, while all other definite-lived intangible assets are amortized using the straight line method over the estimated useful lives of the respective assets. We reduce the gross carrying value and associated accumulated amortization when specified intangible assets become fully amortized. Amortization expense related to favorable spectrum and tower leases are recognized in cost of services.

		Successor					
		June 30, 2014			March 31, 2014		
Useful Lives		Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
		(in millions)					
Customer relationships	4 to 8 years	\$ 6,923	\$ (1,687)	\$ 5,236	\$ 6,923	\$ (1,289)	\$ 5,634
Other intangible assets:							
Favorable spectrum leases	23 years	884	(40)	844	884	(30)	854
Favorable tower leases	3 to 7 years	589	(107)	482	589	(80)	509
Trademarks	34 years	520	(16)	504	520	(12)	508
Other	4 to 10 years	63	(10)	53	60	(7)	53
Total other intangible assets		<u>2,056</u>	<u>(173)</u>	<u>1,883</u>	<u>2,053</u>	<u>(129)</u>	<u>1,924</u>
Total definite-lived intangible assets		<u>\$ 8,979</u>	<u>\$ (1,860)</u>	<u>\$ 7,119</u>	<u>\$ 8,976</u>	<u>\$ (1,418)</u>	<u>\$ 7,558</u>

Note 8. Accounts Payable

Accounts payable at June 30, 2014 and March 31, 2014 include liabilities in the amounts of \$83 million and \$91 million, respectively, for checks issued in excess of associated bank balances but not yet presented for collection.

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Note 9. Long-Term Debt, Financing and Capital Lease Obligations

Notes	Interest Rates			Maturities			Successor	
							June 30, 2014	March 31, 2014
	(in millions)							
Senior notes								
Sprint Corporation	7.13	-	7.88%	2021	-	2024	\$ 9,000	\$ 9,000
Sprint Communications, Inc.	6.00	-	11.50%	2016	-	2022	9,280	9,280
Sprint Capital Corporation	6.88	-	8.75%	2019	-	2032	6,204	6,204
Guaranteed notes								
Sprint Communications, Inc.	7.00	-	9.00%	2018	-	2020	4,000	4,000
Secured notes								
iPCS, Inc.	3.49%			2014			—	181
Clearwire Communications LLC ⁽¹⁾	14.75%			2016			300	300
Exchangeable notes								
Clearwire Communications LLC ⁽¹⁾	8.25%			2040			629	629
Credit facilities								
Bank credit facility	2.75%			2018			—	—
Export Development Canada	3.58%			2015			500	500
Secured equipment credit facility	2.03%			2017			762	762
Financing obligation	6.09%			2021			314	327
Capital lease obligations and other	2.35	-	10.52%	2015	-	2023	171	187
Net premiums							1,334	1,408
							32,494	32,778
Less current portion							(807)	(991)
Long-term debt, financing and capital lease obligations							\$ 31,687	\$ 31,787

(1) Notes of Clearwire Communications LLC are also direct obligations of Clearwire Finance, Inc. and are guaranteed by certain Clearwire subsidiaries.

As of June 30, 2014, Sprint Corporation, the parent corporation, had \$9.0 billion in principal amount of senior notes outstanding. In addition, as of June 30, 2014, the outstanding principal amount of senior notes issued by Sprint Communications, Inc. and Sprint Capital Corporation, guaranteed notes issued by Sprint Communications, Inc., and exchangeable notes issued by Clearwire Communications LLC, totaling \$20.1 billion in principal amount of our long-term debt issued by 100% owned subsidiaries, was fully and unconditionally guaranteed by Sprint Corporation. The indentures and financing arrangements governing certain of our subsidiaries' debt contain provisions that limit cash dividend payments on subsidiary common stock. Except in the case of secured notes issued by Clearwire Communications LLC, the transfer of cash from subsidiaries to the parent corporation generally is not restricted.

Cash interest payments, net of amounts capitalized of \$12 million, totaled \$615 million during the Successor three-month period ended June 30, 2014. There were no cash interest payments made during the Successor three-month period ended June 30, 2013. Cash interest payments, net of amounts capitalized of \$13 million, totaled \$503 million during the Predecessor three-month period ended June 30, 2013.

Notes

As of June 30, 2014, our outstanding notes consisted of senior notes, guaranteed notes, and exchangeable notes of Clearwire Communications LLC, all of which are unsecured, as well as secured notes of Clearwire Communications LLC, which are secured solely by assets of Clearwire Communications LLC. Cash interest on all of the notes is generally payable semi-annually in arrears. As of June 30, 2014, approximately \$28.6 billion aggregate principal amount of the notes was redeemable at the Company's discretion at the then-applicable redemption prices plus accrued interest.

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As of June 30, 2014, approximately \$20.1 billion aggregate principal amount of our senior notes and guaranteed notes provide holders with the right to require us to repurchase the notes if a change of control triggering event (as defined in the applicable indentures and supplemental indentures) occurs. As of June 30, 2014, approximately \$300 million aggregate principal amount of Clearwire Communications LLC notes provide holders with the right to require us to repurchase the notes if a change of control occurs (as defined in the applicable indentures and supplemental indentures). If we are required to make such a change of control offer, we will offer a cash payment equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest.

Upon the close of the Clearwire Acquisition, the Clearwire Communications, LLC 8.25% Exchangeable Notes due 2040 became exchangeable at any time, at the holder's option, for a fixed amount of cash equal to \$706.21 for each \$1,000 principal amount of notes surrendered. As a result, \$444 million, which is the total cash consideration payable upon an exchange of all \$629 million principal amount of notes outstanding, is now classified as a current debt obligation. The remaining carrying value of these notes is classified as a long-term debt obligation.

Debt Retirements

On May 1, 2014, the Company retired the remaining \$181 million in principal amount upon maturity of its outstanding iPCS, Inc. Second Lien Secured Floating Rate Notes due 2014 plus accrued and unpaid interest.

Credit Facilities

Bank credit facility

On February 10, 2014, the Company amended its unsecured revolving bank credit facility to provide additional lender commitments to bring the total capacity from \$3.0 billion to \$3.3 billion. The unsecured revolving bank credit facility expires in February 2018. Borrowings under the revolving bank credit facility bear interest at a rate equal to the London Interbank Offered Rate (LIBOR) plus a spread that varies depending on the Company's credit ratings. As of June 30, 2014, approximately \$922 million in letters of credit were outstanding under this credit facility, including the letter of credit required by the Report and Order (*see Note 12. Commitments and Contingencies*). As a result of the outstanding letters of credit, which directly reduce the availability of borrowings under this facility, the Company had approximately \$2.4 billion of borrowing capacity available as of June 30, 2014. The unsecured loan agreement with Export Development Canada (EDC Agreement) and secured equipment credit facility provide for terms similar to those of the revolving bank credit facility, except that under the terms of the EDC Agreement and the secured equipment credit facility, repayments of outstanding amounts cannot be re-drawn. As of June 30, 2014, the EDC Agreement was fully drawn.

Secured equipment credit facility

As of June 30, 2014, both tranches of the secured equipment credit facility totaling \$1.0 billion were fully drawn. There were no principal repayments made during the Successor three-month period ended June 30, 2014 as payments are made semi-annually. The cost of funds under this facility includes a fixed interest rate of 2.03%, and export credit agency premiums and other fees that, in total, equate to an expected effective interest rate of approximately 6%. The facility is secured by a lien on the equipment purchased from Ericsson, Inc. and is fully and unconditionally guaranteed by Sprint Communications, Inc.

Financing, Capital Lease and Other Obligations

We have approximately 3,000 cell sites that we sold and subsequently leased back. Terms extend through 2021, with renewal options for an additional 20 years. These cell sites continue to be reported as part of our property, plant and equipment due to our continued involvement with the property sold and the transaction is accounted for as a financing. Our capital lease and other obligations are primarily for the use of wireless network equipment.

Covenants

Certain indentures that govern our outstanding notes also require compliance with various covenants, including covenants that limit the ability of the Company and its subsidiaries to sell all or substantially all of its assets, and limit the ability of the Company and its subsidiaries to incur indebtedness and liens, each as defined by the terms of the indentures and supplemental indentures.

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As of June 30, 2014, the Company was in compliance with all restrictive and financial covenants associated with its borrowings. A default under any of our borrowings could trigger defaults under certain of our other debt obligations, which in turn could result in the maturities being accelerated.

Under our revolving bank credit facility and other bank agreements, we are currently restricted from paying cash dividends because our ratio of total indebtedness to adjusted EBITDA (each as defined in the applicable agreements) exceeds 2.5 to 1.0.

Note 10. Severance, Exit Costs and Asset Impairments

Severance and Exit Costs Activity

For the Successor three-month period ended June 30, 2014, we recognized lease exit costs primarily associated with call center and retail store closures. For the Predecessor three-month period ended June 30, 2013, we recognized lease exit costs associated with the decommissioning of the Nextel platform and access exit costs related to payments that will continue to be made under our backhaul access contracts for which we will no longer be receiving any economic benefit. For the Successor three-month period ended June 30, 2014 and Predecessor three-month period ended June 30, 2013, we also recognized severance costs associated with reductions in our work force.

As a result of our network modernization and the completion of the significant transactions (*see Note 3. Significant Transactions*), we expect to incur additional exit costs in the future related to the transition of our existing backhaul architecture to a replacement technology for our network and the efforts associated with the integration of our Significant Transactions, such as further evaluation of the future use of Clearwire cell sites, among other initiatives. These additional exit costs are expected to range between approximately \$150 million to \$250 million, of which the majority are expected to be incurred by March 31, 2016.

The following provides the activity in the severance and exit costs liability included in "Accounts payable," "Accrued expenses and other current liabilities" and "Other liabilities" within the consolidated balance sheets:

	Successor			
	March 31, 2014	Net Expense	Cash Payments and Other	June 30, 2014
	(in millions)			
Lease exit costs	\$ 650	\$ 3 ⁽¹⁾	\$ (135)	\$ 518
Severance costs	197	6 ⁽²⁾	(86)	117
Access exit costs	124	18 ⁽³⁾	(39)	103
	<u>\$ 971</u>	<u>\$ 27</u>	<u>\$ (260)</u>	<u>\$ 738</u>

(1) For the Successor three-month period ended June 30, 2014, we recognized costs of \$3 million (solely attributable to Wireless).

(2) For the Successor three-month period ended June 30, 2014, we recognized costs of \$6 million (\$5 million Wireless, \$1 million Wireline).

(3) For the Successor three-month period ended June 30, 2014, we recognized costs of \$18 million (\$15 million Wireless, \$3 million Wireline).

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Note 11. Income Taxes

The differences that caused our effective income tax rates to vary from the 35% U.S. federal statutory rate for income taxes were as follows:

	Successor		Predecessor
	Three Months Ended June 30,		Three Months Ended June 30,
	2014	2013	2013
	<i>(in millions)</i>		
Income tax (expense) benefit at the federal statutory rate	\$ (3)	\$ 61	\$ 539
Effect of:			
State income taxes, net of federal income tax effect	(7)	7	47
Change in valuation allowance	27	—	(621)
Acquisition-related costs	—	(7)	(8)
Other, net	(2)	—	(12)
Income tax benefit (expense)	\$ 15	\$ 61	\$ (55)
Effective income tax rate	(187.5)%	35.0%	(3.6)%

The realization of deferred tax assets, including net operating loss carryforwards, is dependent on the generation of future taxable income sufficient to realize the tax deductions, carryforwards and credits. However, our history of annual losses reduces our ability to rely on expectations of future income in evaluating the ability to realize our deferred tax assets. Valuation allowances on deferred tax assets are recognized if it is determined that it is more likely than not that the asset will not be realized. As a result, the Company recorded a decrease in its valuation allowance resulting in the recognition of an income tax benefit of \$27 million during the Successor three-month period ended June 30, 2014. This net decrease in the valuation allowance resulted from a decrease of \$73 million related to the planned disposition of certain FCC licenses, offset by a \$46 million increase in the valuation allowance primarily attributable to the net increase in deferred tax assets related to the federal and state net operating loss carryforwards generated during the period. The planned disposition of the FCC licenses results in the ability to schedule the related temporary difference future income during the net operating loss carryforward period when evaluating the ability to realize our deferred tax assets. The Company recognized income tax expense to increase the valuation allowance by \$621 million during the Predecessor three-month period ended June 30, 2013 on deferred tax assets primarily related to losses incurred during the period. We do not expect to record significant tax benefits on future net operating losses until our circumstances justify the recognition of such benefits.

Income tax benefit of \$15 million for the Successor three-month period ended June 30, 2014 is primarily attributable to the \$73 million decrease in valuation allowance attributable to the planned disposition of certain FCC licenses, offset by taxable temporary differences from tax amortization of FCC licenses during the period. Income tax expense of \$55 million for the Predecessor three-month period ended June 30, 2013 is primarily attributable to taxable temporary differences from amortization of FCC licenses. FCC licenses are amortized over 15 years for income tax purposes but, because these licenses have an indefinite life, they are not amortized for financial statement reporting purposes. These temporary differences result in net deferred income tax expense since they cannot be scheduled to reverse during the loss carryforward period.

As of June 30, 2014 and March 31, 2014, we maintained a liability related to unrecognized tax benefits of \$160 million. Cash paid for income taxes, net was \$28 million for the Successor three-month period ended June 30, 2014 and insignificant for the Successor and Predecessor three-month periods ended June 30, 2013.

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Note 12. Commitments and Contingencies

Litigation, Claims and Assessments

In March 2009, a stockholder brought suit, *Bennett v. Sprint Nextel Corp.*, in the U.S. District Court for the District of Kansas, alleging that Sprint Communications and three of its former officers violated Section 10(b) of the Exchange Act and Rule 10b-5 by failing adequately to disclose certain alleged operational difficulties subsequent to the Sprint-Nextel merger, and by purportedly issuing false and misleading statements regarding the write-down of goodwill. The plaintiff seeks class action status for purchasers of Sprint Communications common stock from October 26, 2006 to February 27, 2008. On January 6, 2011, the Court denied the motion to dismiss. Subsequently, our motion to certify the January 6, 2011 order for an interlocutory appeal was denied, and discovery is continuing. The plaintiff moved to certify a class of bondholders as well as owners of common stock, and on March 27, 2014, the court certified a class including bondholders as well as stockholders. On April 11, 2014, we filed a petition to appeal that certification order to the Tenth Circuit Court of Appeals. The petition was denied on May 23, 2014. Sprint Communications believes the complaint is without merit and intends to continue to defend the matter vigorously. We do not expect the resolution of this matter to have a material adverse effect on our financial position or results of operations.

In addition, five related stockholder derivative suits were filed against Sprint Communications and certain of its present and/or former officers and directors. The first, *Murphy v. Forsee*, was filed in state court in Kansas on April 8, 2009, was removed to federal court, and was stayed by the court pending resolution of the motion to dismiss the *Bennett* case; the second, *Randolph v. Forsee*, was filed on July 15, 2010 in state court in Kansas, was removed to federal court, and was remanded back to state court; the third, *Ross-Williams v. Bennett, et al.*, was filed in state court in Kansas on February 1, 2011; the fourth, *Price v. Forsee, et al.*, was filed in state court in Kansas on April 15, 2011; and the fifth, *Hartleib v. Forsee, et al.*, was filed in federal court in Kansas on July 14, 2011. These cases are essentially stayed while the *Bennett* case is in the discovery phase. We do not expect the resolution of these matters to have a material adverse effect on our financial position or results of operations.

On April 19, 2012, the New York Attorney General filed a complaint alleging that Sprint Communications has fraudulently failed to collect and pay more than \$100 million in New York sales taxes on receipts from its sale of wireless telephone services since July 2005. The complaint seeks recovery of triple damages as well as penalties and interest. Sprint Communications moved to dismiss the complaint on June 14, 2012. On July 1, 2013, the court entered an order denying the motion to dismiss in large part, although it did dismiss certain counts or parts of certain counts. Sprint Communications has appealed that order and the intermediate appellate court affirmed the order of the trial court. Our petition for leave to bring an interlocutory appeal to the highest court in New York was granted, and we expect briefing of that appeal to continue into October 2014. We believe the complaint is without merit and intend to continue to defend this matter vigorously. We do not expect the resolution of this matter to have a material adverse effect on our financial position or results of operations.

Eight related stockholder derivative suits have been filed against Sprint Communications and certain of its current and former officers and directors. Each suit alleges generally that the individual defendants breached their fiduciary duties to Sprint Communications and its stockholders by allegedly permitting, and failing to disclose, the actions alleged in the suit filed by the New York Attorney General. One suit, filed by the Louisiana Municipal Police Employees Retirement System, was dismissed by a federal court; two suits are pending in state court in Johnson County, Kansas; and five suits are pending in federal court in Kansas. The Kansas suits have been stayed. We do not expect the resolution of these matters to have a material adverse effect on our financial position or results of operations.

Sprint Communications, Inc. has received a complaint purporting to assert claims on behalf of Sprint Communications, Inc. stockholders, alleging that members of the board of directors breached their fiduciary duties in agreeing to the SoftBank Merger, and otherwise challenging that transaction. There were initially five cases consolidated in state court in Johnson County, Kansas: UFCW Local 23 and Employers Pension Fund, et al. v. Bennett, et al., filed on October 25, 2012; Iron Workers Mid-South Pension Fund, et al. v. Hesse, et al., filed on October 25, 2012; City of Dearborn Heights Act 345 Police and Fire Retirement System v. Sprint Nextel Corp., et al., filed on October 29, 2012; Testani, et al. v. Sprint Nextel Corp., et al., filed on November 1, 2012; and Patten, et al. v. Sprint Nextel Corp., et al., filed on November 1, 2012. Plaintiffs did not challenge the amended SoftBank Merger transaction, but sought an award of attorneys fees for their challenge of the original SoftBank Merger transaction. The court denied that motion and the consolidated state cases were dismissed with prejudice. There are two cases filed in federal court in the District of Kansas, entitled Gerbino, et al. v.

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Sprint Nextel Corp., et al., filed on November 15, 2012, and Steinberg, et al. v. Bennett, et al., filed on May 16, 2013 (and now consolidated with Gerbino); those cases were stayed pending the resolution of the state cases, and those cases were dismissed on May 16, 2014.

Sprint Communications, Inc. is also a defendant in a complaint filed by stockholders of Clearwire Corporation asserting claims for breach of fiduciary duty by Sprint Communications, and related claims and otherwise challenging the Clearwire Acquisition. *ACP Master, LTD, et al. v. Sprint Nextel Corp., et al.*, was filed April 26, 2013, in Chancery Court in Delaware. Our motion to dismiss the suit was denied, and discovery has begun. Plaintiffs in the *ACP Master, LTD* suit have also filed suit requesting an appraisal of the fair value of their Clearwire stock, and discovery is proceeding in that case. Sprint Communications intends to defend the *ACP Master, LTD* cases vigorously, and, because they are still in the preliminary stage, we have not yet determined what effect the lawsuit will have, if any, on our financial position or results of operations.

Sprint is currently involved in numerous court actions alleging that Sprint is infringing various patents. Most of these cases effectively seek only monetary damages. A small number of these cases are brought by companies that sell products and seek injunctive relief as well. These cases have progressed to various degrees and a small number may go to trial if they are not otherwise resolved. Adverse resolution of these cases could require us to pay significant damages, cease certain activities, or cease selling the relevant products and services. In many circumstances, we would be indemnified for monetary losses that we incur with respect to the actions of our suppliers or service providers. We do not expect the resolution of these cases to have a material adverse effect on our financial position or results of operations.

In October 2013, the FCC Enforcement Bureau began to issue notices of apparent liability (NALs) to other Lifeline providers, imposing fines for intracarrier duplicate accounts identified by the government during its audit function. Those audits also identified a small percentage of potentially duplicative intracarrier accounts related to our Assurance Wireless business. No NAL has yet been issued with respect to Sprint and we do not know if one will be issued. Further, we are not able to reasonably estimate the amount of any claim for penalties that might be asserted. However, based on the information currently available, if a claim is asserted by the FCC, Sprint does not believe that any amount ultimately paid would be material to the Company's results of operations or financial position.

Various other suits, inquiries, proceedings and claims, either asserted or unasserted, including purported class actions typical for a large business enterprise and intellectual property matters, are possible or pending against us or our subsidiaries. If our interpretation of certain laws or regulations, including those related to various federal or state matters such as sales, use or property taxes, or other charges were found to be mistaken, it could result in payments by us. While it is not possible to determine the ultimate disposition of each of these proceedings and whether they will be resolved consistent with our beliefs, we expect that the outcome of such proceedings, individually or in the aggregate, will not have a material adverse effect on our financial position or results of operations.

Spectrum Reconfiguration Obligations

In 2004, the FCC adopted a Report and Order that included new rules regarding interference in the 800 MHz band and a comprehensive plan to reconfigure the 800 MHz band. The Report and Order provides for the exchange of a portion of our 800 MHz FCC spectrum licenses, and requires us to fund the cost incurred by public safety systems and other incumbent licensees to reconfigure the 800 MHz spectrum band. Also, in exchange, we received licenses for 10 MHz of nationwide spectrum in the 1.9 GHz band.

The minimum cash obligation is \$2.8 billion under the Report and Order. We are, however, obligated to pay the full amount of the costs relating to the reconfiguration plan, even if those costs exceed \$2.8 billion. As required under the terms of the Report and Order, a letter of credit has been secured to provide assurance that funds will be available to pay the relocation costs of the incumbent users of the 800 MHz spectrum. Since the inception of the program, we have incurred payments of approximately \$3.4 billion directly attributable to our performance under the Report and Order, including approximately \$38 million during the Successor three-month period ended June 30, 2014. When incurred, these costs are generally accounted for either as property, plant and equipment or as additions to FCC licenses. Although costs incurred through June 30, 2014 have exceeded \$2.8 billion, not all of those costs have been reviewed and accepted as eligible by the transition administrator. During the Successor three-month period ended June 30, 2014, we received a cash payment of approximately \$95 million which represented a reimbursement of prior reconfiguration costs incurred by us that also benefited spectrum recently auctioned by the FCC. We do not expect any further reimbursements.

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Completion of the 800 MHz band reconfiguration was initially required by June 26, 2008. The FCC continues to grant 800 MHz public safety licensees additional time to complete their band reconfigurations which, in turn, delays our access to some of our 800 MHz replacement channels. Accordingly, we will continue to transition to our 800 MHz replacement channels consistent with public safety licensees' reconfiguration progress. On May 24, 2012, the FCC revised its rules to authorize Sprint to deploy wireless broadband services, such as CDMA and LTE, on its 800 MHz spectrum, including channels that become available to Sprint upon completion of the 800 MHz band reconfiguration program. We anticipate that the continuing reconfiguration progress will be sufficient to support the 800 MHz portion of our network modernization. In January 2013, we submitted a Request for Declaratory Ruling to the FCC requesting two items: (i) that it declare that Sprint will not owe any anti-windfall payment to the US Treasury, because we have exceeded the \$2.8 billion of required expenditures, and (ii) that the FCC remove the \$850 million minimum for the letter of credit and allow further reductions based on quarterly estimates of remaining obligations. This Request for Declaratory Ruling is pending before the FCC.

Guarantee Liabilities

Under one of our wireless service plans, we offer an option to our subscribers to purchase, on a monthly basis, access to unlimited data coupled with an annual trade-in right (the option). At the trade-in date, a subscriber who has elected to purchase a device in an installment billing arrangement will receive a credit in the amount of the outstanding balance of the installment contract provided the subscriber trades-in an eligible used device in good working condition and purchases a new device from Sprint. Additionally, the subscriber must have purchased the option for the 12 consecutive months preceding the trade-in. When a subscriber elects the option, the total estimated arrangement proceeds associated with the subscriber are reduced by the estimated fair value of current customer obligation of the fixed-price trade-in credit (guarantee liability) and the remaining proceeds are allocated amongst the other deliverables in the arrangement. The guarantee liability is estimated based on assumptions, including, but not limited to, the expected fair value of the used device at trade-in, subscribers' estimated remaining balance of the remaining installment payments, and the probability and timing of the trade-in. When the subscriber elects to exercise the trade-in right, the difference between the outstanding balance of the installment receivable and the estimated fair value of the returned device is recorded as a reduction of the guarantee liability. If the subscriber elects to stop purchasing the option prior to, or after, becoming eligible to exercise the trade-in right, we recognize the amount of the associated guarantee liability as operating revenue. At each reporting date, we reevaluate our estimate of the guarantee liability. If all subscribers who elected the option were to claim their benefit at the earliest contractual time of eligible trade-in, the maximum amount of the guarantee liability (*i.e.*, the estimated unpaid balance of the subscribers' installment contracts) would be approximately \$406 million at June 30, 2014. This amount is not an indication of the Company's expected loss exposure because it does not consider the expected fair value of the used handset, which is required to be returned to us in good working condition at trade-in, nor does it consider the probability and timing of trade-in. The total guarantee liabilities associated with the option, which are recorded in "Accrued expenses and other current liabilities" in the consolidated balance sheets, were immaterial.

Note 13. Per Share Data

Basic net income (loss) per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per common share adjusts basic net income (loss) per common share, computed using the treasury stock method, for the effects of potentially dilutive common shares, if the effect is not antidilutive. For the Successor three-month period ended June 30, 2014, the computation of diluted net income (loss) per common share includes the effect of dilutive securities consisting of approximately 36 million options and restricted stock units, in addition to 22 million shares attributable to the warrant held by SoftBank. Outstanding options to purchase shares totaling 13 million were not included in the computation of diluted net income (loss) per common shares because to do so would have been antidilutive. The warrant was issued to SoftBank at the close of the SoftBank Merger and is exercisable at \$5.25 per share at the option of SoftBank, in whole or in part, at any time on or prior to July 10, 2018. For the Predecessor three-month period ended June 30, 2013, outstanding options and restricted stock units (exclusive of participating securities) that had no effect on our computation of dilutive weighted average number of shares outstanding as their effect would have been antidilutive were approximately 63 million, in addition to all 590 million shares issuable under the convertible bond issued by Sprint Communications to Starburst II in 2012.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 14. Segments

Sprint operates two reportable segments: Wireless and Wireline.

- Wireless primarily includes retail, wholesale, and affiliate revenue from a wide array of wireless voice and data transmission services and equipment revenue from the sale of wireless devices and accessories in the U.S., Puerto Rico and the U.S. Virgin Islands.
- Wireline primarily includes revenue from domestic and international wireline voice and data communication services provided to other communications companies and targeted business and consumer subscribers, in addition to our Wireless segment.

We define segment earnings as wireless or wireline operating (loss) income before other segment expenses such as depreciation, amortization, severance, exit costs, goodwill impairments, asset impairments, and other items, if any, solely and directly attributable to the segment representing items of a non-recurring or unusual nature. Expense and income items excluded from segment earnings are managed at the corporate level. Transactions between segments are generally accounted for based on market rates, which we believe approximate fair value. The Company generally re-establishes these rates at the beginning of each fiscal year. Over the past several years, there has been an industry-wide trend of lower rates due to increased competition from other wireline and wireless communications companies as well as cable and Internet service providers.

Segment financial information is as follows:

	Predecessor			
	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
<u>Statement of Operations Information</u>	<i>(in millions)</i>			
Three Months Ended June 30, 2013				
Net operating revenues	\$ 8,178	\$ 695	\$ 4	\$ 8,877
Inter-segment revenues ⁽¹⁾	—	215	(215)	—
Total segment operating expenses	(6,884)	(781)	212	(7,453)
Segment earnings	<u>\$ 1,294</u>	<u>\$ 129</u>	<u>\$ 1</u>	1,424
Less:				
Depreciation				(1,563)
Amortization				(69)
Other, net ⁽²⁾				(666)
Operating loss				(874)
Interest expense				(428)
Equity in losses of unconsolidated investments			<u>\$ (257)</u>	(257)
Other income, net				17
Loss before income taxes				<u>\$ (1,542)</u>
<u>Other Information</u>				
	Wireless	Wireline	Corporate and Other	Consolidated
	<i>(in millions)</i>			
Capital expenditures for the three months ended June 30, 2013	\$ 1,403	\$ 100	\$ 68	\$ 1,571

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Successor				
Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
	(in millions)			
Three Months Ended June 30, 2014				
Net operating revenues	\$ 8,193	\$ 593	\$ 3	\$ 8,789
Inter-segment revenues ⁽¹⁾	—	153	(153)	—
Total segment operating expenses	(6,400)	(711)	149	(6,962)
Segment earnings	<u>\$ 1,793</u>	<u>\$ 35</u>	<u>\$ (1)</u>	1,827
Less:				
Depreciation				(868)
Amortization				(413)
Other, net ⁽²⁾				(27)
Operating income				519
Interest expense				(512)
Other income, net				1
Income before income taxes				\$ 8

<u>Statement of Operations Information</u>	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
	(in millions)			
Three Months Ended June 30, 2013				
Net operating revenues	\$ —	\$ —	\$ —	\$ —
Inter-segment revenues ⁽¹⁾	—	—	—	—
Total segment operating expenses	—	—	(22)	(22)
Segment earnings	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (22)</u>	(22)
Other expense, net				(153)
Loss before income taxes				\$ (175)

Other Information	Wireless	Wireline	Corporate and Other	Consolidated
	<i>(in millions)</i>			
Capital expenditures for the three months ended June 30, 2014	\$ 1,120	\$ 59	\$ 67	\$ 1,246

(1) Inter-segment revenues consist primarily of wireline services provided to the Wireless segment for resale to, or use by, wireless subscribers.

(2) Other, net for the Successor three-month period ended June 30, 2014 consists of \$27 million of severance and exit costs. Other, net for the Predecessor three-month period ended June 30, 2013 consists of \$632 million of severance and exit costs and \$34 million of business combination fees paid to unrelated parties necessary for the transactions with SoftBank and Clearwire (included in our corporate segment and classified in our consolidated statements of comprehensive income (loss) as selling, general and administrative expenses).

Predecessor

<u>Operating Revenues by Service and Products</u>	Wireless	Wireline	Corporate, Other and Eliminations ⁽¹⁾	Consolidated
	<i>(in millions)</i>			
Three Months Ended June 30, 2013				
Wireless services	\$ 7,227	\$ —	\$ —	\$ 7,227
Wireless equipment	820	—	—	820
Voice	—	377	(122)	255
Data	—	87	(44)	43
Internet	—	432	(48)	384
Other	131	14	3	148
Total net operating revenues	\$ 8,178	\$ 910	\$ (211)	\$ 8,877

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Successor				
<u>Operating Revenues by Service and Products</u>	Wireless	Wireline	Corporate, Other and Eliminations ⁽¹⁾	Consolidated
	(in millions)			
Three Months Ended June 30, 2014				
Wireless services	\$ 6,908	\$ —	\$ —	\$ 6,908
Wireless equipment	1,106	—	—	1,106
Voice	—	327	(91)	236
Data	—	56	(24)	32
Internet	—	345	(38)	307
Other	179	18	3	200
Total net operating revenues	\$ 8,193	\$ 746	\$ (150)	\$ 8,789

(1) Revenues eliminated in consolidation consist primarily of wireline services provided to the Wireless segment for resale to or use by wireless subscribers.

Note 15. Related-Party Transactions

Clearwire Related-Party Transactions

Sprint's relationship with Clearwire, which is now a wholly-owned subsidiary, includes agreements by which we resell wireless data services utilizing Clearwire's 4G network. In addition, Clearwire subscribers utilize the third generation (3G) Sprint network which provides dual-mode service to subscribers in those areas where access to Clearwire's 4G network is not available.

Immediately prior to the Clearwire Acquisition, Sprint Communications held approximately 50.1% of non-controlling voting interest and a 6.0% non-controlling economic interest in Clearwire Corporation as well as a 44.1% non-controlling economic interest in Clearwire Communications LLC for which the carrying value totaled \$325 million. Prior to the close of the Clearwire Acquisition, we applied equity method accounting to the investment in Clearwire.

Equity in losses from Clearwire were \$257 million for the Predecessor three-month period ended June 30, 2013. The equity in losses from our investment in Clearwire consisted of our share of Clearwire's net loss and other adjustments, if any, such as non-cash impairment of our investment, gains or losses associated with the dilution of our ownership interest resulting from Clearwire's equity issuances, derivative losses associated with the change in fair value of the embedded derivative included in exchangeable notes between Clearwire and Sprint, and other items recognized by Clearwire Corporation that did not affect our economic interest. Sprint's equity in losses for the Predecessor period ended June 30, 2013, includes a \$65 million derivative loss associated with the change in fair value of the embedded derivative. Subsequent to the Clearwire Acquisition, Clearwire is consolidated as a wholly-owned subsidiary of Sprint. Cost of services and products included in our consolidated statements of comprehensive income (loss) related to our agreement to purchase 4G services from Clearwire totaled \$95 million for the Predecessor three-month period ended June 30, 2013.

Summarized financial information for Clearwire for the three months ended June 30, 2013, which preceded the Clearwire Acquisition, is as follows:

	Three Months Ended June 30, 2013
	<i>(in millions)</i>
Revenues	\$ 317
Operating expenses	(601)
Operating loss	\$ (284)
Net loss from continuing operations before non-controlling interests	\$ (416)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SoftBank Related-Party Transactions

In addition to agreements arising out of or relating to the SoftBank Merger, Sprint and SoftBank have entered into various other arrangements with SoftBank or its controlled affiliates (SoftBank Parties or each a SoftBank Party) or with third parties to which SoftBank Parties are also parties (affiliated third parties), including for international wireless roaming, wireless and wireline call termination, real estate, device and accessory purchasing, and other services. Specifically, we have arrangements with an affiliate controlled by SoftBank to procure devices and accessories on our behalf with certain third-party vendors under existing purchase arrangements Sprint has with those vendors as well as new vendor purchase arrangements entered into by the affiliate. These services, which are provided by the SoftBank Party, include placing orders, processing invoices, receiving payments from us, making payments to our suppliers on our behalf and reselling devices to us. To compensate the SoftBank Party, under the device arrangement we pay a portion of certain costs that the SoftBank Party incurs plus a profit percentage. Under the accessory arrangement, we pay a percentage mark-up on the cost of accessory purchases. Cost of services and products included in our consolidated statements of comprehensive income (loss) for device and accessory purchases associated with these arrangements totaled approximately \$1.4 billion for the Successor three-month period ended June 30, 2014 and device and accessory inventory included in our consolidated balance sheets associated with these purchases was approximately \$755 million and \$266 million as of June 30, 2014 and March 31, 2014, respectively. As of June 30, 2014 and March 31, 2014, accounts payable to the SoftBank Party of approximately \$589 million and \$205 million, respectively, are included in our consolidated balance sheets. All other transactions under agreements with SoftBank Parties or affiliated third-parties, in the aggregate, were immaterial through the Successor period ended June 30, 2014.

Note 16. Guarantor Financial Information

On September 11, 2013, Sprint Corporation issued \$2.25 billion aggregate principal amount of 7.250% notes due 2021 and \$4.25 billion aggregate principal amount of 7.875% notes due 2023 in a private placement transaction with registration rights. On December 12, 2013, Sprint Corporation issued \$2.5 billion aggregate principal amount of 7.125% notes due 2024 in a private placement transaction with registration rights. Each of these issuances is fully and unconditionally guaranteed by Sprint Communications, Inc. (Subsidiary Guarantor), which is a 100 percent owned subsidiary of Sprint Corporation (Parent/Issuer). In connection with the foregoing, the registration rights agreements with respect to the notes each require the Company and Sprint Communications, Inc. to use their reasonable best efforts to cause an offer to exchange the notes for a new issue of substantially identical exchange notes registered under the Securities Act of 1933 to be completed within 540 days after the closing date of the respective offerings.

Under the Subsidiary Guarantor's revolving bank credit facility and other bank agreements, the Subsidiary Guarantor is currently restricted from paying cash dividends to the Parent/Issuer or any Non-Guarantor Subsidiary because the ratio of total indebtedness to adjusted EBITDA (each as defined in the applicable agreement) exceeds 2.5 to 1.0.

