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
For the quarterly period ended June 30, 2019
or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number: 1-33409

T-MOBILE US, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-0836269**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

12920 SE 38th Street
Bellevue , Washington
(Address of principal executive offices)
98006-1350
(Zip Code)

(425) 378-4000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, par value $0.00001 per share	TMUS	The NASDAQ Stock Market LLC

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Shares Outstanding as of July 22, 2019**
Common Stock, par value $0.00001 per share	854,457,048

T-Mobile US, Inc.
Form 10-Q
For the Quarter Ended June 30, 2019

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements	3
	Condensed Consolidated Balance Sheets	3
	Condensed Consolidated Statements of Comprehensive Income	4
	Condensed Consolidated Statements of Cash Flows	5
	Consolidated Statement of Stockholders' Equity	6
	Notes to the Condensed Consolidated Financial Statements	9
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	39
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	62
Item 4.	Controls and Procedures	62

PART II. OTHER INFORMATION

Item 1.	Legal Proceedings	62
Item 1A.	Risk Factors	62
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	67
Item 3.	Defaults Upon Senior Securities	67
Item 4.	Mine Safety Disclosures	67
Item 5.	Other Information	67
Item 6.	Exhibits	68
	SIGNATURE	69

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

(in millions, except share and per share amounts)	June 30, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 1,105	$ 1,203
Accounts receivable, net of allowances of $61 and $67	1,817	1,769
Equipment installment plan receivables, net	2,446	2,538
Accounts receivable from affiliates	18	11
Inventory	998	1,084
Other current assets	1,730	1,676
Total current assets	8,114	8,281
Property and equipment, net	21,847	23,359
Operating lease right-of-use assets	10,439	—
Financing lease right-of-use assets	2,589	—
Goodwill	1,901	1,901
Spectrum licenses	36,430	35,559
Other intangible assets, net	157	198
Equipment installment plan receivables due after one year, net	1,604	1,547
Other assets	1,707	1,623
Total assets	$ 84,788	$ 72,468
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 7,260	$ 7,741
Payables to affiliates	198	200
Short-term debt	300	841
Deferred revenue	620	698
Short-term operating lease liabilities	2,268	—
Short-term financing lease liabilities	963	—
Other current liabilities	1,564	787
Total current liabilities	13,173	10,267
Long-term debt	10,954	12,124
Long-term debt to affiliates	13,985	14,582
Tower obligations	2,247	2,557
Deferred tax liabilities	5,090	4,472
Operating lease liabilities	10,145	—
Financing lease liabilities	1,314	—
Deferred rent expense	—	2,781
Other long-term liabilities	913	967
Total long-term liabilities	44,648	37,483
Commitments and contingencies (Note 12)		
Stockholders' equity		
Common Stock, par value $0.00001 per share, 1,000,000,000 shares authorized; 855,970,789 and 851,675,119 shares issued, 854,452,642 and 850,180,317 shares outstanding	—	—
Additional paid-in capital	38,242	38,010
Treasury stock, at cost, 1,518,147 and 1,494,802 shares issued	(8)	(6)
Accumulated other comprehensive loss	(813)	(332)
Accumulated deficit	(10,454)	(12,954)
Total stockholders' equity	26,967	24,718
Total liabilities and stockholders' equity	$ 84,788	$ 72,468

The accompanying notes are an integral part of these condensed consolidated financial statements .

Index for Notes to the Condensed Consolidated Financial Statements

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

(in millions, except share and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues				
Branded postpaid revenues	$ 5,613	$ 5,164	$ 11,106	$ 10,234
Branded prepaid revenues	2,379	2,402	4,765	4,804
Wholesale revenues	313	275	617	541
Roaming and other service revenues	121	90	215	158
Total service revenues	8,426	7,931	16,703	15,737
Equipment revenues	2,263	2,325	4,779	4,678
Other revenues	290	315	577	611
Total revenues	10,979	10,571	22,059	21,026
Operating expenses				
Cost of services, exclusive of depreciation and amortization shown separately below	1,649	1,530	3,195	3,119
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	2,661	2,772	5,677	5,617
Selling, general and administrative	3,543	3,185	6,985	6,349
Depreciation and amortization	1,585	1,634	3,185	3,209
Total operating expense	9,438	9,121	19,042	18,294
Operating income	1,541	1,450	3,017	2,732
Other income (expense)				
Interest expense	(182)	(196)	(361)	(447)
Interest expense to affiliates	(101)	(128)	(210)	(294)
Interest income	4	6	12	12
Other expense, net	(22)	(64)	(15)	(54)
Total other expense, net	(301)	(382)	(574)	(783)
Income before income taxes	1,240	1,068	2,443	1,949
Income tax expense	(301)	(286)	(596)	(496)
Net income	$ 939	$ 782	$ 1,847	$ 1,453
Net income	$ 939	$ 782	$ 1,847	$ 1,453
Other comprehensive loss, net of tax				
Unrealized gain on available-for-sale securities, net of tax effect of $0, $1, $0 and $0	—	3	—	—
Unrealized loss on cash flow hedges, net of tax effect of $(102), $0, $(168), and $0	(292)	—	(481)	—
Other comprehensive (loss) income	(292)	3	(481)	—
Total comprehensive income	$ 647	$ 785	$ 1,366	$ 1,453
Earnings per share				
Basic	$ 1.10	$ 0.92	$ 2.16	$ 1.71
Diluted	$ 1.09	$ 0.92	$ 2.14	$ 1.69
Weighted average shares outstanding				
Basic	854,368,443	847,660,488	852,796,369	851,420,686
Diluted	860,135,593	852,040,670	860,890,870	858,728,832

The accompanying notes are an integral part of these condensed consolidated financial statements .

Index for Notes to the Condensed Consolidated Financial Statements

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

(in millions)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Operating activities				
Net income	$ 939	$ 782	$ 1,847	$ 1,453
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	1,585	1,634	3,185	3,209
Stock-based compensation expense	130	112	240	209
Deferred income tax expense	267	272	555	478
Bad debt expense	71	75	144	129
Losses from sales of receivables	28	27	63	79
Deferred rent expense	—	7	—	11
Losses on redemption of debt	19	90	19	122
Changes in operating assets and liabilities				
Accounts receivable	(805)	(1,136)	(1,948)	(2,009)
Equipment installment plan receivables	(150)	(286)	(400)	(508)
Inventories	162	125	(103)	158
Operating lease right-of-use assets	469	—	904	—
Other current and long-term assets	(83)	(248)	(170)	(116)
Accounts payable and accrued liabilities	43	(79)	56	(1,107)
Short and long-term operating lease liabilities	(521)	—	(1,043)	—
Other current and long-term liabilities	(27)	(105)	94	(60)
Other, net	20	(9)	96	(17)
Net cash provided by operating activities	2,147	1,261	3,539	2,031
Investing activities				
Purchases of property and equipment, including capitalized interest of $125 and $102 and $243 and $145	(1,789)	(1,629)	(3,720)	(2,995)
Purchases of spectrum licenses and other intangible assets, including deposits	(665)	(28)	(850)	(79)
Proceeds related to beneficial interests in securitization transactions	839	1,323	1,996	2,618
Acquisition of companies, net of cash acquired	—	(5)	—	(338)
Other, net	—	33	(7)	26
Net cash used in investing activities	(1,615)	(306)	(2,581)	(768)
Financing activities				
Proceeds from issuance of long-term debt	—	—	—	2,494
Payments of consent fees related to long-term debt	—	(38)	—	(38)
Proceeds from borrowing on revolving credit facility	880	2,070	1,765	4,240
Repayments of revolving credit facility	(880)	(2,195)	(1,765)	(3,920)
Repayments of financing lease obligations	(229)	(155)	(315)	(327)
Repayments of long-term debt	(600)	(2,350)	(600)	(3,349)
Repurchases of common stock	—	(405)	—	(1,071)
Tax withholdings on share-based awards	(4)	(10)	(104)	(84)
Cash payments for debt prepayment or debt extinguishment costs	(28)	(181)	(28)	(212)
Other, net	(5)	(3)	(9)	—
Net cash used in financing activities	(866)	(3,267)	(1,056)	(2,267)
Change in cash and cash equivalents	(334)	(2,312)	(98)	(1,004)
Cash and cash equivalents				
Beginning of period	1,439	2,527	1,203	1,219
End of period	$ 1,105	$ 215	$ 1,105	$ 215
Supplemental disclosure of cash flow information				
Interest payments, net of amounts capitalized	$ 245	$ 559	$ 585	$ 937
Operating lease payments [1]	703	—	1,391	—
Income tax payments	40	10	72	11

Noncash investing and financing activities				
Noncash beneficial interest obtained in exchange for securitized receivables	$ 1,616	$ 1,205	$ 3,128	$ 2,333
Changes in accounts payable for purchases of property and equipment	(113)	(386)	(446)	(750)
Leased devices transferred from inventory to property and equipment	167	280	314	584
Returned leased devices transferred from property and equipment to inventory	(67)	(90)	(124)	(172)
Short-term debt assumed for financing of property and equipment	50	54	300	291
Operating lease right-of-use assets obtained in exchange for lease obligations	1,400	—	2,094	—
Financing lease right-of-use assets obtained in exchange for lease obligations	368	176	548	318

(1) On January 1, 2019, we adopted ASU 2016-02, “Leases (Topic 842),” which requires certain supplemental cash flow disclosures. Where these disclosures or a comparable figure were not required under the former lease standard, we have not retrospectively presented historical amounts. See Note 1 – Summary of Significant Accounting Policies for additional details.

The accompanying notes are an integral part of these condensed consolidated financial statements .

Index for Notes to the Condensed Consolidated Financial Statements

T-Mobile US, Inc.
Condensed Consolidated Statement of Stockholders' Equity
(Unaudited)

(in millions, except shares)	Common Stock Outstanding	Treasury Shares at Cost	Par Value and Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balance as of March 31, 2019	854,380,118	$ (5)	$ 38,100	$ (521)	$ (11,393)	$ 26,181
Net income	—	—	—	—	939	939
Other comprehensive loss	—	—	—	(292)	—	(292)
Stock-based compensation	—	—	143	—	—	143
Exercise of stock options	19,261	—	—	—	—	—
Stock issued for employee stock purchase plan	(36,710)	—	—	—	—	—
Issuance of vested restricted stock units	206,143	—	—	—	—	—
Forfeiture of restricted stock awards	(20,769)	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	(56,041)	—	(4)	—	—	(4)
Repurchases of common stock	—	—	—	—	—	—
Transfer RSU to NQDC plan	(39,360)	(3)	3	—	—	—
Balance as of June 30, 2019	854,452,642	$ (8)	$ 38,242	$ (813)	$ (10,454)	$ 26,967
Balance as of December 31, 2018	850,180,317	$ (6)	$ 38,010	$ (332)	$ (12,954)	$ 24,718
Net income	—	—	—	—	1,847	1,847
Other comprehensive loss	—	—	—	(481)	—	(481)
Stock-based compensation	—	—	264	—	—	264
Exercise of stock options	51,135	—	1	—	—	1
Stock issued for employee stock purchase plan	1,135,801	—	69	—	—	69
Issuance of vested restricted stock units	4,550,115	—	—	—	—	—
Forfeiture of restricted stock awards	(20,769)	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	(1,420,662)	—	(104)	—	—	(104)
Repurchases of common stock	—	—	—	—	—	—
Transfer RSU from NQDC plan	(23,295)	(2)	2	—	—	—
Prior year retained earnings	—	—	—	—	653	653
Balance as of June 30, 2019	854,452,642	$ (8)	$ 38,242	$ (813)	$ (10,454)	$ 26,967