In May 2014, certain wholly-owned subsidiaries of Sprint entered into a Receivables Facility arrangement to sell certain accounts receivable on a revolving basis, subject to a maximum funding limit of \$1.3 billion. In connection with this arrangement, Sprint formed the wholly-owned subsidiaries, which are bankruptcy remote SPEs and are included in the Non-Guarantor Subsidiaries condensed consolidated financial information (*see Note 3. Significant Transactions*).

The guarantor financial information distinguishes between the Predecessor period relating to Sprint Communications for periods prior to the SoftBank Merger and the Successor period relating to Sprint Corporation (formerly Starburst II), for periods subsequent to the incorporation of Starburst II on October 5, 2012. The periods presented below do not include condensed consolidating financial statements for the Successor period for the three months ended June 30, 2013 because the financial information is already disclosed on the face of the consolidated financial statements. Additionally, because the Parent/Issuer column represents the activities of Sprint Corporation (formerly Starburst II), no Parent/Issuer financial information exists for the Predecessor periods which are prior to the SoftBank Merger. We have accounted for investments in subsidiaries using the equity method. Presented below is the condensed consolidating financial information as of the Successor periods ended June 30, 2014 and March 31, 2014, and for the Successor three-month period ended June 30, 2014 and Predecessor three-month period ended June 30, 2013.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEET

	Successor									
	As of June 30, 2014									
	Parent/Issuer	Subsidiary Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated					
	(in millions)									
ASSETS										
Current assets:										
Cash and cash equivalents	\$	—	\$	3,545	\$	626	\$	—	\$	4,171
Short-term investments		—		1,322		—		—		1,322
Accounts and notes receivable, net		152		48		3,751		(200)		3,751
Device and accessory inventory		—		—		1,116		—		1,116
Deferred tax assets		—		—		78		—		78
Prepaid expenses and other current assets		—		19		917		—		936
Total current assets		152		4,934		6,488		(200)		11,374
Investments		—		1,112		50		(1,019)		143
Investments in subsidiaries		25,368		25,956		—		(51,324)		—
Property, plant and equipment, net		—		—		16,852		—		16,852
Due from consolidated affiliate		—		18,299		—		(18,299)		—
Note receivable from consolidated affiliate		9,000		—		—		(9,000)		—
Intangible assets										
Goodwill		—		—		6,343		—		6,343
FCC licenses and other		—		—		41,764		—		41,764
Definite-lived intangible assets, net		—		—		7,119		—		7,119
Other assets		130		130		694		(130)		824
Total assets	\$	34,650	\$	50,431	\$	79,310	\$	(79,972)	\$	84,419
LIABILITIES AND STOCKHOLDERS' EQUITY										
Current liabilities:										
Accounts payable	\$	—	\$	—	\$	3,492	\$	—	\$	3,492
Accrued expenses and other current liabilities		156		498		4,683		(200)		5,137
Current portion of long-term debt, financing and capital lease obligations		—		—		807		—		807
Total current liabilities		156		498		8,982		(200)		9,436
Long-term debt, financing and capital lease obligations		9,000		14,966		8,740		(1,019)		31,687
Deferred tax liabilities		—		—		14,268		—		14,268
Note payable due to consolidated affiliate		—		9,000		—		(9,000)		—
Other liabilities		—		599		3,065		—		3,664
Due to consolidated affiliate		130		—		18,299		(18,429)		—
Total liabilities		9,286		25,063		53,354		(28,648)		59,055
Commitments and contingencies										
Total stockholders' equity		25,364		25,368		25,956		(51,324)		25,364
Total liabilities and stockholders' equity	\$	34,650	\$	50,431	\$	79,310	\$	(79,972)	\$	84,419

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEET

	Successor		As of March 31, 2014			
	Parent/Issuer	Subsidiary Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated	
	(in millions)					
ASSETS						
Current assets:						
Cash and cash equivalents	\$ —	\$ 4,125	\$ 845	\$ —	\$ 4,970	
Short-term investments	—	1,220	—	—	1,220	
Accounts and notes receivable, net	74	27	3,607	(101)	3,607	
Device and accessory inventory	—	—	982	—	982	
Deferred tax assets	—	—	128	—	128	
Prepaid expenses and other current assets	—	14	658	—	672	
Total current assets	74	5,386	6,220	(101)	11,579	
Investments	—	1,104	61	(1,019)	146	
Investments in subsidiaries	25,316	25,588	—	(50,904)	—	
Property, plant and equipment, net	—	—	16,299	—	16,299	
Due from consolidated affiliate	—	18,234	—	(18,234)	—	
Note receivable from consolidated affiliate	9,000	—	—	(9,000)	—	
Intangible assets						
Goodwill	—	—	6,383	—	6,383	
FCC licenses and other	—	—	41,978	—	41,978	
Definite-lived intangible assets, net	—	—	7,558	—	7,558	
Other assets	133	133	613	(133)	746	
Total assets	\$ 34,523	\$ 50,445	\$ 79,112	\$ (79,391)	\$ 84,689	
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts payable	\$ —	\$ —	\$ 3,163	\$ —	\$ 3,163	
Accrued expenses and other current liabilities	78	493	5,074	(101)	5,544	
Current portion of long-term debt, financing and capital lease obligations	—	—	991	—	991	
Total current liabilities	78	493	9,228	(101)	9,698	
Long-term debt, financing and capital lease obligations	9,000	15,027	8,779	(1,019)	31,787	
Deferred tax liabilities	—	—	14,207	—	14,207	
Note payable due to consolidated affiliate	—	9,000	—	(9,000)	—	
Other liabilities	—	609	3,076	—	3,685	
Due to consolidated affiliate	133	—	18,234	(18,367)	—	
Total liabilities	9,211	25,129	53,524	(28,487)	59,377	
Commitments and contingencies						
Total stockholders' equity	25,312	25,316	25,588	(50,904)	25,312	
Total liabilities and stockholders' equity	\$ 34,523	\$ 50,445	\$ 79,112	\$ (79,391)	\$ 84,689	

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE LOSS

	Successor				
	For the Three Months Ended June 30, 2014				
	<i>Parent/Issuer</i>	<i>Subsidiary Guarantor</i>	<i>Non-Guarantor Subsidiaries</i>	<i>Eliminations</i>	<i>Consolidated</i>
	<i>(in millions)</i>				
Net operating revenues	\$ —	\$ —	\$ 8,789	\$ —	\$ 8,789
Net operating expenses:					
Cost of services and products (exclusive of depreciation and amortization included below)	—	—	4,678	—	4,678
Selling, general and administrative	—	—	2,284	—	2,284
Severance, exit costs and asset impairments	—	—	27	—	27
Depreciation	—	—	868	—	868
Amortization	—	—	413	—	413
	—	—	8,270	—	8,270
Operating income	—	—	519	—	519
Other income (expense):					
Interest income	169	23	—	(189)	3
Interest expense	(169)	(368)	(164)	189	(512)
Earnings (losses) of subsidiaries	23	368	—	(391)	—
Other expense, net	—	—	(2)	—	(2)
	23	23	(166)	(391)	(511)
Income (loss) before income taxes	23	23	353	(391)	8
Income tax benefit	—	—	15	—	15
Net income (loss)	23	23	368	(391)	23
Other comprehensive income (loss)	—	—	—	—	—
Comprehensive income (loss)	\$ 23	\$ 23	\$ 368	\$ (391)	\$ 23

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE LOSS

	Predecessor			
	For the Three Months Ended June 30, 2013			
	<i>Subsidiary Guarantor</i>	<i>Non-Guarantor Subsidiaries</i>	<i>Eliminations</i>	<i>Consolidated</i>
	<i>(in millions)</i>			
Net operating revenues	\$ —	\$ 8,877	\$ —	\$ 8,877
Net operating expenses:				
Cost of services and products (exclusive of depreciation and amortization included below)	—	5,045	—	5,045
Selling, general and administrative	—	2,442	—	2,442
Severance, exit costs and asset impairments	—	632	—	632
Depreciation	—	1,563	—	1,563
Amortization	—	69	—	69
	—	9,751	—	9,751
Operating loss	—	(874)	—	(874)
Other (expense) income:				
Interest income	29	8	(20)	17
Interest expense	(291)	(157)	20	(428)
Equity in losses of unconsolidated investments, net	—	(257)	—	(257)
(Losses) earnings of subsidiaries	(1,335)	—	1,335	—
Other expense, net	—	—	—	—
	(1,597)	(406)	1,335	(668)
(Loss) income before income taxes	(1,597)	(1,280)	1,335	(1,542)
Income tax expense	—	(55)	—	(55)
Net (loss) income	(1,597)	(1,335)	1,335	(1,597)
Other comprehensive income (loss)	51	15	(15)	51
Comprehensive (loss) income	\$ (1,546)	\$ (1,320)	\$ 1,320	\$ (1,546)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Successor				
	For the Three Months Ended June 30, 2014				
	<i>Parent/Issuer</i>	<i>Subsidiary Guarantor</i>	<i>Non-Guarantor Subsidiaries</i>	<i>Eliminations</i>	<i>Consolidated</i>
	<i>(in millions)</i>				
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	\$ —	\$ (429)	\$ 1,108	\$ —	\$ 679
Cash flows from investing activities:					
Capital expenditures	—	—	(1,246)	—	(1,246)
Expenditures relating to FCC licenses	—	—	(41)	—	(41)
Reimbursements relating to FCC licenses	—	—	95	—	95
Proceeds from sales and maturities of short-term investments	—	900	—	—	900
Purchases of short-term investments	—	(1,002)	—	—	(1,002)
Change in amounts due from/due to consolidated affiliates	—	(58)	—	58	—
Other, net	—	—	17	—	17
Net cash (used in) provided by investing activities	—	(160)	(1,175)	58	(1,277)
Cash flows from financing activities:					
Repayments of debt, financing and capital lease obligations	—	—	(210)	—	(210)
Proceeds from issuance of common stock, net	—	9	—	—	9
Change in amounts due from/due to consolidated affiliates	—	—	58	(58)	—
Net cash provided by (used in) financing activities	—	9	(152)	(58)	(201)
Net decrease in cash and cash equivalents	—	(580)	(219)	—	(799)
Cash and cash equivalents, beginning of period	—	4,125	845	—	4,970
Cash and cash equivalents, end of period	\$ —	\$ 3,545	\$ 626	\$ —	\$ 4,171

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	Predecessor			
	For the Three Months Ended June 30, 2013			
	<i>Subsidiary Guarantor</i>	<i>Non-Guarantor Subsidiaries</i>	<i>Eliminations</i>	<i>Consolidated</i>
	<i>(in millions)</i>			
Cash flows from operating activities:				
Net cash (used in) provided by operating activities	\$ (356)	\$ 1,591	\$ —	\$ 1,235
Cash flows from investing activities:				
Capital expenditures	—	(1,571)	—	(1,571)
Expenditures relating to FCC licenses	—	(68)	—	(68)
Acquisitions, net of cash acquired	(509)	—	—	(509)
Investment in Clearwire (including debt securities)	—	(160)	—	(160)
Proceeds from sales and maturities of short-term investments	949	—	—	949
Purchases of short-term investments	(295)	—	—	(295)
Change in amounts due from/due to consolidated affiliates	(307)	—	307	—
Net cash (used in) provided by investing activities	(162)	(1,799)	307	(1,654)
Cash flows from financing activities:				
Repayments of debt and capital lease obligations	—	(303)	—	(303)
Debt financing costs	(1)	—	—	(1)
Proceeds from issuance of common stock, net	44	—	—	44
Change in amounts due from/due to consolidated affiliates	—	307	(307)	—
Net cash provided by (used in) financing activities	43	4	(307)	(260)
Net decrease in cash and cash equivalents	(475)	(204)	—	(679)
Cash and cash equivalents, beginning of period	5,124	1,151	—	6,275
Cash and cash equivalents, end of period	\$ 4,649	\$ 947	\$ —	\$ 5,596

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**OVERVIEW**

Sprint Corporation, including its consolidated subsidiaries, is a communications company offering a comprehensive range of wireless and wireline communications products and services that are designed to meet the needs of individual consumers, businesses, government subscribers, and resellers. Unless the context otherwise requires, references to "Sprint," "we," "us," "our" and the "Company" mean Sprint Corporation and its consolidated subsidiaries for all periods presented, inclusive of Successor and Predecessor periods, and references to "Sprint Communications" are to Sprint Communications, Inc. and its consolidated subsidiaries. The communications industry has and will continue to compete on the basis of the network quality, types of services and devices offered, and price. We are currently undergoing a significant multi-year program to upgrade our existing wireless communication network, including the decommissioning of our Nextel platform, which was successfully shut-down on June 30, 2013 (see Network Modernization disclosure below). To support our business strategy and expected capital requirements, we amended our unsecured revolving bank credit facility in February 2014 to provide additional lender commitments to increase the total capacity to \$3.3 billion from the original \$3.0 billion. We also raised debt financing of approximately \$9.0 billion in 2013. Additionally, we raised equity funding of approximately \$5.0 billion in 2013, including the conversion of the \$3.1 billion convertible bond (Bond) Sprint Communications, Inc. issued to Starburst II, Inc. (Starburst II), a wholly-owned subsidiary of SoftBank, in 2012 and an additional \$1.9 billion equity contribution provided by SoftBank in connection with the SoftBank Merger defined below (see Significant Transactions disclosure below). In 2012, we raised debt financing of approximately \$8.9 billion in addition to entering into a \$1.0 billion secured equipment credit facility (see "Liquidity and Capital Resources").

Description of the Company

We are the third largest wireless communications company in the U.S. based on wireless revenue, one of the largest providers of wireline long distance services, and one of the largest Internet carriers in the nation. Our services are provided through our ownership of extensive wireless networks, an all-digital global long distance network and a Tier 1 Internet backbone.

We offer wireless and wireline voice and data transmission services to subscribers in all 50 states, Puerto Rico, and the U.S. Virgin Islands under the Sprint corporate brand, which includes our retail brands of Sprint®, Boost Mobile®, Virgin Mobile®, and Assurance Wireless® on networks that utilize third generation (3G) code division multiple access (CDMA) or Internet protocol (IP) technologies. We also offer fourth generation (4G) services utilizing Long Term Evolution (LTE) as well as Worldwide Interoperability for Microwave Access (WiMAX) technologies (which we expect to shut-down by the end of calendar year 2015). We utilize these networks to offer our wireless and wireline subscribers differentiated products and services whether through the use of a single network or a combination of these networks. We offer wireless services on a postpaid and prepaid payment basis to retail subscribers and also on a wholesale and affiliate basis, which includes the sale of wireless services that utilize the Sprint network but are sold under the wholesaler's brand.

Wireless

We continue to support the open development of applications, content, and devices on the Sprint platform through products and services such as Sprint ID™, which provides an easy way for users to discover content from leading brands and special interests as well as manage those experiences on certain Android devices, and Sprint Zone, which allows subscribers to not only manage their account and self-service functions via their device but facilitates discovery of new content and personalization through recommendations for applications and entertainment content. We also support Sprint Guardian™, a collection of mobile safety and device security bundles that provide families relevant tools to help stay safe and secure, and Pinsight Media+™, which gives advertisers the power to reach consumers on their mobile device by providing more relevant advertising based on information consumers choose to share about their location and mobile Web browsing history. In addition, we enable a variety of business and consumer third-party relationships through our portfolio of machine-to-machine solutions, which we offer on a retail postpaid and wholesale basis. Our machine-to-machine solutions portfolio provides a secure, real-time and reliable wireless two-way data connection across a broad range of connected devices such as the Chrysler Group's UConnect® Access in-vehicle communications system powered through our Sprint Velocity™ end-to-end telematics solution, which enables hands free phone calls and the ability to access music, navigation, and other applications and services through cell connections built into the vehicle. Other connected devices include original equipment manufacturer (OEM) devices and after-market in-vehicle connectivity and electric vehicle charging stations, point-of-sale systems, kiosks and vending machines, asset tracking, digital signage, security, smartgrid utilities, medical equipment, and a variety of other consumer electronics and appliances.

Postpaid

In our postpaid portfolio, we recently launched the Sprint FramilySM plan, which is available to new and existing subscribers, and allows subscribers to create a Framily group consisting of up to ten subscribers. The first subscriber pays \$55 per month for unlimited talk, text and 1GB of data. For each additional new Sprint subscriber that joins the Framily group, the monthly wireless service fee decreases by \$5 per person within that Framily group, up to a maximum monthly discount of \$30 per person. We offer each subscriber an option to purchase 3GB of data for an additional \$10 per month or unlimited data coupled with an annual upgrade option on certain devices for an additional \$20 per month. In order to be eligible for the right to upgrade, the subscriber must have purchased the unlimited data and annual upgrade option for the 12 consecutive months preceding the upgrade. Each Framily subscriber can be billed separately and each member of the Framily group can elect to receive their own personalized services. We expect most new subscribers to purchase an eligible wireless phone at full retail price under an installment contract payable over 24 months through the use of the Sprint Easy PaySM program. The terms of the new sales program will not require the subscriber to execute a traditional, two-year wireless service contract.

Our existing Unlimited, My WaySM and My All-inSM plans with the Unlimited GuaranteeSM continue to provide simplicity to subscribers. With our Unlimited Guarantee, subscribers are guaranteed unlimited talk (to any wireline or mobile phone), text and data while on the Sprint network for the life of the line of service. The Unlimited My Way plan features unlimited talk, text and data and up to 10 lines can be added all on the same account. The Unlimited My All-in plan features unlimited talk, text and data as well as 5GB of mobile hotspot usage. In addition, in June 2014 we launched the Sprint satisfaction guarantee, allowing customers opening a new line of service the chance to try Sprint for 30 days. If the customer is not completely satisfied, we will refund the cost of their device and waive service and activation charges (excluding non-recurring charges such as overages and premium services not included in price plans). We also offer price plans tailored to business subscribers such as Business AdvantageSM, which provides flexibility to mix and match plans that include voice, voice and messaging, or voice, messaging and data to meet individual business needs and also allows the Any Mobile Anytime feature with certain plans. In addition, in July 2014 we launched Sprint Business Fusion Plans which start as low as \$15 per month with a qualifying smartphone purchase and include unlimited talk and text and Sprint Direct Connect and allows subscribers to choose unlimited data or pool data among users for an additional fee. Subscribers also have the choice to add devices to the pool of data, including tablets, mobile broadband cards, mobile hotspots, routers and machine-to-machine devices.

Prepaid

Our prepaid portfolio currently includes multiple brands, each designed to appeal to specific subscriber segments. Sprint prepaid primarily serves subscribers who want plans that are affordable, simple and flexible without a long-term commitment. Boost Mobile primarily serves subscribers who need everything unlimited, including voice, text and data, with our Monthly Unlimited Shrinking Payments plan where bills are reduced after six on-time payments, and its most recently launched Monthly Unlimited Select plans, which offer subscribers unlimited text and talk with step pricing based on their preferred data usage. Virgin Mobile primarily serves subscribers who are device and data-oriented with our Beyond Talk[™] plans and our broadband plan, Broadband2GoSM, which offer subscribers control, flexibility and connectivity through various communication vehicles. Virgin Mobile is also designated as a Lifeline-only Eligible Telecommunications Carrier in certain states and provides service for the Lifeline program under our Assurance Wireless brand. Assurance Wireless provides eligible subscribers, in certain states, who meet income requirements or are receiving government assistance, with a free wireless phone and 250 free minutes of local and long-distance monthly service.

Wholesale

We have focused our wholesale business on enabling our diverse network of customers to successfully grow their business by providing them with an array of network, product, and device solutions. This allows our customers to customize this full suite of value-added solutions to meet the growing demands of their businesses. As part of these growing demands, some of our wholesale mobile virtual network operators (MVNO) are also selling prepaid services under the Lifeline program.

Wireline

We provide a broad suite of wireline voice and data communications services to other communications companies and targeted business and consumer subscribers. In addition, we provide voice, data and IP communication services to our Wireless segment.

Business Strategies and Key Priorities

Our business strategy is to be responsive to changing customer mobility demands by being innovative and differentiated in the marketplace. Our future growth plans and strategy revolve around continuing to achieve the following three key priorities:

- Improve the customer experience;
- Strengthen our brand; and
- Generate operating cash flow.

To simplify and improve the customer experience, we continue to offer Ready NowSM, which educates our subscribers on how to use their mobile devices before they leave the store. For our business customers, we aim to increase their productivity by providing differentiated services that utilize the advantages of combining wireline IP networks with wireless technology. This differentiation enables us to retain and acquire both wireline, wireless and combined wireline-wireless subscribers on our networks. We have also continued to focus on further improving customer care. We implemented initiatives that are designed to improve call center processes and procedures, and standardized our performance measures through various metrics, including customer satisfaction ratings with respect to customer care, first call resolution, and calls per subscriber.

We continue to strengthen our brand through offering a broad selection of some of the most desired and iconic devices, while focusing on continued enhancements to our network and our upgrade to LTE. We distinguish the Sprint brand from other wireless providers through our offerings of unlimited talk, text and data - guaranteed for life and the recently launched Sprint FramilySM plan and Sprint Easy Pay, which allow subscribers to forgo traditional service contracts and subsidized devices in exchange for lower monthly service fees, early upgrade options, or both.

In addition to our brand and customer-oriented goals, we continue to focus on generating increased operating cash flow through competitive rate plans for postpaid and prepaid subscribers, multi-branded strategies, and effectively managing our cost structure. Certain strategic decisions, such as our network modernization plans and the availability of the iPhone[®], which on average carries a higher equipment net subsidy, have resulted in a reduction in cash flows from operations. We also expect that Sprint Easy Pay will require a greater use of operating cash flows as compared to our traditional subsidized plans because the subscriber is financing the device over 24 months. However, we believe these actions will generate long-term benefits, including growth in valuable postpaid subscribers, a reduction in variable cost of service per unit and long-term accretion to cash flows from operations. See "Liquidity and Capital Resources" for more information.

Significant Transactions

On July 9, 2013, Sprint Nextel Corporation (Sprint Nextel) completed the acquisition of the remaining equity interests in Clearwire Corporation and its consolidated subsidiary Clearwire Communications LLC (together "Clearwire") that it did not previously own (Clearwire Acquisition) in an all cash transaction for approximately \$3.5 billion, net of cash acquired of \$198 million, which provides us with control of 2.5 gigahertz (GHz) spectrum and tower resources for use in conjunction with our network modernization plan. The consideration paid was allocated to assets acquired and liabilities assumed based on their estimated fair values at the time of the Clearwire Acquisition. The allocation of consideration paid was based on management's judgment after evaluating several factors, including a valuation assessment.

On July 10, 2013, SoftBank Corp. and certain of its wholly-owned subsidiaries (together, "SoftBank") completed the merger (SoftBank Merger) with Sprint Nextel contemplated by the Agreement and Plan of Merger, dated as of October 15, 2012 (as amended, the Merger Agreement), and the Bond Purchase Agreement, dated as of October 15, 2012 (as amended, the Bond Agreement). As a result of the SoftBank Merger, Starburst II, Inc. (Starburst II) became the parent company of Sprint Nextel. Immediately thereafter, Starburst II changed its name to Sprint Corporation and Sprint Nextel changed its name to Sprint Communications, Inc. Pursuant to the Bond Agreement, Sprint Communications, Inc. issued a convertible bond (Bond) to Starburst II with a principal amount of \$3.1 billion, interest rate of 1%, and maturity date of October 15, 2019, which was converted into 590,476,190 shares of Sprint Communications, Inc. common stock at \$5.25 per share immediately prior to the close of the SoftBank Merger.

As a result of the completion of the SoftBank Merger in which SoftBank acquired an approximate 78% interest in Sprint Corporation, and subsequent open market stock purchases, SoftBank owns approximately 80% of the outstanding voting common stock of Sprint Corporation. The SoftBank Merger consideration totaled approximately \$22.2 billion, consisting primarily of cash consideration of \$14.1 billion, net of cash acquired of \$2.5 billion, and the estimated fair value of the 22% interest in Sprint Corporation issued to the then existing stockholders of Sprint Communications, Inc. The allocation of consideration paid was based on management's judgment after evaluating several factors, including a valuation assessment. The close of the transaction provided additional equity funding of \$5.0 billion, consisting of \$3.1 billion received

by Sprint Communications, Inc. in October 2012 related to the Bond, which automatically converted to equity immediately prior to the closing of the SoftBank Merger, and \$1.9 billion cash consideration at closing of the SoftBank Merger.

In connection with the close of the SoftBank Merger, Sprint Corporation became the successor registrant to Sprint Nextel under Rule 12g-3 of the Securities Exchange Act of 1934 (Exchange Act) and is the entity subject to the reporting requirements of the Exchange Act for filings with the Securities and Exchange Commission (SEC) subsequent to the close of the SoftBank Merger. In addition, in order to align with SoftBank's reporting schedule, the Board of Directors approved a change in fiscal year end to March 31, effective March 31, 2014. References herein to fiscal year 2014 refer to the twelve-month period ending March 31, 2015.

Network Modernization

We are in the process of modernizing our network to allow the consolidation and optimization of our 1.9 GHz, 800 megahertz (MHz) and 2.5 GHz spectrum into our base stations. The Network Vision project, which commenced in late 2011, includes the deployment of enhanced 3G and 4G LTE technology using our 1.9 GHz spectrum and the deployment of voice technology on our 800 MHz spectrum on the majority of our 38,000 cell sites. We have substantially completed the deployment of enhanced 3G technology using 1.9 GHz spectrum. In addition, we have enabled High Definition Voice services nationwide with this technology. The deployment of enhanced 3G voice services utilizing our 800 MHz spectrum, which is subject to the timing and completion of work to reconfigure the spectrum (the "Report and Order"), and 4G LTE using our 1.9 GHz spectrum is expected to be substantially complete by the calendar year ended 2014.

Some of our subscribers have experienced network service disruptions, particularly voice service, during the construction phase of Network Vision, which, among other factors, we believe has contributed to the elevated postpaid churn rates in recent quarters (refer to the churn results table within "Results of Operations"). Based on our experience in several markets that have reached near completion of Network Vision construction, we have observed that network-related churn elevates during the construction phase and then gradually improves to pre-construction levels over a period of several months following the achievement of substantial completion in the market. Based on the observed performance trends as enhanced 3G has been deployed, we expect improvement in network-related churn to partially offset seasonal increases in postpaid churn in the latter part of calendar year 2014.

The Network Vision project and the related shut-down of the Nextel platform have resulted in incremental charges, beginning in 2012, including, but not limited to, an increase in depreciation associated with existing assets related to both the Nextel and Sprint platforms due to changes in our estimates of the remaining useful lives of long-lived assets, changes in the expected timing and amount of asset retirement obligations, and lease exit and other contract termination costs. The Nextel platform was successfully shut-down on June 30, 2013, and the remaining infrastructure is expected to be completely decommissioned by the end of calendar year 2016.

In October 2013, we announced Sprint SparkSM, which is an enhanced LTE network capability that analyzes our three spectrum bands of LTE and connects a device to the most optimal band available in the area. We expect the deployment period for this technology to be determined over time based on many factors including the availability of equipment, devices and applications. As part of Sprint Spark, we plan to continue to expand 4G LTE technology on our 800 MHz and 2.5 GHz spectrum, which we expect will further enhance the quality of our network. We expect the majority of the efforts to roll out 4G LTE on our 800 MHz spectrum band to be completed by the end of calendar year 2015, subject to the timing and completion of work to reconfigure the 800 MHz band (the "Report and Order"). We expect the majority of the efforts to roll out 4G LTE on our 2.5 GHz spectrum band to be completed over the next three years.

We are also modifying our existing backhaul architecture to enable increased capacity to our network at a lower cost by utilizing Ethernet as opposed to our existing time division multiplexing (TDM) technology. We are incurring termination costs associated with our TDM contractual commitments with third-party vendors on an on-going basis, and expect future termination costs will range between approximately \$100 million to \$150 million, the majority of which we expect will be recorded by March 31, 2016.

As of the date of the Clearwire Acquisition, Clearwire had deployed WiMAX technology on approximately 17,000 cell towers and was in the process of deploying 4G LTE technology using the 2.5 GHz spectrum on certain sites. We have evaluated our consolidated cell tower portfolio, including the 17,000 cell towers obtained in the Clearwire Acquisition, and identified approximately 6,500 redundant sites that we expect to no longer utilize. We expect lease exit costs recorded in future periods associated with these redundant sites to range between approximately \$50 million to \$100 million on a net present value basis. The timing of lease exit charges will be dependent upon the date we cease utilizing these sites without future economic benefit. We have continued to deploy 4G LTE technology using the 2.5 GHz spectrum on approximately

10,000 of the remaining Clearwire sites, of which 5,500 have now been completed. We plan to cease using WiMAX technology by the end of calendar year 2015.

Ultimately, we expect Network Vision, along with our ongoing network modernization efforts, to bring financial benefit to the Company through reduced network maintenance and operating costs, capital efficiencies, reduced energy costs, lower roaming expenses, backhaul savings, and reduction in total cell sites, as well as improvements to the quality of service to subscribers. Our expectation of financial savings is affected by multiple variables, including our expectation of the timeliness of modernization across our existing network footprint, which is managed by Sprint but is partly dependent upon our primary OEMs.

Installment Billing Programs

During 2013, wireless carriers introduced new plans that allow subscribers to forgo traditional service contracts and device subsidies in exchange for lower monthly service fees, early upgrade options, or both. In the latter part of 2013, AT&T, Verizon Wireless and T-Mobile each launched early upgrade programs that include an option to purchase a device using an installment billing program. Sprint offers our own device installment billing program called Sprint Easy Pay.

Under the Sprint Easy Pay installment billing program, we expect to recognize a majority of the revenue associated with future expected installment payments at the time of sale of the device. As compared to our traditional subsidized plans, this results in better alignment of the equipment revenue with the cost of the device, which is expected to reduce the amount of subsidy recognized in our operating results. Additionally, Sprint is offering lower monthly service fees without a traditional contract as an incentive to attract subscribers to the Family plan. These lower rates for service are available whether the subscriber brings their own handset, pays the full retail price of the handset or purchases the handset under our Sprint Easy Pay program. We expect Sprint platform postpaid ARPU to continue to decline as a result of the Family plan; however, as a result of Sprint Easy Pay, we also expect reduced equipment net subsidy expense to more than offset these declines. Therefore, the combination of these two items is expected to have a net positive contribution to earnings. Since the inception of the plans, the Family plan combined with the Sprint Easy Pay program have been accretive to earnings. We expect that trend to continue with the magnitude of the impact being dependent upon the rate of subscriber adoption. We also expect that Sprint Easy Pay will require a greater use of operating cash flows in the earlier part of the installment contract, if the subscriber pays less upfront than traditional plans, because the subscriber is financing the device over 24 months.

RESULTS OF OPERATIONS

As discussed above, both the Clearwire Acquisition and the SoftBank Merger were completed in July 2013. As a result of these transactions, the assets and liabilities of Sprint Communications and Clearwire were adjusted to estimated fair value on the respective closing dates. The Company's financial statement presentations distinguish between the predecessor period (Predecessor) relating to Sprint Communications for periods prior to the SoftBank Merger and the successor period (Successor) relating to Sprint Corporation, formerly known as Starburst II, for periods subsequent to the incorporation of Starburst II on October 5, 2012. The Successor financial information includes the activity and accounts of Sprint Corporation as of and for the three-month period ended June 30, 2014 and as of March 31, 2014, which includes the activity and accounts of Sprint Communications, inclusive of the consolidation of Clearwire Corporation, prospectively following completion of the SoftBank Merger (Post-merger period), beginning on July 11, 2013. The accounts and operating activity for the Successor three-month period ended June 30, 2013 consisted solely of the activity of Starburst II prior to the close of the SoftBank Merger. The Predecessor financial information represents the historical basis of presentation for Sprint Communications for the three-month period ended June 30, 2013 prior to the SoftBank Merger.

The following discussion covers results for the Successor three-month period ended June 30, 2014 as compared to the Predecessor three-month period ended June 30, 2013. The results for the Successor three-month period ended June 30, 2013 were considered insignificant and are not comparable to the Successor three-month period ended June 30, 2014 or Predecessor three-month period ended June 30, 2013 as the Successor entity was established on October 5, 2012 for the sole purpose of completing the SoftBank Merger. Results for the Successor three-month period ended June 30, 2013 primarily reflected merger expenses that were incurred (recognized in selling, general and administrative expense) and interest income related to the \$3.1 billion Bond issued in connection with the SoftBank Merger.

Acquisition Method of Accounting Effects to the Successor Three-Month Period Ending June 30, 2014

The allocation of the consideration transferred to assets acquired and liabilities assumed were based on estimated fair values as of the date of the SoftBank Merger, as described further in the Notes to the Consolidated Financial Statements. As a result, the following estimated impacts of purchase price accounting are included in our results of operations for the Successor three-month period ended June 30, 2014:

- Reduced postpaid wireless revenue and wireless cost of service of approximately \$28 million each for the Successor three-month period ended June 30, 2014, as a result of purchase accounting adjustments to deferred revenue and deferred costs;
- Increased rent expense of approximately \$29 million for the Successor three-month period ended June 30, 2014, which was included in cost of service, primarily attributable to the write-off of deferred rents associated with our operating leases, offset by the amortization of our net unfavorable leases recorded in purchase accounting;
- Reduced depreciation expense of approximately \$65 million for the Successor three-month period ended June 30, 2014 as a result of purchase accounting adjustments reflecting a net decrease to property, plant and equipment;
- Incremental amortization expense of approximately \$344 million for the Successor three-month period ended June 30, 2014, which was primarily attributable to the recognition of customer relationships of approximately \$6.9 billion; and
- Decrease in pension expense of approximately \$22 million for the Successor three-month period ended June 30, 2014, which was primarily reflected in selling, general and administrative expense, due to the purchase accounting adjustment to unrecognized net periodic pension and other post-retirement benefits.

Consolidated Results of Operations

The following table provides the Successor three months ended June 30, 2014 and 2013, and the Predecessor three months ended June 30, 2013. The Predecessor information represents the historical basis of presentation for Sprint Communications for all periods prior to the SoftBank Merger.

	Successor		Predecessor
	Three Months Ended June 30,		Three Months Ended June 30,
	2014	2013	2013
	(in millions)		
Wireless segment earnings	\$ 1,793	\$ —	\$ 1,294
Wireline segment earnings	35	—	129
Corporate, other and eliminations	(1)	(22)	1
Consolidated segment earnings (loss)	1,827	(22)	1,424
Depreciation	(868)	—	(1,563)
Amortization	(413)	—	(69)
Other, net	(27)	—	(666)
Operating income (loss)	519	(22)	(874)
Interest expense	(512)	—	(428)
Equity in losses of unconsolidated investments, net	—	—	(257)
Other income (expense), net	1	(153)	17
Income tax benefit (expense)	15	61	(55)
Net income (loss)	<u>\$ 23</u>	<u>\$ (114)</u>	<u>\$ (1,597)</u>

Depreciation Expense

Depreciation expense decreased \$695 million, or 44%, in the Successor three-month period ended June 30, 2014 compared to the same Predecessor period in 2013 primarily due to the absence of accelerated depreciation associated with equipment related to our Nextel and legacy Sprint platforms, which are now both fully depreciated. This reduction was partially offset by increased depreciation on asset additions primarily associated with our network modernization and assets

acquired as a result of the Clearwire Acquisition. The Network Vision deployment resulted in incremental charges during earlier stages of implementation including, but not limited to, an increase in depreciation associated with existing assets related to both the Nextel and Sprint platforms, due to changes in our estimates of the remaining useful lives of long-lived assets, and the expected timing and amount of asset retirement obligations, which continued to have an impact on our results of operations through 2013. The incremental effect of accelerated depreciation due to the implementation of Network Vision was approximately \$430 million during the Predecessor three-month period ended June 30, 2013, of which the majority related to the Nextel platform, compared to no such accelerated depreciation in the three-month period ended June 30, 2014.

Amortization Expense

Amortization expense increased \$344 million, or 499%, in the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013, primarily due to the recognition of definite-lived intangible assets related to customer relationships of approximately \$6.9 billion as a result of the SoftBank Merger. Customer relationship intangible assets are amortized using the sum-of-the-months'-digits method, which results in higher amortization rates in early periods that will decline over time.

Other, net

The following table provides additional information regarding items included in "Other, net" for the Successor three months ended June 30, 2014 and Predecessor three months ended June 30, 2013.

	Successor Three Months Ended June 30, 2014	Predecessor Three Months Ended June 30, 2013
	<i>(in millions)</i>	
Severance, exit costs and asset impairments	\$ (27)	\$ (632)
Other	—	(34)
Total	\$ (27)	\$ (666)

Other, net represented an expense of \$27 million in the Successor three-month period ended June 30, 2014 as compared to an expense of \$666 million in the same Predecessor period in 2013. Severance, exit costs and asset impairments of \$27 million for the three-month period ended June 30, 2014 included \$6 million of severance primarily associated with reductions in force and \$3 million of lease exit costs primarily associated with call center and retail store closures. In addition, we recognized \$18 million of costs during the period related to payments that will continue to be made under our backhaul access contracts for which we will no longer be receiving any economic benefit. Severance, exit costs and asset impairments in the Predecessor three-month period ended June 30, 2013 included \$516 million of lease exit costs associated with taking the remaining Nextel platform sites off-air and \$116 million related to payments that will continue to be made under our backhaul access contracts which will have no future economic benefit. The amount reflected in "Other" above for the Predecessor three-month period ended June 30, 2013 consists of \$34 million of business combination expenses recognized in the quarter ended June 30, 2013 and classified within selling, general and administrative expense in our consolidated statement of comprehensive income (loss).

Interest Expense

Interest expense increased \$84 million, or 20%, in the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013, primarily due to interest associated with debt issued in September and December 2013 and indebtedness assumed as a result of the Clearwire Acquisition. This was partially offset by premium amortization which was the result of our debt being revalued in connection with the SoftBank Merger. The effective interest rate, which includes capitalized interest, on the weighted average long-term debt balance of \$32.6 billion and \$24.4 billion was 6.4% and 7.2% for the Successor three-month period ended June 30, 2014 and the Predecessor three-month period ended June 30, 2013, respectively. See "Liquidity and Capital Resources" for more information on the Company's financing activities.

Equity in Losses of Unconsolidated Investments, net

As a result of the Clearwire Acquisition on July 9, 2013 and the resulting consolidation of Clearwire results of operations into the accounts of the Company, the Successor period results of operations do not reflect any equity in losses of unconsolidated investments. The equity in losses of unconsolidated investments, net in the Predecessor period primarily

consists of our proportionate share of losses from our equity method investment in Clearwire. Equity in losses from Clearwire were \$257 million for the Predecessor three-month period ended June 30, 2013.

Equity in losses from Clearwire for the three-month period ended June 30, 2013 included a \$65 million derivative loss associated with the change in fair value of the embedded derivative resulting from the exchangeable notes between Clearwire and Sprint.

Other income (expense), net

The following table provides additional information on items included in "Other income (expense), net" for the Successor three months ended June 30, 2014 and 2013, and Predecessor three months ended June 30, 2013.

	Successor		Predecessor
	Three Months Ended June 30,		Three Months Ended June 30,
	2014	2013	2013
	<i>(in millions)</i>		
Interest income	\$ 3	\$ 14	\$ 17
Change in fair value of derivative	—	(167)	—
Other, net	(2)	—	—
Total	<u>\$ 1</u>	<u>\$ (153)</u>	<u>\$ 17</u>

Other income (expense), net represented income of \$1 million for the Successor three-month period ended June 30, 2014 as compared to expense of \$153 million and income of \$17 million in the Successor three-month period ended June 30, 2013 and the Predecessor three-month period ended June 30, 2013, respectively. Other, net in the Successor three-month period ended June 30, 2013 primarily consisted of a \$167 million loss related to the embedded derivative associated with the convertible bond between Starburst II and Sprint Communications, Inc.

Income Taxes

The Successor period income tax benefit of \$15 million and \$61 million for the three-month periods ended June 30, 2014 and June 30, 2013, respectively, and the income tax expense of \$55 million for the Predecessor three-month period ended June 30, 2013, represented a consolidated effective tax rate of approximately (188)%, 35%, and (4)%, respectively. The (188)% effective tax rate for the three-month period ended June 30, 2014 was primarily attributable to a \$73 million decrease in the valuation allowance on deferred tax assets resulting from the planned disposition of certain FCC licenses. This income tax benefit was partially offset by \$58 million of income tax expense which is primarily attributable to an increase in taxable temporary differences from the amortization of FCC licenses for income tax purposes. The (4)% effective income tax rate for the Predecessor period ended June 30, 2013 was primarily attributable to tax expense resulting from taxable temporary differences from amortization of FCC licenses and increases to the valuation allowance for federal and state deferred tax assets related to net operating loss carryforwards generated during the period.

Segment Earnings - Wireless

Wireless segment earnings are a function of wireless service revenue, the sale of wireless devices and accessories, costs to acquire subscribers, network and interconnection costs to serve those subscribers and other Wireless segment operating expenses. The costs to acquire our subscribers include the net cost at which we sell our devices, referred to as equipment net subsidies, as well as the marketing and sales costs incurred to attract those subscribers. Network costs primarily represent switch and cell site costs, backhaul costs, and interconnection costs, which generally consist of per-minute usage fees and roaming fees paid to other carriers. The remaining costs associated with operating the Wireless segment include the costs to operate our customer care organization and administrative support. Wireless service revenue, costs to acquire subscribers, and variable network and interconnection costs fluctuate with the changes in our subscriber base and their related usage, but some cost elements do not fluctuate in the short term with these changes.

As shown by the table above under "Results of Operations," Wireless segment earnings represented almost all of our total consolidated segment earnings (loss) for the Successor three-month period ended June 30, 2014. The wireless industry is subject to competition to retain and acquire subscribers of wireless services. Most markets in which we operate have high rates of penetration for wireless services. Wireless carriers accordingly must attract a greater proportion of new subscribers from competitors rather than from first-time subscribers. Within the Wireless segment, postpaid wireless services represent the most significant contributors to earnings, and are driven by the number of postpaid subscribers to our services, as well as ARPU. Wireless segment earnings have declined over the last several years, primarily resulting from subscriber losses associated with our Nextel platform offerings as well as increased equipment net subsidy from smartphones. Our decision to shut-down the Nextel platform accelerated the loss of subscribers on that platform; however, we focused our efforts on recapturing these subscribers on our Sprint platform, resulting in the recapture of approximately 2.6 million Nextel platform postpaid subscribers beginning with the first quarter 2011 through June 30, 2013, which was when the Nextel platform was shut-down. In addition, we have taken initiatives to strengthen the Sprint brand, continue to increase market awareness of the improvements that have been achieved in the customer experience, and provide a competitive portfolio of devices and service plans for subscriber selection which have resulted in improved Wireless segment earnings in the three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013.

In late 2013, we introduced new service plans, which include device payment through installment billing, that allow subscribers to forgo traditional service contracts and device subsidies in exchange for lower monthly service fees, early upgrade options, or both. As the adoption rates of these plans increase throughout our base of subscribers, we expect to continue to see a decline in Sprint platform ARPU due to lower service pricing associated with our Family plan as compared to our traditional plans. However, we expect reduced subsidy expense associated with Sprint Easy Pay to more than offset these declines. We also expect the number of tablet and connected device subscribers as a percentage of the total postpaid subscriber base to increase in the fiscal year 2014, which would have a dilutive effect on ARPU.

The following table provides an overview of the results of operations of our Wireless segment for the Successor three months ended June 30, 2014 and the Predecessor three months ended June 30, 2013.

	Successor Three Months Ended June 30,	Predecessor Three Months Ended June 30,
	2014	2013
<i>(in millions)</i>		
Wireless Segment Earnings		
Sprint platform	\$ 5,553	\$ 5,835
Nextel platform	—	74
Total postpaid	5,553	5,909
Sprint platform	1,221	1,276
Nextel platform	—	17
Total prepaid	1,221	1,293
Other ⁽¹⁾	134	25
Retail service revenue	6,908	7,227
Wholesale, affiliate and other	179	131
Total service revenue	7,087	7,358
Cost of services (exclusive of depreciation and amortization)	(2,049)	(2,292)
Service gross margin	5,038	5,066
Service gross margin percentage	71 %	69 %
Equipment revenue	1,106	820
Cost of products	(2,158)	(2,298)
Equipment net subsidy	(1,052)	(1,478)
Equipment net subsidy percentage	(95)%	(180)%
Selling, general and administrative expense	(2,193)	(2,294)
Wireless segment earnings	\$ 1,793	\$ 1,294

(1) Represents service revenue primarily related to the acquisition of Clearwire on July 9, 2013.

Service Revenue

Our Wireless segment generates service revenue from the sale of wireless services and the sale of wholesale and other services. Service revenue consists of fixed monthly recurring charges, variable usage charges and miscellaneous fees such as activation fees, directory assistance, roaming, equipment protection, late payment and early termination charges, and certain regulatory related fees, net of service credits.

The ability of our Wireless segment to generate service revenue is primarily a function of:

- revenue generated from each subscriber, which in turn is a function of the types and amount of services utilized by each subscriber and the rates charged for those services; and
- the number of subscribers that we serve, which in turn is a function of our ability to retain existing subscribers and acquire new subscribers.

Retail comprises those subscribers to whom Sprint directly provides wireless services, whether those services are provided on a postpaid or a prepaid basis. We also categorize our retail subscribers as prime and subprime based upon subscriber credit profiles. We use proprietary scoring systems that measure the credit quality of our subscribers using several factors, such as credit bureau information, subscriber credit risk scores and service plan characteristics. Payment history is subsequently monitored to further evaluate subscriber credit profiles. On the Sprint platform, the mix of prime postpaid subscribers to total postpaid subscribers was 81% as of June 30, 2014 and 2013. Wholesale and affiliates are those subscribers who are served through MVNO and affiliate relationships as well as other arrangements through which wireless services are sold by Sprint to other companies that resell those services to subscribers.

Retail service revenue slightly decreased \$319 million, or 4%, for the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013. The decrease was driven by the loss of postpaid and prepaid subscribers due to the shut-down of the Nextel platform on June 30, 2013, combined with a growth in tablet sales and Family Plan subscribers that carry a lower average revenue per subscriber. These decreases are partially offset by the postpaid and prepaid revenues resulting from the Clearwire Acquisition in 2013.

Wholesale, affiliate and other revenues increased \$48 million, or 37%, for the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013 primarily due to interest revenue associated with installment billing on devices, in addition to an increase in revenues resulting from acquisitions in 2013. Approximately 46% of our wholesale and affiliate subscribers represent connected devices. These devices generate revenue from usage which varies depending on the solution being utilized. Average revenue per connected device is generally significantly lower than revenue from other wholesale and affiliate subscribers; however, the cost to service these subscribers is also lower resulting in a higher gross margin as a percent of revenue.

Average Monthly Service Revenue per Subscriber and Subscriber Trends

The table below summarizes average number of retail subscribers for the Successor three months ended June 30, 2014 and the Predecessor three months ended June 30, 2013. Additional information about the number of subscribers, net additions (losses) to subscribers, and average rates of monthly postpaid and prepaid subscriber churn for each quarter since the quarter ended June 30, 2013 may be found in the tables on the following pages.

	Successor Three Months Ended June 30, 2014	Predecessor Three Months Ended June 30, 2013
<i>(subscribers in thousands)</i>		
Average postpaid subscribers	30,373	31,104
Average prepaid subscribers	15,376	15,959
Average retail subscribers	45,749	47,063

The table below summarizes ARPU for the Successor three months ended June 30, 2014 and the Predecessor three months ended June 30, 2013. Additional information about ARPU for each quarter since the quarter ended June 30, 2013 may be found in the tables on the following pages.

	Successor Three Months Ended June 30, 2014	Predecessor Three Months Ended June 30, 2013
ARPU ⁽¹⁾ :		
Postpaid	\$ 61.65	\$ 63.59
Prepaid	\$ 27.97	\$ 27.02
Average retail	\$ 50.33	\$ 51.19

(1) ARPU is calculated by dividing service revenue by the sum of the monthly average number of subscribers in the applicable service category. Changes in average monthly service revenue reflect subscribers for either the postpaid or prepaid service category who change rate plans, the level of voice and data usage, the amount of service credits which are offered to subscribers, plus the net effect of average monthly revenue generated by new subscribers and deactivating subscribers.

Postpaid ARPU for the Successor three-month period ended June 30, 2014 decreased as compared to the same Predecessor period in 2013 primarily due to growth in sales of tablets, which carry a lower revenue per subscriber combined with the impact of subscriber migration to the Family plan, resulting in lower service fees. We expect Sprint platform postpaid ARPU to continue to decline during fiscal year 2014 as a result of lower service fees associated with Family plan subscribers who are using Sprint Easy Pay, and a continued increase in tablet mix that carry a lower ARPU; however, as a result of Sprint Easy Pay, we also expect the reduced equipment net subsidy expense to more than offset these declines. Prepaid ARPU for the Successor three-month period ended June 30, 2014 increased compared to the same Predecessor period in 2013 primarily due to the impact of a higher revenue per subscriber carried by subscribers acquired in the Clearwire Acquisition combined with an increase in ARPU among other prepaid brands as subscribers chose higher priced plans.

The following table shows (a) net additions (losses) of wireless subscribers, (b) our total subscribers, and (c) end of period connected device subscribers as of the end of each quarterly period beginning with the quarter ended June 30, 2013.

	June 30, 2013	Sept 30, 2013	Dec 31, 2013	March 31, 2014	June 30, 2014
Net additions (losses) (in thousands)⁽¹⁾					
Sprint platform:					
Postpaid	194	(360)	58	(231)	(181)
Prepaid	(486)	84	322	(364)	(542)
Wholesale and affiliates ⁽²⁾	(228)	181	302	212	503
Total Sprint platform	(520)	(95)	682	(383)	(220)
Nextel platform:					
Postpaid	(1,060)	—	—	—	—
Prepaid	(255)	—	—	—	—
Total Nextel platform	(1,315)	—	—	—	—
Transactions ⁽²⁾ :					
Postpaid	(179)	(175)	(127)	(102)	(64)
Prepaid	(20)	(56)	(103)	(51)	(77)
Wholesale	—	13	25	69	27
Total Transactions	(199)	(218)	(205)	(84)	(114)
Total retail postpaid	(1,045)	(535)	(69)	(333)	(245)
Total retail prepaid	(761)	28	219	(415)	(619)
Total wholesale and affiliate	(228)	194	327	281	530
Total Wireless	(2,034)	(313)	477	(467)	(334)
End of period subscribers (in thousands)⁽¹⁾					
Sprint platform:					
Postpaid ⁽³⁾	30,451	30,091	30,149	29,918	29,737
Prepaid	15,215	15,299	15,621	15,257	14,715
Wholesale and affiliates ⁽²⁾⁽³⁾⁽⁴⁾	7,710	7,862	8,164	8,376	8,879
Total Sprint platform	53,376	53,252	53,934	53,551	53,331
Transactions ⁽²⁾ :					
Postpaid	173	815	688	586	522
Prepaid	39	704	601	550	473
Wholesale	—	106	131	200	227
Total Transactions	212	1,625	1,420	1,336	1,222
Total retail postpaid ⁽³⁾	30,624	30,906	30,837	30,504	30,259
Total retail prepaid	15,254	16,003	16,222	15,807	15,188
Total wholesale and affiliates ⁽³⁾⁽⁴⁾	7,710	7,968	8,295	8,576	9,106
Total Wireless	53,588	54,877	55,354	54,887	54,553
Supplemental data - connected devices					
End of period subscribers (in thousands)⁽³⁾					
Retail postpaid	798	834	922	968	988
Wholesale and affiliates	3,057	3,298	3,578	3,882	4,192
Total	3,855	4,132	4,500	4,850	5,180

(1) A subscriber is defined as an individual line of service associated with each device activated by a customer. Subscribers that transfer from their original service category classification to another platform, or another service line within the same platform, are reflected as a net loss to the original service category and a net addition to their new service category. There is no net effect for such subscriber changes to the total wireless net additions (losses) or end of period subscribers.

(2) We acquired approximately 352,000 postpaid subscribers and 59,000 prepaid subscribers through an acquisition of assets from United States Cellular Corporation (U.S. Cellular) that closed on May 17, 2013. We acquired approximately 788,000 postpaid subscribers (excluding 29,000 Sprint wholesale subscribers transferred to Transactions postpaid subscribers that were originally recognized as part of our Clearwire MVNO arrangement), 721,000 prepaid subscribers, and 93,000 wholesale subscribers as a result of the Clearwire Acquisition when the transaction closed on July 9, 2013.

(3) Subscribers through some of our MVNO relationships have inactivity either in voice usage or primarily as a result of the nature of the device, where activity only occurs when data retrieval is initiated by the end-user and may occur infrequently. Although we continue to provide these subscribers access to our network through our MVNO relationships, approximately 1,519,000 subscribers at June 30, 2014 through these MVNO relationships have been inactive for at least six months, with no associated revenue during the three-month period ended June 30, 2014.

(4) End of period connected devices are included in total retail postpaid or wholesale and affiliates end of period subscriber totals for all periods presented.

The following table shows our average rates of monthly postpaid and prepaid subscriber churn as of the end of each quarterly period beginning with the quarter ended June 30, 2013.

	June 30, 2013	Sept 30, 2013	Dec 31, 2013	March 31, 2014	June 30, 2014
Monthly subscriber churn rate⁽¹⁾					
Sprint platform:					
Postpaid	1.83%	1.99%	2.07%	2.11%	2.05%
Prepaid	5.22%	3.57%	3.01%	4.33%	4.44%
Transactions ⁽²⁾ :					
Postpaid	26.64%	6.38%	5.48%	5.48%	4.15%
Prepaid	16.72%	8.84%	8.18%	5.11%	6.28%
Total retail postpaid	2.63%	2.09%	2.15%	2.18%	2.09%
Total retail prepaid	5.51%	3.78%	3.22%	4.35%	4.50%

(1) Churn is calculated by dividing net subscriber deactivations for the quarter by the sum of the average number of subscribers for each month in the quarter. For postpaid accounts comprising multiple subscribers, such as family plans and enterprise accounts, net deactivations are defined as deactivations in excess of subscriber activations in a particular account within 30 days. Postpaid and Prepaid churn consist of both voluntary churn, where the subscriber makes his or her own determination to cease being a subscriber, and involuntary churn, where the subscriber's service is terminated due to a lack of payment or other reasons.

(2) Subscriber churn related to the acquisition of assets from U.S. Cellular and the Clearwire Acquisition.

The following table shows our postpaid and prepaid ARPU as of the end of each quarterly period beginning with the quarter ended June 30, 2013.

	Predecessor		Successor		Combined ⁽²⁾		Successor	
	June 30, 2013	10 Days Ended July 10, 2013	Sept 30, 2013	Sept 30, 2013	Sept 30, 2013	Sept 30, 2013	Dec 31, 2013	March 31, 2014
ARPU								
Sprint platform:								
Postpaid	\$ 64.20	\$ 64.71	\$ 64.24	\$ 64.28	\$ 64.11	\$ 63.52	\$ 62.07	\$ 62.07
Prepaid	\$ 26.96	\$ 26.99	\$ 25.14	\$ 25.33	\$ 26.78	\$ 26.45	\$ 27.38	\$ 27.38
Nextel platform:								
Postpaid	\$ 36.66	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Prepaid	\$ 34.48	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Transactions ⁽¹⁾ :								
Postpaid	\$ 59.87	\$ 35.75	\$ 37.44	\$ 40.00	\$ 36.30	\$ 37.26	\$ 39.16	\$ 39.16
Prepaid	\$ 19.17	\$ 12.78	\$ 40.62	\$ 43.20	\$ 40.80	\$ 43.80	\$ 45.15	\$ 45.15
Total retail postpaid	\$ 63.59	\$ 64.55	\$ 63.48	\$ 63.69	\$ 63.44	\$ 62.98	\$ 61.65	\$ 61.65
Total retail prepaid	\$ 27.02	\$ 26.96	\$ 25.86	\$ 26.04	\$ 27.34	\$ 27.07	\$ 27.97	\$ 27.97

(1) Subscriber ARPU related to the acquisition of assets from U.S. Cellular and the Clearwire Acquisition.

(2) Combined ARPU for the quarterly period ending September 30, 2013 aggregates service revenue from the Predecessor 10-day period ended July 10, 2013 and the Successor three-month period ended September 30, 2013 divided by the sum of the monthly average subscribers during the three months ended September 30, 2013.

Subscriber Results

Sprint Platform Subscribers

Retail Postpaid — During the Successor three-month period ended June 30, 2014, net postpaid subscriber losses were 181,000 as compared to net additions of 194,000 in the Predecessor three-month period ended June 30, 2013, inclusive of 535,000 and 29,000 net additions of tablet devices, respectively, which generally have a significantly lower ARPU as compared to other wireless subscribers. The absence of Nextel platform recaptures was the primary driver for the change from net additions in 2013 to net losses in 2014. In addition, churn increased when comparing the Successor three-month period ended June 30, 2014 to the same Predecessor period in 2013 primarily due to increased competition and network-related churn impacted by Network Vision. We expect improvement in network-related churn to partially offset seasonal increases in postpaid churn in the latter part of calendar year 2014. In addition, some wireless carriers have recently undertaken various aggressive marketing efforts, including price reductions, to incent subscribers to switch carriers. As a result, we believe these efforts are also negatively impacting churn, which has a negative effect on earnings.

Retail Prepaid — During the Successor three-month period ended June 30, 2014, we lost 542,000 net prepaid subscribers, primarily due to deactivations associated with the annual recertification of Assurance Wireless subscribers, as compared to net losses of 486,000 in the Predecessor three-month period ended June 30, 2013, which were impacted by the annual recertification process but partially offset by additions in Assurance Wireless and our other prepaid brands.

The Lifeline program under which Assurance Wireless operates requires applicants to meet certain eligibility requirements and existing subscribers must recertify as to those requirements annually. New regulations in 2012, which impact all Lifeline carriers, impose stricter rules on the subscriber eligibility requirements and recertification. These new regulations also required a one-time recertification of the entire June 1, 2012 subscriber base by December 31, 2012. Accounts of subscribers who failed to respond by December 31, 2012 were suspended and made subject to our prepaid churn rules as described below (or 365 days in a limited number of states). However, subscribers could re-apply prior to being deactivated and also had the ability to receive by-the-minute service at their own expense. We deactivated the accounts of approximately 450,000 and 1.2 million subscribers primarily related to the recertification process in the quarters ended June 30, 2014 and June 30, 2013, respectively.

Prepaid subscribers are generally deactivated between 60 and 150 days from the later of the date of initial activation or replenishment; however, prior to account deactivation, targeted retention programs can be offered to qualifying subscribers to maintain ongoing service by providing up to an additional 150 days to make a replenishment. Subscribers targeted through these retention offers are not included in the calculation of churn until their retention offer expires without a replenishment to their account. As a result, end of period prepaid subscribers include subscribers engaged in these retention programs, however, the number of these subscribers as a percentage of our total prepaid subscriber base has remained consistent over the past four quarters. Assurance Wireless and Clearwire subscribers are excluded from these targeted retention programs.

Wholesale and Affiliate Subscribers — Wholesale and affiliate subscribers represent customers that are served on our networks through companies that resell our wireless services to their subscribers, customers residing in affiliate territories and connected devices that utilize our network. Of the 8.9 million Sprint platform subscribers included in wholesale and affiliates, approximately 47% represent connected devices. Wholesale and affiliate subscriber net additions were 503,000 during the Successor three-month period ended June 30, 2014 as compared to net losses of 228,000 during the Predecessor three-month period ended June 30, 2013, inclusive of net additions of connected devices totaling 310,000 and 254,000, respectively. Net additions were primarily attributable to growth in connected device subscribers as compared to net losses in the Predecessor three-month period 2013 from the Lifeline programs offered by our MVNO's selling prepaid services affected by new federal regulations, similar to the impact on our Assurance Wireless brand in *Retail Prepaid* above.

Transactions Subscribers

As part of the acquisition of assets from U.S. Cellular, which closed in May 2013, we acquired 352,000 postpaid subscribers and 59,000 prepaid subscribers. As part of the Clearwire Acquisition in July 2013, we acquired 788,000 postpaid subscribers (exclusive of Sprint platform wholesale subscribers acquired through our MVNO relationship with Clearwire that were transferred to postpaid subscribers within Transactions), 721,000 prepaid subscribers, and 93,000 wholesale subscribers. For the Successor three-month period ended June 30, 2014, we had net postpaid subscriber losses of 64,000, net prepaid subscriber losses of 77,000 and net wholesale subscriber additions of 27,000.

Cost of Services

Cost of services consists primarily of:

- costs to operate and maintain our networks, including direct switch and cell site costs, such as rent, utilities, maintenance, labor costs associated with network employees, and spectrum frequency leasing costs;
- interconnection costs-fixed interconnection costs, commonly referred to as backhaul costs, which consist of monthly flat-rate fees for facilities leased from local exchange carriers based on the number of cell sites and switches in service in a particular period and the related equipment installed at each site. Variable interconnection costs generally consist of per-minute use fees charged by other carriers for switching local calls, which fluctuate in relation to the level and duration of those terminating calls;
- long distance costs paid to the Wireline segment;
- costs to service and repair devices;
- regulatory fees;
- roaming fees paid to other carriers; and
- fixed and variable costs relating to payments to third parties for the use of their proprietary data applications, such as messaging, music, TV, and navigation services by our subscribers.

Cost of services decreased \$243 million, or 11%, for the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013, primarily reflecting reduced network costs such as rent, utilities and backhaul costs related to the shut-down of the Nextel platform in June 2013 combined with declining costs associated with Network Vision and a decrease in roaming fees due to lower volume and rates, partially offset by net increases as a result of the Clearwire Acquisition.

Equipment Net Subsidy

We recognize equipment revenue and corresponding costs of devices when title and risk of loss passes to the indirect dealer or end-use subscriber, assuming all other revenue recognition criteria are met. Our marketing plans assume that devices will be sold under the traditional device subsidy model or the device installment payment model. Under the traditional device subsidy model, we offer certain incentives to retain and acquire subscribers such as new devices at discounted prices. The cost of these incentives is recorded as a reduction to equipment revenue upon activation of the device with a service contract. Under the current installment payment model, the device is sold at full retail price and we recognize a majority of the revenue associated with future expected installment payments at the time of sale of the device, which results in the recognition of significantly less equipment net subsidy.

Cost of products includes equipment costs (primarily devices and accessories), order fulfillment related expenses, and write-downs of device and accessory inventory related to shrinkage and obsolescence. Additionally, cost of products is reduced by any rebates that are earned from the equipment manufacturers. Cost of products in excess of the net revenue generated from equipment sales is referred to in the industry as equipment net subsidy. We also make incentive payments to certain indirect dealers, who purchase the iPhone® directly from Apple. Those payments are recognized as selling, general and administrative expenses when the device is activated with a Sprint service plan because Sprint does not recognize any equipment revenue or cost of products for those transactions. (See Selling, General and Administrative Expense below.)

Equipment revenue increased \$286 million, or 35%, for the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013. The increase in equipment revenue was primarily due to higher average sales prices per postpaid and prepaid device sold combined with the impact of a different revenue recognition model related to our installment billing program for device purchases. The increase was partially offset by fewer postpaid and prepaid handsets sold. Cost of products declined \$140 million, or 6%, for the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013, primarily due to fewer postpaid and prepaid handsets sold, slightly offset by higher average cost per device sold for postpaid and prepaid devices.

Selling, General and Administrative Expense

Sales and marketing costs primarily consist of subscriber acquisition costs, including commissions paid to our indirect dealers, third-party distributors and retail sales force for new device activations and upgrades, residual payments to our indirect dealers, payments made to OEMs for direct source equipment, payroll and facilities costs associated with our retail sales force, marketing employees, advertising, media programs and sponsorships, including costs related to branding. General and administrative expenses primarily consist of costs for billing, customer care and information technology

operations, bad debt expense and administrative support activities, including collections, legal, finance, human resources, corporate communications, strategic planning, and technology and product development.

Sales and marketing expense was \$1.2 billion representing a decrease of \$79 million, or 6%, for the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013. The decrease was primarily due to a reduction in labor-related costs due to our reduction in force and retail store closures, combined with lower media spend and commission expense.

General and administrative costs were \$954 million, representing a decrease of \$22 million, or 2%, for the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013, primarily reflecting a decrease in customer care costs primarily due to lower call volumes and labor-related initiatives, partially offset by an increase in bad debt expense. Bad debt expense was \$225 million for the three-month period ended June 30, 2014, representing a \$123 million, or 121%, increase as compared to bad debt expense of \$102 million for the same Predecessor period in 2013. The increase in bad debt expense primarily reflects the impact of increased receivables related to our installment billing program. We reassess our allowance for doubtful accounts quarterly. Changes in our allowance for doubtful accounts are largely attributable to the analysis of historical collection experience and changes, if any, in credit policies established for subscribers.

Segment Earnings - Wireline

We provide a broad suite of wireline voice and data communications services to other communications companies and targeted business and consumer subscribers. In addition, we provide voice, data and IP communication services to our Wireless segment. We are one of the nation's largest providers of long distance services and operate all-digital global long distance and Tier 1 IP networks. Our services and products include domestic and international data communications using various protocols such as multiprotocol label switching technologies (MPLS), IP, managed network services, Voice over Internet Protocol (VoIP), Session Initiated Protocol (SIP), and traditional voice services. Our IP services can also be combined with wireless services. Such services include our Sprint Mobile Integration service, which enables a wireless handset to operate as part of a subscriber's wireline voice network, and our DataLinkSM service, which uses our wireless networks to connect a subscriber location into their primarily wireline wide-area IP/MPLS data network, making it easy for businesses to adapt their network to changing business requirements. In addition to providing services to our business customers, a significant amount of voice and data traffic on our wireline network relates to our Wireless segment as a result of growing usage by our wireless subscribers.

We continue to assess the portfolio of services provided by our Wireline business and are focusing our efforts on IP-based data services and de-emphasizing stand-alone voice services and non-IP-based data services. We also continue to provide voice services primarily to business consumers. Our Wireline segment markets and sells its services primarily through direct sales representatives.

Wireline segment earnings are primarily a function of wireline service revenue, network and interconnection costs, and other Wireline segment operating expenses. Network costs primarily represent special access costs and interconnection costs, which generally consist of domestic and international per-minute usage fees paid to other carriers. The remaining costs associated with operating the Wireline segment include the costs to operate our customer care and billing organizations in addition to administrative support. Wireline service revenue and variable network and interconnection costs fluctuate with the changes in our customer base and their related usage, but some cost elements do not fluctuate in the short term with the changes in our customer usage. For fiscal year 2014, we expect wireline segment earnings to decline significantly as compared to calendar year 2013 as one of our larger cable Multiple System Operators (MSO's) completes the transition to in-source the digital voice services provided by our network. Our wireline services provided to our Wireless segment are generally accounted for based on market rates, which we believe approximate fair value. The Company generally re-establishes these rates at the beginning of each fiscal year. Over the past several years, there has been an industry wide trend of lower rates due to increased competition from other wireline and wireless communications companies as well as cable and Internet service providers. For fiscal year 2014, we expect wireline segment earnings to decline by approximately \$150 million to \$160 million as compared to calendar year 2013 to reflect changes in market prices for services provided by our Wireline segment to our Wireless segment. Declines in wireline segment earnings related to intercompany pricing rates do not affect our consolidated results of operations as our Wireless segment benefits from an equivalent reduction in cost of service.

The following table provides an overview of the results of operations of our Wireline segment for the Successor three months ended June 30, 2014 and the Predecessor three months ended June 30, 2013.

	Successor Three Months Ended June 30,	Predecessor Three Months Ended June 30,
	2014	2013
<i>(in millions)</i>		
Wireline Segment Earnings		
Voice	\$ 327	\$ 377
Data	56	87
Internet	345	432
Other	18	14
Total net service revenue	746	910
Cost of services and products	(626)	(669)
Service gross margin	120	241
Service gross margin percentage	16%	26%
Selling, general and administrative expense	(85)	(112)
Wireline segment earnings	\$ 35	\$ 129

Wireline Revenue

Voice Revenues

Voice revenues for the Successor three-month period ended June 30, 2014 decreased \$50 million, or 13%, as compared to the same Predecessor period in 2013. Overall rate declines were primarily due to the decline in prices for the sale of services to our Wireless segment partially offset by increases in international hubbing volumes in the three-month period ended June 30, 2014. Voice revenues generated from the sale of services to our Wireless segment represented 28% of total voice revenues for the Successor three-month period ended June 30, 2014 as compared to 32% for the Predecessor three-month period ended June 30, 2013.

Data Revenues

Data revenues reflect sales of data services, primarily Private Line and managed network services bundled with non-IP-based data access. Data revenues decreased \$31 million, or 36%, for the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013 as a result of customer churn, primarily related to Private Line. Data revenues generated from the provision of services to the Wireless segment represented 43% of total data revenue for the Successor three-month period ended June 30, 2014 as compared to 51% for the Predecessor three-month period ended June 30, 2013.

Internet Revenue

IP-based data services revenue reflects sales of Internet services, including MPLS, VoIP, SIP, and managed services bundled with IP-based data access. IP-based data services decreased \$87 million, or 20%, for the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013, primarily due to fewer IP customers, and in particular, the final transition to in-sourcing at one of our larger cable MSO's. In addition, revenue was also impacted by a decline in the sale of services to our Wireless segment due to the elimination of backhaul associated with the decommissioning of the Nextel platform as of June 30, 2013. Sale of services to our Wireless segment represented 11% of total Internet revenues in both the Successor three-month transition period ended June 30, 2014 and the Predecessor three-month period ended June 30, 2013.

Other Revenues

Other revenues, which primarily consist of sales of customer premises equipment, increased \$4 million, or 29%, in the Successor three-month period ended June 30, 2014, as compared to the same Predecessor period in 2013.

Costs of Services and Products

Costs of services and products include access costs paid to local phone companies, other domestic service providers and foreign phone companies to complete calls made by our domestic subscribers, costs to operate and maintain our networks, and costs of equipment. Costs of services and products decreased \$43 million, or 6%, in the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013 primarily due to lower access

expense as the result of savings initiatives and declining voice and IP volumes. Service gross margin percentage decreased from 26% in the Predecessor three-month period ended June 30, 2013 to 16% in the Successor three-month period ended June 30, 2014 primarily as a result of a decrease in net service revenue combined with a decrease in cost of services and products.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased \$27 million, or 24%, in the Successor three-month period ended June 30, 2014 as compared to the same Predecessor period in 2013. The decrease was primarily due to a reduction in shared administrative and employee related costs required to support the Wireline segment as a result of the decline in revenue. Total selling, general and administrative expense as a percentage of net services revenue was 11% in the Successor three-month period ended June 30, 2014 compared to 12% in the Predecessor three-month period ended June 30, 2013.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

	<div> <div>Successor</div> <div>Three Months Ended June 30,</div> <div>2014</div> </div>	<div> <div>Predecessor</div> <div>Three Months Ended June 30,</div> <div>2013</div> </div>
	<i>(in millions)</i>	
Net cash provided by operating activities	\$ 679	\$ 1,235
Net cash used in investing activities	\$ (1,277)	\$ (1,654)
Net cash used in financing activities	\$ (201)	\$ (260)

Operating Activities

Net cash provided by operating activities of approximately \$679 million in the Successor three-month period ended June 30, 2014 decreased \$556 million from the same Predecessor period in 2013. The decrease was due to decreased cash received from customers of \$364 million primarily as a result of increases in installment billing receivables and declines in net operating revenues, increased vendor and labor-related payments of \$69 million and increased interest payments of \$112 million primarily related to the debt issued in December 2013 and the debt acquired as part of the Clearwire Acquisition.