The accompanying notes are an integral part of these condensed consolidated financial statements

T-Mobile US, Inc.
Condensed Consolidated Statement of Stockholders' Equity
(Unaudited)

(in millions, except shares)	Common Stock Outstanding	Treasury Shares at Cost	Par Value and Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance as of March 31, 2018	853,066,229	$ (7)	$ 38,057	$ 5	$ (15,179)	$ 22,876
Net income	—	—	—	—	782	782
Other comprehensive income	—	—	—	3	—	3
Stock-based compensation	—	—	126	—	—	126
Exercise of stock options	59,106	—	1	—	—	1
Stock issued for employee stock purchase plan	(17)	—	—	—	—	—
Issuance of vested restricted stock units	508,554	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	(167,907)	—	(10)	—	—	(10)
Repurchases of common stock	(6,240,219)	—	(388)	—	—	(388)
Transfer RSU to NQDC plan	—	—	—	—	—	—
Prior year retained earnings	—	—	—	(8)	8	—
Balance as of June 30, 2018	847,225,746	$ (7)	$ 37,786	$ —	$ (14,389)	$ 23,390
Balance as of December 31, 2017	859,406,651	$ (4)	$ 38,629	$ 8	$ (16,074)	$ 22,559
Net income	—	—	—	—	1,453	1,453
Stock-based compensation	—	—	234	—	—	234
Exercise of stock options	137,541	—	3	—	—	3
Stock issued for employee stock purchase plan	1,069,495	—	55	—	—	55
Issuance of vested restricted stock units	4,455,559	—	—	—	—	—
Issuance of restricted stock awards	354,459	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	(1,403,806)	—	(84)	—	—	(84)
Repurchases of common stock	(16,738,758)	—	(1,054)	—	—	(1,054)
Transfer RSU from NQDC plan	(55,395)	(3)	3	—	—	—
Prior year retained earnings	—	—	—	(8)	232	224
Balance as of June 30, 2018	847,225,746	$ (7)	$ 37,786	$ —	$ (14,389)	$ 23,390

The accompanying notes are an integral part of these condensed consolidated financial statements .

T-Mobile US, Inc.
Index for Notes to the Condensed Consolidated Financial Statements

Note 1	Summary of Significant Accounting Policies	9
Note 2	Significant Transactions	12
Note 3	Business Combinations	13
Note 4	Receivables and Allowance for Credit Losses	15
Note 5	Sales of Certain Receivables	16
Note 6	Spectrum License Transactions	19
Note 7	Fair Value Measurements	19
Note 8	Tower Obligations	21
Note 9	Revenue from Contracts with Customers	21
Note 10	Earnings Per Share	22
Note 11	Leases	23
Note 12	Commitments and Contingencies	23
Note 13	Subsequent Event	26
Note 14	Guarantor Financial Information	27

T-Mobile US, Inc.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

Note 1 – Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements of T-Mobile US, Inc. ("T-Mobile," "we," "our," "us" or "the Company") include all adjustments of a normal recurring nature necessary for the fair presentation of the results for the interim periods presented. The results for the interim periods are not necessarily indicative of those for the full year. The condensed consolidated financial statements should be read in conjunction with our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018.

The condensed consolidated financial statements include the balances and results of operations of T-Mobile and our consolidated subsidiaries. We consolidate majority-owned subsidiaries over which we exercise control, as well as variable interest entities ("VIE") where we are deemed to be the primary beneficiary and VIEs which cannot be deconsolidated, such as those related to Tower obligations (Tower obligations are included in VIEs related to the 2012 Tower Transaction. See Note 8 - Tower Obligations for further information). Intercompany transactions and balances have been eliminated in consolidation.

The preparation of financial statements in conformity with United States ("U.S.") generally accepted accounting principles ("GAAP") requires our management to make estimates and assumptions which affect the financial statements and accompanying notes. Estimates are based on historical experience, where applicable, and other assumptions which our management believes are reasonable under the circumstances. These estimates are inherently subject to judgment and actual results could differ from those estimates.

Accounting Pronouncements Adopted During the Current Year

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)," and has since modified the standard with several ASUs (collectively, the "new lease standard"). The new lease standard is effective for us, and we adopted the standard, on January 1, 2019.

We adopted the standard by recognizing and measuring leases at the adoption date with a cumulative effect of initially applying the guidance recognized at the date of initial application and as a result did not restate the prior periods presented in the Condensed Consolidated Financial Statements.

The new lease standard provides for a number of optional practical expedients in transition. We did not elect the "package of practical expedients" and as a result reassessed under the new lease standard our prior accounting conclusions about lease identification, lease classification and initial direct costs. We elected to use hindsight for determining the reasonably certain lease term. We did not elect the practical expedient pertaining to land easements as it is not applicable to us.

The new lease standard provides practical expedients and policy elections for an entity's ongoing accounting. Generally, we elected the practical expedient to not separate lease and non-lease components in arrangements whereby we are the lessee. For arrangements in which we are lessor we did not elect this practical expedient. We did not elect the short-term lease recognition exemption, which includes the recognition of right-of-use assets and lease liabilities for existing short-term leases at transition. We have also applied this election to all active leases at transition.

The most significant judgments and impacts upon adoption of the standard include the following:

- In evaluating contracts to determine if they qualify as a lease, we consider factors such as if we have obtained or transferred substantially all of the rights to the underlying asset through exclusivity, if we can or if we have transferred the ability to direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights.

- We recognized right-of-use assets and operating lease liabilities for operating leases that have not previously been recorded. The lease liability for operating leases is based on the net present value of future minimum lease payments.

The right-of-use asset for operating leases is based on the lease liability adjusted for the reclassification of certain balance sheet amounts such as prepaid rent and deferred rent, which we remeasured at adoption due to the application of hindsight to our lease term estimates. Deferred and prepaid rent will no longer be presented separately.

- Capital lease assets previously included within Property and equipment, net were reclassified to financing lease right-of-use assets, and capital lease liabilities previously included in Short-term debt and Long-term debt were reclassified to financing lease liabilities in our Condensed Consolidated Balance Sheet.

- Certain line items in the Condensed Consolidated Statements of Cash Flows and the "Supplementary disclosure of cash flow information" have been renamed to align with the new terminology presented in the new lease standard; "Repayment of capital lease obligations" is now presenting as " Repayments of financing lease obligations " and "Assets acquired under capital lease obligations" is now presenting as "Financing lease right-of-use assets obtained in exchange for lease obligations." In the "Operating Activities" section of the Condensed Consolidated Statements of Cash Flows we have added "Operating lease right-of-use assets" and "Short and long-term operating lease liabilities" which represent the change in the operating lease asset and liability, respectively. Additionally, in the "Supplemental disclosure of cash flow information" section of the Condensed Consolidated Statements of Cash Flows we have added "Operating lease payments," and in the "Noncash investing and financing activities" section we have added "Operating lease right-of-use assets obtained in exchange for lease obligations."

- In determining the discount rate used to measure the right-of-use asset and lease liability, we use rates implicit in the lease, or if not readily available, we use our incremental borrowing rate. Our incremental borrowing rate is based on an estimated secured rate comprised of a risk-free LIBOR rate plus a credit spread as secured by our assets.

- Certain of our lease agreements include rental payments based on changes in the consumer price index ("CPI"). Lease liabilities are not remeasured as a result of changes in the CPI; instead, changes in the CPI are treated as variable lease payments and are excluded from the measurement of the right-of-use asset and lease liability. These payments are recognized in the period in which the related obligation was incurred. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

- We elected the use of hindsight whereby we applied current lease term assumptions that are applied to new leases in determining the expected lease term period for all cell sites. Upon adoption of the new lease standard and application of hindsight, our expected lease term has shortened to reflect payments due for the initial non-cancelable lease term only. This assessment corresponds to our lease term assessment for new leases and aligns with the payments that have been disclosed as lease commitments in prior years. As a result, the average remaining lease term for cell sites has decreased from approximately nine to five years based on lease contracts in effect at transition on January 1, 2019. The aggregate impact of using the hindsight is an estimated decrease in Total operating expense of $240 million in fiscal year 2019.

- We were also required to reassess the previously failed sale-leasebacks of certain T-Mobile-owned wireless communication tower sites and determine whether the transfer of the assets to the tower operator under the arrangement met the transfer of control criteria in the revenue standard and whether a sale should be recognized.

    - We concluded that a sale has not occurred for the 6,200 tower sites transferred to Crown Castle International Corp. ("CCI") pursuant to a master prepaid lease arrangement; therefore, these sites will continue to be accounted for as failed sale-leasebacks.

    - We concluded that a sale should be recognized for the 900 tower sites transferred to CCI pursuant to the sale of a subsidiary and for the 500 tower sites transferred to Phoenix Tower International ("PTI"). Upon adoption on January 1, 2019, we derecognized our existing long-term financial obligation and the tower-related property and equipment associated with these 1,400 previously failed sale-leaseback tower sites and recognized a lease liability and right-of-use asset for the leaseback of the tower sites. The estimated impacts from the change in accounting conclusion are primarily a decrease in Other revenues of $44 million and a decrease in Interest expense of $34 million in fiscal year 2019.

- Rental revenues and expenses associated with co-location tower sites are presented on a net basis under the new lease standard. These revenues and expenses were presented on a gross basis under the former lease standard.

Including the impacts from a change in the accounting conclusion on the 1,400 previously failed sale-leaseback tower sites, the cumulative effect of initially applying the new lease standard on January 1, 2019 is as follows:

	January 1, 2019		
(in millions)	Beginning Balance	Cumulative Effect Adjustment	Beginning Balance, As Adjusted
Assets			
Other current assets	$ 1,676	$ (78)	$ 1,598
Property and equipment, net	23,359	(2,339)	21,020
Operating lease right-of-use assets	—	9,251	9,251
Financing lease right-of-use assets	—	2,271	2,271
Other intangible assets, net	198	(12)	186
Other assets	1,623	(71)	1,552
Liabilities and Stockholders' Equity			
Accounts payable and accrued liabilities	7,741	(65)	7,676
Other current liabilities	787	28	815
Short-term and long-term debt	12,965	(2,015)	10,950
Tower obligations	2,557	(345)	2,212
Deferred tax liabilities	4,472	231	4,703
Deferred rent expense	2,781	(2,781)	—
Short-term and long-term operating lease liabilities	—	11,364	11,364
Short-term and long-term financing lease liabilities	—	2,016	2,016
Other long-term liabilities	967	(64)	903
Accumulated deficit	$ (12,954)	$ 653	$ (12,301)

Including the impacts from the change in the accounting conclusion on the 1,400 previously failed sale-leaseback tower sites and the change in presentation on the income statement of the 6,200 tower sites for which a sale did not occur, the cumulative effects of initially applying the new lease standard for fiscal year 2019 are estimated as follows:

- The aggregate impact is a decrease in Other revenues of $185 million , a decrease in Total operating expense s of $380 million , a decrease in Interest expense of $34 million and an increase to Net income of $175 million .
- The expected impact on our Condensed Consolidated Statements of Cash Flows is a decrease in Net cash provided by operating activities of $10 million and a decrease in Net cash used in financing activities of $10 million .

For arrangements where we are the lessor, including arrangements to lease devices to our service customers, the adoption of the new lease standard did not have a material impact on our financial statements as these leases are classified as operating leases.

Device lease payments are presented as Equipment revenues and recognized as earned on a straight-line basis over the lease term. Recognition of equipment revenue on lease contracts that are determined to not be probable of collection are limited to the amount of payments received. We have made an accounting policy election to exclude from the consideration in the contract all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by us from a customer (for example, sales, use, value added, and some excise taxes).

At operating lease inception, leased wireless devices are transferred from Inventory to Property and equipment, net. Leased wireless devices are depreciated to their estimated residual value over the period expected to provide utility to us, which is generally shorter than the lease term and considers expected losses. Returned devices transferred from Property and equipment, net, are recorded as Inventory and are valued at the lower of cost or market with any write-down to market recognized as Cost of equipment sales in our Consolidated Statements of Comprehensive Income.

We do not have any leasing transactions with related parties. See Note 11 - Leases for further information.

We have implemented significant new lease accounting systems, processes and internal controls over lease accounting to assist us in the application of the new lease standard.

Accounting Pronouncements Not Yet Adopted

Financial Instruments

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," and has since modified the standard with several ASUs (collectively, the "new credit loss standard"). The new credit loss standard requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectibility of the reported amount. The new credit loss standard will become effective for us beginning January 1, 2020, and will require a cumulative-effect adjustment to Accumulated deficit as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). We are in the process of developing an expected credit loss model, identifying forward-looking loss indicators and assessing the impact on our receivables portfolio. We will adopt the new credit loss standard on January 1, 2020.

Cloud Computing Arrangements

In August 2018, the FASB issued ASU 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software (Topic 350): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract." The standard aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard will become effective for us beginning January 1, 2020, and can be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. We are currently evaluating the impact this guidance will have on our Consolidated Financial Statements. We will adopt the standard on January 1, 2020.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the Securities and Exchange Commission (the "SEC") did not have, or are not expected to have, a significant impact on our present or future Consolidated Financial Statements.

Note 2 - Significant Transactions

Business Combinations

Proposed Sprint Transaction

On April 29, 2018, we entered into a Business Combination Agreement (as amended, the "Business Combination Agreement") to merge with Sprint Corporation ("Sprint"). See Note 3 - Business Combinations for further information.

Sales of Certain Receivables

In February 2019, the service receivable sale arrangement was amended to extend the scheduled expiration date, as well as extend certain third-party credit support under the arrangement, to March 2021. See Note 5 – Sales of Certain Receivables for further information.

Note Redemption

Effective April 28, 2019, we redeemed $600 million aggregate principal amount of our 9.332% Senior Reset Notes due 2023 (the "DT Senior Reset Notes") held by Deutsche Telekom AG ("DT"), our majority stockholder. The notes were redeemed at a redemption price equal to 104.666% of the principal amount of the notes (plus accrued and unpaid interest thereon) and were paid on April 29, 2019. The redemption premium was $28 million and was included in Other expense, net in our Condensed Consolidated Statements of Comprehensive Income and in Cash payments for debt prepayment or debt extinguishment costs in our Condensed Consolidated Statements of Cash Flows **.**

Certain components of the reset features were required to be bifurcated from the DT Senior Reset Notes and were separately accounted for as embedded derivatives. The write-off of embedded derivatives upon redemption resulted in a gain of $11 million which was included in Other expense, net in our Condensed Consolidated Statements of Comprehensive Income . See Note 7 - Fair Value Measurements for further information.

Note 3 – Business Combinations

Proposed Sprint Transactions

On April 29, 2018, we entered into a Business Combination Agreement to merge with Sprint in an all-stock transaction at a fixed exchange ratio of 0.10256 shares of T-Mobile common stock for each share of Sprint common stock, or 9.75 shares of Sprint common stock for each share of T-Mobile common stock (the "Merger"). The combined company will be named "T-Mobile" and, as a result of the Merger, is expected to be able to rapidly launch a broad and deep nationwide 5G network, accelerate innovation and increase competition in the U.S. wireless, video and broadband industries. Neither T-Mobile nor Sprint on its own could generate comparable benefits to consumers.

The Merger and the other transactions contemplated by the Business Combination Agreement (collectively, the "Transactions") have been approved by the boards of directors of T-Mobile and Sprint and the required approvals of the stockholders of each of T-Mobile and Sprint have been obtained. Immediately following the Merger, it is anticipated that DT and SoftBank Group Corp. ("SoftBank") will hold, directly or indirectly, on a fully diluted basis, approximately 41.7% and 27.4% , respectively, of the outstanding T-Mobile common stock, with the remaining approximately 30.9% of the outstanding T-Mobile common stock held by other stockholders, based on closing share prices and certain other assumptions as of December 31, 2018.

In connection with the entry into the Business Combination Agreement, T-Mobile USA, Inc. ("T-Mobile USA") entered into a commitment letter, dated as of April 29, 2018 (as amended and restated on May 15, 2018, the "Commitment Letter"). The funding of the debt facilities provided for in the Commitment Letter is subject to the satisfaction of the conditions set forth therein, including consummation of the Merger. The proceeds of the debt financing provided for in the Commitment Letter will be used to refinance certain existing debt of us, Sprint and our and Sprint's respective subsidiaries and for post-closing working capital needs of the combined company. In connection with the financing provided for in the Commitment Letter, we expect to incur certain fees if the Merger is consummated. There were no fees accrued as of June 30, 2019 . We also may be required to draw down on the $7 billion secured term loan facility prior to closing of the Merger and, if so, will be required to place the proceeds in escrow and pay interest thereon until the Merger closes.

In connection with the entry into the Business Combination Agreement, DT and T-Mobile USA entered into a financing matters agreement, dated as of April 29, 2018, pursuant to which DT agreed, among other things, to consent to the incurrence by T-Mobile USA of secured debt in connection with and after the consummation of the Merger. If the Merger is consummated, we will make payments for requisite consents to DT. There were no consent payments accrued as of June 30, 2019 .

On May 18, 2018, under the terms and conditions described in the Consent Solicitation Statement dated as of May 14, 2018, we obtained consents necessary to effect certain amendments to certain existing debt of us and our subsidiaries. If the Merger is consummated, we will make payments for requisite consents to third-party note holders. There were no consent payments accrued as of June 30, 2019 .

Under the terms of the Business Combination Agreement, Sprint may be required to reimburse us for 33% of the upfront consent and related bank fees we paid, or $14 million , if the Business Combination Agreement is terminated. There were no reimbursements accrued as of June 30, 2019 . On May 18, 2018, Sprint also obtained consents necessary to effect certain amendments to certain existing debt of Sprint and its subsidiaries. Under the terms of the Business Combination Agreement, we may also be required to reimburse Sprint for 67% of the upfront consent and related bank fees it paid, or $162 million , if the Business Combination Agreement is terminated. There were no fees accrued as of June 30, 2019 .

We recognized merger-related costs of $222 million and $41 million for the three months ended June 30, 2019 and 2018 , respectively, and $335 million and $41 million for the six months ended June 30, 2019 and 2018 , respectively. These costs generally included consulting and legal fees and were recognized as Selling, general and administrative expenses in our Condensed Consolidated Statements of Comprehensive Income .

The consummation of the Transactions remains subject to regulatory approvals and certain other customary closing conditions. We expect to receive final federal regulatory approval in the third quarter of 2019 and currently anticipate that the Transactions will be permitted to close in the second half of the year. The Business Combination Agreement contains certain termination rights for both Sprint and us. If we terminate the Business Combination Agreement in connection with a failure to satisfy the closing condition related to specified minimum credit ratings for the combined company on the closing date of the Merger (after giving effect to the Merger) from at least two of the three credit rating agencies, then in certain circumstances, we may be required to pay Sprint an amount equal to $600 million .

On June 18, 2018, we filed the Public Interest Statement and applications for approval of the Merger with the Federal Communications Commission ("FCC"). On July 18, 2018, the FCC issued a Public Notice formally accepting our applications and establishing a period for public comment. On May 20, 2019, to facilitate the FCC's review and approval of the FCC license transfers associated with the proposed Merger, we and Sprint filed with the FCC a written *ex parte* presentation (the "Presentation") relating to the proposed Merger. The Presentation included proposed commitments from us and Sprint. Following the Presentation, we received statements of support for the Merger by the FCC Chairman Ajit Pai and Commissioners Carr and O'Rielly. Formal action on the Merger by the FCC remains pending.

On June 11, 2019, the attorneys general of nine states and the District of Columbia filed a lawsuit against us, DT, Sprint, and Softbank Group Corp. in the U.S. District Court for the Southern District of New York. On June 25, 2019, the plaintiffs filed an amended complaint including as plaintiffs four additional state attorneys general. Plaintiffs' amended complaint alleges that the Merger, if consummated, would violate Section 7 of the Clayton Act and should be enjoined. We and the other defendants answered plaintiffs' amended complaint on July 9, 2019, and discovery is ongoing. We believe the plaintiffs' claims are without merit, and we intend to defend the lawsuit vigorously.

On July 26, 2019, we entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Sprint and DISH Network Corporation ("DISH"). We and Sprint are collectively referred to as the "Sellers." Pursuant to the Asset Purchase Agreement, upon the terms and subject to the conditions thereof, following the consummation of the Merger, DISH will acquire Sprint's prepaid wireless business, currently operated under the Boost Mobile, Virgin Mobile and Sprint prepaid brands (excluding the Assurance brand Lifeline customers and the prepaid wireless customers of Shenandoah Telecommunications Company and Swiftel Communications, Inc.), including customer accounts, inventory, contracts, intellectual property and certain other specified assets (the "Prepaid Business"), and will assume certain related liabilities (the "Prepaid Transaction"). DISH will pay the Sellers $1.4 billion for the Prepaid Business, subject to a working capital adjustment. The consummation of the Prepaid Transaction is subject to the consummation of the Merger and other customary closing conditions.

At the closing of the Prepaid Transaction, the Sellers and DISH will enter into (i) a License Purchase Agreement pursuant to which (a) the Sellers will sell certain 800 MHz spectrum licenses held by Sprint to DISH for a total of approximately $3.6 billion in a transaction to be completed, subject to certain additional closing conditions, following an application for FCC approval to be filed three years following the closing of the Merger and (b) the Sellers will have the option to lease back from DISH, as needed, a portion of the spectrum sold for an additional two years following the closing of the spectrum sale transaction, (ii) a Transition Services Agreement providing for the Sellers' provision of transition services to DISH in connection with the Prepaid Business for a period of up to three years following the closing of the Prepaid Transaction, (iii) a Master Network Services Agreement providing for the Sellers' provision of network services to customers of the Prepaid Business for a period of up to seven years following the closing of the Prepaid Transaction, and (iv) an Option to Acquire Tower and Retail Assets offering DISH the option to acquire certain decommissioned towers and retail locations from the Sellers, subject to obtaining all necessary third-party consents, for a period of up to five years following the closing of the Prepaid Transaction.