Investing Activities

Net cash used in investing activities in the Successor three-month period ended June 30, 2014 decreased by approximately \$377 million as compared to the same Predecessor period in 2013, primarily due to decreased capital expenditures of \$325 million and \$95 million in reimbursements of our costs of clearing the H Block spectrum as part of the Report and Order obligations. These were partially offset by increased purchases of short-term investments of approximately \$700 million. In addition, for the Predecessor three-month period ended June 30, 2013, we had \$509 million in acquisitions, net of cash acquired of which the majority related to the acquisition of certain assets from U.S. Cellular and as part of an amended exchangeable notes agreement we had with Clearwire, Clearwire elected to draw \$160 million in the Predecessor quarter ended June 30, 2013. As a result of the Clearwire Acquisition, the exchangeable notes agreement was terminated and no notes remain outstanding.

Financing Activities

Net cash used in financing activities was \$201 million during the Successor three-month period ended June 30, 2014, which was primarily due to principal payments on the iPCS, Inc. Second Lien Secured Floating Rate Notes due 2014 of approximately \$181 million. Net cash used in financing activities was \$260 million during the Predecessor three-month period ended June 30, 2013, which was primarily due to principal payments on the iPCS, Inc. First Lien Secured Floating Rate Notes due 2013 of approximately \$300 million.

Working Capital

As of June 30, 2014 and March 31, 2014, we had working capital of \$1.9 billion. Our working capital as of June 30, 2014 and March 31, 2014 included accrued capital expenditures for unbilled services totaling approximately \$1.1 billion and \$1.2 billion, respectively, related to our network modernization.

Available Liquidity

On May 16, 2014, certain wholly-owned subsidiaries of Sprint entered into a two-year committed facility (the Receivables Facility) to sell certain accounts receivable on a revolving basis, subject to a maximum funding limit of \$1.3 billion. The actual amount available to draw upon will vary based on eligible receivables as defined in the agreement, therefore, the amount available to withdraw will vary. Sales of eligible receivables may occur daily and are settled on a monthly basis. Sprint pays a fee for the drawn and undrawn portions of the Receivables Facility. The receivables primarily consist of wireless service charges currently due from subscribers and are short-term in nature. As of June 30, 2014, Sprint had not sold any accounts receivable and the amount available under the Receivables Facility was \$1.2 billion.

As of June 30, 2014, our liquidity, including cash, cash equivalents, short-term investments, and available borrowing capacity under our revolving bank credit facility and availability under the Receivables Facility was \$9.1 billion. Our cash, cash equivalents and short-term investments totaled \$5.5 billion as of June 30, 2014 compared to \$6.2 billion as of March 31, 2014. As of June 30, 2014, approximately \$922 million in letters of credit were outstanding under our \$3.3 billion revolving bank credit facility, including the letter of credit required by the 2004 FCC Report and Order. Certain indentures that govern our outstanding notes also require compliance with various covenants, including covenants that limit the ability of the Company and its subsidiaries to sell all or substantially all of its assets, and limit the ability of the Company and its subsidiaries to incur indebtedness and liens, each as defined by the terms of the indentures and supplemental indentures. As a result of the outstanding letters of credit, which directly reduce the availability of the revolving bank credit facility, we had approximately \$2.4 billion of borrowing capacity available under the revolving bank credit facility as of June 30, 2014. Our revolving bank credit facility expires in February 2018.

Strategic Initiatives

Apple Contract

Our commitment with Apple requires us to purchase a minimum number of smartphones. Since our launch of the iPhone, we have sold approximately 18.0 million iPhones and continue to project that we will meet our minimum obligation over the contract term.

Network Capital Expenditures

We are currently in the process of modernizing our network and deploying new technology to allow for the consolidation and optimization of our existing 800 MHz and 1.9 GHz spectrum, along with the 2.5 GHz spectrum into our base stations. Our expected timeline, our capital needs to maintain and operate our existing infrastructure, and our integration of the recently acquired Clearwire 2.5 GHz spectrum are expected to require substantial amounts of capital expenditures and increased operating expenditures during the period of integration and deployment.

Long-Term Debt

There were no debt issuances and we retired the remaining \$181 million of the iPCS, Inc. Second Lien Secured Floating Rate Notes during the three-month period ended June 30, 2014.

Liquidity and Capital Resource Requirements

To meet our short- and long-term liquidity requirements, we look to a variety of funding sources. Our existing liquidity balance and cash generated from operating activities is our primary source of funding. In addition to cash flows from operating activities, we rely on the ability to issue debt and equity securities, the ability to issue other forms of financing, proceeds from the sale of certain accounts receivable under the Receivables Facility, and the borrowing capacity available under our credit facilities to support our short- and long-term liquidity requirements. We believe our existing available liquidity and cash flows from operations will be sufficient to meet our funding requirements through the next twelve months, including debt service requirements and other significant future contractual obligations. To maintain an adequate amount of available liquidity and execute according to the timeline of our current business plan, which includes network deployment and maintenance, subscriber growth, data usage capacity needs and the expected achievement of a cost structure intended to achieve more competitive margins, we may need to raise additional funds from external resources. If we are unable to fund our remaining capital needs from external resources on terms acceptable to us, we would need to modify our existing business plan, which could adversely affect our expectation of long-term benefits to results from operations and cash flows from operations.

The terms and conditions of our revolving bank credit facility, which expires in February 2018, require that, at the end of each fiscal quarter, the ratio (Leverage Ratio) of total indebtedness to trailing four quarters earnings before interest, taxes, depreciation and amortization and other non-recurring items (adjusted EBITDA each as defined in the applicable

agreement), not exceed 6.25 to 1.0 at any quarter end through June 30, 2014. After June 30, 2014, the Leverage Ratio declines on a scheduled basis, as determined by the credit agreement, until the ratio becomes fixed at 4.0 to 1.0 for the fiscal quarter ending December 31, 2016 and each fiscal quarter ending thereafter. The unsecured EDC Agreement and secured equipment credit facility were amended on March 12, 2013 and June 24, 2013, respectively, to provide for terms similar to those of the amended revolving bank credit facility, except that under the terms of the EDC Agreement and secured equipment credit facility, repayments of outstanding amounts cannot be re-drawn. As of June 30, 2014, our Leverage Ratio, as defined by the amended revolving bank credit facility, EDC Agreement, and secured equipment credit facility was 5.1 to 1.0. In addition, since our leverage ratio exceeded 2.5 to 1.0 at period end, we were restricted from paying cash dividends.

In determining our expectation of future funding needs in the next twelve months and beyond, we have considered:

- projected revenues and expenses relating to our operations, including the impacts related to our installment billing program;
- availability of up to \$1.3 billion in funding as a result of the execution of the Receivables Facility in May 2014, which terminates in May 2016 unless extended;
- continued availability of a revolving bank credit facility in the amount of \$3.3 billion, which expires in February 2018;
- any scheduled payments or anticipated redemptions related to capital lease and debt obligations assumed in the Clearwire Acquisition;
- anticipated levels and timing of capital expenditures, including the capacity and upgrading of our networks and the deployment of new technologies in our networks, and FCC license acquisitions taking into consideration the 2.5 GHz spectrum acquired in the Clearwire Acquisition;
- anticipated payments under the Report and Order, as supplemented;
- any additional contributions we may make to our pension plan;
- any scheduled principal payments; and
- other future contractual obligations, including our network modernization plan, and general corporate expenditures.

Our ability to fund our capital needs from external sources is ultimately affected by the overall capacity and terms of the banking and securities markets, as well as our performance and our credit ratings. Given our recent financial performance as well as the volatility in these markets, we continue to monitor them closely and to take steps to maintain financial flexibility at a reasonable cost of capital.

The following outlooks and credit ratings from Moody's Investor Service, Standard & Poor's Ratings Services, and Fitch Ratings for certain of Sprint Corporation's outstanding obligations were:

Rating Agency	Rating				Outlook
	Issuer Rating	Unsecured Notes	Guaranteed Notes	Bank Credit Facility	
Moody's	Ba3	B1	Ba2	Baa3	Stable
Standard and Poor's	BB-	BB-	BB+	BB+	Stable
Fitch	B+	B+	BB	BB	Stable

We expect to remain in compliance with our covenants through the next twelve months, although there can be no assurance that we will do so. Although we expect to improve our Sprint platform postpaid subscriber results, and execute on our network modernization and integration plans, if we do not meet our expectations of adding higher ARPU, postpaid device (versus tablet) subscribers, depending on the severity of any difference in actual results versus what we currently anticipate, it may make it difficult for us to generate sufficient EBITDA to remain in compliance with our covenants or be able to meet our debt service obligations, which could result in acceleration of our indebtedness. If such unforeseen events occur, we may engage with our lenders to obtain appropriate waivers or amendments of our credit facilities or refinance borrowings, although there is no assurance we would be successful in any of these actions.

A default under certain of our borrowings could trigger defaults under certain of our other debt obligations, which in turn could result in the maturities being accelerated. Certain indentures that govern our outstanding notes also require compliance with various covenants, including covenants that limit the Company's ability to sell all or substantially all of its assets and limit the Company and its subsidiaries' ability to incur indebtedness and liens, each as defined by the terms of the indentures.

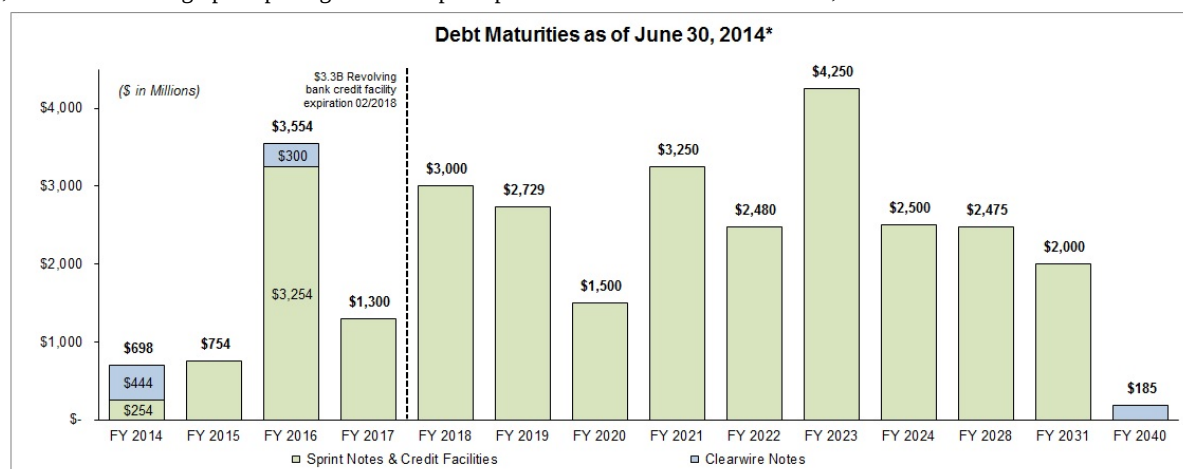
CURRENT BUSINESS OUTLOOK

The Company expects calendar year 2014 consolidated segment earnings to be between \$6.7 billion and \$6.9 billion and calendar year 2014 capital expenditures to be below \$7 billion.

The above discussion is subject to the risks and other cautionary and qualifying factors set forth under "Forward-Looking Statements" below and and Part I, Item 1A. "Risk Factors" of our Transition Report on Form 10-K for the period ended March 31, 2014.

FUTURE CONTRACTUAL OBLIGATIONS

There have been no significant changes to our future contractual obligations as disclosed in our Transition Report on Form 10-K for the period ended March 31, 2014. Below is a graph depicting our future principal maturities of debt as of June 30, 2014.



* This table excludes (i) our unsecured revolving bank credit facility, which will expire in 2018 and has no outstanding balance, and under which \$922 million in letters of credit are outstanding, (ii) vendor financing notes assumed in the Clearwire Acquisition, and (iii) all capital leases and other financing obligations.

OFF-BALANCE SHEET FINANCING

On May 16, 2014, certain wholly-owned subsidiaries of Sprint entered into the Receivables Facility, a two-year committed facility to sell certain accounts receivable on a revolving basis, subject to a maximum funding limit of \$1.3 billion. Sales of eligible receivables occur daily and are settled on a monthly basis. Sprint pays a fee for the drawn and undrawn portions of the Receivables Facility. The receivables primarily consist of wireless service charges currently due from subscribers and are short-term in nature.

Sprint's other off-balance sheet arrangements consist of the guarantee liabilities that arise from the option provided to our subscribers to purchase, on a monthly basis, access to unlimited data coupled with an annual trade-in right. The guarantee liability is estimated based on assumptions, including, but not limited to, the expected fair value of the used device at trade-in, subscribers' estimated remaining balance of the installment receivable, and the probability and timing of the trade-in. When the subscriber elects to exercise the trade-in right, the difference between the outstanding balance of the installment receivable and the estimated fair value of the returned device is recorded as a reduction of the guarantee liability. If the subscriber elects to stop purchasing the option prior to, or after, becoming eligible to exercise the trade-in right, we recognize the amount of the associated guarantee liability as operating revenue. At each reporting date, we reevaluate our estimate of the guarantee liability. If all subscribers, who elected the option, were to claim their benefit at the earliest contractual time of eligible trade-in, the maximum amount of the guarantee liability (*i.e.*, the estimated unpaid balance of the subscribers' installment contracts) would be approximately \$406 million at June 30, 2014. This amount is not an indication of the Company's expected loss exposure because it does not consider the expected fair value of the used handset, which is required to be returned to us in good working condition at trade-in, nor does it consider the probability and timing of trade-in.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company applies those accounting policies that management believes best reflect the underlying business and economic events, consistent with accounting principles generally accepted in the United States. Inherent in such policies are certain key assumptions and estimates made by management. Management regularly updates its estimates used in the preparation of the consolidated financial statements based on its latest assessment of the current and projected business and general economic environment. Information regarding the Company's Critical Accounting Policies and Estimates is included in Item 7 of the Company's Transition Report on Form 10-K for the period ended March 31, 2014.

FINANCIAL STRATEGIES

General Risk Management Policies

Our board of directors has adopted a financial risk management policy that authorizes us to enter into derivative transactions, and all transactions comply with the policy. We do not purchase or hold any derivative financial instruments for speculative purposes with the exception of equity rights obtained in connection with commercial agreements or strategic investments, usually in the form of warrants to purchase common shares.

Derivative instruments are primarily used for hedging and risk management purposes. Hedging activities may be done for various purposes, including, but not limited to, mitigating the risks associated with an asset, liability, committed transaction or probable forecasted transaction. We seek to minimize counterparty credit risk through stringent credit approval and review processes, credit support agreements, continual review and monitoring of all counterparties, and thorough legal review of contracts. Exposure to market risk is controlled by regularly monitoring changes in hedge positions under normal and stress conditions to ensure they do not exceed established limits.

OTHER INFORMATION

We routinely post important information on our website at www.sprint.com/investors. Information contained on or accessible through our website is not part of this report.

FORWARD-LOOKING STATEMENTS

We include certain estimates, projections and other forward-looking statements in our annual, quarterly and current reports, and in other publicly available material. Statements regarding expectations, including performance assumptions and estimates relating to capital requirements, as well as other statements that are not historical facts, are forward-looking statements.

These statements reflect management's judgments based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. With respect to these forward-looking statements, management has made assumptions regarding, among other things, subscriber and network usage, subscriber growth and retention, pricing, operating costs, the timing of various events, and the economic and regulatory environment.

Future performance cannot be assured. Actual results may differ materially from those in the forward-looking statements. Some factors that could cause actual results to differ include:

- our ability to retain and attract subscribers and to manage credit risks associated with our subscribers;
- the ability of our competitors to offer products and services at lower prices due to lower cost structures;
- our ability to operationalize the anticipated benefits from the SoftBank, Clearwire and U.S. Cellular transactions;
- our ability to comply with restrictions imposed by the U.S. Government as a precondition to our merger with SoftBank;
- our ability to fully integrate the operations of Clearwire and access and utilize its spectrum;
- the effects of vigorous competition on a highly penetrated market, including the impact of competition on the price we are able to charge subscribers for services and equipment we provide and on the geographic areas served by Sprint's wireless networks;

- the impact of equipment net subsidy costs; the impact of increased purchase commitments; the overall demand for our service offerings, including the impact of decisions of new or existing subscribers between our postpaid and prepaid service offerings; and the impact of new, emerging and competing technologies on our business;
- our ability to provide the desired mix of integrated services to our subscribers;
- the ability to generate sufficient cash flow to fully implement our network modernization and integration plans to improve and enhance our networks and service offerings, improve our operating margins, implement our business strategies and provide competitive new technologies;
- the effective implementation of our network modernization plans, including timing, execution, technologies, costs, and performance of our network;
- our ability to retain subscribers acquired during transactions and mitigate related increases in churn;
- our ability to continue to access our spectrum and additional spectrum capacity;
- changes in available technology and the effects of such changes, including product substitutions and deployment costs;
- our ability to obtain additional financing on terms acceptable to us, or at all;
- volatility in the trading price of our common stock, current economic conditions and our ability to access capital;
- the impact of various parties not meeting our business requirements, including a significant adverse change in the ability or willingness of such parties to provide devices or infrastructure equipment for our networks;
- the costs and business risks associated with providing new services and entering new geographic markets;
- potential increase in subscriber churn, bad debt expense and write-offs related to our Family Plan or Easy Pay Plan;
- the effects of any material impairment of our goodwill or indefinite-lived intangible assets;
- the effects of any future merger or acquisition involving us, as well as the effect of mergers, acquisitions and consolidations, and new entrants in the communications industry, and unexpected announcements or developments from others in the communications industry;
- unexpected results of litigation filed against us or our suppliers or vendors;
- the costs or potential customer impact of compliance with regulatory mandates including, but not limited to, compliance with the FCC's Report and Order to reconfigure the 800 MHz band and government regulation regarding "net neutrality";
- equipment failure, natural disasters, terrorist acts or breaches of network or information technology security;
- one or more of the markets in which we compete being impacted by changes in political, economic or other factors such as monetary policy, legal and regulatory changes, or other external factors over which we have no control;
- the impact of being a "controlled company" exempt from many corporate governance requirements of the NYSE; and
- other risks referenced from time to time in this report and other filings of ours with the SEC, including Part I, Item 1A. "Risk Factors" of our Transition Report on Form 10-K for the period ended March 31, 2014.

The words "may," "could," "should," "estimate," "project," "forecast," "intend," "expect," "anticipate," "believe," "target," "plan," "providing guidance" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are found throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations, and elsewhere in this report. Readers are cautioned that other factors, although not listed above, could also materially affect our future performance and operating results. The reader should not place undue reliance on forward-looking statements, which speak only as of the date of this report. We are not obligated to publicly release any revisions to forward-looking statements to reflect events after the date of this report, including unforeseen events.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are primarily exposed to the market risk associated with unfavorable movements in interest rates, foreign currencies, and equity prices. The risk inherent in our market risk sensitive instruments and positions is the potential loss arising from adverse changes in those factors. There have been no material changes to our market risk policies or our market risk sensitive instruments and positions as described in our Transition Report on Form 10-K for the period ended March 31, 2014.

Item 4. Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports under the Securities Exchange Act of 1934, such as this Quarterly Report on Form 10-Q, is reported in accordance with the SEC's rules. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

In connection with the preparation of this Quarterly Report on Form 10-Q as of June 30, 2014, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of the disclosure controls and procedures were effective as of June 30, 2014 in providing reasonable assurance that information required to be disclosed in reports we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure and in providing reasonable assurance that the information is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

Internal controls over our financial reporting continue to be updated as necessary to accommodate modifications to our business processes and accounting procedures. There have been no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

In March 2009, a stockholder brought suit, *Bennett v. Sprint Nextel Corp.*, in the U.S. District Court for the District of Kansas, alleging that Sprint Communications and three of its former officers violated Section 10(b) of the Exchange Act and Rule 10b-5 by failing adequately to disclose certain alleged operational difficulties subsequent to the Sprint-Nextel merger, and by purportedly issuing false and misleading statements regarding the write-down of goodwill. The plaintiff seeks class action status for purchasers of Sprint Communications common stock from October 26, 2006 to February 27, 2008. On January 6, 2011, the Court denied the motion to dismiss. Subsequently, our motion to certify the January 6, 2011 order for an interlocutory appeal was denied, and discovery is continuing. The plaintiff moved to certify a class of bondholders as well as owners of common stock, and on March 27, 2014, the court certified a class including bondholders as well as stockholders. On April 11, 2014 we filed a petition to appeal that certification order to the Tenth Circuit Court of Appeals but that petition was denied. Sprint Communications believes the complaint is without merit and intends to continue to defend the matter vigorously. We do not expect the resolution of this matter to have a material adverse effect on our financial position or results of operations.

In addition, five related stockholder derivative suits were filed against Sprint Communications and certain of its present and/or former officers and directors. The first, *Murphy v. Forsee*, was filed in state court in Kansas on April 8, 2009, was removed to federal court, and was stayed by the court pending resolution of the motion to dismiss the *Bennett* case; the second, *Randolph v. Forsee*, was filed on July 15, 2010 in state court in Kansas, was removed to federal court, and was remanded back to state court; the third, *Ross-Williams v. Bennett, et al.*, was filed in state court in Kansas on February 1, 2011; the fourth, *Price v. Forsee, et al.*, was filed in state court in Kansas on April 15, 2011; and the fifth, *Hartleib v. Forsee, et al.*, was filed in federal court in Kansas on July 14, 2011. These cases are essentially stayed while the *Bennett* case is in the discovery phase. We do not expect the resolution of these matters to have a material adverse effect on our financial position or results of operations.

Sprint Communications, Inc. has received a complaint purporting to assert claims on behalf of Sprint Communications, Inc. stockholders, alleging that members of the board of directors breached their fiduciary duties in agreeing to the SoftBank Merger, and otherwise challenging that transaction. There were initially five cases consolidated in state court in Johnson County, Kansas: *UFCW Local 23 and Employers Pension Fund, et al. v. Bennett, et al.*, filed on October 25, 2012; *Iron Workers Mid-South Pension Fund, et al. v. Hesse, et al.*, filed on October 25, 2012; *City of Dearborn Heights Act 345 Police and Fire Retirement System v. Sprint Nextel Corp., et al.*, filed on October 29, 2012; *Testani, et al. v. Sprint Nextel Corp., et al.*, filed on November 1, 2012; and *Patten, et al. v. Sprint Nextel Corp., et al.*, filed on November 1, 2012. Plaintiffs did not challenge the amended SoftBank Merger transaction, but sought an award of attorneys fees for their challenge of the original SoftBank Merger transaction. The court denied that motion and the consolidated state cases were dismissed with prejudice. There are two cases filed in federal court in the District of Kansas, entitled *Gerbino, et al. v. Sprint Nextel Corp., et al.*, filed on November 15, 2012, and *Steinberg, et al. v. Bennett, et al.*, filed on May 16, 2013 (and now consolidated with *Gerbino*); those cases were stayed pending the resolution of the state cases, and those cases were dismissed on May 16, 2014.

Sprint Communications, Inc. is also a defendant in a complaint filed by stockholders of Clearwire Corporation, asserting claims for breach of fiduciary duty by Sprint Communications, and related claims and otherwise challenging the Clearwire Acquisition. *ACP Master, LTD, et al. v. Sprint Nextel Corp., et al.*, was filed April 26, 2013 in Chancery Court in Delaware. Our motion to dismiss the suit was denied and discovery has begun. The plaintiffs in the *ACP Master, LTD* suit have also filed suit requesting an appraisal of the fair value of their Clearwire stock, and discovery is proceeding in that case. Sprint Communications, Inc. intends to defend the *ACP Master, LTD* cases vigorously, and, because they are still in the preliminary stage, we have not yet determined what effect the lawsuit will have, if any, on our financial position or results of operations.

Various other suits, inquiries, proceedings and claims, either asserted or unasserted, including purported class actions typical for a large business enterprise and intellectual property matters, are possible or pending against us. If our interpretation of certain laws or regulations, including those related to various federal or state matters such as sales, use or property taxes, or other charges were found to be mistaken, it could result in payments by us. While it is not possible to determine the ultimate disposition of each of these proceedings and whether they will be resolved consistent with our beliefs, we expect that the outcome of such proceedings, individually or in the aggregate, will not have a material adverse effect on our financial position or results of operations. During the quarter ended June 30, 2014, there were no material developments in the status of these legal proceedings.

Item 1A. Risk Factors

There have been no material changes to our risk factors as described in our Transition Report on Form 10-K for the period ended March 31, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

Disclosure of Iranian Activities under Section 13(r) of the Securities Exchange Act of 1934

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Securities Exchange Act of 1934. Section 13(r) requires an issuer to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, including, among other matters, transactions or dealings relating to the government of Iran. Disclosure is required even where the activities, transactions or dealings are conducted outside the U.S. by non-U.S. affiliates in compliance with applicable law, and whether or not the activities are sanctionable under U.S. law.

After the SoftBank Merger, SoftBank acquired control of Sprint. During the three-month period ended June 30, 2014, SoftBank, through one of its non-U.S. subsidiaries, provided telecommunications services in Iran to Telecommunications Services Company (MTN Irancell), which is or may be a government-controlled entity. During the three-month period ended June 30, 2014, SoftBank had no gross revenues and no net profit was generated. This subsidiary also provided telecommunications services to a single account at the Embassy of Iran in Japan. During the three-month period ended June 30, 2014, SoftBank estimates that gross revenues and net profit generated by such services were under \$2,000 and \$1,000, respectively. Sprint was not involved in, and did not receive any revenue from, any of these activities. The relevant SoftBank subsidiary is in the process of terminating the arrangements with Telecommunications Services Company (MTN Irancell). With respect to the single account at the Embassy of Iran in Japan, the relevant SoftBank subsidiary is obligated under contract to continue such account.

Management Transition

On August 5, 2014, the Board of Directors of the Company named Marcelo Claire as the Company's next President and Chief Executive Officer ("CEO"), effective as of August 11, 2014. Mr. Claire will succeed Daniel R. Hesse, who will step down from his positions as the Company's President and CEO, and as a member of the Board of Directors, effective as of August 11, 2014.

Item 6. Exhibits

The Exhibit Index attached to this Quarterly Report on Form 10-Q is hereby incorporated by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SPRINT CORPORATION
(Registrant)

By /s/ PAUL W. SCHIEBER, JR.

Paul W. Schieber, Jr.
Vice President and Controller
(Principal Accounting Officer)

Date: August 8, 2014

Exhibit Index

Exhibit No.		Exhibit Description	Form	Incorporated by Reference			Filed/Furnished Herewith
				SEC File No.	Exhibit	Filing Date	
(3) Articles of Incorporation and Bylaws							
3.1	Amended and Restated Certificate of Incorporation	8-K	001-04721	3.1	7/11/2013		
3.2	Amended and Restated Bylaws	8-K	001-04721	3.2	8/7/2013		
(4) Instruments Defining the Rights of Security Holders, including Indentures							
4.1	Ninth Supplemental Indenture, dated as of June 26, 2014, by and among Sprint Communications, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A.					*	
(10) Material Contracts							
10.1	Employment Agreement, effective May 20, 2014, by and between Sprint Corporation and John C. Saw					*	
10.2	Third Amendment to Amended and Restated Employment Agreement, effective August 1, 2014, by and between Sprint Communications, Inc. and Steven L. Elfman	8-K	001-04721	10.1	8/4/2014		
10.3	Sprint Corporation Change in Control Severance Plan					*	
10.4	Form of Award Agreement (awarding performance-based restricted stock units) under the 2014 Long-Term Incentive Plan to Joseph J. Euteneuer					*	
10.5	Form of Award Agreement (awarding performance-based restricted stock units) under the 2014 Long-Term Incentive Plan to Robert L. Johnson					*	
10.6	Form of Award Agreement (awarding performance-based restricted stock units) under the 2014 Long-Term Incentive Plan to executive officers other than Messrs. Euteneuer and Johnson and Section 16 officers					*	
10.7	Form of Award Agreement (awarding performance-based restricted stock units) under the 2014 Long-Term Incentive Plan to Section 16 officers other than Messrs. Euteneuer and Johnson					*	
10.8	Form of Award Agreement (awarding restricted stock units) under the 2014 Long-Term Incentive Plan to Robert L. Johnson					*	
10.9	Form of Award Agreement (awarding restricted stock units) under the 2014 Long-Term Incentive Plan to all executive officers other than Robert L. Johnson					*	
10.10	Form of Award Agreement (awarding stock options) under the 2014 Long-Term Incentive Plan to Robert L. Johnson					*	

Exhibit No.	Exhibit Description	Form	Incorporated by Reference			Filed/Furnished Herewith
			SEC File No.	Exhibit	Filing Date	
10.11	Form of Award Agreement (awarding stock options) under the 2014 Long-Term Incentive Plan for executive officers with Sprint employment agreements					*
10.12	Form of Award Agreement (awarding stock options) under the 2014 Long-Term Incentive Plan to executive officers other than those with Sprint employment agreements and Robert L. Johnson					*
(12) Statement re Computation of Ratios						
12	Computation of Ratio of Earnings to Fixed Charges					*
(31) and (32) Officer Certifications						
31.1	Certification of Chief Executive Officer Pursuant to Securities Exchange Act of 1934 Rule 13a-14(a)					*
31.2	Certification of Chief Financial Officer Pursuant to Securities Exchange Act of 1934 Rule 13a-14(a)					*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002					*
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002					*
(101) Formatted in XBRL (Extensible Business Reporting Language)						
101.INS	XBRL Instance Document					*
101.SCH	XBRL Taxonomy Extension Schema Document					*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					*
<hr/>						
*	Filed or furnished, as required.					
**	Schedules and/or exhibits not filed will be furnished to the SEC upon request, pursuant to Item 601(b)(2) of Regulation S-K.					

NINTH SUPPLEMENTAL INDENTURE

Ninth Supplemental Indenture (this “*Supplemental Indenture*”), dated as of June 26, 2014, by and among Bright PCS Holdings, Inc., a Delaware corporation (“*PCS Holdings*”), Bright Personal Communications Services, LLC, an Ohio limited liability company (“*BPC Services*”), Horizon Personal Communications, Inc., an Ohio corporation (“*Horizon*”), iPCS Equipment, Inc., a Delaware corporation (“*Equipment*”), iPCS Wireless, Inc., a Delaware corporation (“*Wireless*”), Pinsight Media+, Inc., a Delaware corporation (“*Pinsight*”), OneLouder Apps, Inc., a Delaware corporation (“*OneLouder*”), and iPCS, Inc., a Delaware corporation (together with PCS Holdings, BPC Services, Horizon, Equipment, Wireless, Pinsight and OneLouder, the “*New Guarantors*”), Sprint Communications, Inc. (formerly known as Sprint Nextel Corporation), a Kansas corporation (the “*Company*”), and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”).

WITNESSETH

WHEREAS, the Company heretofore executed and delivered to the Trustee: an indenture, dated as of November 20, 2006, between the Company and the Trustee (the “*Base Indenture*” and as amended, supplemented or otherwise modified as of the date hereof, the “*Indenture*”);

WHEREAS, the Company heretofore executed and delivered to the Trustee a Second Supplemental Indenture, dated as of November 9, 2011, among the Company, the subsidiary guarantors named therein and the Trustee, providing for the issuance of \$3,000,000,000 aggregate principal amount of the Company’s 9.000% Guaranteed Notes due 2018 (the “*2018 Notes*”) and a Fourth Supplemental Indenture, dated as of March 1, 2012, among the Company, the subsidiary guarantors named therein and the Trustee, providing for the issuance of \$1,000,000,000 aggregate principal amount of the Company’s 7.000% Guaranteed Notes due 2020 (the “*2020 Notes*” and, together with the 2018 Notes, the “*Guaranteed Notes*”);

WHEREAS, the Company heretofore executed and delivered to the Trustee a Seventh Supplemental Indenture, dated as of November 20, 2012, to modify the Change of Control provisions applicable to certain series of the Notes;

WHEREAS, the Company heretofore executed and delivered to the Trustee an Eighth Supplemental Indenture, dated as of September 11, 2013, to provide that Sprint Corporation, a Delaware corporation, will provide an irrevocable and unconditional guarantee in respect of each series of Guaranteed Notes, among other series;

WHEREAS, the parties wish to provide that the New Guarantors will provide an irrevocable and unconditional guarantee in respect of each series of Guaranteed Notes;

WHEREAS, the guarantees of the New Guarantors constitute a benefit to the New Guarantors and will be in furtherance of the corporate purposes of the New Guarantors or necessary or convenient to the conduct, promotion or attainment of the business of the New Guarantors and, accordingly, in consideration therefore, the New Guarantors are willing to guarantee the Guaranteed Notes on the terms set forth herein; and

WHEREAS, pursuant to Section 901(14) of the Base Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture without the consent of the Holders of the Guaranteed Notes to add a guarantee to each series of the Guaranteed Notes.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantors, the Company and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Guaranteed Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Base Indenture.
2. AGREEMENT TO GUARANTEE. Each New Guarantor hereby agrees to jointly and severally irrevocably and unconditionally guarantee, on a senior unsecured basis, the full and punctual payment when due,

whether at maturity, by acceleration or otherwise, all payment obligations of the Company under the Guaranteed Notes for the payment of principal of, premium, if any, and interest on the Guaranteed Notes, and all other amounts payable by the Company to the Holders of the Guaranteed Notes under the Guaranteed Notes, the Indenture and this Supplemental Indenture (each a “*Guarantee*” and, together, the “*Guarantees*”). Each Guarantee is limited to the maximum amount that can be guaranteed by law or without resulting in the Guarantee being voidable or unenforceable under applicable laws relating to fraudulent transfer, or under similar laws affecting the rights of creditors generally. The Guarantees shall be automatically and unconditionally released (and thereupon shall terminate and be discharged and be of no further force and effect) upon the Company exercising its legal defeasance or covenant defeasance option pursuant to Article XIII of the Base Indenture or the satisfaction and discharge of the obligations of the Company with respect to the Guaranteed Notes pursuant to Article IV of the Base Indenture, each in compliance with the terms of the Indenture. For the avoidance of doubt, (other than as expressly provided in the Indenture) nothing in this Supplemental Indenture shall prevent the New Guarantors from merging with and into the Company, or the Company from merging with and into the New Guarantors, and in such event the Guarantees shall terminate and the surviving entity shall remain the primary obligor under the Guaranteed Notes, the Indenture and this Supplemental Indenture. The New Guarantors shall be subrogated to all rights of the Holders of the Guaranteed Notes against the Company in respect of any amounts paid by the New Guarantors pursuant to the Guarantees; *provided, however*, that the New Guarantors shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until the principal of, premium, if any, and interest on all Guaranteed Notes shall have been paid in full or payment thereof shall have been provided for in accordance with the provisions of the Indenture.

3. EFFECT OF SUPPLEMENTAL INDENTURE; CONFLICTS WITH INDENTURE. This Supplemental Indenture is executed by the New Guarantors, the Company and the Trustee upon the Company’s request, pursuant to the provisions of the Indenture, and the terms and conditions hereof shall be deemed to be part of the Indenture for all purposes. The Indenture, as supplemented and amended by this Supplemental Indenture, is in all respects hereby adopted, ratified and confirmed. Notwithstanding the foregoing, to the extent that any of the terms of this Supplemental Indenture are inconsistent with, or conflict with, the terms of the Indenture, the terms of this Supplemental Indenture shall govern.

4. NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND STOCKHOLDERS OF THE NEW GUARANTORS. No director, officer, employee, incorporator or stockholder of any of the New Guarantors, as such, shall have any liability for any obligations of the Company, the New Guarantors or any guarantor under any series of Guaranteed Notes, any guarantees under any series of Guaranteed Notes, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Guaranteed Notes by accepting a Note waives and releases all such liability.

5. GOVERNING LAW. THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. EFFECT OF HEADINGS. The Headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and will in no way modify or restrict any of the terms or provisions hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the New Guarantors and the Company.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Ninth Supplemental Indenture to be duly executed and attested, all as of the date first above written.

SPRINT COMMUNICATIONS, INC.

By: /s/ Greg D. Block

Name: Greg D. Block

Title: Vice President and Treasurer

BRIGHT PCS HOLDINGS, INC.

By: /s/ Greg D. Block

Name: Greg D. Block

Title: Vice President and Treasurer

BRIGHT PERSONAL COMMUNICATIONS SERVICES, LLC

By: Horizon Personal Communications, Inc., as Member

By: /s/ Greg D. Block

Name: Greg D. Block

Title: Vice President and Treasurer

HORIZON PERSONAL COMMUNICATIONS, INC.

By: /s/ Greg D. Block

Name: Greg D. Block

Title: Vice President and Treasurer

IPCS EQUIPMENT, INC.

By: /s/ Greg D. Block

Name: Greg D. Block

Title: Vice President and Treasurer

IPCS WIRELESS, INC.

By: /s/ Greg D. Block
Name: Greg D. Block
Title: Vice President and Treasurer

IPCS, INC.

By: /s/ Greg D. Block
Name: Greg D. Block
Title: Vice President and Treasurer

PINSIGHT MEDIA+, INC.

By: /s/ Greg D. Block
Name: Greg D. Block
Title: Vice President and Treasurer

ONELOUDER APPS, INC.

By: /s/ Greg D. Block
Name: Greg D. Block
Title: Vice President and Treasurer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
As Trustee

By: /s/ Lawrence M. Kusch
Authorized Signatory

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into on June 5, 2014, and effective as of May 20, 2014 (the "Effective Date"), by and between Sprint Corporation, a Delaware corporation (the "Company") on behalf of itself and any of its subsidiaries, affiliates and related entities, and John C. Saw (the "Executive") (the Company and the Executive, collectively, the "Parties," and each, a "Party"). Certain capitalized terms are defined in Section 29.

WITNESSETH:

WHEREAS, the Executive serves the Company as Chief Network Officer; and

WHEREAS, the Executive and the Company desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements set forth herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Company and the Executive agree as follows:

1. **Employment.**

(a) The Company will continue to employ the Executive and the Executive will continue to be employed by the Company upon the terms and conditions set forth herein; provided that, for avoidance of doubt, the provisions of that certain Agreement and Plan of Merger among the Sprint Nextel Corporation and Clearwire Corporation shall control with respect to Executive's Restricted Cash Accounts referenced therein. The Executive hereby agrees to waive any eligibility for benefits under the Clearwire Corporation Executive Continuity Plan that might otherwise have been available to him as a result of the terms of this Agreement.

(b) The employment relationship between the Company and the Executive shall be governed by the general employment policies and practices of the Company, including without limitation, those relating to the Company's Code of Conduct, confidential information and avoidance of conflicts, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. **Term.** Subject to termination under Section 9, the Executive's employment shall be for an initial term of 24 months commencing on the Effective Date and shall continue through the second anniversary of the Effective Date (the "Initial Employment Term"). At the end of the Initial Employment Term and on each succeeding anniversary of the Effective Date, the Employment Term will be automatically extended by an additional 12 months (each, a "Renewal Term"), unless, not less than 12 months prior to the end of the Initial Employment Term or any Renewal Term, either the Executive or the Company has given the other written notice (in accordance with Section 20) of nonrenewal. The Executive shall provide the Company with written notice of his intent to terminate employment with the Company at least 30 days prior to the effective date of such termination.

3. Position and Duties of the Executive.

(a) The Executive shall serve as Chief Network Officer, and agrees to serve as an officer of any enterprise and/or agrees to be an employee of any Subsidiary as may be requested from time to time by the Board of Directors of the Company (the "Board"), any committee or person delegated by the Board or the Chief Executive Officer of the Company (the "Chief Executive Officer"). In such capacity, the Executive shall report directly to the Chief Executive Officer of the Company or such other officer of the Company as may be designated by the Chief Executive Officer. The Executive shall have such duties, responsibility and authority as may be assigned to the Executive from time to time by the Chief Executive Officer, the Board or such other officer of the Company as may be designated by the Chief Executive Officer or the Board.

(b) During the Employment Term, the Executive shall, except as may from time to time be otherwise agreed to in writing by the Company, during reasonable vacations (as set forth in Section 7 hereof) and authorized leave and except as may from time to time otherwise be permitted pursuant to Section 3(c), devote his best efforts, full attention and energies during his normal working time to the business of the Company, to any duties as may be delineated in the Company's Bylaws for the Executive's position and title and such other related duties and responsibilities as may from time to time be reasonably prescribed by the Board, any committee or person designated by the Board, or the Chief Executive Officer, in each case, within the framework of the Company's policies and objectives.

(c) During the Employment Term, and provided that such activities do not contravene the provisions of Section 3(a) or (b) or Sections 10, 11, 12 or 13 hereof and, provided further, the Executive does not engage in any other substantial business activity for gain, profit or other pecuniary advantage which materially interferes with the performance of his duties hereunder, the Executive may participate in any governmental, educational, charitable or other community affairs and, subject to the prior approval of the Chief Executive Officer serve as a member of the governing board of any such organization or any private or public for-profit company. The Executive may retain all fees and other compensation from any such service, and the Company shall not reduce his compensation by the amount of such fees.

4. Compensation.

(a) Base Salary. During the Employment Term, the Company shall pay to the Executive an annual base salary of \$465,000 (the "Base Salary"), which Base Salary shall be payable at the times and in the manner consistent with the Company's general policies regarding compensation of the Company's senior executives. The Base Salary as set forth herein is with the assumption that the Executive will continue to reside in Washington state. If the Place of Performance, as defined in Section 8 of this Agreement, is changed so as to require residence in another state, the Company will re-evaluate the appropriateness of the Executive's Base Salary to take into account any higher costs of living and/or income taxation by the anticipated state of residence. The Base Salary will be reviewed periodically by Compensation Committee and may be

increased (but not decreased, except for across-the-board reductions generally applicable to the Company's senior executives) from time to time in the Compensation Committee's sole discretion.

(b) Incentive Compensation. The Executive will continue to be eligible to participate in any short-term and long-term incentive compensation plans, annual bonus plans and such other management incentive programs or arrangements of the Company approved by the Board that are generally available to the Company's senior executives, including, but not limited to, the STIP and the LTSIP. Incentive compensation shall be paid in accordance with the terms and conditions of the applicable plans, programs and arrangements.

(i) Annual Performance Bonus. During the Employment Term, the Executive shall be entitled to participate in the STIP, with such opportunities as may be determined by the Compensation Committee in its sole discretion ("Target Bonuses"), and as may be increased (but not decreased, except for across-the-board reductions generally applicable to the Company's senior executives) from time to time, and the Executive shall be entitled to receive full payment of any award under the STIP, determined pursuant to the STIP (a "Bonus Award").

(ii) Long-Term Performance Bonus. During the Employment Term, the Executive shall be entitled to participate in the LTSIP with such opportunities, if any, as may be determined by the Compensation Committee ("LTSIP Target Award Opportunities").

(iii) Incentive bonuses, if earned, shall be paid when incentive compensation is customarily paid to the Company's senior executives in accordance with the terms of the applicable plans, programs or arrangements.

(iv) Pursuant to the Company's applicable incentive or bonus plans as in effect from time to time, the Executive's incentive compensation during the term of this Agreement may be determined according to criteria intended to qualify as performance-based compensation under Section 162(m) of the Code.

(c) Equity Compensation. The Executive shall continue to be eligible to participate in such equity incentive compensation plans and programs as the Company generally provides to its senior executives, including, but not limited to, the LTSIP. During the Employment Term, the Compensation Committee may, in its sole discretion, grant equity awards to the Executive, which would be subject to the terms of the respective award agreements evidencing such grants and the applicable plan or program.

5. Benefits.

(a) During the Employment Term, the Company shall make available to the Executive, subject to the terms and conditions of the applicable plans, participation for the Executive and his eligible dependents in: (i) Company-sponsored group health, major medical, dental, vision, pension and profit sharing, 401(k) and employee welfare

benefit plans, programs and arrangements (the “Employee Plans”) and such other usual and customary benefits in which senior executives of the Company participate from time to time, and (ii) such fringe benefits and perquisites as may be made available to senior executives of the Company as a group.

(b) The Executive acknowledges that the Company may change its benefit programs from time to time, which may result in certain benefit programs being amended or terminated for its senior executives generally.

6. Expenses. The Company shall pay or reimburse the Executive for reasonable and necessary business expenses incurred by the Executive in connection with his duties on behalf of the Company in accordance with the Company’s Enterprise Financial Services-Employee Travel and Expense Policy, as may be amended from time to time, or any successor policy, plan, program or arrangement thereto and any other of its expense policies applicable to senior executives of the Company, following submission by the Executive of reimbursement expense forms in a form consistent with such expense policies.

7. Vacation. In addition to such holidays, sick leave, personal leave and other paid leave as is allowed under the Company’s policies applicable to senior executives generally, the Executive shall be entitled to participate in the Company’s vacation policy in accordance with the Company’s policy generally applicable to senior executives. The duration of such vacations and the time or times when they shall be taken will be determined by the Executive in consultation with the Company.

8. Place of Performance. In connection with his employment by the Company, the Executive shall be based at the principal executive offices of the Company in the vicinity of Overland Park, Kansas, San Carlos, California, or Bellevue, Washington (the “Place of Performance”), except for travel reasonably required for Company business. Subject to mutual agreement by the Parties, the Executive will relocate the Executive’s residence to the area surrounding the Executive’s specifically-assigned Place of Performance (if not that of Executive’s current residence in Washington state) in accordance with the Company’s relocation policy applicable to senior executives. If the Company relocates the Executive’s Place of Performance more than 50 miles from his Place of Performance prior to such relocation, the Executive shall relocate to a residence within the greater of (a) 50 miles of such relocated Place of Performance or (b) such total miles that do not exceed the total number of miles the Executive commuted to his Place of Performance prior to relocation of the Executive’s Place of Performance. To the extent the Executive relocates his residence as provided in this Section 8, the Company will pay or reimburse the Executive’s relocation expenses in accordance with the Company’s relocation policy applicable to senior executives.

9. Termination.

(a) Termination by the Company for Cause or Resignation by the Executive Without Good Reason. If, during the Employment Term, the Executive’s employment is terminated by the Company for Cause, or if the Executive resigns without Good Reason, the Executive shall not be eligible to receive Base Salary or to participate in any Employee Plans with respect to future periods after the date of such termination or

resignation except for the right to receive accrued but unpaid cash compensation and vested benefits under any Employee Plan in accordance with the terms of such Employee Plan and applicable law.

(b) Termination by the Company Without Cause or Resignation by the Executive for Good Reason outside of the CIC Severance Protection Period. If, during the Employment Term, the Executive's employment is terminated by the Company without Cause or the Executive terminates for Good Reason prior to, or following expiration of, the CIC Severance Protection Period and such termination constitutes a Separation from Service or the Executive is entitled to severance compensation and benefits under this Section 9(b) pursuant to the provisions of Section 9(c), the Executive shall be entitled to receive from the Company: (1) the Executive's accrued, but unpaid, Base Salary through the date of termination of employment, payable in accordance with the Company's normal payroll practices and any vested benefits under any Employee Plan in accordance with the terms of such Employee Plan and applicable law, and (2) conditioned upon the Executive executing a Release within the Release Consideration Period and delivering it to the Company with the Release Revocation Period expired without revocation, and in full satisfaction of the Executive's rights and any benefits the Executive might be entitled to under the Separation Plan and this Agreement and any requirements of the Worker Adjustment and Retraining Notification Act or similar law, unless otherwise specified herein:

(i) periodic payments equal to his Base Salary in effect prior to the termination of his employment, which payments shall be paid to the Executive in equal installments on the regular payroll dates under the Company's payroll practices applicable to the Executive on the date of this Agreement for the Payment Period, except that if the Executive is a Specified Employee, with respect to any amount payable by reason of the Separation from Service that constitutes deferred compensation within the meaning of Code Section 409A, such installments shall not commence until after the end of the six continuous month period following the date of the Executive's Separation from Service, in which case, the Executive shall be paid a lump-sum cash payment equal to the aggregate amount of missed installments during such period on the first day of the seventh month following the date of the Executive's Separation from Service;

(ii) (A) receive a pro rata payment of the Bonus Award for the portion of the Company's current fiscal year prior to the date of termination of his employment; (B) receive a pro rata payment of the Capped Bonus Award (Target Bonus for Separation from Service before July 9, 2015) for the portion of the Company's current fiscal year following the date of termination of his employment; (C) receive for the next fiscal year following the fiscal year during which his termination of employment occurs, the Capped Bonus Award (Target Bonus for Separation from Service before July 9, 2015), or if his Payment Period ends during such fiscal year, a pro rata portion of the Capped Bonus Award (Target Bonus for Separation from Service before July 9, 2015); and (D) if his Payment Period ends in the second year following the fiscal year during which the Executive's termination of employment occurs, receive payment of a pro rata

portion of the Capped Bonus Award (Target Bonus for Separation from Service before July 9, 2015) for such fiscal year; provided, however, that to the extent the Executive's employment is terminated for Good Reason due to a reduction of the Executive's Target Bonus, in accordance with Section 29(x)(ii), the Executive's Target Bonus for the purposes of this Section 9(b)(ii) shall be the Executive's Target Bonus immediately prior to such reduction; and provided, further, that any pro rata payment shall be determined based on the methodology for determining pro rated awards under the STIP and each such payment shall be payable in accordance with the provisions of the STIP in the calendar year in which the Bonus Award or each Capped Bonus Award, as applicable, is determined, and in all events, not later than December 31st of the year in which each such award is determined;

(iii) continue from the date of Separation from Service for the number of months equal to the period of continuation coverage the Executive would be entitled to pursuant to Section 4980B of the Code participation in the Company's group health plans at then-existing participation and coverage levels comparable to the terms in effect from time to time for the Company's senior executives, including any co-payment and premium payment requirements, for which the Company shall deduct from each payment payable to the Executive pursuant to Section 9(b)(i) the amount of any employee contributions necessary to maintain such coverage for such period, except that (A) following such period, the Executive shall retain any rights to continue coverage under the Company's group health plans under the benefits continuation provisions pursuant to Section 4980B of the Code by paying the applicable premiums of such plans; and (B) the Executive shall no longer be eligible to receive the benefits otherwise receivable pursuant to this Section 9(b)(iii) as of the date that the Executive becomes eligible to receive comparable benefits from a new employer;

(iv) continue for the Payment Period participation in the Company's employee life insurance plans at then-existing participation and coverage levels, comparable to the terms in effect from time to time for the Company's senior executives, including any premium payment requirements, for which the Company shall deduct from each payment payable to the Executive pursuant to Section 9(b)(i) the amount of any employee contributions necessary to maintain such coverage for such period, except that the Executive shall no longer be eligible to receive the benefits otherwise receivable pursuant to this Section 9(b)(iv) as of the date that the Executive becomes eligible to receive comparable benefits from a new employer; and

(v) receive outplacement services by a firm selected by the Company at its expense in an amount not to exceed \$35,000; provided, however, that all such outplacement services must be completed, and all payments by the Company must be made, by December 31st of the second calendar year following the calendar year in which the Executive's Separation from Service occurs.

Notwithstanding anything in this Section 9(b) to the contrary, to the extent the Executive has not executed the Release within the Release Consideration Period and delivered it to the Company, or has revoked the executed Release within the Release Revocation Period, as determined at the end of such Release Revocation Period, the Executive will forfeit any right to receive the payments and benefits specified in this Section 9(b) (other than any accrued but unpaid payments and benefits through the date of termination of employment).

(c) Termination by the Company Without Cause or Resignation by the Executive for Good Reason During the CIC Severance Protection Period. Subject to (i)-(iv) below, if the Executive's employment is terminated by the Company without Cause, or the Executive terminates employment for Good Reason, before the Employment Term expires and during the CIC Severance Protection Period, and the termination constitutes a Separation from Service, subject to the terms of the CIC Severance Plan, the Executive will become entitled to severance compensation and benefits under the CIC Severance Plan as of (x) the date the Separation from Service occurs, or (y) in the event of a Pre-CIC Termination, the date the Change in Control occurs, as of which date all rights to severance benefits under this Agreement will cease.

(i) The CIC Severance Plan will not apply and the Executive will be entitled to severance compensation and benefits under Section 9(b) of this Agreement if the Executive (x) as of his Separation from Service is not a Participant in, or (y) is otherwise not entitled to severance compensation and benefits under, the CIC Severance Plan.

(ii) If the Executive is entitled to severance benefits under the CIC Severance Plan as a result of a Pre-CIC Termination, any benefits payable before the Change in Control will be paid under this Agreement and any additional benefits payable after the Change in Control will be paid under the CIC Severance Plan.

(iii) In no event may there be duplication of benefits under this Agreement and the CIC Severance Plan.

(iv) The terms "Change in Control" and "Pre-CIC Termination" are defined in the CIC Severance Plan.

(d) Termination by Death. If the Executive dies during the Employment Term, the Executive's employment will terminate and the Executive's beneficiary or if none, the Executive's estate, shall be entitled to receive from the Company, the Executive's accrued, but unpaid, Base Salary through the date of termination of employment and any vested benefits under any Employee Plan in accordance with the terms of such Employee Plan and applicable law.

(e) Termination by Disability. If the Executive becomes Disabled prior to the expiration of the Employment Term, the Executive's employment will terminate, and provided that such termination constitutes a Separation from Service, the Executive shall be entitled to:

(i) receive from the Company periodic payments equal to his Base Salary in effect prior to the termination of his employment (reduced by any amounts paid on a monthly basis under any long-term disability plan (the "LTD Plan") now or hereafter sponsored by the Company), which payments shall be paid to the Executive commencing on the Separation from Service date for 12 months in equal installments on the regular payroll dates under the Company's payroll practices applicable to the Executive on the date of this Agreement; provided, however, that in the event that the Executive is a Specified Employee, with respect to any amount payable by reason of the Executive's Separation from Service that constitutes deferred compensation within the meaning of Code Section 409A, such installments shall not commence until the earlier to occur of (A) the first business day of the seventh month following the date of the Executive's Separation from Service and (B) death, in which case the Executive (or the Executive's estate in the event of Executive's death) shall be paid on the earlier of (1) the first day of the seventh month following the date of the Executive's Separation from Service and (2) the Executive's death a lump-sum cash payment equal to the aggregate amount of any such payments that constitutes deferred compensation within the meaning of Code Section 409A that the Executive would have been entitled to receive during such period following the Executive's Separation from Service; and

(ii) continue participation in the Company's group health plans at then-existing participation and coverage levels for 12 months (measured from the Executive's Separation from Service), comparable to the terms in effect from time to time for the Company's senior executives, including any co-payment and premium payment requirements, and the Company shall deduct from each payment payable to the Executive pursuant to Section 9(e) (i), the amount of any employee contributions necessary to maintain such coverage for such period; except that following such period, the Executive shall retain any rights to continue coverage under the Company's group health plans under the benefits continuation provisions pursuant to Code Section 4980B by paying the applicable premiums of such plans.

(f) No Mitigation Obligation. No amounts paid under Section 9 will be reduced by any earnings that the Executive may receive from any other source. The Executive's coverage under the Company's medical, dental, vision and employee life insurance plans will terminate as of the date that the Executive is eligible for comparable benefits from a new employer. The Executive shall notify the Company within 30 days after becoming eligible for coverage of any such benefits.

(g) Forfeiture. Notwithstanding the foregoing, any right of the Executive to receive termination payments and benefits hereunder shall be forfeited to the extent of any amounts payable after any breach of Section 10, 11, 12, 13 or 15 by the Executive.

10. Confidential Information; Statements to Third Parties.

(a) During the Employment Term and on a permanent basis upon and following termination of the Executive's employment, the Executive acknowledges that:

(i) all information, whether or not reduced to writing (or in a form from which information can be obtained, translated, or derived into reasonably usable form) or maintained in the mind or memory of the Executive and whether compiled or created by the Company, any of its Subsidiaries or any affiliates of the Company or its Subsidiaries (collectively, the "Company Group"), which derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from the disclosure or use of such information, of a proprietary, private, secret or confidential (including, without exception, inventions, products, processes, methods, techniques, formulas, compositions, compounds, projects, developments, sales strategies, plans, research data, clinical data, financial data, personnel data, computer programs, customer and supplier lists, trademarks, service marks, copyrights (whether registered or unregistered), artwork, and contacts at or knowledge of customers or prospective customers) nature concerning the Company Group's business, business relationships or financial affairs (collectively, "Proprietary Information") shall be the exclusive property of the Company Group;

(ii) the Proprietary Information of the Company Group gained by the Executive during the Executive's association with the Company Group was or will be developed by and/or for the Company Group through substantial expenditure of time, effort and money and constitutes valuable and unique property of the Company Group;

(iii) reasonable efforts have been put forth by the Company Group to maintain the secrecy of its Proprietary Information;

(iv) such Proprietary Information is and will remain the sole property of the Company Group; and

(v) any retention or use by the Executive of Proprietary Information after the termination of the Executive's services for the Company Group will constitute a misappropriation of the Company Group's Proprietary Information.

(b) The Executive further acknowledges and agrees that he will take all affirmative steps reasonably necessary or required by the Company to protect the Proprietary Information from inappropriate disclosure during and after his employment with the Company.

(c) The Executive further agrees that all files, letters, memoranda, reports, records, data, sketches, drawings, laboratory notebooks, program listings, or other written, photographic, electronic, or other tangible material containing or constituting Proprietary Information, whether created by the Executive or others, which shall come into his custody or possession, regardless of medium, shall be and are the

exclusive property of the Company to be used by him only in the performance of his duties for the Company. All such materials or copies thereof and all tangible things and other property of the Company Group in the Executive's custody or possession shall be delivered to the Company (to the extent the Executive has not already returned) in good condition, on or before five business days subsequent to the earlier of: (i) a request by the Company or (ii) the Executive's termination of employment for any reason or Cause, including for nonrenewal of this Agreement, Disability, termination by the Company or termination by the Executive. After such delivery, the Executive shall not retain any such materials or portions or copies thereof or any such tangible things and other property and shall execute any statements or affirmations of compliance under oath that the Company may require.

(d) The Executive further agrees that his obligation not to disclose or to use information and materials of the types set forth in Sections 10(a), 10(b) and 10(c) above, and his obligation to return materials and tangible property, set forth in Section 10(c) above, also extends to such types of information, materials and tangible property of customers of the Company Group, consultants for the Company Group, suppliers to the Company Group, or other third parties who may have disclosed or entrusted the same to the Company Group or to the Executive.

(e) The Executive further acknowledges and agrees that he will continue to keep in strict confidence, and will not, directly or indirectly, at any time, disclose, furnish, disseminate, make available, use or suffer to be used in any manner any Proprietary Information of the Company Group without limitation as to when or how the Executive may have acquired such Proprietary Information and that he will not disclose any Proprietary Information to any person or entity other than appropriate employees of the Company or use the same for any purposes (other than in the performance of his duties as an employee of the Company) without written approval of the Board, either during or after his employment with the Company.

(f) Further the Executive acknowledges that his obligation of confidentiality will survive, regardless of any other breach of this Agreement or any other agreement, by any party hereto, until and unless such Proprietary Information of the Company Group has become, through no fault of the Executive, generally known to the public. In the event that the Executive is required by law, regulation, or court order to disclose any of the Company Group's Proprietary Information, the Executive will promptly notify the Company prior to making any such disclosure to facilitate the Company seeking a protective order or other appropriate remedy from the proper authority. The Executive further agrees to cooperate with the Company in seeking such order or other remedy and that, if the Company is not successful in precluding the requesting legal body from requiring the disclosure of the Proprietary Information, the Executive will furnish only that portion of the Proprietary Information that is legally required, and the Executive will exercise all legal efforts to obtain reliable assurances that confidential treatment will be accorded to the Proprietary Information.

(g) The Executive's obligations under this Section 10 are in addition to, and not in limitation of, all other obligations of confidentiality under the Company's policies, general legal or equitable principles or statutes.

(h) During the Employment Term and following his termination of employment:

(i) the Executive shall not, directly or indirectly, make or cause to be made any statements, including but not limited to, comments in books or printed media, to any third parties criticizing or disparaging the Company Group or commenting on the character or business reputation of the Company Group. Without the prior written consent of the Board, unless otherwise required by law, the Executive shall not (A) publicly comment in a manner adverse to the Company Group concerning the status, plans or prospects of the business of the Company Group or (B) publicly comment in a manner adverse to the Company Group concerning the status, plans or prospects of any existing, threatened or potential claims or litigation involving the Company Group;

(ii) the Company shall comply with its policies regarding public statements with respect to the Executive and any such statements shall be deemed to be made by the Company only if made or authorized by a member of the Board or a senior executive officer of the Company; and

(iii) nothing herein precludes honest and good faith reporting by the Executive to appropriate Company or legal enforcement authorities.

(i) The Executive acknowledges and agrees that a violation of the foregoing provisions of this Section 10 would cause irreparable harm to the Company Group, and that the Company's remedy at law for any such violation would be inadequate. In recognition of the foregoing, the Executive agrees that, in addition to any other relief afforded by law or this Agreement, including damages sustained by a breach of this Agreement and any forfeitures under Section 9(g), and without the necessity or proof of actual damages, the Company shall have the right to enforce this Agreement by specific remedies, which shall include, among other things, temporary and permanent injunctions, it being the understanding of the undersigned parties hereto that damages, the forfeitures described above and injunctions shall all be proper modes of relief and are not to be considered as alternative remedies.

11. Non-Competition. In consideration of the Company entering into this Agreement, for a period commencing on the Effective Date and ending on the expiration of the Restricted Period:

(a) The Executive covenants and agrees that the Executive will not, directly or indirectly, engage in any activities on behalf of or have an interest in any Competitor of the Company Group, whether as an owner, investor, executive, manager, employee, independent consultant, contractor, advisor, or otherwise. The Executive's

ownership of less than one percent (1%) of any class of stock in a publicly traded corporation shall not be a breach of this paragraph.

(b) A “Competitor” is any entity doing business directly or indirectly (e.g., as an owner, investor, provider of capital or otherwise) in the United States including any territory of the United States (the “Territory”) that provides wireless products and/or services that are the same or similar to the wireless products and/or services that are currently being provided at the time of Executive’s termination or that were provided by the Company Group during the two-year period prior to the Executive’s separation from service with the Company Group.

(c) The Executive acknowledges and agrees that due to the continually evolving nature of the Company Group’s industry, the scope of its business and/or the identities of Competitors may change over time. The Executive further acknowledges and agrees that the Company Group markets its products and services on a nationwide basis, encompassing the Territory and that the restrictions imposed by this covenant, including the geographic scope, are reasonably necessary to protect the Company Group’s legitimate interests.

(d) The Executive covenants and agrees that should a court at any time determine that any restriction or limitation in this Section 11 is unreasonable or unenforceable, it will be deemed amended so as to provide the maximum protection to the Company Group and be deemed reasonable and enforceable by the court.

12. Non-Solicitation. In consideration of the Company entering into this Agreement, for a period commencing on the Effective Date and ending on the expiration of the Restricted Period, the Executive hereby covenants and agrees that he shall not, directly or indirectly, individually or on behalf of any other person or entity do or suffer any of the following:

(a) hire or employ or assist in hiring or employing any person who was at any time during the last 18 months of the Executive’s employment an employee, representative or agent of any member of the Company Group or solicit, aid, induce or attempt to solicit, aid, induce or persuade, directly or indirectly, any person who is an employee, representative, or agent of any member of the Company Group to leave his or her employment with any member of the Company Group to accept employment with any other person or entity;

(b) induce any person who is an employee, officer or agent of the Company Group, or any of its affiliated, related or subsidiary entities to terminate such relationship;

(c) solicit any customer of the Company Group, or any person or entity whose business the Company Group had solicited during the 180-day period prior to termination of the Executive’s employment for purposes of business which is competitive to the Company Group within the Territory; or

(d) solicit, aid, induce, persuade or attempt to solicit, aid, induce or persuade any person or entity to take any action that would result in a Change in Control of the Company or to seek to control the Board in a material manner.

(e) For purposes of this Section 12, the term “solicit or persuade” includes, but is not limited to, (i) initiating communications with an employee of the Company Group relating to possible employment, (ii) offering bonuses or additional compensation to encourage an employee of the Company Group to terminate his employment, (iii) referring employees of the Company Group to personnel or agents employed by competitors, suppliers or customers of the Company Group, and (iv) initiating communications with any person or entity relating to a possible Change in Control.

13. Developments.

(a) The Executive acknowledges and agrees that he will make full and prompt disclosure to the Company of all inventions, improvements, discoveries, methods, developments, software, mask works, and works of authorship, whether patentable or copyrightable or not, (i) which relate to the Company’s business and have heretofore been created, made, conceived or reduced to practice by the Executive or under his direction or jointly with others, and not assigned to prior employers, or (ii) which have utility in or relate to the Company’s business and are created, made, conceived or reduced to practice by the Executive or under his direction or jointly with others during his employment with the Company, whether or not during normal working hours or on the premises of the Company (all of the foregoing of which are collectively referred to in this Agreement as “Developments”).

(b) The Executive further agrees to assign and does hereby assign to the Company (or any person or entity designated by the Company) all of the Executive’s rights, title and interest worldwide in and to all Developments and all related patents, patent applications, copyrights and copyright applications, and any other applications for registration of a proprietary right. This Section 13(b) shall not apply to Developments that the Executive developed entirely on his own time without using the Company’s equipment, supplies, facilities, or Proprietary Information and that does not, at the time of conception or reduction to practice, have utility in or relate to the Company’s business, or actual or demonstrably anticipated research or development. The Executive understands that, to the extent this Agreement shall be construed in accordance with the laws of any Territory which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 13(b) shall be interpreted not to apply to any invention which a court rules or the Company agrees falls within such classes.

(c) The Executive further agrees to cooperate fully with the Company, both during and after his employment with the Company, with respect to the procurement, maintenance and enforcement of copyrights, patents and other intellectual property rights (both in the United States and other countries) relating to Developments. The Executive shall not be required to incur or pay any costs or expenses in connection

with the rendering of such cooperation. The Executive will sign all papers, including, without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney, and do all things that the Company may reasonably deem necessary or desirable in order to protect its rights and interests in any Development.

(d) The Executive further acknowledges and agrees that if the Company is unable, after reasonable effort, to secure the Executive's signature on any such papers, any executive officer of the Company shall be entitled to execute any such papers as the Executive's agent and attorney-in-fact, and the Executive hereby irrevocably designates and appoints each executive officer of the Company as his agent and attorney-in-fact to execute any such papers on the Executive's behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Development, under the conditions described in this sentence.

14. Remedies. The Executive and the Company agree that the covenants contained in Sections 10, 11, 12 and 13 are reasonable under the circumstances, and further agree that if in the opinion of any court of competent jurisdiction any such covenant is not reasonable in any respect, such court will have the right, power and authority to sever or modify any provision or provisions of such covenants as to the court will appear not reasonable and to enforce the remainder of the covenants as so amended. The Executive acknowledges and agrees that the remedy at law available to the Company for breach of any of the Executive's obligations under Sections 10, 11, 12 and 13 would be inadequate and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms. Accordingly, the Executive acknowledges, consents and agrees that, in addition to any other rights or remedies that the Company may have at law, in equity or under this Agreement, upon adequate proof of the Executive's violation of any such provision of this Agreement, the Company will be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach, without the necessity of proof of actual damage. Without limiting the applicability of this Section 14 or in any way affecting the right of the Company to seek equitable remedies hereunder, in the event that the Executive breaches any of the provisions of Sections 10, 11, 12 or 13 or engages in any activity that would constitute a breach save for the Executive's action being in a state where any of the provisions of Sections 10, 11, 12, 13 or this Section 14 is not enforceable as a matter of law, then the Company's obligation to pay any remaining severance compensation and benefits that has not already been paid to Executive pursuant to Section 9 shall be terminated and within ten days of notice of such termination of payment, the Executive shall return all severance compensation and the value of such benefits, or profits derived or received from such benefits.

15. Continued Availability and Cooperation.

(a) Following termination of the Executive's employment, the Executive shall cooperate fully with the Company and with the Company's counsel in connection with any present and future actual or threatened litigation, administrative proceeding or investigation involving the Company that relates to events, occurrences or conduct occurring (or claimed to have occurred) during the period of the Executive's employment by the Company. Cooperation will include, but is not limited to:

(i) Making himself reasonably available for interviews and discussions with the Company's counsel as well as for depositions and trial testimony;

(ii) if depositions or trial testimony are to occur, making himself reasonably available and cooperating in the preparation therefore, as and to the extent that the Company or the Company's counsel reasonably requests;

(iii) refraining from impeding in any way the Company's prosecution or defense of such litigation or administrative proceeding; and

(iv) cooperating fully in the development and presentation of the Company's prosecution or defense of such litigation or administrative proceeding.

(b) The Company will reimburse the Executive for reasonable travel, lodging, telephone and similar expenses, as well as reasonable attorneys' fees (if independent legal counsel is necessary), incurred in connection with any cooperation, consultation and advice rendered under this Agreement after the Executive's termination of employment. If such cooperation is required outside of the period of time for which any severance is due, the Company will pay Executive for his time at a rate equal to 1/360th of his Base Salary as of the termination of his employment for each day, or part of a day, required for his cooperation.

16. Dispute Resolution.

(a) In the event that the Parties are unable to resolve any controversy or claim arising out of or in connection with this Agreement or breach thereof, either Party shall refer the dispute to binding arbitration, which shall be the exclusive forum for resolving such claims. Such arbitration will be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Employment Arbitration Rules and Procedures and governed by Kansas law. The arbitration shall be conducted by a single arbitrator selected by the Parties according to the rules of JAMS. In the event that the Parties fail to agree on the selection of the arbitrator within 30 days after either Party's request for arbitration, the arbitrator will be chosen by JAMS. The arbitration proceeding shall commence on a mutually agreeable date within 90 days after the request for arbitration, unless otherwise agreed by the Parties, and in the location where the Executive worked during the six months immediately prior to the request for arbitration if that location is in Kansas or Virginia, and if not, the location will be Kansas, unless the Parties agree otherwise.

(b) The Parties agree that each will bear their own costs and attorneys' fees. The arbitrator shall not have authority to award attorneys' fees or costs to any Party.

(c) The arbitrator shall have no power or authority to make awards or orders granting relief that would not be available to a Party in a court of law. The arbitrator's award is limited by and must comply with this Agreement and applicable

federal, state, and local laws. The decision of the arbitrator shall be final and binding on the Parties.

(d) Notwithstanding the foregoing, no claim or controversy for injunctive or equitable relief contemplated by or allowed under applicable law pursuant to Sections 10, 11, 12 and 13 of this Agreement will be subject to arbitration under this Section 16, but will instead be subject to determination in a court of competent jurisdiction in Kansas, which court shall apply Kansas law consistent with Section 21 of this Agreement, where either Party may seek injunctive or equitable relief.

17. Other Agreements. No agreements (other than the agreements evidencing any grants of equity awards) or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or other agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, pertaining to the subject matter hereof, which are not embodied herein, and that no prior and/or contemporaneous agreement, statement or promise pertaining to the subject matter hereof that is not contained in this Agreement shall be valid or binding on either party.

18. Withholding of Taxes. The Company will withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any law or government regulation or ruling.

19. Successors and Binding Agreement.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company, except that the Company may assign and transfer this Agreement and delegate its duties thereunder to a wholly owned Subsidiary.

(b) This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 19(a) and 19(b). Without limiting the generality or effect of the foregoing, the Executive's right to

receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by the Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 19(c), the Company shall have no liability to pay any amount so attempted to be assigned, transferred or delegated.

20. Notices. All communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as Federal Express or UPS, addressed to the Company (to the attention of the General Counsel of the Company) at its principal executive offices and to the Executive at his principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address shall be effective only upon receipt.