On July 26, 2019, in connection with the entry into the Asset Purchase Agreement, we and the other parties to the Business Combination Agreement entered into Amendment No. 1 (the "Amendment") to the Business Combination Agreement. The Amendment extends the Outside Date (as defined in the Business Combination Agreement) to November 1, 2019, or, if the Marketing Period (as defined in the Business Combination Agreement) has started and is in effect at such date, then January 2, 2020. The Amendment also provides that the closing of the Merger will occur on the first business day of the first month (other than the third month of any calendar quarter) where such first business day is at least three business days following the satisfaction or waiver of all of the conditions to the closing of the Merger, or, if the Marketing Period has not ended at the time of such satisfaction or waiver, the closing shall occur on the earlier of (a) any date during or after the Marketing Period specified by T-Mobile (subject to the consent of Sprint to the extent such date falls after the Outside Date) or (b) the first business day of the first month (other than the third month of any calendar quarter) where such first business day is at least three business days following the final day of the Marketing Period. The Amendment also modifies the Business Combination Agreement so as to limit the actions the parties may be required to undertake or agree to in order to obtain any remaining governmental consents or avoid an action or proceeding by any governmental entity in connection with the Transactions, recognizing the substantial undertakings already agreed to by the parties, including the transactions contemplated by the Asset Purchase Agreement.

On July 26, 2019, the U.S. Department of Justice (the "DOJ") filed a complaint and a proposed final judgment (the "Proposed Consent Decree") agreed to by us, DT, Sprint, SoftBank and DISH with the U.S. District Court for the District of Columbia. The Proposed Consent Decree would fully resolve DOJ's investigation into the Merger and would require the parties to, among other things, carry out the divestitures to be made pursuant to the Asset Purchase Agreement described above upon closing of the Merger. The Proposed Consent Decree is subject to judicial approval.

The consummation of the Merger remains subject to regulatory approvals and certain other customary closing conditions. We expect to receive final federal regulatory approval in the third quarter of 2019 and currently anticipate that the Merger will be permitted to close in the second half of the year.

Note 4 – Receivables and Allowance for Credit Losses

Our portfolio of receivables is comprised of two portfolio segments, accounts receivable and EIP receivables. Our accounts receivable segment primarily consists of amounts currently due from customers, including service and leased device receivables, other carriers and third-party retail channels.

Based upon customer credit profiles, we classify the EIP receivables segment into two customer classes of "Prime" and "Subprime." Prime customer receivables are those with lower delinquency risk and Subprime customer receivables are those with higher delinquency risk. Customers may be required to make a down payment on their equipment purchases. In addition, certain customers within the Subprime category are required to pay an advance deposit.

To determine a customer's credit profile, we use a proprietary credit scoring model that measures the credit quality of a customer using several factors, such as credit bureau information, consumer credit risk scores and service and device plan characteristics.

The following table summarizes the EIP receivables, including imputed discounts and related allowance for credit losses:

(in millions)	**June 30, 2019**	**December 31, 2018**
EIP receivables, gross	$ 4,490	$ 4,534
Unamortized imputed discount	(335)	(330)
EIP receivables, net of unamortized imputed discount	4,155	4,204
Allowance for credit losses	(105)	(119)
EIP receivables, net	$ 4,050	$ 4,085
Classified on the balance sheet as:		
Equipment installment plan receivables, net	$ 2,446	$ 2,538
Equipment installment plan receivables due after one year, net	1,604	1,547
EIP receivables, net	$ 4,050	$ 4,085

To determine the appropriate level of the allowance for credit losses, we consider a number of credit quality indicators, including historical credit losses and timely payment experience as well as current collection trends such as write-off frequency and severity, aging of the receivable portfolio, credit quality of the customer base and other qualitative factors such as macro-economic conditions.

We write off account balances if collection efforts are unsuccessful and the receivable balance is deemed uncollectible, based on customer credit quality and the aging of the receivable.

For EIP receivables, subsequent to the initial determination of the imputed discount, we assess the need for and, if necessary, recognize an allowance for credit losses to the extent the amount of estimated probable losses on the gross EIP receivable balances exceed the remaining unamortized imputed discount balances.

The EIP receivables had weighted average effective imputed interest rates of 9.6% and 10.0% as of June 30, 2019 , and December 31, 2018 , respectively.

Activity for the six months ended June 30, 2019 and 2018 , in the allowance for credit losses and unamortized imputed discount balances for the accounts receivable and EIP receivables segments were as follows:

	June 30, 2019			June 30, 2018		
(in millions)	Accounts Receivable Allowance	EIP Receivables Allowance	Total	Accounts Receivable Allowance	EIP Receivables Allowance	Total
Allowance for credit losses and imputed discount, beginning of period	$ 67	$ 449	$ 516	$ 86	$ 396	$ 482
Bad debt expense	31	113	144	25	103	128
Write-offs, net of recoveries	(37)	(127)	(164)	(41)	(119)	(160)
Change in imputed discount on short-term and long-term EIP receivables	N/A	89	89	N/A	102	102
Impact on the imputed discount from sales of EIP receivables	N/A	(84)	(84)	N/A	(98)	(98)
Allowance for credit losses and imputed discount, end of period	$ 61	$ 440	$ 501	$ 70	$ 384	$ 454

Management considers the aging of receivables to be an important credit indicator. The following table provides delinquency status for the unpaid principal balance for receivables within the EIP portfolio segment, which we actively monitor as part of our current credit risk management practices and policies:

	June 30, 2019			December 31, 2018		
(in millions)	Prime	Subprime	Total EIP Receivables, gross	Prime	Subprime	Total EIP Receivables, gross
Current - 30 days past due	$ 2,222	$ 2,177	$ 4,399	$ 1,987	$ 2,446	$ 4,433
31 - 60 days past due	14	30	44	15	32	47
61 - 90 days past due	6	17	23	6	19	25
More than 90 days past due	7	17	24	7	22	29
Total receivables, gross	$ 2,249	$ 2,241	$ 4,490	$ 2,015	$ 2,519	$ 4,534

Note 5 – Sales of Certain Receivables

We have entered into transactions to sell certain service and EIP receivables. The transactions, including our continuing involvement with the sold receivables and the respective impacts to our condensed consolidated financial statements , are described below.

Sales of Service Accounts Receivable

Overview of the Transaction

In 2014, we entered into an arrangement to sell certain service accounts receivable on a revolving basis (the “service receivable sale arrangement”). The maximum funding commitment of the service receivable sale arrangement is $950 million . In February 2019, the service receivable sale arrangement was amended to extend the scheduled expiration date, as well as certain third-party credit support under the arrangement, to March 2021. As of June 30, 2019 and December 31, 2018 , the service receivable sale arrangement provided funding of $950 million and $774 million , respectively. Sales of receivables occur daily and are settled on a monthly basis. The receivables consist of service charges currently due from customers and are short-term in nature.

In connection with the service receivable sale arrangement, we formed a wholly-owned subsidiary, which qualifies as a bankruptcy remote entity, to sell service accounts receivable (the “Service BRE”). The Service BRE does not qualify as a VIE, and due to the significant level of control we exercise over the entity, it is consolidated. Pursuant to the service receivable sale arrangement, certain of our wholly-owned subsidiaries transfer selected receivables to the Service BRE. The Service BRE then sells the receivables to an unaffiliated entity (the “Service VIE”), which was established to facilitate the sale of beneficial ownership interests in the receivables to certain third parties.

Variable Interest Entity

We determined that the Service VIE qualifies as a VIE as it lacks sufficient equity to finance its activities. We have a variable interest in the Service VIE but are not the primary beneficiary as we lack the power to direct the activities that most significantly impact the Service VIE's economic performance. Those activities include committing the Service VIE to legal agreements to purchase or sell assets, selecting which receivables are purchased in the service receivable sale arrangement, determining whether the Service VIE will sell interests in the purchased service receivables to other parties, funding of the entity and servicing of receivables. We do not hold the power to direct the key decisions underlying these activities. For example, while we act as the servicer of the sold receivables, which is considered a significant activity of the Service VIE, we are acting as an agent in our capacity as the servicer and the counterparty to the service receivable sale arrangement has the ability to remove us as the servicing agent of the receivables at will with no recourse available to us. As we have determined we are not the primary beneficiary, the balances and results of the Service VIE are not included in our condensed consolidated financial statements .

The following table summarizes the carrying amounts and classification of assets, which consists primarily of the deferred purchase price and liabilities included in our Condensed Consolidated Balance Sheets that relate to our variable interest in the Service VIE:

(in millions)	June 30, 2019	December 31, 2018
Other current assets	$ 351	$ 339
Accounts payable and accrued liabilities	—	59
Other current liabilities	293	149

Sales of EIP Receivables

Overview of the Transaction

In 2015, we entered into an arrangement to sell certain EIP accounts receivable on a revolving basis (the "EIP sale arrangement"). The maximum funding commitment of the EIP sale arrangement is $1.3 billion , and the scheduled expiration date is November 2020.

As of both June 30, 2019 and December 31, 2018 , the EIP sale arrangement provided funding of $1.3 billion . Sales of EIP receivables occur daily and are settled on a monthly basis.

In connection with this EIP sale arrangement, we formed a wholly-owned subsidiary, which qualifies as a bankruptcy remote entity (the "EIP BRE"). Pursuant to the EIP sale arrangement, our wholly-owned subsidiary transfers selected receivables to the EIP BRE. The EIP BRE then sells the receivables to a non-consolidated and unaffiliated third-party entity for which we do not exercise any level of control, nor does the third-party entity qualify as a VIE.

Variable Interest Entity

We determined that the EIP BRE is a VIE as its equity investment at risk lacks the obligation to absorb a certain portion of its expected losses. We have a variable interest in the EIP BRE and determined that we are the primary beneficiary based on our ability to direct the activities which most significantly impact the EIP BRE's economic performance. Those activities include selecting which receivables are transferred into the EIP BRE and sold in the EIP sale arrangement and funding of the EIP BRE. Additionally, our equity interest in the EIP BRE obligates us to absorb losses and gives us the right to receive benefits from the EIP BRE that could potentially be significant to the EIP BRE. Accordingly, we include the balances and results of operations of the EIP BRE in our condensed consolidated financial statements .

The following table summarizes the carrying amounts and classification of assets, which consists primarily of the deferred purchase price and liabilities included in our Condensed Consolidated Balance Sheets that relate to the EIP BRE:

(in millions)	June 30, 2019	December 31, 2018
Other current assets	$ 340	$ 321
Other assets	74	88
Other long-term liabilities	23	22

In addition, the EIP BRE is a separate legal entity with its own separate creditors who will be entitled, prior to any liquidation of the EIP BRE, to be satisfied prior to any value in the EIP BRE becoming available to us. Accordingly, the assets of the EIP BRE may not be used to settle our general obligations and creditors of the EIP BRE have limited recourse to our general credit.

Sales of Receivables

The transfers of service receivables and EIP receivables to the non-consolidated entities are accounted for as sales of financial assets. Once identified for sale, the receivable is recorded at the lower of cost or fair value. Upon sale, we derecognize the net carrying amount of the receivables.

We recognize the cash proceeds received upon sale in Net cash provided by operating activities in our Condensed Consolidated Statements of Cash Flows . We recognize proceeds net of the deferred purchase price, consisting of a receivable from the purchasers that entitles us to certain collections on the receivables. We recognize the collection of the deferred purchase price in Net cash used in investing activities in our Condensed Consolidated Statements of Cash Flows as Proceeds related to beneficial interests in securitization transactions .

The deferred purchase price represents a financial asset that is primarily tied to the creditworthiness of the customers and which can be settled in such a way that we may not recover substantially all of our recorded investment, due to default by the customers on the underlying receivables. We elected, at inception, to measure the deferred purchase price at fair value with changes in fair value included in Selling, general and administrative expense in our Condensed Consolidated Statements of Comprehensive Income . The fair value of the deferred purchase price is determined based on a discounted cash flow model which uses primarily unobservable inputs (Level 3 inputs), including customer default rates. As of June 30, 2019 , and December 31, 2018 , our deferred purchase price related to the sales of service receivables and EIP receivables was $763 million and $746 million , respectively.

The following table summarizes the impact of the sale of certain service receivables and EIP receivables in our Condensed Consolidated Balance Sheets :

(in millions)	**June 30, 2019**	**December 31, 2018**
Derecognized net service receivables and EIP receivables	$ 2,616	$ 2,577
Other current assets	691	660
of which, deferred purchase price	*689*	*658*
Other long-term assets	74	88
of which, deferred purchase price	*74*	*88*
Accounts payable and accrued liabilities	—	59
Other current liabilities	293	149
Other long-term liabilities	23	22
Net cash proceeds since inception	1,956	1,879
Of which:		
Change in net cash proceeds during the year-to-date period	77	(179)
Net cash proceeds funded by reinvested collections	1,879	2,058

We recognized losses from sales of receivables, including adjustments to the receivables' fair values and changes in fair value of the deferred purchase price, of $28 million and $27 million for the three months ended June 30, 2019 and 2018 , and $63 million and $79 million for the six months ended June 30, 2019 and 2018 , respectively, in Selling, general and administrative expense in our Condensed Consolidated Statements of Comprehensive Income .

Continuing Involvement

Pursuant to the sale arrangements described above, we have continuing involvement with the service receivables and EIP receivables we sell as we service the receivables and are required to repurchase certain receivables, including ineligible receivables, aged receivables and receivables where write-off is imminent. We continue to service the customers and their related receivables, including facilitating customer payment collection, in exchange for a monthly servicing fee. As the receivables are sold on a revolving basis, the customer payment collections on sold receivables may be reinvested in new receivable sales. While servicing the receivables, we apply the same policies and procedures to the sold receivables as we apply to our owned receivables, and we continue to maintain normal relationships with our customers. Pursuant to the EIP sale

arrangement, under certain circumstances, we are required to deposit cash or replacement EIP receivables primarily for contracts terminated by customers under our JUMP! Program.

In addition, we have continuing involvement with the sold receivables as we may be responsible for absorbing additional credit losses pursuant to the sale arrangements. Our maximum exposure to loss related to the involvement with the service receivables and EIP receivables sold under the sale arrangements was $1.1 billion as of June 30, 2019 . The maximum exposure to loss, which is a required disclosure under U.S. GAAP, represents an estimated loss that would be incurred under severe, hypothetical circumstances whereby we would not receive the deferred purchase price portion of the contractual proceeds withheld by the purchasers and would also be required to repurchase the maximum amount of receivables pursuant to the sale arrangements without consideration for any recovery. We believe the probability of these circumstances occurring is remote and the maximum exposure to loss is not an indication of our expected loss.

Note 6 – Spectrum License Transactions

Spectrum Licenses

The following table summarizes our spectrum license activity for the six months ended June 30, 2019 :

(in millions)	2019
Balance at December 31, 2018	$ 35,559
Spectrum license acquisitions	857
Spectrum licenses transferred to held for sale	—
Costs to clear spectrum	14
Balance at June 30, 2019	$ 36,430

The following is a summary of significant spectrum transactions for the six months ended June 30, 2019 :

Millimeter Wave Spectrum Auctions

In June 2019, the FCC announced that we were the winning bidder of 2,211 licenses in the 24 GHz and 28 GHz spectrum auction for an aggregate price of $842 million .

At the inception of the 28 GHz spectrum auction in October 2018, we deposited $20 million with the FCC. Upon conclusion of the 28 GHz spectrum auction in February 2019, we made an additional payment of $19 million for the purchase price of licenses won in the auction.

At the inception of the 24 GHz spectrum auction in February 2019, we deposited $147 million with the FCC. Upon conclusion of the 24 GHz spectrum auction in June 2019, we made an additional payment of $656 million for the purchase price of licenses won in the auction.

The licenses are included in Spectrum licenses as of June 30, 2019 , in our Condensed Consolidated Balance Sheets . Cash payments to acquire spectrum licenses and payments for costs to clear spectrum are included in Purchases of spectrum licenses and other intangible assets, including deposits in our Condensed Consolidated Statements of Cash Flows for the three and six months ended June 30, 2019 .

Note 7 – Fair Value Measurements

The carrying values of Cash and cash equivalents , Accounts receivable, Accounts receivable from affiliates , Accounts payable and accrued liabilities , and borrowings under our revolving credit facility with DT, our majority stockholder, approximate fair value due to the short-term maturities of these instruments.

Derivative Financial Instruments

Interest rate lock derivatives

Periodically, we use derivatives to manage exposure to market risk, such as interest rate risk. We designate certain derivatives as hedging instruments in a qualifying hedge accounting relationship (cash flow hedge) to help minimize significant, unplanned fluctuations in cash flows caused by interest rate volatility. We do not use derivatives for trading or speculative purposes.

We record interest rate lock derivatives on our Condensed Consolidated Balance Sheets at fair value that is derived primarily from observable market data, including yield curves. Interest rate lock derivatives were classified as Level 2 in the fair value hierarchy. Cash flows associated with qualifying hedge derivative instruments are presented in the same category on the Condensed Consolidated Statements of Cash Flows as the item being hedged.

In October 2018, we entered into interest rate lock derivatives with notional amounts of $9.6 billion . The fair value of interest rate lock derivatives was a liability of $1.1 billion and $447 million as of June 30, 2019 and December 31, 2018, respectively, and were included in Other current liabilities in our Condensed Consolidated Balance Sheets . As of and for the three and six months ended June 30, 2019 , no amounts were accrued or amortized into Interest expense in the Condensed Consolidated Statements of Comprehensive Income . Aggregate changes in fair value, net of tax, of $813 million and $332 million are presented in Accumulated other comprehensive loss as of June 30, 2019 , and December 31, 2018, respectively.

The interest rate lock derivatives will be settled upon the issuance of fixed-rate debt, expected to occur prior to December 31, 2020. Upon settlement of the interest rate lock derivatives, we will receive, or make, a cash payment in the amount of the fair value of the cash flow hedge as of the settlement date. There were no cash payments or receipts associated with these derivatives for the three and six months ended June 30, 2019 .

Embedded derivatives

Effective April 28, 2019, we redeemed $600 million aggregate principal amount of our 9.332% Senior Reset Notes due 2023 held by DT. The notes were redeemed at a redemption price equal to 104.666% of the principal amount of the notes (plus accrued and unpaid interest thereon) and were paid on April 29, 2019. The write-off of embedded derivatives upon redemption of the DT Senior Reset Notes resulted in a gain of $11 million , which was included in Other expense, net in our Condensed Consolidated Statements of Comprehensive Income .

Deferred Purchase Price Assets

In connection with the sales of certain service and EIP accounts receivable pursuant to the sale arrangements, we have deferred purchase price assets measured at fair value that are based on a discounted cash flow model using unobservable Level 3 inputs, including customer default rates. See Note 5 – Sales of Certain Receivables for further information.

The carrying amounts and fair values of our assets measured at fair value on a recurring basis included in our Condensed Consolidated Balance Sheets were as follows:

(in millions)	Level within the Fair Value Hierarchy	June 30, 2019		December 31, 2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:					
Deferred purchase price assets	3	$ 763	$ 763	$ 746	$ 746

Long-term Debt

The fair value of our Senior Notes to third parties was determined based on quoted market prices in active markets, and therefore was classified as Level 1 within the fair value hierarchy. The fair values of our Senior Notes to affiliates , Incremental Term Loan Facility to affiliates and Senior Reset Notes to affiliates were determined based on a discounted cash flow approach using market interest rates of instruments with similar terms and maturities and an estimate for our standalone credit risk. Accordingly, our Senior Notes to affiliates , Incremental Term Loan Facility to affiliates and Senior Reset Notes to affiliates were classified as Level 2 within the fair value hierarchy.

Although we have determined the estimated fair values using available market information and commonly accepted valuation methodologies, considerable judgment was required in interpreting market data to develop fair value estimates for the Senior Notes to affiliates , Incremental Term Loan Facility to affiliates and Senior Reset Notes to affiliates . The fair value estimates were based on information available as of June 30, 2019 , and December 31, 2018 . As such, our estimates are not necessarily indicative of the amount we could realize in a current market exchange.

The carrying amounts and fair values of our short-term and long-term debt included in our Condensed Consolidated Balance Sheets were as follows:

(in millions)	Level within the Fair Value Hierarchy	June 30, 2019		December 31, 2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities:					
Senior Notes to third parties	1	$ 10,954	$ 11,485	$ 10,950	$ 10,945
Senior Notes to affiliates	2	9,985	10,344	9,984	9,802
Incremental Term Loan Facility to affiliates	2	4,000	4,000	4,000	3,976
Senior Reset Notes to affiliates	2	—	—	598	640

Guarantee Liabilities

We offer a device trade-in program, JUMP!, which provides eligible customers a specified-price trade-in right to upgrade their device. For customers who enroll in JUMP!, we recognize a liability and reduce revenue for the portion of revenue which represents the estimated fair value of the specified-price trade-in right guarantee, incorporating the expected probability and timing of handset upgrade and the estimated fair value of the handset which is returned. Accordingly, our guarantee liabilities were classified as Level 3 within the fair value hierarchy. When customers upgrade their device, the difference between the EIP balance credit to the customer and the fair value of the returned device is recorded against the guarantee liabilities. Guarantee liabilities are included in Other current liabilities in our Consolidated Balance Sheets.

The carrying amounts of our guarantee liabilities measured at fair value on a non-recurring basis included in our Condensed Consolidated Balance Sheets were $71 million and $73 million as of June 30, 2019 , and December 31, 2018 , respectively.

The total estimated remaining gross EIP receivable balances of all enrolled handset upgrade program customers, which are the remaining EIP amounts underlying the JUMP! guarantee, including EIP receivables that have been sold, was $3.0 billion as of June 30, 2019 . This is not an indication of our expected loss exposure as it does not consider the expected fair value of the used handset or the probability and timing of the trade-in.

Note 8 – Tower Obligations

In 2012, we conveyed to CCI the exclusive right to manage and operate approximately 7,100 T-Mobile-owned wireless communication tower sites (“CCI Tower Sites”) in exchange for net proceeds of $2.5 billion (the “2012 Tower Transaction”). Rights to approximately 6,200 of the tower sites were transferred to CCI via a master prepaid lease with site lease terms ranging from 23 to 37 years (“CCI Lease Sites”), while the remaining tower sites were sold to CCI (“CCI Sales Sites”). CCI has fixed-price purchase options for the CCI Lease Sites totaling approximately $2.0 billion , exercisable at the end of the lease term. We lease back space at certain tower sites for an initial term of ten years , followed by optional renewals at customary terms.

In 2015, we conveyed to PTI the exclusive right to manage and operate certain T-Mobile-owned wireless communication tower sites (“PTI Sales Sites”) in exchange for net proceeds of approximately $140 million (the “2015 Tower Transaction”). As of June 30, 2019 , rights to approximately 150 of the tower sites remain operated by PTI under a management agreement (“PTI Managed Sites”). We lease back space at certain tower sites for an initial term of ten years , followed by optional renewals at customary terms.