21. Governing Law and Choice of Forum.

(a) This Agreement will be construed and enforced according to the laws of the State of Kansas, without giving effect to the conflict of laws principles thereof.

(b) To the extent not otherwise provided for by Section 16 of this Agreement, the Executive and the Company consent to the jurisdiction of all state and federal courts located in Overland Park, Johnson County, Kansas, as well as to the jurisdiction of all courts of which an appeal may be taken from such courts, for the purpose of any suit, action, or other proceeding arising out of, or in connection with, this Agreement or that otherwise arise out of the employment relationship. Each Party hereby expressly waives any and all rights to bring any suit, action, or other proceeding in or before any court or tribunal other than the courts described above and covenants that it shall not seek in any manner to resolve any dispute other than as set forth in this paragraph. Further, the Executive and the Company hereby expressly waive any and all objections either may have to venue, including, without limitation, the inconvenience of such forum, in any of such courts. In addition, each of the Parties consents to the service of process by personal service or any manner in which notices may be delivered hereunder in accordance with this Agreement.

22. Validity/Severability. If any provision of this Agreement or the application of any provision is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal. To the extent any provisions held to be invalid, unenforceable or otherwise illegal cannot be reformed, such provisions are to be stricken herefrom and the remainder of this Agreement will be binding on the parties and their successors and assigns as if such invalid or illegal provisions were never included in this Agreement from the first instance.

23. Survival of Provisions. Notwithstanding any other provision of this Agreement, the parties' respective rights and obligations under Sections 10, 11, 12, 13, 14, 15, 16, 18, 22 and 26 will survive any termination or expiration of this Agreement or the termination of the Executive's employment.

24. Representations and Acknowledgements.

(a) The Executive hereby represents that he is not subject to any restriction of any nature whatsoever on his ability to enter into this Agreement or to perform his duties and responsibilities hereunder, including, but not limited to, any covenant not to compete with any former employer, any covenant not to disclose or use any non-public information acquired during the course of any former employment or any covenant not to solicit any customer of any former employer.

(b) The Executive hereby represents that, except as he has disclosed in writing to the Company, he is not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of the Executive's employment with the Company or to refrain from competing, directly or indirectly, with the business of such previous employer or any other party.

(c) The Executive further represents that, to the best of his knowledge, his performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement with another party, including without limitation any agreement to keep in confidence proprietary information, knowledge or data the Executive acquired in confidence or in trust prior to his employment with the Company, and that he will not knowingly disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

(d) The Executive acknowledges that he will not be entitled to any consideration or reimbursement of legal fees in connection with execution of this Agreement.

(e) The Executive hereby represents and agrees that, during the Restricted Period, if the Executive is offered employment or the opportunity to enter into any business activity, whether as owner, investor, executive, manager, employee, independent consultant, contractor, advisor or otherwise, the Executive will inform the offeror of the existence of Sections 10, 11, 12 and 13 of this Agreement and provide the offeror a copy thereof. The Executive authorizes the Company to provide a copy of the relevant provisions of this Agreement to any of the persons or entities described in this Section 24(e) and to make such persons aware of the Executive's obligations under this Agreement.

25. Compliance with Code Section 409A. With respect to reimbursements or in-kind benefits provided under this Agreement: (a) the Company will not provide for cash in lieu of a right to reimbursement or in-kind benefits to which the Executive has a right under this

Agreement, (b) any reimbursement or provision of in-kind benefits made during the Executive's lifetime (or such shorter period prescribed by a specific provision of this Agreement) shall be made not later than December 31st of the year following the year in which the Executive incurs the expense, and (c) in no event will the amount of expenses so reimbursed, or in-kind benefits provided, by the Company in one year affect the amount of expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. Each payment, reimbursement or in-kind benefit made pursuant to the provisions of this Agreement shall be regarded as a separate payment and not one of a series of payments for purposes of Section 409A of the Code. It is intended that any amounts payable under this Agreement and the Company's and the Executive's exercise of authority or discretion hereunder shall comply with the provisions of Section 409A of the Code and the Treasury regulations relating thereto so as not to subject the Executive to the payment of the additional tax, interest and any tax penalty which may be imposed under Section 409A of the Code. In furtherance of this interest, to the extent that any provision hereof would result in the Executive being subject to payment of the additional tax, interest and tax penalty under Section 409A of the Code, the parties agree to amend this Agreement in order to bring this Agreement into compliance with Section 409A of the Code; and thereafter interpret its provisions in a manner that complies with Section 409A of the Code. Reference to Section 409A of the Code is to Section 409A of the Internal Revenue Code of 1986, as amended, and will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of Treasury or the Internal Revenue Service. Notwithstanding the foregoing, no particular tax result for the Executive with respect to any income recognized by the Executive in connection with the Agreement is guaranteed, and the Executive shall be responsible for any taxes, penalties and interest imposed on him under or as a result of Section 409A of the Code in connection with the Agreement.

26. Amendment; Waiver. Except as otherwise provided herein, this Agreement may not be modified, amended or waived in any manner except by an instrument in writing signed by both Parties hereto. No waiver by either Party at any time of any breach by the other Party hereto or compliance with any condition or provision of this Agreement to be performed by such other Party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

27. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

28. Headings. Unless otherwise noted, the headings of sections herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

29. Defined Terms.

- (a) "Agreement" has the meaning set forth in the preamble.
- (b) "Base Salary" has the meaning set forth in Section 4(a).

(c) “Board” has the meaning set forth in Section 3(a).

(d) “Bonus Award” has the meaning set forth in Section 4(b)(i).

(e) “Bylaws” means the Amended and Restated Sprint Corporation Bylaws, as may be amended from time to time.

(f) “Capped Bonus Award” shall mean the lesser of the annual Target Bonus or actual performance for such fiscal year in accordance with the then existing terms of the STIP, which shall not be payable until the Compensation Committee has determined that any incentive targets have been achieved and the subsequent designated payout date has arrived.

(g) “Cause” shall mean:

(i) any act or omission constituting a material breach by the Executive of any provisions of this Agreement;

(ii) the willful failure by the Executive to perform his duties hereunder (other than any such failure resulting from the Executive’s Disability), after demand for performance is delivered by the Company that identifies the manner in which the Company believes the Executive has not performed his duties, if, within 30 days of such demand, the Executive fails to cure any such failure capable of being cured;

(iii) any intentional act or misconduct materially injurious to the Company or any Subsidiary, financial or otherwise, or including, but not limited to, misappropriation, fraud including with respect to the Company’s accounting and financial statements, embezzlement or conversion by the Executive of the Company’s or any of its Subsidiary’s property in connection with the Executive’s duties or in the course of the Executive’s employment with the Company;

(iv) the conviction (or plea of no contest) of the Executive for any felony or the indictment of the Executive for any felony including, but not limited to, any felony involving fraud, moral turpitude, embezzlement or theft in connection with the Executive’s duties or in the course of the Executive’s employment with the Company;

(v) the commission of any intentional or knowing violation of any antifraud provision of the federal or state securities laws;

(vi) the Board reasonably believes in its good faith judgment that the Executive has committed any of the acts referred to in this Section 29(g)(v);

(vii) a final, non-appealable order in a proceeding before a court of competent jurisdiction or a final order in an administrative proceeding finding that the Executive committed any willful misconduct or criminal activity (excluding minor traffic violations or other minor offenses) which commission is materially

inimical to the interests of the Company or any Subsidiary, whether for his personal benefit or in connection with his duties for the Company or any Subsidiary;

- (viii) current alcohol or prescription drug abuse affecting work performance;
- (ix) current illegal use of drugs; or
- (x) violation of the Company's Code of Conduct, with written notice of termination by the Company for Cause in each case provided under this Section 29(g).

For purposes of this Agreement, no act or failure to act on the part of the Executive shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Company.

- (h) "Change in Control" has the meaning set forth in the CIC Severance Plan.
- (i) "Chief Executive Officer" has the meaning set forth in Section 3(a).
- (j) "CIC Severance Plan" means the Company's Change in Control Severance Plan, as may be amended from time to time, or any successor plan, program or arrangement thereto.
- (k) "CIC Severance Protection Period" has the meaning set forth in the CIC Severance Plan.
- (l) "Certificate of Incorporation" means the Amended and Restated Articles of Incorporation of Sprint Corporation, as may be amended from time to time.
- (m) "Code" means the Internal Revenue Code of 1986, as amended from time to time, including any rules and regulations promulgated thereunder, along with Treasury and IRS Interpretations thereof. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.
- (n) "Company" has the meaning set forth in the preamble.
- (o) "Company Group" has the meaning set forth in Section 10(a)(i).
- (p) "Compensation Committee" means the Compensation Committee of the Board.

(q) “Competitor” has the meaning set forth in Section 11(b).

(r) “Developments” has the meaning set forth in Section 13(a).

(s) “Disability” or “Disabled” shall mean:

(i) the Executive’s incapacity due to physical or mental illness to substantially perform his duties and the essential functions of his position, with or without reasonable accommodation, on a full-time basis for six months as determined by the Board in its reasonable discretion, and within 30 days after a notice of termination is thereafter given by the Company, the Executive shall not have returned to the full-time performance of the Executive’s duties; and, further,

(ii) the Executive becomes eligible to receive benefits under the LTD Plan;

provided, however, if the Executive shall not agree with a determination to terminate his employment because of Disability, the question of the Executive’s disability shall be subject to the certification of a qualified medical doctor agreed to by the Company and the Executive. The costs of such qualified medical doctor shall be paid for by the Company.

(t) “Effective Date” has the meaning set forth in the preamble.

(u) “Employee Plans” has the meaning set forth in Section 5(a).

(v) “Employment Term” means the Initial Employment Term and any Renewal Term.

(w) “Executive” has the meaning set forth in the preamble.

(x) “Good Reason” means the occurrence of any of the following without the Executive’s written consent, unless within 30 (20 prior to July 9, 2015) days of the Executive’s written notice of termination of employment for Good Reason, the Company cures any such occurrence:

(i) the Company’s material breach of this Agreement;

(ii) a material reduction (10% or greater before July 9, 2015) in the Executive’s Base Salary (that is not agreed to by the Executive), as compared to the corresponding circumstances in place on the Effective Date as may be increased pursuant to Section 4, except for across-the-board reductions generally applicable to all senior executives; or

(iii) relocation of the Executive’s Place of Performance more than 50 (30 prior to July 9, 2015) miles without the Executive’s consent.

In addition, up through July 8, 2015, “Good Reason” means a “significant, adverse change in Executive’s duties, authorities or responsibilities.

Any occurrence of Good Reason shall be deemed to be waived by the Executive unless the Executive provides the Company written notice of termination of employment for Good Reason within 60 days of the event giving rise to Good Reason.

(y) “Initial Employment Term” has the meaning set forth in Section 2.

(z) “JAMS” has the meaning set forth in Section 16.

(aa) “LTD Plan” has the meaning set forth in Section 9(e).

(bb) “LTSIP” means the Company’s 2007 Omnibus Incentive Plan, effective May 8, 2007, as may be amended from time to time, or any successor plan, program or arrangement thereto.

(cc) “LTSIP Target Award Opportunities” has the meaning set forth in Section 4(b)(ii).

(dd) “Participant” has the meaning set forth in the CIC Severance Plan.

(ee) “Parties” has the meaning set forth in the preamble.

(ff) “Party” has the meaning set forth in the preamble.

(gg) “Payment Period” means the period of 18 continuous months, as measured from the Executive’s Separation from Service.

(hh) “Place of Performance” has the meaning set forth in Section 8.

(ii) “Proprietary Information” has the meaning set forth in Section 10(a)(i).

(jj) “Release” means a release of claims in a form provided to the Executive by the Company in connection with the payment of benefits under this Agreement, which release shall not waive Executive’s rights to indemnification under insurance, Company policy or applicable laws or regulations.

(kk) “Release Consideration Period” means the period of time pursuant to the terms of the Release afforded the Executive to consider whether to sign it.

(ll) “Release Revocation Period” means the period pursuant to the terms of an executed Release in which it may be revoked by the Executive.

(mm) “Renewal Term” has the meaning set forth in Section 2.

(nn) “Restricted Period” means the 18-month period following the Executive’s date of termination of employment with the Company for any reason or

Cause, including for nonrenewal of this Agreement, Disability, termination by the Company or termination by the Executive.

(oo) "Separation from Service" means "separation from service" from the Company and its subsidiaries as described under Code Section 409A and the guidance and Treasury regulations issued thereunder. Separation from Service will occur on the date on which the Executive's level of services to the Company decreases to 21 percent or less of the average level of services performed by the Executive over the immediately preceding 36-month period (or if providing services for less than 36 months, such lesser period) after taking into account any services that the Executive provided prior to such date or that the Company and the Executive reasonably anticipate the Executive may provide (whether as an employee or as an independent contractor) after such date. For purposes of the determination of whether the Executive has had a Separation from Service, the term "Company" shall mean the Company and any affiliate with which the Company would be considered a single employer under Code Section 414(b) or 414(c), provided that in applying Code Sections 1563(a)(1), (2), and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Treasury Regulation Section 1.414(c)-2. In addition, where the use of such definition of "Company" for purposes of determining a Separation from Service is based upon legitimate business criteria, in applying Code Sections 1563(a)(1), (2), and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 20 percent" is used instead of "at least 80 percent" at each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), "at least 20 percent" is used instead of "at least 80 percent" at each place it appears in Treasury Regulation Section 1.414(c)-2.

(pp) "Separation Plan" means the Company's Separation Plan Amended and Restated Effective August 13, 2006, as may be amended from time to time or any successor plan, program, arrangement or agreement thereto.

(qq) "Specified Employee" shall mean an Executive who is a "specified employee" for purposes of Code Section 409A, as administratively determined by the Board in accordance with the guidance and Treasury regulations issued under Code Section 409A.

(rr) "STIP" means the Company's short-term incentive plan under Section 8 of the Company's 2007 Omnibus Incentive Plan, effective May 8, 2007, as may be amended from time to time, or any successor plan, program or arrangement thereto.

(ss) “Subsidiary” shall mean any entity, corporation, partnership (general or limited), limited liability company, entity, firm, business organization, enterprise, association or joint venture in which the Company directly or indirectly controls ten percent (10%) or more of the voting interest. Notwithstanding the foregoing, for purposes of Section 3(a), “Subsidiary” shall mean any affiliate with which the Company would be considered a single employer as described in the definition of Separation from Service.

(tt) “Target Bonuses” has the meaning set forth in Section 4(b)(i).

(uu) “Territory” has the meaning set forth in Section 11(b).

IN WITNESS WHEREOF, the Company has caused this Agreement to be signed by an officer pursuant to the authority of its Board, and the Executive has executed this Agreement, as of the day and year first written above.

SPRINT CORPORATION

By: /s/ SANDRA PRICE
Sandra J. Price
Senior Vice President - Human Resources

/s/ JOHN SAW
John C. Saw

SPRINT CORPORATION
CHANGE IN CONTROL SEVERANCE PLAN
(Effective January 1, 2007 and
Amended and Restated Effective January 1, 2008, September 17, 2013
and May 21, 2014)

SPRINT CORPORATION
CHANGE IN CONTROL SEVERANCE PLAN
(Amended and Restated Effective January 1, 2008, September 17, 2013
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ARTICLE ONE

INTRODUCTION

1.01 Purpose of the Plan

The Sprint Corporation Change in Control Severance Plan (the “Plan”) provides primarily for severance compensation benefits for certain key employees following termination of employment in connection with and/or following a Change in Control. Given the level of acquisition and change in control activity in today’s business environment, the Board recognizes and understands that many key employees face uncertainty with respect to their job security. In addition, the Board believes that the concerns of key employees regarding a possible Change in Control transaction may cause them to consider career changes in an effort to assure financial security for themselves and their families. Consequently, the Corporation desires to increase the willingness of its key employees to remain with the Corporation (or its Subsidiaries) notwithstanding the employment uncertainties related to a possible Change in Control by providing certain economic benefits in the event of a Change in Control, thus allowing such key employees to make career decisions without undue time pressure and financial uncertainty.

The Plan is intended to provide severance compensation and benefits pursuant to the Plan if a Change in Control of the Corporation has occurred and the Participant’s employment is either (a) terminated by a Company without Cause or (b) voluntarily terminated by the Participant for Good Reason in accordance with the terms of this Plan. The purpose and intent of the Plan is to help the Corporation attract and retain key employees and reduce distractions resulting from a potential Change in Control. The Board has considered the effect that a Change in Control of the Corporation may have on key employees of the Corporation and its Subsidiaries, and has found that such a Plan is in the best interest of the Corporation and its stockholders.

Capitalized terms used throughout the Plan have the meanings set forth in Article Two, except as otherwise defined in the Plan or where the context clearly requires otherwise.

1.02 Plan Status

The Plan is intended to be a plan providing Severance Benefits following a Change in Control. The Plan is intended to be a top hat plan for a select group of management or highly compensated executives, subject only to the administration and enforcement provisions of ERISA.

1.03 Entire Plan

This document, including any Appendix hereto, and any documents incorporated herein by reference set forth the provisions of the Plan effective as of the date of this current amendment and restatement of the Plan.

1.04 Administration

The Compensation Committee of the Board (the “Compensation Committee”) shall administer the Plan; provided, however, that none of the members of the Compensation Committee will be a Participant. The powers and duties of the Compensation Committee in administering the Plan are set forth in Section 6.02.

ARTICLE TWO

DEFINITIONS

2.01 Defined Terms. For purposes of this Plan the following terms shall have the following meanings:

- (a) “Accounting Firm” means a nationally recognized accounting firm, or actuarial, benefits or compensation consulting firm (with experience in performing the calculations regarding the applicability Section 280G of the Code and of the tax imposed by Section 4999 of the Code) selected by the Corporation.
- (b) “Applicable Multiple” means the number specified under the heading “Applicable Multiple” on Appendix II for the Participant’s designated Severance Benefit Classification.
- (c) “Applicable Period” means the period specified under the heading “Applicable Period” on Appendix II for the Participant’s designated Severance Benefits Classification.
- (d) “Base Salary” means the annual base salary of any Participant, exclusive of any bonus, special pay or other benefits a Participant may receive, and for purposes of Article Four means such annual base salary in effect (i) on the date immediately preceding the date of the relevant Change in Control or (ii) on the date of the Participant’s termination of employment with a Company, whichever is higher.
- (e) “Board” means the Board of Directors of the Corporation.
- (f) “Business Transaction” has the meaning set forth in Section 2.01(h)(ii).
- (g) “Cause” means a termination of a Participant’s employment due to the Participant’s:
 - (i) conviction of, or entering into a plea of either guilty or *nolo contendere* to, any felony, including, but not limited to, a felony involving moral turpitude, embezzlement, theft or similar act that occurred during or in the course of the Participant’s employment with a Company;
 - (ii) willful and continued failure to substantially perform his duties for a Company, after receiving written notice from or on behalf of such Company and having had a thirty (30) day opportunity to cure the deficiency;
 - (iii) willful misconduct or gross negligence that results in material harm to a Company; or
 - (iv) willful violation of the Corporation’s policies that results in material harm to a Company.

For purposes of this Plan, an act, or failure to act, shall not be deemed to be “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without a reasonable belief that the action or omission was in the best interests of a Company.

- (h) “Change in Control” means, effective with respect to transactions occurring after September 16, 2013, the occurrence of any of the following events:
- (i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”), except SOFTBANK CORP. or any other entity that “controls,” is “controlled by” or is “under common control” with the Corporation or SOFTBANK CORP. within the meaning of Rule 405 of Regulation C under the Securities Act, becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of the combined voting power of the then-outstanding Voting Stock of the Corporation; except, that:
- (A) for purposes of this clause (i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition of Voting Stock of the Corporation directly from the Corporation that is approved by a majority of the Incumbent Directors, (2) any acquisition of Voting Stock of the Corporation by the Corporation or any Subsidiary, (3) any acquisition of Voting Stock of the Corporation by the trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Subsidiary, and (4) any acquisition of Voting Stock of the Corporation by any Person pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of clause (ii) below;
- (B) if any Person becomes the beneficial owner of thirty percent (30%) or more of combined voting power of the then-outstanding Voting Stock of the Corporation as a result of a transaction or series of transactions described in sub-clause (1) of clause (i)(A) above and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock of the Corporation representing one percent (1%) or more of the then-outstanding Voting Stock of the Corporation, other than as a result of (x) a transaction described in sub-clause (1) of clause (i)(A) above, or (y) a stock dividend, stock split or similar transaction effected by the Corporation in which all holders of Voting Stock are treated equally then such subsequent acquisition shall be treated as a Change in Control;
- (C) a Change in Control will not be deemed to have occurred if a Person becomes the beneficial owner of thirty percent (30%) or more of the Voting Stock of the Corporation as a result of a reduction in the number of shares of Voting Stock of the Corporation outstanding pursuant to a transaction or series of

transactions that is approved by a majority of the Incumbent Directors unless and until such Person thereafter becomes the beneficial owner of additional shares of Voting Stock of the Corporation representing one percent (1%) or more of the then-outstanding Voting Stock of the Corporation, other than as a result of a stock dividend, stock split or similar transaction effected by the Corporation in which all holders of Voting Stock are treated equally; and

- (D) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of thirty percent (30%) or more of the Voting Stock of the Corporation inadvertently, and such Person divests as promptly as practicable, but no later than the date, if any, set by the Incumbent Directors a sufficient number of shares so that such Person beneficially owns less than thirty percent (30%) of the Voting Stock of the Corporation, then no Change in Control shall have occurred as a result of such Person's acquisition; or
- (ii) the consummation of a reorganization, merger or consolidation of the Corporation with, or the acquisition of the stock or assets of the Corporation by, another Person, or similar transaction (each, a "Business Transaction"), unless, in each case, immediately following such Business Transaction (A) the Voting Stock of the Corporation outstanding immediately prior to such Business Transaction continues to represent, directly or indirectly, (either by remaining outstanding or by being converted into Voting Stock of the surviving entity or any parent thereof), more than fifty percent (50%) of the combined voting power of the then outstanding shares of Voting Stock or comparable equity interests of the entity resulting from such Business Transaction (including, without limitation, an entity which as a result of such transaction owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries), (B) no Person (other than the Corporation or SOFTBANK CORP. or any other entity that "controls," is "controlled by" or is "under common control" with the Corporation or SOFTBANK CORP. within the meaning of Rule 405 of Regulation C under the Securities Act, such entity resulting from such Business Transaction, or any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Transaction, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Transaction; or

- (iii) during any consecutive eighteen (18) month period, more than thirty percent (30%) of the Board ceases to be comprised of Incumbent Directors; or
 - (iv) consummation of a transaction that implements in whole or in part a resolution of the stockholders of the Corporation authorizing a sale of all or substantially all of Corporation's assets or a complete liquidation or dissolution of the Corporation, except pursuant to a Business Transaction that complies with sub-clauses (A), (B) and (C) of clause (ii) above; or
 - (v) the cessation of the listing of, or the cessation of the requirement to list, all classes of the Corporation's equity securities on a national securities exchange.
- (i) "Chief Executive Officer" means the Chief Executive Officer of the Corporation.
 - (j) "CIC Severance Protection Period" means the time period commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death. A CIC Severance Protection Period shall also include the time period before the occurrence of a Change in Control for Participants who are subject to a Pre-CIC Termination with respect to the affected Participant.
 - (k) "Code" means the Internal Revenue Code of 1986, as amended and the proposed, temporary and final regulations promulgated thereunder. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.
 - (l) "Company" means as the context requires, the Corporation, any Participating Employer, or any entity to which a Participant's employment is transferred, at the direction of the Corporation, and with which the Corporation would be considered a single employer as described in the definition of Separation from Service.
 - (m) "Compensation Committee" has the meaning set forth in Section 1.04.
 - (n) "Corporation" means Sprint Corporation, a Delaware corporation, or any successor company.
 - (o) "Director" means a member of the Board.
 - (p) "Effective Date" means January 1, 2007.
 - (q) "Employment Agreement" means any written employment agreement between a Company and a Participant.
 - (r) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder. Reference to any section or subsection of ERISA includes reference to any comparable or succeeding

provisions of any legislation that amends, supplements or replaces such section or subsection.

- (s) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder. Reference to any section or subsection of the Exchange Act includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.
- (t) “Excise Tax” shall mean, collectively, (i) the tax imposed by Section 4999 of the Code by reason of being “contingent on a change in ownership or control” of the Corporation, within the meaning of Section 280G of the Code, or (ii) any similar tax imposed by state or local law, or (iii) any interest or penalties with respect to any excise tax described in clause (i) or (ii).
- (u) “Good Reason” means a Participant’s resignation from employment with a Company in accordance with Section 6.15(b) after any of the actions listed below are directed at the Participant without the Participant’s written consent (unless cured prior to such resignation):
 - (i) Such Company’s material breach of an Employment Agreement with the Participant, if any;
 - (ii) significant and adverse change in duties and responsibilities which results in a change in a Participant’s tier (and adjusting as appropriate for any changes to the Corporation’s system of classifying employees implemented subsequent to the Effective Date) as compared with a Participant’s responsibilities or duties immediately prior to the Change in Control;
 - (iii) reduction in a Participant’s Base Salary as compared with the Participant’s Base Salary immediately prior to the Change in Control, except for across-the-board reductions generally applicable to all senior executives;
 - (iv) reduction in a Participant’s Target Bonus as compared with the Participant’s Target Bonus in effect immediately prior to the Change in Control, except for across-the-board reductions generally applicable to all senior executives;
 - (v) the failure to provide long-term incentive opportunities to the Participant at a level that is generally comparable to all senior executives;
 - (vi) reduction in the aggregate value of Section 2.01(u)(iii), (iv) and (v) as compared with such benefits in effect immediately prior to the Change in Control, except for across-the-board reductions of not more than ten percent (10%) generally applicable to all senior executives;
 - (vii) reduction in aggregate employee benefits provided to the Participant as compared to the value of aggregate employee benefits provided

immediately prior to the Change in Control, except for across-the-board reductions generally applicable to all senior executives;

- (viii) a Company requires the Participant to have the Participant's principal location of work changed to a location more than fifty (50) miles from the location thereof immediately prior to the Change in Control; or
- (ix) failure of any successor to a Company to assume the Participant's Employment Agreement or this Plan, as applicable;

provided, however, that a Participant's right to resign his employment for Good Reason will lapse unless such resignation occurs within sixty (60) days of the event giving rise to Good Reason in accordance with Section 6.15(b) (the "Good Reason Period"). Notwithstanding the foregoing, the lapse of such Participant's right to resign for Good Reason will only apply to the event giving rise to Good Reason. For the avoidance of doubt, the Participant shall have the right to resign for Good Reason, as provided in this Section 2.01(u), upon the occurrence of a subsequent and independent event giving rise to Good Reason.

- (v) "Good Reason Period" has the meaning set forth in Section 2.01(u).
- (w) "Incumbent Directors" means the individuals who, as of the Effective Date, are Directors of the Corporation, and any individual becoming a Director after the Effective Date whose election, nomination for election by the Corporation's stockholders, or appointment, was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Corporation in which such person is named as a nominee for director, without objection to such nomination); provided, however, that an individual shall not be an Incumbent Director if such individual's election or appointment to the Board occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.
- (x) "Initial Term" has the meaning set forth in Section 5.02.
- (y) "JAMS" has the meaning set forth in Section 6.08(a).
- (z) "Parties" has the meaning set fourth in Section 6.08(a).
- (aa) "Participant" means each full-time employee of a Company who is recommended to the Compensation Committee by the Chief Executive Officer for participation in the Plan and whose participation in the Plan has been approved by the Compensation Committee as provided in Article Three and who continues to remain employed by a Company either up through a Change in Control or up to a termination of employment that qualifies as a Pre-CIC Termination, except as otherwise removed from Participation pursuant to Article Three.

- (bb) “Participating Employer” means the Corporation and any Subsidiary of the Corporation that is designated as a Participating Employer under the Plan by the Board, excluding, however, any division of the Corporation or of a Subsidiary or affiliate of the Corporation that is designated by the Board as ineligible to participate in the Plan. Appendix III contains a list of the Participating Employers currently participating in the Plan that have adopted the Plan pursuant to Article Six.
- (cc) “Payment” has the meaning set forth in Section 4.05.
- (dd) “Person” has the meaning set forth in Section 2.01(h)(i).
- (ee) “Plan” has the meaning set forth in Section 1.01, as such may be amended from time to time, or any successor plan, program or arrangement thereto.
- (ff) “Pre-CIC Termination” means the termination of a Participant without Cause if (i) the termination occurs in the six-month period before a Change in Control at the request of a third party in contemplation of a Change in Control, (ii) the Change in Control occurs, and (iii) the termination constitutes a Separation from Service.
- (gg) “Release” means a release of claims and a non-compete agreement and other restrictive covenants in a form provided to the Participant by the Corporation in connection with the payment of benefits under this Plan.
- (hh) “Release Consideration and Revocation Period” means the combined total of the Release Consideration Period and the Release Revocation Period.
- (ii) “Release Consideration Period” means the period of time pursuant to the terms of a Release afforded a Participant to consider whether to sign it.
- (jj) “Release Revocation Period” means the period pursuant to the terms of an executed Release in which it may be revoked by a Participant.
- (kk) “Renewal Term” has the meaning set forth in Section 5.02.
- (ll) “Separation from Service” means “separation from service” from an Employer as described under Code Section 409A and any governing Internal Revenue Service guidance and Treasury regulations. A Participant who is a Board member does not have a Separation from Service until he or she has a Separation from Service with respect to both his or her employment and his or her Board membership. “Employer” means the Corporation and any affiliate with which the Corporation is treated as a single employer under Code Section 414(b) or 414(c), as modified in (i) and (ii) below.
 - (i) 50 Percent-Owned Entities. In applying Code Sections 1563(a)(1), (2), and (3) to Code Section 414(b), the language “at least 50 percent” is used instead of “at least 80 percent” each place it appears. In applying Treasury Regulation Section 1.414(c)-2 to trades or businesses (whether or not incorporated) that are under common control under Code Section 414(c),

“at least 50 percent” is used instead of “at least 80 percent” each place it appears.

- (ii) 20 Percent-Owned Entities. In addition to (i) above, where the Compensation Committee determines that legitimate business criteria exist with respect to a particular entity, in applying Code Sections 1563(a)(1), (2), and (3) under Code Section 414(b), the language “at least 20 percent” is used instead of “at least 80 percent” each place it appears. In applying Treasury Regulation Section 1.414(c)-2 to trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), “at least 20 percent” is used instead of “at least 80 percent” each place it appears.
- (iii) Service Level. A Separation from Service occurs when the Participant’s level of services drops to 21 percent or less of the average level of service provided by the Participant over the immediately preceding 36-month period (or if providing services for less than 36 months, that lesser period). If a Participant’s status changes from an employee to an independent contractor, or from an independent contractor to an employee, services provided in both capacities are taken into account.
- (mm) “Separation Plan” means the Corporation’s Separation Plan as may be amended from time to time or any successor plan, program, arrangement or agreement thereto.
- (nn) “Severance Benefits” means Severance Pay and the other benefits payable to a Participant pursuant to Article Four of the Plan.
- (oo) “Severance Benefits Classification” means a Participant’s severance benefits classification, as specified for the Participant on Appendix I and as set forth on Appendix II.
- (pp) “Severance Pay” means the cash severance payments payable to a Participant pursuant to Section 4.01 of the Plan.
- (qq) “Specified Employee” means a Participant who is a “specified employee” of the Corporation for purposes of Code Section 409A, as administratively determined by the Board of Directors of the Corporation in accordance with the guidance and Treasury regulations issued under Code Section 409A.
- (rr) “STIP” means the Corporation’s short term incentive plan, under Section 8 of the Corporation’s Omnibus Incentive Plan, effective May 8, 2007, as may be amended from time to time, or any successor plan, program or arrangement thereto.
- (ss) “Subsidiary” means any entity in which the Corporation, directly or indirectly, beneficially owns more than fifty percent (50%) of such entity’s equity interest by vote and value.

- (tt) “Target Bonus” means a Participant’s target (i.e., based on 100% attainment of stated objectives) short-term incentive opportunity under the STIP.
- (uu) “Voting Stock” means securities entitled to vote generally in the election of directors.

ARTICLE THREE

ELIGIBILITY AND PARTICIPATION

3.01 Eligibility on the Effective Date

Each full-time employee of the Corporation or a Participating Employer who has been recommended to the Compensation Committee to be a Tier I or Tier II Executive by the Chief Executive Officer and whose participation in the Plan has been approved by the Compensation Committee, as of the Effective Date will be a Participant in the Plan.

3.02 Future Eligibility

Except as provided in the next sentence, each full-time employee of the Corporation or a Participating Employer who is recommended to the Compensation Committee to be a Tier I or Tier II Executive by the Chief Executive Officer will be a Participant in the Plan only if the Compensation Committee approves his or her participation after the Effective Date and before a Change in Control.

3.03 Plan Participants

Appendix I lists, as of the date of this current amendment and restatement of the Plan, the individuals whom the Compensation Committee has designated as Participants in accordance with Sections 3.01 and 3.02.

3.04 End of Participation

At any time prior to the six (6) month period preceding the occurrence of a Change in Control, the Compensation Committee may authorize a Company to provide a Participant with written notice of termination of the Participant's designation as a Participant in the Plan.

ARTICLE FOUR

SEVERANCE BENEFITS

4.01 Severance Benefits

- (a) Eligibility. A Participant will be eligible for the Severance Benefits described in this Section, subject to the remainder of this paragraph and Section 4.02, if a Change in Control occurs and, during the CIC Severance Protection Period, (a) a Company terminates the Participant's employment without Cause (b) the Participant voluntarily terminates employment for Good Reason during the applicable Good Reason Period or (c) the Company that employs the Participant ceases to constitute a single employer with the Corporation, as described in the definition of Separation from Service, and such termination of employment or change in status constitutes a Separation from Service. In addition, as a condition of receiving Severance Benefits, the Participant must execute a Release within the Release Consideration Period and deliver it to the Company with the Release Revocation Period expired without revocation.
- (b) Amount, Time, and Form of Benefit. A Participant described in (a) above will be entitled to the following benefits, subject to the conditions described below.
- (i) Pro Rata Target Bonus for Performance Periods Beginning on or Before January 1, 2009. In lieu of any benefit that may be paid under the STIP, the prorated portion of the Participant's Target Bonus for the year in which the Participant's Separation from Service occurs (prorated for the portion of the performance period before the Separation from Service date in accordance with the terms of the STIP and related administrative guidelines under the STIP). This amount is payable in a lump sum on the Separation from Service date. A resignation for Good Reason under this Plan is deemed to be a termination without Cause under the STIP.
- (ii) Pro Rata Bonus for Performance Periods Beginning After January 1, 2009. In lieu of any benefit that may be paid under the STIP, a prorated portion of the Participant's bonus (determined as described below) for the year in which the Participant's Separation from Service occurs (prorated for the portion of the performance period before Separation from Service date in accordance with the terms of the STIP and related administrative guidelines under the STIP). If the Separation from Service occurs in the same calendar year in which the Change in Control occurs, the prorated bonus will be based on a prorated portion of the Participant's Target Bonus payable in a lump sum on the Separation from Service date. If the Separation from Service occurs after the calendar year in which the Change in Control occurs, the prorated bonus will be based on a prorated portion of the Participant's actual bonus for the performance period, based on satisfaction of the pre-established performance targets, payable in a lump sum on the date payments under the STIP are paid to Executives who remain employed but no later than two and one-half months

following the end of the Company's fiscal year in which the Separation from Service date occurs.