Assets and liabilities associated with the operation of the tower sites were transferred to special purpose entities (“SPEs”). Assets included ground lease agreements or deeds for the land on which the towers are situated, the towers themselves and existing subleasing agreements with other mobile network operator tenants, who lease space at the tower sites. Liabilities included the obligation to pay ground lease rentals, property taxes and other executory costs. Upon closing of the 2012 Tower Transaction, CCI acquired all of the equity interests in the SPE containing CCI Sales Sites and an option to acquire the CCI Lease Sites at the end of their respective lease terms and entered into a master lease agreement under which we agreed to lease back space at certain of the tower sites. Upon closing of the 2015 Tower Transaction, PTI acquired all of the equity interests in the SPEs containing PTI Sales Sites and entered into a master lease agreement under which we agreed to lease back space at certain of the tower sites.

We determined the SPEs containing the CCI Lease Sites (“Lease Site SPEs”) are VIEs as our equity investment lacks the power to direct the activities that most significantly impact the economic performance of the VIEs. These activities include managing tenants and underlying ground leases, performing repair and maintenance on the towers, the obligation to absorb expected losses and the right to receive the expected future residual returns from the purchase option to acquire the CCI Lease Sites. As we determined that we are not the primary beneficiary and do not have a controlling financial interest in the Lease Site SPEs, the balances and operating results of the Lease Site SPEs are not included in our condensed consolidated financial statements .

Due to our continuing involvement with the tower sites, we previously determined that we were precluded from applying sale-leaseback accounting. We recorded long-term financial obligations in the amount of the net proceeds received and recognized interest on the tower obligations at a rate of approximately 8% for the 2012 Tower Transaction and 5% for the 2015 Tower Transaction using the effective interest method. The tower obligations are increased by interest expense and amortized through contractual leaseback payments made by us to CCI or PTI and through net cash flows generated and retained by CCI or PTI from operation of the tower sites. Our historical tower site asset costs continue to be reported in Property and equipment, net in our Condensed Consolidated Balance Sheets and are depreciated.

Upon adoption of the new leasing standard we were required to reassess the previously failed sale-leasebacks and determine whether the transfer of the assets to the tower operator under the arrangement met the transfer of control criteria in the revenue standard and whether a sale should be recognized. We concluded that a sale has not occurred for the CCI Lease Sites and these sites continue to be accounted for as a failed sale-leaseback. We concluded that a sale had occurred for the CCI Sales Sites and

the PTI Sales Sites and therefore we derecognized our existing long-term financial obligation and the tower-related property and equipment associated with these sites as part of the cumulative effect adjustment on January 1, 2019.

The following table summarizes the balances of the failed sale-leasebacks in the Condensed Consolidated Balance Sheets :

(in millions)	June 30, 2019	December 31, 2018
Property and equipment, net	$ 224	$ 329
Tower obligations	2,247	2,557

Future minimum payments related to the tower obligations are approximately $157 million for the year ending June 30, 2020 , $315 million in total for the years ending June 30, 2021 and 2022 , $315 million in total for years ending June 30, 2023 and 2024 , and $537 million in total for years thereafter.

We are contingently liable for future ground lease payments through the remaining term of the CCI Lease Sites. These contingent obligations are not included in Operating lease liabilities as any amount due is contractually owed by CCI based on the subleasing arrangement. See Note 11 - Leases for further information.

Note 9 – Revenue from Contracts with Customers

Disaggregation of Revenue

We provide wireless communication services to three primary categories of customers:

- Branded postpaid customers generally include customers who are qualified to pay after receiving wireless communication services utilizing phones, DIGITS, or connected devices which includes tablets, wearables and SyncUP DRIVE™;
- Branded prepaid customers generally include customers who pay for wireless communication services in advance. Our branded prepaid customers include customers of T-Mobile and Metro by T-Mobile; and
- Wholesale customers include Machine-to-Machine (“M2M”) and Mobile Virtual Network Operator (“MVNO”) customers that operate on our network but are managed by wholesale partners.

Branded postpaid service revenues, including branded postpaid phone revenues and branded postpaid other revenues, were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Branded postpaid service revenues				
Branded postpaid phone revenues	$ 5,287	$ 4,892	$ 10,470	$ 9,703
Branded postpaid other revenues	326	272	636	531
Total branded postpaid service revenues	$ 5,613	$ 5,164	$ 11,106	$ 10,234

We operate as a single operating segment. The balances presented within each revenue line item in our Condensed Consolidated Statements of Comprehensive Income represent categories of revenue from contracts with customers disaggregated by type of product and service. Service revenues also include revenues earned for providing value added services to customers, such as handset insurance services. Revenue generated from the lease of mobile communication devices is included within Equipment revenues in our Condensed Consolidated Statements of Comprehensive Income .

Equipment revenues from the lease of mobile communication devices were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Equipment revenues from the lease of mobile communication devices	$ 143	$ 177	$ 304	$ 348

Contract Balances

The opening and closing balances of our contract asset and contract liability balances from contracts with customers as of December 31, 2018 and June 30, 2019 , were as follows:

(in millions)	Contract Assets Included in Other Current Assets	Contract Liabilities Included in Deferred Revenue
Balance as of December 31, 2018	$ 51	$ 645
Balance as of June 30, 2019	42	571
Change	$ (9)	$ (74)

Contract assets primarily represent revenue recognized for equipment sales with promotional bill credits offered to customers that are paid over time and are contingent on the customer maintaining a service contract. The change in the contract asset balance includes customer activity related to new promotions, offset by billings on existing contracts and impairment which is recognized as bad debt expense.

Contract liabilities are recorded when fees are collected, or we have an unconditional right to consideration (a receivable) in advance of delivery of goods or services. The change in contract liabilities is primarily related to customer activity associated with our prepaid plans including the receipt of cash payments and the satisfaction of our performance obligations.

Revenues for the three and six months ended June 30, 2019 and 2018, include the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Amounts included in the beginning of period contract liability balance	$ 43	$ 31	$ 603	$ 559

Remaining Performance Obligations

As of June 30, 2019 , the aggregate amount of transaction price allocated to remaining service performance obligations for branded postpaid contracts with promotional bill credits that result in an extended service contract is $234 million . We expect to recognize this revenue as service is provided over the extended contract term in the next 24 months .

Certain of our wholesale, roaming and other service contracts include variable consideration based on usage. This variable consideration has been excluded from the disclosure of remaining performance obligations. As of June 30, 2019 , the aggregate amount of the contractual minimum consideration allocated to remaining service performance obligations for wholesale, roaming and other service contracts is $652 million , $1.1 billion and $1.6 billion for 2019 , 2020 and 2021 and beyond, respectively. These contracts have a remaining duration of less than one to eleven years .

Information about remaining performance obligations that are part of a contract that has an original expected duration of one year or less have been excluded from the above, which primarily consists of monthly service contracts. The aggregate amount of the transaction price allocated to remaining service performance obligations includes the estimated amount to be invoiced to the customer.

Contract Costs

The total balance of deferred incremental costs to obtain contracts as of June 30, 2019 , was $765 million compared to $644 million as of December 31, 2018 . Deferred contract costs incurred to obtain postpaid service contracts are amortized over a period of 24 months . The amortization period is monitored to reflect any significant change in assumptions. Amortization of deferred contract costs was $137 million and $57 million for the three months ended June 30, 2019 and 2018 , respectively, and $253 million and $92 million for the six months ended June 30, 2019 and 2018 , respectively.

The deferred contract cost asset is assessed for impairment on a periodic basis. There were no impairment losses recognized on deferred contract cost assets for the three and six months ended June 30, 2019 and 2018.

Note 10 – Earnings Per Share

The computation of basic and diluted earnings per share was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except shares and per share amounts)	2019	2018	2019	2018
Net income	$ 939	$ 782	$ 1,847	$ 1,453
Weighted average shares outstanding - basic	854,368,443	847,660,488	852,796,369	851,420,686
Effect of dilutive securities:				
Outstanding stock options and unvested stock awards	5,767,150	4,380,182	8,094,501	7,308,146
Weighted average shares outstanding - diluted	860,135,593	852,040,670	860,890,870	858,728,832
Earnings per share - basic	$ 1.10	$ 0.92	$ 2.16	$ 1.71

Earnings per share - diluted	$ 1.09	$ 0.92	$ 2.14	$ 1.69
Potentially dilutive securities:				
Outstanding stock options and unvested stock awards	67,856	797,948	39,342	487,133

As of June 30, 2019 , we had authorized 100 million shares of preferred stock, with a par value of $0.00001 per share. There was no preferred stock outstanding as of June 30, 2019 and 2018 .

Potentially dilutive securities were not included in the computation of diluted earnings per share if to do so would have been anti-dilutive.

Note 11 - Leases

Leases (Topic 842) Disclosures

Lessee

We are lessee for non-cancellable operating and finance leases for cell sites, switch sites, retail stores and office facilities with contractual terms through 2029 . The majority of cell site leases have an initial non-cancelable term of five to ten years with several renewal options that can extend the lease term from five to thirty-five years . In addition, we have finance leases for network equipment that generally have a non-cancelable lease term of two to five years ; the finance leases do not have renewal options and contain a bargain purchase option at the end of the lease.

The components of lease expense were as follows:

(in millions)	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating lease expense	$ 634	$ 1,236
Financing lease expense:		
Amortization of right-of-use assets	117	230
Interest on lease liabilities	20	40
Total financing lease expense	137	270
Variable lease expense	58	123
Total lease expense	$ 829	$ 1,629

Information relating to the lease term and discount rate is as follows:

	June 30, 2019
Weighted Average Remaining Lease Term (Years)	
Operating leases	6
Financing leases	3
Weighted Average Discount Rate	
Operating leases	5.2%
Financing leases	3.9%

Maturities of lease liabilities as of June 30, 2019, were as follows:

(in millions)	Operating Leases	Finance Leases
Twelve Months Ending June 30,		
2020	$ 2,403	$ 1,021
2021	2,761	713
2022	2,503	430
2023	2,088	126
2024	1,449	58
Thereafter	3,543	91
Total lease payments	14,747	2,439
Less imputed interest	2,334	162
Total	$ 12,413	$ 2,277

Interest payments for financing leases for the three and six months ended June 30, 2019, were $21 million and $41 million , respectively.

As of June 30, 2019, we have additional operating leases for cell sites and commercial properties that have not yet commenced with lease payments of approximately $300 million .

As of June 30, 2019, we were contingently liable for future ground lease payments related to the tower obligations. These contingent obligations are not included in the above table as the amounts owed are contractually owed by CCI based on the subleasing arrangement. See Note 8 - Tower Obligations for further information.

Lessor

JUMP! On Demand allows customers to lease a device (handset or tablet) over a period of up to 18 months and upgrade it for a new device up to one time per month. Upon device upgrade or at lease end, customers must return or purchase their device. The purchase price at the expiration of the lease is established at lease commencement and reflects the estimated residual value of the device, which reflects the estimated fair value of the underlying asset at the end of the lease term. The JUMP! On Demand leases do not contain any residual value guarantees or variable lease payments, and there are no restrictions or covenants imposed by these leases. Leased wireless devices are included in Property and equipment, net in our Condensed Consolidated Balance Sheets .

The components of leased wireless devices under our JUMP! On Demand program were as follows:

(in millions)	June 30, 2019	December 31, 2018
Leased wireless devices, gross	$ 988	$ 1,159
Accumulated depreciation	(570)	(622)
Leased wireless devices, net	$ 418	$ 537

For equipment revenues from the lease of mobile communication devices, see Note 9 - Revenue from Contracts with Customers .