- (iii) CIC Severance Amount. Except as provided in the next sentence, an amount-payable in accordance with (iv) below-equal to: the Participant's Applicable Multiple (based on the Participant's Severance Benefits Classification) multiplied by the sum of the Participant's (x) Base Salary and (y) Target Bonus, in each case, for the year in which the Participant's termination occurs ("CIC Severance Amount"). If, however, the Participant's Separation from Service is for Good Reason due to a reduction of the Participant's Target Bonus under Section 2.01(u)(iv), the Participant's Target Bonus under this subsection will be the Participant's Target Bonus in effect immediately before the reduction.
- (iv) Form and Timing of Payment. The CIC Severance Amount under (iii) above is payable at the time and in the form provided in this subsection, subject to the six-month delay for Specified Employees under Section 4.02(b). This amount is composed of two parts: the amount to which the Participant would otherwise be entitled under an Employment Agreement or Separation Plan with respect to Base Salary and annual short term incentive compensation in the absence of this Plan, assuming the conditions resulting in entitlement to such benefits has occurred, ("Base Severance Amount"), and the additional amount, if any, provided under (iii) above ("CIC Enhancement"). These amounts are payable as follows, depending for each individual Participant upon whether the Change in Control is a "change in control event" as defined in the applicable Section 409A Treasury Regulations ("409A CIC") or not ("Non-409A CIC").
 - (A) 409A CIC. All CIC Severance Amounts payable as a result of a 409A CIC are payable in a lump sum. For any Participant whose Separation from Service occurs before a Change in Control under circumstances constituting a Pre-CIC Termination, any CIC Severance Amount payable under this Plan is reduced by amounts previously paid with respect to Base Salary and annual short term incentive compensation under an Employment Agreement or Separation Plan to the Participant for any period after the Separation from Service. The CIC Severance Amount is payable on (x) the Executive's Separation from Service date; or (y) for a Pre-CIC Termination, the closing date of the 409A CIC, except that if the Release Consideration and Revocation Period ends on or after December 15 of the calendar year in which the Participant incurs a Separation from Service, the CIC Severance Amount is payable on the first business day in the following calendar year.
 - (B) Non-409A CIC. All CIC Enhancements payable as a result of a Non-409A CIC are payable in a lump sum. All Base Severance Amounts payable as a result of a Separation from Service in connection with a Non-409A CIC are payable in the form provided

under the applicable Employment Agreement or Separation Plan. For any Participant whose Separation from Service occurs before a Change in Control under circumstances constituting a Pre-CIC Termination, any Base Severance Amount payable under this Plan is reduced by amounts previously paid with respect to Base Salary and annual short term incentive compensation under an Employment Agreement or Separation Plan to the Participant for any period after the Separation from Service. The CIC Severance Amounts are payable (or installment payments will commence) on (x) the Executive's Separation from Service date; or (y) for a Pre-CIC Termination, the closing date of the Non-409ACIC, except that if the Release Consideration and Revocation Period ends on or after December 15 of the calendar year in which the Participant incurs a Separation from Service, any payments under this section 4.01(b)(iv)(B) that are otherwise payable in the calendar year of the Participant's Separation from Service shall be paid in a lump sum on the first business day of the following calendar year.

- (v) Health Coverage. A Participant may continue participation at then-existing participation and coverage levels for the Applicable Period following the Separation from Service in the Corporation's group health and life insurance plans comparable to the terms in effect from time to time for the Corporation's senior executives, including any co-payment and premium payment requirements, except that: (A) after the Applicable Period expires, the Participant will retain any rights to continue coverage under the group health plans under the benefits continuation provisions pursuant to Section 4980B of the Code and to continue coverage under any life insurance plans by paying the applicable premiums of such plans; (B) the Participant will no longer be eligible to receive the benefits otherwise receivable under this subsection as of the date that the Participant becomes eligible to receive comparable benefits from a new employer or otherwise; and (C) no Company may provide a cash payment in lieu of the benefits provided under this subsection.
- (vi) Outplacement. For a period ending on the last day of the second calendar year following the year in which the Participant's Separation from Service occurred, the Participant will receive outplacement services from a firm selected by the applicable Company, at the Company's expense, in an amount not to exceed \$35,000. No Company may provide a cash payment in lieu of this outplacement benefit.
- (c) Equity and Long-Term Incentives. This Plan does not affect the vesting or payment of any equity or long-term incentive grants or awards. Unvested equity and other long-term incentives as specified in individual award agreements, if applicable, shall vest and pay with respect to each Participant in accordance with their terms.

- (d) Reimbursements. Any reimbursements by a Company to a Participant of any eligible expenses under this Plan that are not otherwise exempt from Code Section 409A (“Reimbursements”) will be made promptly and, in any event, on or before the last day of the Participant’s taxable year following the taxable year in which the expense was incurred. The amount of any Reimbursements, and the value of any in-kind benefits not otherwise exempt from Code Section 409A to be provided during any taxable year of a Participant will not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other of taxable years of such Participant, except for any limit on the amount of expenses that may be reimbursed under an arrangement described in Code Section 105(b). The right to Reimbursements, or in-kind benefits, will not be subject to liquidation or exchange for another benefit.
- (e) Benefits in Lieu of Other Severance. Any Severance Benefits payable under this Section 4.01 will be paid solely in lieu of, not in addition to, any severance amounts payable under an Employment Agreement or Separation Plan on account of the Participant’s termination from employment, except to the extent that the Employment Agreement provides greater benefits than the Severance Benefits under this Plan. If the Employment Agreement provides a greater benefit, that excess amount will be paid in accordance with the Employment Agreement. In no event may there be duplication of benefits under this Plan and any Employment Agreement or Separation Plan.

4.02 Section 409A

- (a) In General. The Company intends that benefits provided under the Plan will not be subject to tax under Code Section 409A. Notwithstanding any provision of the Plan to the contrary, the Plan is to be interpreted and construed consistent with this intent. To the extent that any provision of the Plan were to conflict with section 409A or that the administration of the Plan were to fail to satisfy the requirements of section 409A, that provision will be deemed null and void to the extent permitted by applicable law.
- (b) Distributions. Notwithstanding any provision of the Plan to the contrary, distributions under the Plan may only be made upon an event and in a manner permitted under Code Section 409A. In no event may a Participant, directly or indirectly, designate the calendar year of payment, except as permitted by Code Section 409A. The right to a series of payments under the Plan will be treated as a right to a series of separate payments. If a distribution or benefit subject to Code Section 409A is being made to a Specified Employee due to the Participant’s Separation from Service, distribution or payment will be delayed until the earlier to occur of the Participant’s death or the day that is six months and one day following the Participant’s Separation from Service (the “Delay Period”). The postponed payments will be paid to the Participant on the last day of the Delay Period.
- (c) No Representations or Warranties. The Corporation does not, however, assume any economic burdens associated with Code Section 409A. Although the

Corporation intends to administer the Plan to prevent taxation under Code Section 409A, it does not represent or warrant that the Plan complies with any provision of federal, state, local, or non-United States law. The Corporation, its subsidiaries, and their respective directors, officers, employees and advisers will not be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant may owe as a result of participation in the Plan. And neither the Corporation nor its subsidiaries or affiliates have any obligation to indemnify or otherwise protect any Participant from any obligation to pay taxes under Code Section 409A.

4.03 Forfeiture

Any right of the Participant to receive Severance Benefits hereunder shall be forfeited to the extent of any amounts payable or benefits due after any breach of Section 6.09 by the Participant.

4.04 Legal Fees

All expenses of a Participant incurred in enforcing the Participant's rights and/or to recover the Participant's benefits under this Article Four, including but not limited to, attorneys' fees, court costs, arbitration costs, and other expenses shall be paid by the Corporation. The Corporation shall pay, or reimburse the Participant for such fees, costs and expenses, promptly upon presentment of appropriate documentation, but only if, to the extent and at the earliest date(s) such payment or reimbursement does not violate Code Section 409A.

4.05 Applicable Provisions if Excise Tax Applies

Anything in the Plan to the contrary notwithstanding, if it is determined (as hereafter provided) that any payment or distribution by or on behalf of a Company to or for the benefit of the Participant, whether paid or payable or distributed or distributable pursuant to the terms of the Plan or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the Excise Tax, but for the application of this sentence, then the Payment shall be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of any such Payment, as so reduced, constitutes an "Excess Parachute Payment" within the meaning of Section 280G of the Code; provided, however, that the foregoing reduction shall be made only if and to the extent that such reduction would result in an increase in the aggregate Payment to be provided, determined on an after-tax basis (taking into account the Excise Tax imposed, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income taxes). The fact that the Participant's right to a Payment may be reduced by reason of the limitations contained in this Section 4.05 shall not of itself limit or otherwise affect any other rights of the Participant other than under the Plan. In the event that a Payment intended to be provided under the Plan is required to be reduced pursuant to this Section 4.05, the Corporation may effect such reduction in any manner it deems appropriate.

- (a) All determinations required to be made under this Section 4.05, including whether an Excise Tax is payable by the Participant and the amount of such Excise Tax, shall be made by the Accounting Firm. The Corporation shall direct the Accounting Firm to submit its determination and detailed supporting calculations to the relevant Company and the Participant within fifteen (15) calendar days after the date of the Participant's termination, if applicable, and any other such time or times as may be requested by such Company or the Participant. If the Accounting Firm determines that no Excise Tax is payable by the Participant, it shall, at the same time as it makes such determination, furnish the Participant with an opinion that the Participant has substantial authority not to report any Excise Tax on the Participant's federal, state, local income or other tax return.
- (b) The Corporation and the Participant shall each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Corporation or the Participant, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determination contemplated by Section 4.05(a). Any reasonable determination by the Accounting Firm of the type contemplated by Section 4.05(a) (and supported by the calculations done by the Accounting Firm) shall be binding upon such Company and the Participant.
- (c) The federal, state and local income or other tax returns filed by the Participant shall be prepared and filed on a consistent basis with the determination of the Accounting Firm with respect to the Excise Tax, if any, payable by the Participant. The Participant shall make proper payment of the amount of any Excise Tax, and upon request, provide to the Corporation true and correct copies (with any amendments) of the Participant's federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by the Corporation, evidencing such filing and payment.
- (d) The Corporation will pay the fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by Section 4.05(a) and Section 4.05(c). If such fees and expenses are initially paid by the Participant, subject to Section 4.02, the Corporation shall reimburse the Participant the full amount of such fees and expenses within ten (10) business days after receipt from the Participant of reasonable evidence of payment.

ARTICLE FIVE

AMENDMENT AND TERMINATION

5.01 Amendment

The Corporation reserves the right to amend, modify or change the Plan, at any time without any Participant's consent; provided, however, that any amendment, modification or change that adversely affects a Participant's severance benefits and/or rights will not apply to a Participant if the revision is made within six (6) months prior to the occurrence of a Change in Control without the Participant's written consent (and before all payments and benefits hereunder or at or following the occurrence of such Change in Control associated with such Change in Control are paid or made available as set forth herein), except as may be otherwise required to comply with changes in applicable laws or regulations, including as set forth in Section 4.02.

5.02 Termination

The term of the Plan shall be for an initial term of two (2) years commencing on the Effective Date and shall continue through December 31, 2008 (the "Initial Term"); provided, however, that at the end of the Initial Term and on each succeeding anniversary of the Effective Date, the Plan will be automatically extended by an additional one (1) year (each, a "Renewal Term"), unless, not less than one (1) year prior to the end of the Initial Term or any Renewal Term, a Company has given the Participants written notice of nonrenewal. Notwithstanding the foregoing, following the commencement of any discussions with a third party that result in a Change in Control, the Plan shall continue subject to Section 5.01, until the applicable Participating Employer has fully performed all of such Participating Employer's obligations under the Plan with respect to all Participants, and shall have paid all Severance Benefits under the Plan in full to all Participants.

ARTICLE SIX

MISCELLANEOUS

6.01 Participant Rights

Each Company intends this Plan to constitute a legally enforceable obligation between (A) such Company and (B) each Participant.

It is also intended that the Plan shall confer vested and non-forfeitable rights for each Participant to receive benefits to which the Participant is entitled under the terms of the Plan with Participants being third party beneficiaries.

Except as provided in the definitions of Cause and Good Reason, nothing in this Plan shall be construed to confer on any Participant any right to continue in the employ of any Company or a Subsidiary or affiliate of the Corporation or to affect in any way the right of the Corporation or a Subsidiary or affiliate of the Corporation to terminate a Participant's employment without prior notice at any time for any reason or no reason.

6.02 Authority of the Compensation Committee

- (a) The Compensation Committee will administer the Plan and have the full authority and discretion necessary to accomplish that purpose, including, without limitation, the authority and discretion to:
 - (i) resolve all questions relating to the eligibility of Participants;
 - (ii) determine the amount of benefits, if any, payable to Participants under the Plan and determine the time and manner in which such benefits are to be paid;
 - (iii) engage any administrative, legal, tax, actuarial, accounting, clerical, or other services it deems appropriate in administering the Plan;
 - (iv) construe and interpret the Plan, supply omissions from, correct deficiencies in and resolve inconsistencies or ambiguities in the language of the Plan, resolve inconsistencies or ambiguities between the provisions of this document, and adopt rules for the administration of the Plan which are not inconsistent with the terms of the Plan document;
 - (v) compile and maintain all records it determines to be necessary, appropriate or convenient in connection with the administration of the Plan; and
 - (vi) resolve all questions of fact relating to any matter for which it has administrative responsibility.
- (b) The Compensation Committee shall perform all of the duties and may exercise all of the powers and discretion that the Compensation Committee deems necessary or appropriate for the proper administration of the Plan, including, but not limited

to, delegation of any of its duties to one or more authorized officers, and shall do so in a uniform, nondiscriminatory manner.

- (c) Any failure by the Compensation Committee to apply any provisions of this Plan to any particular situation shall not represent a waiver of the Compensation Committee's authority to apply such provisions thereafter. Every interpretation, choice, determination or other exercise of any power or discretion given either expressly or by implication to the Compensation Committee shall be conclusive and binding upon all parties having or claiming to have an interest under the Plan or otherwise directly or indirectly affected by such action, without restriction, however, on the right of the Compensation Committee to reconsider and redetermine such action.
- (d) Any decision rendered by the Compensation Committee and any review of such decision shall be limited to determining whether the decision was so arbitrary and capricious as to be an abuse of discretion. The Compensation Committee may adopt such rules and procedures for the administration of the Plan as are consistent with the terms hereof.

6.03 Claims Procedure

- (a) With respect to any claim for benefits which are provided exclusively under this Plan, the claim shall be approved or denied by the Compensation Committee within sixty (60) days following the receipt of the information necessary to process the claim. If the Compensation Committee denies a claim for benefits in whole or in part, it will give written notice of the decision to the claimant or the claimant's authorized representative, which notice will set forth in a manner calculated to be understood by the claimant, stating the specific reasons for such denial, make specific reference to the pertinent Plan provisions on which the decision was based, and provide any other additional information, as applicable, required by 29 Code of Federal Regulations Section 2560.503-1 applicable to the Plan.
- (b) With respect to any claim for benefits which, under the terms of the Plan, are provided under another employee benefit plan maintained by a Company, the Compensation Committee shall determine claims regarding the Participant's eligibility under the Plan in accordance with the preceding paragraph, but the administration of any other claim with respect to such benefits (including the amount of such benefits) shall be subject to the claims procedure specified in such other employee benefit plan or program.

Appeals with respect to any claim for benefits which, under the terms of the Plan, are provided under another employee benefit plan maintained by a Company (e.g., group health, life insurance, etc.), shall be subject to the claims and appeals procedure specified in such other employee benefit plan.

6.04 Records and Reports

The Compensation Committee will maintain adequate records of all of their proceedings and acts and all such books of account, records, and other data as may be necessary for administration of the Plan. The Compensation Committee will make available to each Participant upon the Participant's request such of the Plan's records as pertain to him for examination at reasonable times during normal business hours.

6.05 Reliance on Tables, Etc.

In administering the Plan, the Compensation Committee is entitled to the extent permitted by law to rely conclusively upon all tables, valuations, certificates, opinions and reports which are furnished by accountants, legal counsel or other experts employed or engaged by the Compensation Committee. The Compensation Committee will be fully protected in respect of any action taken or suffered by the Compensation Committee in good faith reliance upon all such tables, valuations, certificates, reports, opinions or other advice. The Compensation Committee is also entitled to rely upon any data or information furnished by a Participating Employer or by a Participant as to any information pertinent to any calculation or determination to be made under the provisions of the Plan, and, as a condition to payment of any benefit under the Plan the Compensation Committee may request a Participant to furnish such information as it deems necessary or desirable in administering the Plan.

6.06 Availability of Plan Information and Documents

Any Participant having a question concerning the administration of the Plan or the Participant's eligibility for participation in the Plan or for the payment of benefits under the Plan may contact the Compensation Committee and request a copy of the Plan document. Each Participating Employer will keep copies of this Plan document, exhibits and amendments hereto, and any related documents on file in its administrative offices, and such documents will be available for review by a Participant or a designated representative of the Participant at any reasonable time during regular business hours. Reasonable copying charges for such documents will be paid by the party requesting copies.

6.07 Expenses

All Plan administration expenses incurred by the Compensation Committee shall be paid by the Corporation and all other administration expenses incurred by a Company shall be paid by such Company.

6.08 Dispute Resolution

- (a) If the Participant and any Company (collectively, the "Parties") are unable to resolve any controversy or claim arising out of or in connection with this Plan or breach thereof, either Party shall refer the dispute to binding arbitration, which shall be the exclusive forum of resolving such claims. Such arbitration will be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS")

pursuant to its Employment Arbitration Rules and Procedures and governed by Kansas law. The arbitration shall be conducted by a single arbitrator selected by the Parties according to the rules of JAMS. If the Parties fail to agree on the selection of the arbitrator within thirty (30) days after either the Participant or such Company's request for arbitration, the arbitrator will be chosen by JAMS. The arbitration proceeding shall commence on a mutually agreeable date within ninety (90) days after the request for arbitration, unless otherwise agreed by the Parties, and in the location where the Participant worked during the six (6) months immediately prior to the request for arbitration to the extent such location is Kansas or Virginia, and if not, the location will be Kansas, unless the Parties agree otherwise.

- (b) Such Company shall reimburse the Participant for legal fees and expenses incurred in connection with a dispute resolved under this Section 6.08. The arbitrator shall not have authority to award attorneys' fees or costs to either of the Parties in any manner not consistent with this Section 6.08(b).
- (c) The arbitrator shall have no power or authority to make awards or orders granting relief that would not be available to a party in a court of law. The arbitrator's award is limited by and must comply with the terms of the Plan, including without limitation, Section 6.02(d) and applicable federal, state, and local laws. The decision of the arbitrator shall be final and binding on the Parties.

6.09 Continued Cooperation

- (a) Following termination of the Participant's employment, the Participant shall cooperate fully with the Corporation and with the Corporation's counsel in connection with any present and future actual or threatened litigation or administrative proceeding involving any Company that relates to events, occurrences or conduct occurring (or claimed to have occurred) during the period of the Participant's employment by any Company. This cooperation by the Participant will include, but not be limited to:
 - (i) making himself reasonably available for interviews and discussions with the Corporation's counsel as well as for depositions and trial testimony;
 - (ii) if depositions or trial testimony are to occur, making himself reasonably available and cooperating in the preparation therefore as and to the extent that the Corporation or the Corporation's counsel reasonably requests;
 - (iii) refraining from impeding in any way the Corporation's prosecution or defense of such litigation or administrative proceeding; and
 - (iv) cooperating fully in the development and presentation of the Corporation's prosecution or defense of such litigation or administrative proceeding.
- (b) The Participant will be reimbursed by the Corporation for reasonable travel, lodging, telephone and similar expenses, as well as reasonable attorneys' fees (if

independent legal counsel is necessary), incurred in connection with any cooperation, consultation and advice rendered under this Section 6.09. The Participant shall not unreasonably withhold the Participant's availability for such cooperation, consultation and advice.

6.10 Adoption Procedure for Participating Employer

- (a) Any Subsidiary of the Corporation may become a Participating Employer under the Plan provided that (i) the Board approves the adoption of the Plan by such Subsidiary and designates such Subsidiary as a Participating Employer in the Plan and (ii) by appropriate resolutions of the board of directors or other governing body of such Subsidiary, such Subsidiary agrees to become a Participating Employer under the Plan and also agrees to be bound by any other terms and conditions which may be required by the Board or the Compensation Committee, provided that such terms and conditions are not inconsistent with the purposes of the Plan.
- (b) A Participating Employer may withdraw from participation in the Plan, subject to approval by the Compensation Committee, by providing written notice to the Compensation Committee that withdrawal has been approved by the board of directors or other governing body of the Participating Employer; provided, however, following the commencement of any discussion with a third party that ultimately results in a Change in Control, the Compensation Committee shall have no authority to approve the withdrawal of any Participating Employer until such time as the Corporation and each Subsidiary of the Corporation (as appropriate) shall have fully performed all of their obligations under the Plan with respect to all Participants, and shall have paid all Severance Benefits under the Plan in full to all Participants. The Board may at any time remove a Participating Employer from participation in the Plan by providing written notice to the Participating Employer that it has approved removal; provided, however, following the commencement of any discussion with a third party that ultimately results in a Change in Control, the Board shall have no authority to remove or approve the withdrawal of any Participating Employer until such time as the Corporation and each Subsidiary of the Corporation (as appropriate) shall have fully performed all of their obligations under the Plan with respect to all Participants, and shall have paid all Severance Benefits under the Plan in full to all Participants. The Board will act in accordance with this Article pursuant to unanimous written consent or by majority vote at a meeting.

6.11 Effect on Other Benefits

Except as otherwise provided herein, the Plan shall not affect any Participant's rights or entitlement under any other retirement or employee benefit plan offered to him by the Corporation or a Subsidiary or affiliate of the Corporation (as appropriate) as of the date of the Participant's termination of employment, except that effective with respect to any benefits payable to a Participant in connection with a Change in Control after September 16, 2013, any such benefits shall be reduced by any payments made by such Participant's Participating Employer to comply with the Worker Adjustment and Retraining

Notification Act or any similar state or local law applying to dislocated workers, to the extent allowed by law.

6.12 Successors

The Plan shall be binding upon any successor in interest of any Company and shall inure to the benefit of, and be enforceable by, the Participant's assigns or heirs.

6.13 Construction

In determining the meaning of the Plan, words imparting the masculine gender shall include the feminine and the singular shall include the plural, unless the context requires otherwise. Headings of sections and subsections of the Plan are for convenience only and are not intended to modify or affect the meaning of the substantive provisions of the Plan. Unless otherwise stated, references to Sections are references to Sections of this Plan.

6.14 References to Other Plans and Programs

Each reference in the Plan to any plan, policy or program, the Plan or document of the Corporation or a Subsidiary or affiliate of the Corporation shall include any amendments or successor provisions thereto without the necessity of amending the Plan for such changes.

6.15 Notices

- (a) General. Notices and all other communications contemplated by this Plan shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Participant, (i) mailed notices shall be addressed to the Participant at the Participant's home address which was most recently communicated to the Corporation in writing or (ii) in the case of a Participant who is an employee, distributed to the employee at his or her place of employment in compliance with 29 Code of Federal Regulations Section 2520.104b-1(c). In the case of any Company, mailed notices shall be addressed to the Corporation's corporate headquarters, and all notices shall be directed to the attention of its General Counsel.
- (b) Notice of Termination. Any notice of Cause by a Company or by the Participant for Good Reason shall be communicated by a notice of termination to the other party given in accordance with this Section 6.15. Such notice shall indicate the specific termination provision in this Plan relied upon, shall set forth in reasonable detail the facts and circumstances claimed to provide the basis for termination under the provision so indicated, and shall specify the Participant's date of termination.

6.16 No Duty to Mitigate

The Participant shall not be required to mitigate the amount of any payment contemplated under this Plan, nor shall such payment be reduced by any earnings that the Participant

may receive from any other source, except as provided in this Plan. The Participant's coverage under any medical, dental, vision and employee life insurance plans will terminate as of the date that the Participant becomes eligible for comparable benefits of another employer.

6.17 Withholding of Taxes

Any Company will withhold from any amounts payable under this Plan all federal, state and local tax or other taxes as such Company is required to withhold pursuant to any law or government regulation or rule.

6.18 Governing Law and Choice of Forum

- (a) Except to the extent that the Plan may be subject to the provisions of ERISA, the Plan will be construed and enforced according to the laws of the State of Kansas, without giving effect to the conflict of laws principles thereof.
- (b) Except as otherwise required by ERISA, every right of action by a Participant with respect to the Plan shall be barred after the expiration of three (3) years from the date of termination of employment or the date of receipt of the notice of denial of a claim for benefits or eligibility, if earlier. If ERISA's limitation on legal action does not apply, the laws of the State of Kansas with respect to the limitations of legal actions shall apply and the cause of action must be brought within the limitations provided under the laws of the State of Kansas.

6.19 Validity/Severability

If any provision of this Plan or the application of any provision to any person or circumstances is held invalid, unenforceable or otherwise illegal, the remainder of this Plan and the application of such provision to any other person or circumstances will not be affected, and the provision so held to be invalid or unenforceable will be reformed to the extent (and only to the extent) necessary to make it enforceable or valid. To the extent any provisions held to be invalid or unenforceable cannot be reformed, such provisions are to be stricken herefrom and the remainder of this Plan will be binding on the Parties and their successors and assigns as if such invalid or illegal provisions were never included in this Plan from the first instance.

6.20 Survival of Provisions

Notwithstanding any other provision of this Plan, the Parties' respective rights and obligations under Sections 4.02, 6.01, 6.08, 6.09 and 6.10 will survive any termination or expiration of this Plan or the termination of the Participant's employment for any reason whatsoever.

APPENDIX I
PLAN PARTICIPANTS
As of May 21, 2014

<u>NAME</u>	<u>SEVERANCE BENEFIT</u>	<u>CLASSIFICATION</u>
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Steven Elfman	Tier I	
Joseph Euteneuer	Tier I	
Daniel Hesse	Tier I	
Robert L. Johnson	Tier I	
Charles Wunsch	Tier I	
Stephen Bye	Tier II	
Peter Campbell	Tier II	
Marci Carris	Tier II	
Matthew Carter	Tier II	
Dow Draper	Tier II	
Jeff Hallock	Tier II	
Jaime Jones	Tier II	
Vonya McCann	Tier II	
Sandra Price	Tier II	
Thomas Roberts	Tier II	
John Saw	Tier II	
Michael Schwartz	Tier II	
Wallace Souder	Tier II	
William White	Tier II	

APPENDIX II

APPLICABLE BENEFITS AND PERIODS As of May 21, 2014

<u>Severance Benefits Classification</u>	<u>Applicable Multiple</u>	<u>Applicable Period</u>
Tier I Executive	2	2 Years
Tier II Executive	1.5	1.5 Years

APPENDIX III

PARTICIPATING EMPLOYERS As of May 21, 2014

AirGate PCS, Inc.
Alamosa Missouri, LLC
Alamosa Wisconsin Limited Partnership
Nextel Communications, Inc.
Nextel South Corp.
Nextel of Texas, Inc.
Nextel Communications of the Mid-Atlantic, Inc.
Nextel West Corp.
Nextel West Services LLC
Nextel of California, Inc.
Nextel of New York, Inc.
Nextel Systems Corp.
Southwest PCS, L.P.
SPCS Caribe Inc.
Sprint International Caribe, Inc.
Sprint/United Management Company
Sprint Communications, Inc.
Texas Telecommunications, LP
UbiquiTel Operating Company
UCOM, Inc.
US Telecom, Inc.
Washington Oregon Wireless, LLC

Evidence of Award
2014 Long-term Incentive Plan
Performance-Based Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Restricted Stock Units

On May 20, 2014 (the “Date of Grant”), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors of the Corporation granted you an Award of [number] Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2007 Omnibus Incentive Plan (the “Plan”). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock.

2. Performance Adjustment

Your RSUs are allocated equally among three annual performance periods (April 1, 2014 - March 31, 2015, April 1, 2015 - March 31, 2016 and April 1, 2016 - March 31, 2017) for which annual financial objective(s) are determined by the Compensation Committee of the Board of Directors of the Corporation, or a sub-committee thereof, at the beginning of each applicable performance period. Subject to the discretion of the Board of Directors of the Corporation, or a sub-committee thereof, the number of RSUs allocable to each annual performance period will be adjusted as soon as reasonably practicable following each annual performance period (“Adjustment Date”), by multiplying that number by a payout percentage (0% up through 200%) based on achievement of that annual performance period’s objective(s, as weighted) (the “Performance Adjustment”) with the resulting number of RSUs being the “Adjusted RSUs,” with those RSUs allocated to remaining performance period(s) being “Unadjusted RSUs.”

3. Restriction Period

Subject to the terms and conditions of this Award, including the Performance Adjustment, your RSUs will vest on the earlier of (a) May 20, 2017 and (b) the date vesting is accelerated as described in paragraph 4 below, conditioned on you continuously serving as our employee to such date (the “Vesting Date”).

4. Acceleration of Vesting

Unvested RSUs may vest before the time at which they would normally become vested - that is, the vesting of RSUs may accelerate. Your RSUs (both Adjusted RSUs and Unadjusted RSUs) will vest fully, except as noted below, on your Separation from Service under the following circumstances:

<i>Condition for Vesting Acceleration</i>	<i>Acceleration Criteria</i>
If you die.	Unadjusted RSUs are subject to paragraph 2 only if death is on or after March 31, 2016.
If you have a Separation from Service under circumstances that make you eligible for benefits under	RSUs are subject to paragraph 2 only if Separation from

the Sprint Long-Term Disability Plan.	Service is on or after March 31, 2016.
If you have a Separation from Service during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).	RSUs are no longer subject to paragraph 2.
If you have a Separation from Service on or after the later of your 65 th birthday and May 20, 2016	Unadjusted RSUs for the performance period of Separation from Service are prorated* and subject to paragraph 2. Remaining RSUs are forfeited.
If you have a Separation from Service other than during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor) or your employment agreement (if applicable).	Unadjusted RSUs for the performance period of Separation from Service are prorated* and subject to paragraph 2. Remaining RSUs are forfeited.

*The number of your Unadjusted RSUs for the applicable performance period that vests is your RSUs for that performance period times the factor based on the period of your employment from the May 20 of the applicable performance period, inclusive, through your Separation from Service in relation to the period of that May 20th, inclusive, through May 20, 2017.

Separation from Service is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

Disability is defined in the Plan. Generally, it is your Separation from Service under circumstances that make you eligible to receive benefits under our long-term disability plan.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. It means the time period commencing on the date of the first occurrence of a “Change in Control” and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant’s death. For purposes of the RSUs under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

5. Forfeiture of RSUs

You will forfeit as of your Separation from Service RSUs that are not vested pursuant to the foregoing paragraphs.

6. Dividends

If cash dividends are paid on the Common Stock underlying your RSUs (as adjusted under paragraph 2 if applicable and determined retrospectively), which you hold on the dividend record date (the “Dividend RSUs”), you will receive a cash payment equal to the amount of the dividend that would be paid on such Common Stock, subject to the vesting provisions with respect to, and delivery at the same time as the shares underlying, your RSUs.

If non-cash dividends are paid on the Common Stock underlying your Dividend RSUs, the Board of Directors of the Corporation, or a sub-committee thereof, in its sole discretion, may (1) adjust your RSUs as described in paragraph 10 of this Evidence of Award, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions with respect to, and delivery at the same time as the shares underlying, the original RSUs.

7. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your RSUs, as adjusted if applicable) is the latest of the Vesting Date, the Adjustment Date if applicable, and the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a “specified employee” of amounts subject to Section 409A of the Internal Revenue Code (the “Code”) that are paid upon Separation from Service.

8. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available online at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an

appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law

This Evidence of Award will be governed by the laws of the State of Kansas. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

16. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that their or its value is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

17. Entire Agreement

You hereby acknowledge that you have read the 2007 Omnibus Incentive Plan Information Statement dated July, 2013 (the "Information Statement") available at http://iconnect.corp.sprint.com/portal/iland/?dohome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

Sprint Corporation

By: _____

Joseph J. Euteneuer

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
2014 Long-term Incentive Plan
Performance-Based Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Restricted Stock Units

On May 20, 2014 (the “Date of Grant”), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors of the Corporation granted you an Award of [number] Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2007 Omnibus Incentive Plan (the “Plan”). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock.

2. Performance Adjustment

Your RSUs are allocated equally among three annual performance periods (April 1, 2014 - March 31, 2015, April 1, 2015 - March 31, 2016 and April 1, 2016 - March 31, 2017) for which annual financial objective(s) are determined by the Compensation Committee of the Board of Directors of the Corporation, or a sub-committee thereof, at the beginning of each applicable performance period. Subject to the discretion of the Board of Directors of the Corporation, or a sub-committee thereof (excluding upward discretion with respect to the Section 162(m) objective results), the number of RSUs allocable to each annual performance period will be adjusted as soon as reasonably practicable following each annual performance period (“Adjustment Date”) by multiplying that number by a payout percentage (0% up through 200%) based on achievement of that annual performance period’s objective(s, as weighted) (the “Performance Adjustment”) with the resulting number of RSUs being the “Adjusted RSUs,” with those RSUs allocated to remaining performance period(s) being “Unadjusted RSUs.”

3. Restriction Period

Subject to the terms and conditions of this Award, including the Performance Adjustment, your RSUs will vest on the earlier of (a) May 20, 2017 and (b) the date vesting is accelerated as described in paragraph 4 below, conditioned on you continuously serving as our employee to such date (the “Vesting Date”).

4. Acceleration of Vesting

Unvested RSUs may vest before the time at which they would normally become vested - that is, the vesting of RSUs may accelerate. Your RSUs (both Adjusted RSUs and Unadjusted RSUs) will vest fully, and Unadjusted RSUs will no longer be subject to adjustment under paragraph 2, on your Separation from Service under the following circumstances:

• If you die.

• If you have a Separation from Service under circumstances that make you eligible for benefits under the company’s long-term disability plan.

• If you have a Separation from Service under circumstances that you receive severance benefits under Section 9(b) of your employment agreement.

Separation from Service is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

Disability is defined in the Plan. Generally, it is your Separation from Service under circumstances that make you eligible to receive benefits under our long-term disability plan.

5. Forfeiture of RSUs

You will forfeit as of your Separation from Service RSUs that are not vested pursuant to the foregoing paragraphs.

6. Dividends

If cash dividends are paid on the Common Stock underlying your RSUs (as adjusted under paragraph 2 if applicable and determined retrospectively), which you hold on the dividend record date (the “Dividend RSUs”), you will receive a cash payment equal to the amount of the dividend that would be paid on such Common Stock, subject to the vesting provisions with respect to, and delivery at the same time as the shares underlying, your RSUs.

If non-cash dividends are paid on the Common Stock underlying your Dividend RSUs, the Board of Directors of the Corporation, or a sub-committee thereof, in its sole discretion, may (1) adjust your RSUs as described in paragraph 10 of this Evidence of Award, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions with respect to, and delivery at the same time as the shares underlying, the original RSUs.

7. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your RSUs, as adjusted if applicable) is the latest of the Vesting Date, the Adjustment Date if applicable, and the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a “specified employee” of amounts subject to Section 409A of the Internal Revenue Code (the “Code”) that are paid upon Separation from Service.

8. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available online at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law

This Evidence of Award will be governed by the laws of the State of Kansas. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

16. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that their or its value is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

17. Entire Agreement

You hereby acknowledge that you have read the 2007 Omnibus Incentive Plan Information Statement dated July, 2013 (the "Information Statement") available at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

Sprint Corporation

By: _____

Robert L. Johnson

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
2014 Long-term Incentive Plan
Performance-Based Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Restricted Stock Units

On May 20, 2014 (the “Date of Grant”), the Compensation Committee of the Board of Directors of the Corporation (the “Compensation Committee”) granted you an Award of the number of Restricted Stock Units (the “RSUs”) shown above under the terms of the Sprint Corporation 2007 Omnibus Incentive Plan (the “Plan”). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock.