Future minimum payments expected to be received over the lease term related to the leased wireless devices, which exclude optional residual buy-out amounts at the end of the lease term, are summarized below:

(in millions)	Total
Twelve Months Ending June 30,	
2020	$ 318
2021	47
Total	$ 365

Leases (Topic 840) Disclosures

On January 1, 2019, we adopted the new lease standard using a modified-retrospective approach by recognizing and measuring leases at the adoption date with a cumulative effect of initially applying the guidance recognized at the date of initial application and did not restate the prior periods presented in our Consolidated Financial Statements. As such, prior periods presented in our Consolidated Financial Statements continue to be in accordance with the former lease standard, Topic 840 Leases. See Note 1 - Summary of Significant Accounting Policies for further information.

Operating Leases

Under the previous lease standard, we had non-cancellable operating leases for cell sites, switch sites, retail stores and office facilities. As of December 31, 2018, these leases had contractual terms expiring through 2028 , with the majority of cell site leases having an initial non-cancelable term of five to ten years with several renewal options. In addition, we had operating leases for dedicated transportation lines with varying expiration terms through 2027 .

Our commitments under leases existing as of December 31, 2018 were approximately $2.7 billion for the year ending December 31, 2019, $4.7 billion in total for the years ending December 31, 2020 and 2021, $3.3 billion in total for the years ending December 31, 2022 and 2023 and $3.8 billion in total for years thereafter.

Total rent expense under operating leases, including dedicated transportation lines, was $765 million and $1.5 billion for the three and six months ended June 30, 2018, and was classified as Cost of services and Selling, general and administrative expense in our Condensed Consolidated Statements of Comprehensive Income.

Lessor

As of December 31, 2018, the future minimum payments expected to be received over the lease term related to the leased wireless devices, which exclude optional residual buy-out amounts at the end of the lease term, are summarized below:

(in millions)	Total
Year Ended December 31,	
2019	$ 419
2020	59
Total	$ 478

Capital Leases

Within property and equipment, wireless communication systems include capital lease agreements for network equipment with varying expiration terms through 2033 . Capital lease assets and accumulated amortization were $3.1 billion and $867 million as of December 31, 2018.

As of December 31, 2018, the future minimum payments required under capital leases, including interest and maintenance, over their remaining terms are summarized below:

(in millions)	Future Minimum Payments
Year Ended December 31,	
2019	$ 909
2020	631
2021	389
2022	102
2023	66
Thereafter	106
Total	$ 2,203
Included in Total	
Interest	$ 143
Maintenance	45

Note 12 – Commitments and Contingencies

Purchase Commitments

In September 2018, we signed a reciprocal long-term spectrum lease with Sprint. The lease includes an offsetting amount to be received from Sprint for the lease of our spectrum. Lease payments began in the fourth quarter of 2018. The minimum commitment under this lease as of June 30, 2019 , is $509 million . The reciprocal long-term lease is a distinct transaction from the Merger.

Under the previous lease standard certain of our network backhaul arrangements were accounted for as operating leases. Obligations under these agreements were included within our operating lease commitments as of December 31, 2018.

These agreements no longer qualify as leases under the new lease standard. Our commitments under these agreements as of June 30, 2019 , were approximately $147 million for the year ending June 30, 2020, $242 million in total for the years ended June 30, 2021 and 2022, $160 million in total for the years ended June 30, 2023 and 2024, and $188 million in total for years thereafter.

Interest rate lock derivatives

In October 2018, we entered into interest rate lock derivatives with notional amounts of $9.6 billion . These interest rate lock derivatives were designated as cash flow hedges to reduce variability in cash flows due to changes in interest payments attributable to increases or decreases in the benchmark interest rate during the period leading up to the probable issuance of

fixed-rate debt. The fair value of interest rate lock derivatives as of June 30, 2019 , was a liability of $1.1 billion and is included in Other current liabilities in our Condensed Consolidated Balance Sheets . See Note 7 – Fair Value Measurements for further information.

Renewable Energy Purchase Agreements

In April 2019, T-Mobile USA entered into a Renewable Energy Purchase Agreement ("REPA") with a third party that is based on the expected operation of a solar photovoltaic electrical generation facility located in Texas and will remain in effect until the fifteenth anniversary of the facility's entry into commercial operation. Commercial operation of the facility is expected to occur in July 2021. The REPA consists of an energy forward agreement that is net settled based on energy prices and the energy output generated by the facility. We have determined that the REPA does not meet the definition of a derivative because the expected energy output of the facility may not be reliably estimated (the arrangement lacks a notional amount). The REPA does not contain any unconditional purchase obligations because amounts under the agreement are not fixed and determinable. Our participation in the REPA did not require an upfront investment or capital commitment. We do not control the activities that most significantly impact the energy-generating facility, nor do we direct the use of, or receive specific energy output from, the facility.

Contingencies and Litigation

Litigation Matters

We are involved in various lawsuits and disputes, claims, government agency investigations and enforcement actions, and other proceedings ("Litigation Matters") that arise in the ordinary course of business, which include claims of patent infringement (most of which are asserted by non-practicing entities primarily seeking monetary damages), class actions, and proceedings to enforce FCC rules and regulations. The Litigation Matters described above have progressed to various stages and some of them may proceed to trial, arbitration, hearing or other adjudication that could result in fines, penalties, or awards of monetary or injunctive relief in the coming 12 months if they are not otherwise resolved. We have established an accrual with respect to certain of these matters, where appropriate, which is reflected in the Consolidated Financial Statements but that is not considered to be, individually or in the aggregate, material. An accrual is established when we believe it is both probable that a loss has been incurred and an amount can be reasonably estimated. For other matters, where we have not determined that a loss is probable or because the amount of loss cannot be reasonably estimated, we have not recorded an accrual due to various factors typical in contested proceedings, including but not limited to uncertainty concerning legal theories and their resolution by courts or regulators, uncertain damage theories and demands, and a less than fully developed factual record. While we do not expect that the ultimate resolution of these proceedings, individually or in the aggregate, will have a material adverse effect on our financial position, an unfavorable outcome of some or all of these proceedings could have a material adverse impact on results of operations or cash flows for a particular period. This assessment is based on our current understanding of relevant facts and circumstances. As such, our view of these matters is subject to inherent uncertainties and may change in the future.

Note 13 – Subsequent Event

In July 2019, we entered into various agreements, including an amendment to the Business Combination Agreement, in connection with the Merger. See Note 3 – Business Combinations for further information.

Index for Notes to the Condensed Consolidated Financial Statements

Note 14 – Guarantor Financial Information

Pursuant to the applicable indentures and supplemental indentures, the long-term debt to affiliates and third parties issued by T-Mobile USA ("Issuer") is fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by T-Mobile ("Parent") and certain of the Issuer's 100% owned subsidiaries ("Guarantor Subsidiaries").

The guarantees of the Guarantor Subsidiaries are subject to release in limited circumstances only upon the occurrence of certain customary conditions. The indentures and credit facilities governing the long-term debt contain covenants that, among other things, limit the ability of the Issuer and the Guarantor Subsidiaries to incur more debt, pay dividends and make distributions, make certain investments, repurchase stock, create liens or other encumbrances, enter into transactions with affiliates, enter into transactions that restrict dividends or distributions from subsidiaries, and merge, consolidate or sell, or otherwise dispose of, substantially all of their assets. Certain provisions of each of the credit facilities, indentures and supplemental indentures relating to the long-term debt restrict the ability of the Issuer to loan funds or make payments to Parent. However, the Issuer and Guarantor Subsidiaries are allowed to make certain permitted payments to the Parent under the terms of the indentures and the supplemental indentures.

On October 23, 2018, SLMA LLC was formed as a limited liability company in Delaware to serve as an escrow subsidiary to facilitate the contemplated issuance of notes by Parent in connection with the Transactions. SLMA LLC is an indirect, 100% owned finance subsidiary of Parent, as such term is used in Rule 3-10(b) of Regulation S-X, and has been designated as an unrestricted subsidiary under the Issuer's existing debt securities. Any debt securities that may be issued from time to time by SLMA LLC will be fully and unconditionally guaranteed by Parent.

Presented below is the condensed consolidating financial information as of June 30, 2019 and December 31, 2018 , and for the three and six months ended June 30, 2019 and 2018 .

Condensed Consolidating Balance Sheet Information
June 30, 2019

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Assets						
Current assets						
Cash and cash equivalents	$ 4	$ 2	$ 970	$ 129	$ —	$ 1,105
Accounts receivable, net	—	—	1,526	291	—	1,817
Equipment installment plan receivables, net	—	—	2,446	—	—	2,446
Accounts receivable from affiliates	—	—	18	—	—	18
Inventory	—	—	998	—	—	998
Other current assets	—	—	1,052	678	—	1,730
Total current assets	4	2	7,010	1,098	—	8,114
Property and equipment, net [1]	—	—	21,535	312	—	21,847
Operating lease right-of-use assets	—	—	10,436	3	—	10,439
Financing lease right-of-use assets	—	—	2,589	—	—	2,589
Goodwill	—	—	1,683	218	—	1,901
Spectrum licenses	—	—	36,430	—	—	36,430
Other intangible assets, net	—	—	85	72	—	157
Investments in subsidiaries, net	27,332	49,416	—	—	(76,748)	—
Intercompany receivables and note receivables	—	4,618	—	—	(4,618)	—
Equipment installment plan receivables due after one year, net	—	—	1,604	—	—	1,604
Other assets	—	8	1,637	226	(164)	1,707
Total assets	$ 27,336	$ 54,044	$ 83,009	$ 1,929	$ (81,530)	$ 84,788
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable and accrued liabilities	$ —	$ 229	$ 6,736	$ 295	$ —	$ 7,260
Payables to affiliates	—	147	51	—	—	198
Short-term debt	—	300	—	—	—	300
Deferred revenue	—	—	619	1	—	620
Short-term operating lease liabilities	—	—	2,265	3	—	2,268
Short-term financing lease liabilities	—	—	963	—	—	963
Other current liabilities	—	1,097	154	313	—	1,564
Total current liabilities	—	1,773	10,788	612	—	13,173
Long-term debt	—	10,954	—	—	—	10,954
Long-term debt to affiliates	—	13,985	—	—	—	13,985
Tower obligations [1]	—	—	76	2,171	—	2,247
Deferred tax liabilities	—	—	5,254	—	(164)	5,090
Operating lease liabilities	—	—	10,145	—	—	10,145
Financing lease liabilities	—	—	1,314	—	—	1,314
Negative carrying value of subsidiaries, net	—	—	815	—	(815)	—
Intercompany payables and debt	369	—	3,872	377	(4,618)	—
Other long-term liabilities	—	—	890	23	—	913
Total long-term liabilities	369	24,939	22,366	2,571	(5,597)	44,648
Total stockholders' equity (deficit)	26,967	27,332	49,855	(1,254)	(75,933)	26,967
Total liabilities and stockholders' equity	$ 27,336	$ 54,044	$ 83,009	$ 1,929	$ (81,530)	$ 84,788

(1) Assets and liabilities for Non-Guarantor Subsidiaries are primarily included in VIEs related to the 2012 Tower Transaction. See Note 8 – Tower Obligations for further information.