2. Performance Adjustment

Your RSUs are allocated equally among three annual performance periods (April 1, 2014 - March 31, 2015, April 1, 2015 - March 31, 2016 and April 1, 2016 - March 31, 2017) for which annual financial objective(s) are determined by the Compensation Committee at the beginning of each applicable performance period. Subject to the discretion of the Compensation Committee, the number of RSUs allocable to each annual performance period will be adjusted as soon as reasonably practicable following each annual performance period (“Adjustment Date”) by multiplying that number by a payout percentage (0% up through 200%) based on achievement of that annual performance period’s objective(s, as weighted) (the “Performance Adjustment”) with the resulting number of RSUs being the “Adjusted RSUs,” with those RSUs allocated to remaining performance period(s) being “Unadjusted RSUs.”

3. Restriction Period

Subject to the terms and conditions of this Award, including the Performance Adjustment, your RSUs will vest on the earlier of (a) May 20, 2017 and (b) the date vesting is accelerated as described in paragraph 4 below, conditioned on you continuously serving as our employee to such date (the “Vesting Date”).

4. Acceleration of Vesting

Unvested RSUs may vest before the time at which they would normally become vested - that is, the vesting of RSUs may accelerate. Your RSUs (both Adjusted RSUs and Unadjusted RSUs) will vest fully, except as noted below, on your Separation from Service under the following circumstances:

<i>Condition for Vesting Acceleration</i>	<i>Acceleration Criteria</i>
If you die.	Unadjusted RSUs are subject to paragraph 2 only if death is on or after March 31, 2016.
If you have a Separation from Service under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.	RSUs are subject to paragraph 2 only if Separation from Service is on or after March 31, 2016.

If you have a Separation from Service during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).	RSUs are no longer subject to paragraph 2.
If you have a Separation from Service on or after the later of your 65 th birthday and May 20, 2016	Unadjusted RSUs for the performance period of Separation from Service are prorated* and subject to paragraph 2. Remaining RSUs are forfeited.
If you have a Separation from Service other than during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor) or your employment agreement (if applicable).	Unadjusted RSUs for the performance period of Separation from Service are prorated* and subject to paragraph 2. Remaining RSUs are forfeited.

*The number of your Unadjusted RSUs for the applicable performance period that vests is your RSUs for that performance period times the factor based on the period of your employment from the May 20 of the applicable performance period, inclusive, through your Separation from Service in relation to the period of that May 20th, inclusive, through May 20, 2017.

Separation from Service is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

Disability is defined in the Plan. Generally, it is your Separation from Service under circumstances that make you eligible to receive benefits under our long-term disability plan.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. It means the time period commencing on the date of the first occurrence of a “Change in Control” and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant’s death. For purposes of the RSUs under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

5. Forfeiture of RSUs

You will forfeit as of your Separation from Service RSUs that are not vested pursuant to the foregoing paragraphs.

6. Dividends

If cash dividends are paid on the Common Stock underlying your RSUs (as adjusted under paragraph 2 if applicable and determined retrospectively), which you hold on the dividend record date (the “Dividend RSUs”), you will receive a cash payment

equal to the amount of the dividend that would be paid on such Common Stock, subject to the vesting provisions with respect to, and delivery at the same time as the shares underlying, your RSUs.

If non-cash dividends are paid on the Common Stock underlying your Dividend RSUs, the Compensation Committee, in its sole discretion, may (1) adjust your RSUs as described in paragraph 10 of this Evidence of Award, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions with respect to, and delivery at the same time as the shares underlying, the original RSUs.

7. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your RSUs, as adjusted if applicable) is the latest of the Vesting Date, the Adjustment Date if applicable, and the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a “specified employee” of amounts subject to Section 409A of the Internal Revenue Code (the “Code”) that are paid upon Separation from Service.

8. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available online at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law

This Evidence of Award will be governed by the laws of the State of Kansas. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

16. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that their or its value is based on financial results or operating objectives impacted by your knowing or

intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

17. Entire Agreement

You hereby acknowledge that you have read the 2007 Omnibus Incentive Plan Information Statement dated July, 2013 (the “Information Statement”) available at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
2014 Long-term Incentive Plan
Performance-Based Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Restricted Stock Units

On May 20, 2014 (the “Date of Grant”), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors of the Corporation granted you an Award of [number] Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2007 Omnibus Incentive Plan (the “Plan”). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock.

2. Performance Adjustment

Your RSUs are allocated equally among three annual performance periods (April 1, 2014 - March 31, 2015, April 1, 2015 - March 31, 2016 and April 1, 2016 - March 31, 2017) for which annual financial objective(s) are determined by the Compensation Committee of the Board of Directors of the Corporation, or a sub-committee thereof, at the beginning of each applicable performance period. Subject to the discretion of the Board of Directors of the Corporation, or a sub-committee thereof (excluding upward discretion with respect to the Section 162(m) objective results), the number of RSUs allocable to each annual performance period will be adjusted as soon as reasonably practicable following each annual performance period (“Adjustment Date”) by multiplying that number by a payout percentage (0% up through 200%) based on achievement of that annual performance period’s objective(s, as weighted) (the “Performance Adjustment”) with the resulting number of RSUs being the “Adjusted RSUs,” with those RSUs allocated to remaining performance period(s) being “Unadjusted RSUs.”

3. Restriction Period

Subject to the terms and conditions of this Award, including the Performance Adjustment, your RSUs will vest on the earlier of (a) May 20, 2017 and (b) the date vesting is accelerated as described in paragraph 4 below, conditioned on you continuously serving as our employee to such date (the “Vesting Date”).

4. Acceleration of Vesting

Unvested RSUs may vest before the time at which they would normally become vested - that is, the vesting of RSUs may accelerate. Your RSUs (both Adjusted RSUs and Unadjusted RSUs) will vest fully, except as noted below, on your Separation from Service under the following circumstances:

<i>Condition for Vesting Acceleration</i>	<i>Acceleration Criteria</i>
If you die.	Unadjusted RSUs are subject to paragraph 2 only if death is on or after March 31, 2016.
If you have a Separation from Service under	RSUs are subject to paragraph

circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.	2 only if Separation from Service is on or after March 31, 2016.
If you have a Separation from Service during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).	RSUs are no longer subject to paragraph 2.
If you have a Separation from Service on or after the later of your 65 th birthday and May 20, 2016	Unadjusted RSUs for the performance period of Separation from Service are prorated* and subject to paragraph 2. Remaining RSUs are forfeited.
If you have a Separation from Service other than during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor) or your employment agreement (if applicable).	Unadjusted RSUs for the performance period of Separation from Service are prorated* and subject to paragraph 2. Remaining RSUs are forfeited.

*The number of your Unadjusted RSUs for the applicable performance period that vests is your RSUs for that performance period times the factor based on the period of your employment from the May 20 of the applicable performance period, inclusive, through your Separation from Service in relation to the period of that May 20th, inclusive, through May 20, 2017.

Separation from Service is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

Disability is defined in the Plan. Generally, it is your Separation from Service under circumstances that make you eligible to receive benefits under our long-term disability plan.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. It means the time period commencing on the date of the first occurrence of a "Change in Control" and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death. For purposes of the RSUs under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

5. Forfeiture of RSUs

You will forfeit as of your Separation from Service RSUs that are not vested pursuant to the foregoing paragraphs.

6. Dividends

If cash dividends are paid on the Common Stock underlying your RSUs (as adjusted under paragraph 2 if applicable and determined retrospectively), which you hold on the dividend record date (the “Dividend RSUs”), you will receive a cash payment equal to the amount of the dividend that would be paid on such Common Stock, subject to the vesting provisions with respect to, and delivery at the same time as the shares underlying, your RSUs.

If non-cash dividends are paid on the Common Stock underlying your Dividend RSUs, the Board of Directors of the Corporation, or a sub-committee thereof, in its sole discretion, may (1) adjust your RSUs as described in paragraph 10 of this Evidence of Award, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions with respect to, and delivery at the same time as the shares underlying, the original RSUs.

7. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your RSUs, as adjusted if applicable) is the latest of the Vesting Date, the Adjustment Date if applicable, and the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a “specified employee” of amounts subject to Section 409A of the Internal Revenue Code (the “Code”) that are paid upon Separation from Service.

8. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available online at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an

appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law

This Evidence of Award will be governed by the laws of the State of Kansas. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

16. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that their or its value is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

17. Entire Agreement

You hereby acknowledge that you have read the 2007 Omnibus Incentive Plan Information Statement dated July, 2013 (the “Information Statement”) available at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

Sprint Corporation

By: _____

[Employee]

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
2014 Long-term Incentive Plan
Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Restricted Stock Units

On May 20, 2014 (the “Date of Grant”), the Section 16 Sub-Committee of Compensation Committee of the Board of Directors of the Corporation granted you an Award of [number] Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2007 Omnibus Incentive Plan (the “Plan”). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock.

2. Restriction Period

Subject to the terms and conditions of this Award, your RSUs will vest on the earlier of (a) May 20, 2017 and (b) the date vesting is accelerated as described in paragraph 3 below (“Vested RSUs”), conditioned on you continuously serving as our employee to such date (the “Vesting Date”).

3. Acceleration of Vesting

Unvested RSUs may vest before the time at which they would normally become vested - that is, the vesting of RSUs may accelerate. Your RSUs will vest fully on your Separation from Service under the following circumstances:

• If you die.

• If you have a Separation from Service under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.

• If you have a Separation from Service under circumstances that you receive severance benefits under Section 9(b) of your employment agreement.

Separation from Service is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

Disability is defined in the Plan. Generally, it is your Separation from Service under circumstances that make you eligible to receive benefits under our long-term disability plan.

4. Forfeiture of RSUs

You will forfeit as of your Separation from Service RSUs that are not vested pursuant to the foregoing paragraphs.

5. Dividends

If cash dividends are paid on the Common Stock underlying RSUs, which you hold on the dividend record date, you will receive a cash payment equal to the amount of the dividend that would be paid on such Common Stock, subject to the vesting provisions with respect to, and delivery at the same time as the shares underlying, your RSUs.

If non-cash dividends are paid on the Common Stock underlying your RSUs, and you hold the RSUs on the dividend record date, the Board of Directors of the Corporation, or a sub-committee thereof, in its sole discretion, may (1) adjust your RSUs as described in paragraph 9 of this Evidence of Award, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions with respect to, and delivery at the same time as the shares underlying, the original RSUs.

6. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your Vested RSUs) is the Vesting Date, or the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock underlying your Vested RSUs as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a “specified employee” of amounts subject to Section 409A of the Internal Revenue Code (the “Code”) that are paid upon Separation from Service.

7. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

8. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available online at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI.

9. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

10. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

11. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

12. Governing Law

This Evidence of Award will be governed by the laws of the State of Kansas. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

13. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

14. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

15. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that their or its value is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

16. Entire Agreement

You hereby acknowledge that you have read the 2007 Omnibus Incentive Plan Information Statement dated July, 2013 (the “Information Statement”) available at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

Sprint Corporation

By: _____

Robert L. Johnson

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
2014 Long-term Incentive Plan
Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Restricted Stock Units

On May 20, 2014 (the “Date of Grant”), the Corporation granted you an Award of [number] Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2007 Omnibus Incentive Plan (the “Plan”).

2. Restriction Period

Subject to the terms and conditions of this Award, your RSUs will vest on the earlier of (a) May 20, 2017 and (b) the date vesting is accelerated as described in paragraph 3 below (“Vested RSUs”), conditioned on you continuously serving as our employee to such date (the “Vesting Date”).

3. Acceleration of Vesting

Unvested RSUs may vest before the time at which they would normally become vested - that is, the vesting of RSUs may accelerate. Your RSUs will vest fully, except as noted below, on your Separation from Service under the following circumstances:

<i>Event</i>	<i>Condition for Vesting Acceleration</i>
Death	If you die.
Disability	If you have a Separation from Service under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.
Change in Control	If you have a Separation from Service during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).
Retirement*	If you have a Separation from Service on or after the later of your 65 th birthday and May 20, 2016.
Non-CIC Involuntary Termination without Cause or Resignation with Good Reason*	If you have a Separation from Service other than during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor) or your employment agreement (if applicable).

*The number of your RSUs that vests is your RSUs times the factor based on the period of your employment from May 20, 2014, inclusive, through your Separation from Service in relation to the period of May 20, 2014, inclusive, through May 20, 2017 (with the remainder of your RSUs forfeited as of your Separation from Service).

Separation from Service is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

Disability is defined in the Plan. Generally, it is your Separation from Service under circumstances that make you eligible to receive benefits under our long-term disability plan.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. It means the time period commencing on the date of the first occurrence of a "Change in Control" and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death. For purposes of the RSUs under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

4. Forfeiture of RSUs

You will forfeit as of your Separation from Service RSUs that are not vested pursuant to the foregoing paragraphs.

5. Dividends

If cash dividends are paid on the Common Stock underlying RSUs, which you hold on the dividend record date, you will receive a cash payment equal to the amount of the dividend that would be paid on such Common Stock, subject to the vesting provisions (including any applicable proration) with respect to, and delivery at the same time as the shares underlying, your RSUs.

If non-cash dividends are paid on the Common Stock underlying your RSUs, and you hold the RSUs on the dividend record date, the Board of Directors of the Corporation, or a sub-committee thereof, in its sole discretion, may (1) adjust your RSUs as described in paragraph 9 of this Evidence of Award, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions (including any applicable proration) with respect to, and delivery at the same time as the shares underlying, the original RSUs.

6. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your Vested RSUs) is the Vesting Date, or the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock underlying your Vested RSUs as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a "specified employee" of amounts subject to Section 409A of the Internal Revenue Code (the "Code") that are paid upon Separation from Service.

7. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

8. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available online at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI.

9. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

10. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

11. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

12. Governing Law

This Evidence of Award will be governed by the laws of the State of Kansas. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

13. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

14. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

15. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that their or its value is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

16. Entire Agreement

You hereby acknowledge that you have read the 2007 Omnibus Incentive Plan Information Statement dated July, 2013 (the "Information Statement") available at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
2014 Long-term Incentive Plan
Stock Options

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Option Right

On May 20, 2014 (the “Date of Grant”), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors of the Corporation granted you an Option Right to purchase from us [number] shares of Series 1 common stock, par value \$2.00 per share of Sprint (the “Common Stock”) at an Option Price of \$ [_.] per share. The Option Right is governed by the terms of the Sprint Corporation 2007 Omnibus Incentive Plan (the “Plan”) and is subject to the terms and conditions described in this Evidence of Award. The Option Right is not intended to qualify as an “incentive stock option” within the meaning of Section 422 of the Internal Revenue Code of 1986 (the “Code”).

2. When the Option Right Becomes Exercisable

Your Option Right becomes exercisable (or “vested”) at a rate of 1/3rd of the total number of shares subject to purchase on each of May 20, 2015, May 20, 2016 and May 20, 2017, conditioned upon you continuously serving as our employee through each applicable vesting date. The portion of your Option Right that has not yet vested as of your Termination Date (see paragraph 3) will be forfeited immediately after such date, except to the extent vesting accelerates as described in paragraph 3.

3. Acceleration of Vesting

The unvested portion of your Option Right may become vested before the time at which it would normally become vested by the passage of time - that is, the vesting may accelerate. Accelerated vesting can apply in the four circumstances described below.

<i>Event</i>	<i>Condition for acceleration</i>	<i>Effective date of acceleration</i>
Death	If you die	Date of Death
Disability	If you have a termination of employment under circumstances that would make you eligible for benefits under our long-term disability plan	Your Termination Date
Normal Retirement	If your Termination Date is on or after • The first anniversary of the Date of Grant, and • Your 65 th birthday	Your Termination Date
Involuntary Termination without Cause or Resignation with Good Reason	If you have an Involuntary Termination without Cause, or you resign with Good Reason, subject to your execution of a release as described under Section 9(b) of your employment agreement	Your Termination Date

Termination Date means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

4. Exercise of Option Right

To the extent it has vested, you may exercise your Option Right under this Award in whole or in part at the time or times as permitted by the Plan if the Option Right has not otherwise expired, been forfeited or terminated. To exercise you must:

- deliver a written election under procedures we establish (including by approved electronic medium) and
- pay the Option Price.

You may pay the Option Price by

- check or by wire transfer of immediately available funds,
- actual or constructive transfer of shares of Common Stock you have owned for at least six months having a market value on the Exercise Date equal to the total Option Price, or
- any combination of cash, shares of Common Stock and other consideration as the Compensation Committee may permit.

If you pay the Option Price by delivery of funds or shares of Common Stock, the value per share for purposes of determining your taxable income from such an exercise will be the Market Value Per Share of the Common Stock on the immediately preceding day before the exercise except that we will use the average of the high and low prices on that date in lieu of the closing price.

To the extent permitted by law, you may pay the Option Price from the proceeds of a sale through a broker we designate. The Market Value Per Share for purposes of determining your taxable income from such an exercise will be the actual price at which the broker sold the shares.

5. Expiration of Option Right

Unless terminated earlier in accordance with the terms of this Agreement or the Plan, the Option Right granted herein will expire at 4:00 P.M., U.S. Eastern Time, on the tenth anniversary of the Grant Date (the "Expiration Date"). If the tenth anniversary of the Grant Date, however, is a Saturday, Sunday or any other day on which the market on which our Common Stock trades is closed (a "Non-Business Day"), then the Expiration Date will occur at 4:00 P.M., U.S. Eastern Time, on the first business day before the tenth anniversary of the Grant Date.

6. Effect of your Termination of Employment

The length of time you have to exercise your vested Option Right after your termination of employment with us depends on the reason for your termination. The table below describes the post-termination exercise period for the various termination reasons. The Option Right will expire as of the end of the applicable period. In no event, however, may you exercise your Option Right after the Expiration Date.

<i>Termination Event</i>	<i>Time to Exercise Vested Options</i>
Resignation	May exercise up through the 90 th day after your Termination Date
Death	May exercise up through the 12 th month after your Termination Date
Disability - if you have a termination of employment under circumstances that would make you eligible for benefits under the company's long-term disability plan*	May exercise up through the 12 th month after your Termination Date
Early Retirement (i.e., on your Termination Date you would be eligible to commence early or special early retirement benefits under the Sprint Retirement Pension Plan whether or not you are a participant in that plan)	May exercise up through 60 months after your Termination Date
Normal Retirement (i.e., your Termination Date is on or after your 65 th birthday)	May exercise up through 60 months after your Termination Date
If you have an Involuntary Termination without Cause, or you resign with Good Reason, subject to your execution of a release as described under Section 9(b) of your employment agreement	May exercise up through the 12 th month after your Termination Date
For Cause	Forfeited as of Termination Date

If the last day to exercise under the schedule described in the table above is a Non-Business Day, then you must exercise no later than the previous business day. You are solely responsible for managing the exercise of your Option Award in order to avoid inadvertent expiration.

7. Transfer of your Option Right and Designation of Beneficiaries

Your Option Right represents a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime. Upon your death, your Option Right may be exercised in accordance with the terms of the Award by any beneficiary you name in a beneficiary designation or, if you make no designation, by your estate.

8. Plan Terms

All capitalized terms used in this Agreement that are not defined in this Agreement have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available on line at

http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI.

9. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

10. Amendment; Discretionary Nature of Plan

This Agreement is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Agreement may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Corporation, in its sole discretion, at any time. The grant of the Option Award under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Option Awards, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of shares underlying the Option Award granted, and vesting provisions.

11. Data Privacy

By entering into this agreement, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us or our subsidiaries such information and data as we or our subsidiaries request in order to facilitate the grant of the Option Right and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

12. Governing Law

This Agreement will be governed by the laws of the State of Kansas. No shares of Common Stock will be delivered upon the exercise of the Option Right unless counsel for the Corporation is satisfied that such delivery will be in compliance with all applicable laws.

13. Severability

The various provisions of this Agreement are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

14. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that their or its value is based on financial results or operating objectives impacted by your knowing or

intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

15. Entire Agreement

You hereby acknowledge that you have read the Sprint Corporation 2007 Omnibus Incentive Plan Information Statement dated July, 2013 (the "Information Statement") available on line at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI. To the extent not inconsistent with the provisions of this Agreement, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Agreement, along with the Information Statement and the Plan, contain the entire understanding of the parties.

Sprint Corporation

By: _____

Robert L. Johnson

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
2014 Long-term Incentive Plan
Stock Options

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Option Right

On May 20, 2014 (the “Date of Grant”), the Compensation Committee of the Board of Directors of the Corporation (the “Compensation Committee”) granted you an Option Right to purchase from us [number] shares of Series 1 common stock, par value \$2.00 per share of Sprint (the “Common Stock”) at an Option Price of \$ [_____] per share. The Option Right is governed by the terms of the Sprint Corporation 2007 Omnibus Incentive Plan (the “Plan”) and is subject to the terms and conditions described in this Evidence of Award. The Option Right is not intended to qualify as an “incentive stock option” within the meaning of Section 422 of the Internal Revenue Code of 1986 (the “Code”).

2. When the Option Right Becomes Exercisable

Your Option Right becomes exercisable (or “vested”) at a rate of 1/3rd of the total number of shares subject to purchase on each of May 20, 2015, May 20, 2016 and May 20, 2017, conditioned upon you continuously serving as our employee through each applicable vesting date. The portion of your Option Right that has not yet vested as of your Termination Date (see paragraph 3) will be forfeited immediately after such date, except to the extent vesting accelerates as described in paragraph 3.

3. Acceleration of Vesting

The unvested portion of your Option Right may become vested before the time at which it would normally become vested by the passage of time - that is, the vesting may accelerate. Accelerated vesting can apply in four circumstances described below:

<i>Event</i>	<i>Condition for Vesting Acceleration</i>	<i>Effective date of acceleration</i>
Death	If you die.	Death
Disability	If you have a termination of employment under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.	Your Termination Date
Change in Control	If you have a termination of employment during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).	Your Termination Date (without regard to clause (b))
Retirement	If you have a Termination Date on or after the later of your 65 th birthday and May 20, 2015.	Your Termination Date

Termination Date means the later of (a) the last day of your relationship with us as a common-law employee as reflected on our payroll records, and (b) if after your involuntary termination you receive severance from us paid according to our payroll cycle (i.e., not in a lump sum), the last day of your severance pay period.

Disability is defined in the Plan. Generally, it is your Termination Date under circumstances that make you eligible to receive benefits under our long-term disability plan.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. It means the time period commencing on the date of the first occurrence of a "Change in Control" and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death. For purposes of the Option Rights under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

4. Exercise of Option Right

To the extent it has vested, you may exercise your Option Right under this Award in whole or in part at the time or times as permitted by the Plan if the Option Right has not otherwise expired, been forfeited or terminated. To exercise you must:

- You deliver a written election under procedures we establish (including by approved electronic medium) and
- You pay the Option Price.

You may pay the Option Price by

- You check or by wire transfer of immediately available funds,
- You actual or constructive transfer of shares of Common Stock you have owned for at least six months having a market value on the Exercise Date equal to the total Option Price, or
- You any combination of cash, shares of Common Stock and other consideration as the Compensation Committee may permit.

If you pay the Option Price by delivery of funds or shares of Common Stock, the value per share for purposes of determining your taxable income from such an exercise will be the Market Value Per Share of the Common Stock on the immediately preceding day before the exercise except that we will use the average of the high and low prices on that date in lieu of the closing price.

To the extent permitted by law, you may pay the Option Price from the proceeds of a sale through a broker we designate. The Market Value Per Share for purposes of determining your taxable income from such an exercise will be the actual price at which the broker sold the shares.

5. Expiration of Option Right

Unless terminated earlier in accordance with the terms of this Agreement or the Plan, the Option Right granted herein will expire at 4:00 P.M., U.S. Eastern Time, on the tenth anniversary of the Grant Date (the “Expiration Date”). If the tenth anniversary of the Grant Date, however, is a Saturday, Sunday or any other day on which the market on which our Common Stock trades is closed (a “Non-Business Day”), then the Expiration Date will occur at 4:00 P.M., U.S. Eastern Time, on the first business day before the tenth anniversary of the Grant Date.

6. Effect of your Termination of Employment

The length of time you have to exercise your vested Option Right after your termination of employment with us depends on the reason for your termination. The table below describes the post-termination exercise period for the various termination reasons. The Option Right will expire as of the end of the applicable period. In no event, however, may you exercise your Option Right after the Expiration Date.

<i>Termination Event</i>	<i>Time to Exercise Vested Options</i>
Resignation	May exercise up through the 90 th day after your Termination Date
Death	May exercise up through the 12 th month after your Termination Date
Disability - if you have a termination of employment under circumstances that would make you eligible for benefits under the company’s long-term disability plan	May exercise up through 60 months after your Termination Date
Early Retirement (i.e., on your Termination Date you would be eligible to commence early or special early retirement benefits under the Sprint Retirement Pension Plan whether or not you are a participant in that plan)	May exercise up through 60 months after your Termination Date
Normal Retirement (i.e., your Termination Date is on or after your 65 th birthday)	May exercise up through 60 months after your Termination Date
Involuntary termination (not for Cause) not in connection with a Change in Control	May exercise up through: • the 90 th day after your Termination Date, or • 60 months after your Termination Date if you are eligible for Early Retirement or Normal Retirement on your Termination Date
If you have a termination of employment during the CIC Severance Protection Period under circumstances for which you receive	May exercise up through: • the 90 th day after your Termination Date, or • 60 months after your Termination

severance benefits under the Sprint Nextel Separation Plan, the CIC Severance Plan, or your employment agreement (as applicable)	Date if you are eligible for Early Retirement or Normal Retirement on your Termination Date
For Cause	Forfeited as of Termination Date

7. Transfer of your Option Right and Designation of Beneficiaries

Your Option Right represents a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime. Upon your death, your Option Right may be exercised in accordance with the terms of the Award by any beneficiary you name in a beneficiary designation or, if you make no designation, by your estate.

8. Plan Terms

All capitalized terms used in this Agreement that are not defined in this Agreement have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available on line at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI.

9. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

10. Amendment; Discretionary Nature of Plan

This Agreement is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Agreement may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Corporation, in its sole discretion, at any time. The grant of the Option Award under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Option Awards, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of shares underlying the Option Award granted, and vesting provisions.

11. Data Privacy

By entering into this agreement, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us or our subsidiaries such information and data as we or our subsidiaries request in order to facilitate the grant of the Option Right and the administration of the Plan; (ii) waive any

data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

12. Governing Law

This Agreement will be governed by the laws of the State of Kansas. No shares of Common Stock will be delivered upon the exercise of the Option Right unless counsel for the Corporation is satisfied that such delivery will be in compliance with all applicable laws.

13. Severability

The various provisions of this Agreement are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

14. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that their or its value is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

15. Entire Agreement

You hereby acknowledge that you have read the Sprint Corporation 2007 Omnibus Incentive Plan Information Statement dated July, 2013 (the "Information Statement") available on line at http://iconnect.corp.sprint.com/portal/iland/?dochome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI. To the extent not inconsistent with the provisions of this Agreement, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Agreement, along with the Information Statement and the Plan, contain the entire understanding of the parties.

Sprint Corporation

By: _____

[Employee]

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
2014 Long-term Incentive Plan
Stock Options

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Option Right

On May 20, 2014 (the “Date of Grant”), the Corporation granted you an Option Right to purchase from us [number] shares of Series 1 common stock, par value \$2.00 per share of Sprint (the “Common Stock”) at an Option Price of \$ [_____] per share. The Option Right is governed by the terms of the Sprint Corporation 2007 Omnibus Incentive Plan (the “Plan”) and is subject to the terms and conditions described in this Evidence of Award. The Option Right is not intended to qualify as an “incentive stock option” within the meaning of Section 422 of the Internal Revenue Code of 1986 (the “Code”).

2. When the Option Right Becomes Exercisable

Your Option Right becomes exercisable (or “vested”) at a rate of 1/3rd of the total number of shares subject to purchase on each of May 20, 2015, May 20, 2016 and May 20, 2017, conditioned upon you continuously serving as our employee through each applicable vesting date. The portion of your Option Right that has not yet vested as of your Termination Date (see paragraph 3) will be forfeited immediately after such date, except to the extent vesting accelerates as described in paragraph 3.

3. Acceleration of Vesting

The unvested portion of your Option Right may become vested before the time at which it would normally become vested by the passage of time - that is, the vesting may accelerate. Accelerated vesting can apply in four circumstances described below:

<i>Event</i>	<i>Condition for Vesting Acceleration</i>	<i>Effective date of acceleration</i>
Death	If you die.	Death
Disability	If you have a termination of employment under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.	Your Termination Date
Change in Control	If you have a termination of employment during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).	Your Termination Date
Retirement	If you have a Termination Date on or after the later of your 65 th birthday and May 20, 2015.	Your Termination Date

Termination Date is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

Disability is defined in the Plan. Generally, it is your Termination Date under circumstances that make you eligible to receive benefits under our long-term disability plan.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. It means the time period commencing on the date of the first occurrence of a "Change in Control" and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death. For purposes of the Option Rights under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

4. Exercise of Option Right

To the extent it has vested, you may exercise your Option Right under this Award in whole or in part at the time or times as permitted by the Plan if the Option Right has not otherwise expired, been forfeited or terminated. To exercise you must:

- deliver a written election under procedures we establish (including by approved electronic medium) and
- pay the Option Price.

You may pay the Option Price by

- check or by wire transfer of immediately available funds,
- actual or constructive transfer of shares of Common Stock you have owned for at least six months having a market value on the Exercise Date equal to the total Option Price, or
- any combination of cash, shares of Common Stock and other consideration as the Compensation Committee of the Board of Directors of the Corporation may permit.

If you pay the Option Price by delivery of funds or shares of Common Stock, the value per share for purposes of determining your taxable income from such an exercise will be the Market Value Per Share of the Common Stock on the immediately preceding day before the exercise except that we will use the average of the high and low prices on that date in lieu of the closing price.

To the extent permitted by law, you may pay the Option Price from the proceeds of a sale through a broker we designate. The Market Value Per Share for purposes of determining your taxable income from such an exercise will be the actual price at which the broker sold the shares.

5. Expiration of Option Right

Unless terminated earlier in accordance with the terms of this Agreement or the Plan, the Option Right granted herein will expire at 4:00 P.M., U.S. Eastern Time, on the

tenth anniversary of the Grant Date (the “Expiration Date”). If the tenth anniversary of the Grant Date, however, is a Saturday, Sunday or any other day on which the market on which our Common Stock trades is closed (a “Non-Business Day”), then the Expiration Date will occur at 4:00 P.M., U.S. Eastern Time, on the first business day before the tenth anniversary of the Grant Date.

6. Effect of your Termination of Employment

The length of time you have to exercise your vested Option Right after your termination of employment with us depends on the reason for your termination. The table below describes the post-termination exercise period for the various termination reasons. The Option Right will expire as of the end of the applicable period. In no event, however, may you exercise your Option Right after the Expiration Date.

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Death	May exercise up through the 12 th month after your Termination Date
Disability - if you have a termination of employment under circumstances that would make you eligible for benefits under the company’s long-term disability plan*	May exercise up through 60 months after your Termination Date
Early Retirement (i.e., on your Termination Date you would be eligible to commence early or special early retirement benefits under the Sprint Retirement Pension Plan whether or not you are a participant in that plan)	May exercise up through 60 months after your Termination Date
Normal Retirement (i.e., your Termination Date is on or after your 65 th birthday)	May exercise up through 60 months after your Termination Date
Involuntary termination (not for Cause) not in connection with a Change in Control	May exercise up through: • the 90 th day after your Termination Date, or • 60 months after your Termination Date if you are eligible for Early Retirement or Normal Retirement on your Termination Date
If you have a termination of employment during the CIC Severance Protection Period under circumstances for which you receive severance benefits	May exercise up through: • the 90 th day after your Termination Date, or • 60 months after your Termination Date if you are

under the Sprint Nextel Separation Plan, the CIC Severance Plan, or your employment agreement (as applicable)	eligible for Early Retirement or Normal Retirement on your Termination Date
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7. Transfer of your Option Right and Designation of Beneficiaries

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9. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

10. Amendment; Discretionary Nature of Plan

This Agreement is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Agreement may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Corporation, in its sole discretion, at any time. The grant of the Option Award under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Option Awards, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of shares underlying the Option Award granted, and vesting provisions.

11. Data Privacy

By entering into this agreement, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us or our subsidiaries such information and data as we or our subsidiaries request in order to facilitate the grant of the Option Right and the administration of the Plan; (ii) waive any

data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

12. Governing Law

This Agreement will be governed by the laws of the State of Kansas. No shares of Common Stock will be delivered upon the exercise of the Option Right unless counsel for the Corporation is satisfied that such delivery will be in compliance with all applicable laws.

13. Severability

The various provisions of this Agreement are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

14. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that their or its value is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

15. Entire Agreement

You hereby acknowledge that you have read the Sprint Corporation 2007 Omnibus Incentive Plan Information Statement dated July, 2013 (the "Information Statement") available on line at http://iconnect.corp.sprint.com/portal/iland/?dohome=iw&docpath=IntranetDirectory/LandingPage/20080605_1650_10367056#LTI. To the extent not inconsistent with the provisions of this Agreement, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Agreement, along with the Information Statement and the Plan, contain the entire understanding of the parties.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Computation of Ratio of Earnings to Fixed Charges

	Successor				Predecessor				
	Three Months Ended June 30,	Three Months Ended June 30,	Three Months Ended March 31,	Year Ended December 31,	Three Months Ended June 30,	Years Ended December 31,			
	2014	2013	2014	2013	2013	2012	2011	2010	2009
<i>(in millions)</i>									
Earnings (loss):									
Income (loss) from continuing operations before income taxes	\$ 8	\$ (175)	\$ (95)	\$ (1,815)	\$ (1,542)	\$ (4,172)	\$ (2,636)	\$ (3,299)	\$ (3,494)
Equity in losses of unconsolidated investments, net	—	—	—	—	257	1,114	1,730	1,286	803
Fixed charges	740	—	747	1,367	603	2,365	2,068	2,081	2,047
Interest capitalized	(12)	—	(13)	(30)	(13)	(278)	(413)	(13)	(12)
Amortization of interest capitalized	33	—	33	56	34	81	48	85	85
Earnings (loss), as adjusted	769	(175)	672	(422)	(661)	(890)	797	140	(571)
Fixed charges:									
Interest expense	512	—	516	918	428	1,428	1,011	1,464	1,450
Interest capitalized	12	—	13	30	13	278	413	13	12
Portion of rentals representative of interest	216	—	218	419	162	659	644	604	585
Fixed charges	740	—	747	1,367	603	2,365	2,068	2,081	2,047
Ratio of earnings to fixed charges	1.04	— ⁽¹⁾	— ⁽²⁾	— ⁽³⁾	— ⁽⁴⁾	— ⁽⁵⁾	— ⁽⁶⁾	— ⁽⁷⁾	— ⁽⁸⁾

- (1) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by \$175 million at June 30, 2013.
(2) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by \$75 million at March 31, 2014.
(3) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by \$1.8 billion in 2013.
(4) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by \$1.3 billion at June 30, 2013.
(5) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by \$3.3 billion in 2012.
(6) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by \$1.3 billion in 2011.
(7) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by \$1.9 billion in 2010.
(8) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by \$2.6 billion in 2009.

CERTIFICATION

I, Daniel R. Hesse, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sprint Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2014

/s/ Daniel R. Hesse

Daniel R. Hesse

Chief Executive Officer

CERTIFICATION

I, Joseph J. Euteneuer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sprint Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2014

/s/Joseph J. Euteneuer

Joseph J. Euteneuer

Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Sprint Corporation (the “Company”) on Form 10-Q for the period ended June 30, 2014, as filed with the Securities and Exchange Commission (the “Report”), I, Daniel R. Hesse, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2014

/s/ Daniel R. Hesse

Daniel R. Hesse

Chief Executive Officer

**Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Sprint Corporation (the “Company”) on Form 10-Q for the period ended June 30, 2014, as filed with the Securities and Exchange Commission (the “Report”), I, Joseph J. Euteneuer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2014

/s/ Joseph J. Euteneuer

Joseph J. Euteneuer

Chief Financial Officer