Condensed Consolidating Balance Sheet Information
December 31, 2018

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Assets						
Current assets						
Cash and cash equivalents	$ 2	$ 1	$ 1,079	$ 121	$ —	$ 1,203
Accounts receivable, net	—	—	1,510	259	—	1,769
Equipment installment plan receivables, net	—	—	2,538	—	—	2,538
Accounts receivable from affiliates	—	—	11	—	—	11
Inventory	—	—	1,084	—	—	1,084
Other current assets	—	—	1,031	645	—	1,676
Total current assets	2	1	7,253	1,025	—	8,281
Property and equipment, net [1]	—	—	23,062	297	—	23,359
Goodwill	—	—	1,683	218	—	1,901
Spectrum licenses	—	—	35,559	—	—	35,559
Other intangible assets, net	—	—	116	82	—	198
Investments in subsidiaries, net	25,314	46,516	—	—	(71,830)	—
Intercompany receivables and note receivables	—	5,174	—	—	(5,174)	—
Equipment installment plan receivables due after one year, net	—	—	1,547	—	—	1,547
Other assets	—	7	1,540	221	(145)	1,623
Total assets	$ 25,316	$ 51,698	$ 70,760	$ 1,843	$ (77,149)	$ 72,468
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable and accrued liabilities	$ —	$ 228	$ 7,240	$ 273	$ —	$ 7,741
Payables to affiliates	—	157	43	—	—	200
Short-term debt	—	—	841	—	—	841
Deferred revenue	—	—	698	—	—	698
Other current liabilities	—	447	164	176	—	787
Total current liabilities	—	832	8,986	449	—	10,267
Long-term debt	—	10,950	1,174	—	—	12,124
Long-term debt to affiliates	—	14,582	—	—	—	14,582
Tower obligations [1]	—	—	384	2,173	—	2,557
Deferred tax liabilities	—	—	4,617	—	(145)	4,472
Deferred rent expense	—	—	2,781	—	—	2,781
Negative carrying value of subsidiaries, net	—	—	676	—	(676)	—
Intercompany payables and debt	598	—	4,234	342	(5,174)	—
Other long-term liabilities	—	20	926	21	—	967
Total long-term liabilities	598	25,552	14,792	2,536	(5,995)	37,483
Total stockholders' equity (deficit)	24,718	25,314	46,982	(1,142)	(71,154)	24,718
Total liabilities and stockholders' equity	$ 25,316	$ 51,698	$ 70,760	$ 1,843	$ (77,149)	$ 72,468

(1) Assets and liabilities for Non-Guarantor Subsidiaries are primarily included in VIEs related to the 2012 Tower Transaction. See Note 8 – Tower Obligations for further information.

Condensed Consolidating Statement of Comprehensive Income Information
Three Months Ended June 30, 2019

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	$ —	$ —	$ 7,992	$ 767	$ (333)	$ 8,426
Equipment revenues	—	—	2,320	2	(59)	2,263
Other revenues	—	3	276	51	(40)	290
Total revenues	—	3	10,588	820	(432)	10,979
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	1,668	9	(28)	1,649
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	—	—	2,418	302	(59)	2,661
Selling, general and administrative	—	—	3,595	293	(345)	3,543
Depreciation and amortization	—	—	1,564	21	—	1,585
Total operating expense	—	—	9,245	625	(432)	9,438
Operating income	—	3	1,343	195	—	1,541
Other income (expense)						
Interest expense	—	(114)	(21)	(47)	—	(182)
Interest expense to affiliates	—	(102)	(4)	—	5	(101)
Interest income	—	5	3	1	(5)	4
Other expense, net	—	(19)	(3)	—	—	(22)
Total other expense, net	—	(230)	(25)	(46)	—	(301)
Income (loss) before income taxes	—	(227)	1,318	149	—	1,240
Income tax expense	—	—	(270)	(31)	—	(301)
Earnings of subsidiaries	939	1,166	10	—	(2,115)	—
Net income	$ 939	$ 939	$ 1,058	$ 118	$ (2,115)	$ 939
Net income	$ 939	$ 939	$ 1,058	$ 118	$ (2,115)	$ 939
Other comprehensive (loss) income, net of tax						
Other comprehensive (loss) income, net of tax	(292)	(292)	103	—	189	(292)
Total comprehensive income	$ 647	$ 647	$ 1,161	$ 118	$ (1,926)	$ 647

Condensed Consolidating Statement of Comprehensive Income Information
Three Months Ended June 30, 2018

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	$ —	$ —	$ 7,609	$ 551	$ (229)	$ 7,931
Equipment revenues	—	—	2,370	1	(46)	2,325
Other revenues	—	2	267	55	(9)	315
Total revenues	—	2	10,246	607	(284)	10,571
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	1,522	8	—	1,530
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	—	—	2,556	262	(46)	2,772
Selling, general and administrative	—	6	3,201	216	(238)	3,185
Depreciation and amortization	—	—	1,611	23	—	1,634
Total operating expenses	—	6	8,890	509	(284)	9,121
Operating income (loss)	—	(4)	1,356	98	—	1,450
Other income (expense)						
Interest expense	—	(120)	(28)	(48)	—	(196)
Interest expense to affiliates	—	(129)	(4)	—	5	(128)
Interest income	—	6	4	1	(5)	6
Other expense, net	—	(59)	(5)	—	—	(64)
Total other expense, net	—	(302)	(33)	(47)	—	(382)
Income (loss) before income taxes	—	(306)	1,323	51	—	1,068
Income tax expense	—	—	(277)	(9)	—	(286)
Earnings of subsidiaries	782	1,088	23	—	(1,893)	—
Net income	$ 782	$ 782	$ 1,069	$ 42	$ (1,893)	$ 782
Other comprehensive income (loss), net of tax						
Other comprehensive income, net of tax	3	3	3	—	(6)	3
Total comprehensive income	$ 785	$ 785	$ 1,072	$ 42	$ (1,899)	$ 785

Index for Notes to the Condensed Consolidated Financial Statements

Condensed Consolidating Statement of Comprehensive Income Information
Six Months Ended June 30, 2019

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	$ —	$ —	$ 15,851	$ 1,499	$ (647)	$ 16,703
Equipment revenues	—	—	4,890	2	(113)	4,779
Other revenues	—	9	549	101	(82)	577
Total revenues	—	9	21,290	1,602	(842)	22,059
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	3,236	15	(56)	3,195
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	—	—	5,216	574	(113)	5,677
Selling, general and administrative	—	1	7,089	568	(673)	6,985
Depreciation and amortization	—	—	3,142	43	—	3,185
Total operating expense	—	1	18,683	1,200	(842)	19,042
Operating income	—	8	2,607	402	—	3,017
Other income (expense)						
Interest expense	—	(226)	(41)	(94)	—	(361)
Interest expense to affiliates	—	(211)	(9)	—	10	(210)
Interest income	—	10	10	2	(10)	12
Other expense, net	—	(11)	(4)	—	—	(15)
Total other expense, net	—	(438)	(44)	(92)	—	(574)
Income (loss) before income taxes	—	(430)	2,563	310	—	2,443
Income tax expense	—	—	(531)	(65)	—	(596)
Earnings of subsidiaries	1,847	2,277	17	—	(4,141)	—
Net income	$ 1,847	$ 1,847	$ 2,049	$ 245	$ (4,141)	$ 1,847
Net income	$ 1,847	$ 1,847	$ 2,049	$ 245	$ (4,141)	$ 1,847
Other comprehensive (loss) income, net of tax						
Other comprehensive (loss) income, net of tax	(481)	(481)	168	—	313	(481)
Total comprehensive income	$ 1,366	$ 1,366	$ 2,217	$ 245	$ (3,828)	$ 1,366

Index for Notes to the Condensed Consolidated Financial Statements

Condensed Consolidating Statement of Comprehensive Income Information
Six Months Ended June 30, 2018

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	$ —	$ —	$ 15,096	$ 1,091	$ (450)	$ 15,737
Equipment revenues	—	—	4,777	1	(100)	4,678
Other revenues	—	3	516	110	(18)	611
Total revenues	—	3	20,389	1,202	(568)	21,026
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	3,102	17	—	3,119
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	—	—	5,220	498	(101)	5,617
Selling, general and administrative	—	6	6,358	452	(467)	6,349
Depreciation and amortization	—	—	3,165	44	—	3,209
Total operating expenses	—	6	17,845	1,011	(568)	18,294
Operating income (loss)	—	(3)	2,544	191	—	2,732
Other income (expense)						
Interest expense	—	(294)	(57)	(96)	—	(447)
Interest expense to affiliates	—	(295)	(9)	—	10	(294)
Interest income	—	12	9	1	(10)	12
Other (expense) income, net	—	(91)	37	—	—	(54)
Total other expense, net	—	(668)	(20)	(95)	—	(783)
Income (loss) before income taxes	—	(671)	2,524	96	—	1,949
Income tax expense	—	—	(476)	(20)	—	(496)
Earnings of subsidiaries	1,453	2,124	17	—	(3,594)	—
Net income	$ 1,453	$ 1,453	$ 2,065	$ 76	$ (3,594)	$ 1,453
Net income	$ 1,453	$ 1,453	$ 2,065	$ 76	$ (3,594)	$ 1,453
Other comprehensive loss, net of tax						
Other comprehensive loss, net of tax	—	—	—	—	—	—
Total comprehensive income	$ 1,453	$ 1,453	$ 2,065	$ 76	$ (3,594)	$ 1,453

Condensed Consolidating Statement of Cash Flows Information
Three Months Ended June 30, 2019

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash (used in) provided by operating activities	$ —	$ (124)	$ 3,112	$ (686)	$ (155)	$ 2,147
Investing activities						
Purchases of property and equipment	—	—	(1,740)	(49)	—	(1,789)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(665)	—	—	(665)
Proceeds related to beneficial interests in securitization transactions	—	—	8	831	—	839
Net cash (used in) provided by investing activities	—	—	(2,397)	782	—	(1,615)
Financing activities						
Proceeds from borrowing on revolving credit facility, net	—	880	—	—	—	880
Repayments of revolving credit facility	—	—	(880)	—	—	(880)
Repayments of financing lease obligations	—	—	(229)	—	—	(229)
Repayments of long-term debt	—	—	(600)	—	—	(600)
Intercompany advances, net	—	(756)	688	68	—	—
Tax withholdings on share-based awards	—	—	(4)	—	—	(4)
Cash payments for debt prepayment or debt extinguishment costs	—	—	(28)	—	—	(28)
Intercompany dividend paid	—	—	—	(155)	155	—
Other, net	1	—	(6)	—	—	(5)
Net cash provided (used in) by financing activities	1	124	(1,059)	(87)	155	(866)
Change in cash and cash equivalents	1	—	(344)	9	—	(334)
Cash and cash equivalents						
Beginning of period	3	2	1,314	120	—	1,439
End of period	$ 4	$ 2	$ 970	$ 129	$ —	$ 1,105

Index for Notes to the Condensed Consolidated Financial Statements

Condensed Consolidating Statement of Cash Flows Information
Three Months Ended June 30, 2018

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash (used in) provided by operating activities	$ (1)	$ (258)	$ 2,932	$ (1,282)	$ (130)	$ 1,261
Investing activities						
Purchases of property and equipment	—	—	(1,624)	(5)	—	(1,629)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(28)	—	—	(28)
Proceeds related to beneficial interests in securitization transactions	—	—	12	1,311	—	1,323
Acquisition of companies, net of cash acquired	—	—	(5)	—	—	(5)
Equity investment in subsidiary	—	—	(26)	—	26	—
Other, net	—	—	33	—	—	33
Net cash (used in) provided by investing activities	—	—	(1,638)	1,306	26	(306)
Financing activities						
Payments of consent fees related to long-term debt	—	—	(38)	—	—	(38)
Proceeds from borrowing on revolving credit facility, net	—	2,070	—	—	—	2,070
Repayments of revolving credit facility	—	—	(2,195)	—	—	(2,195)
Repayments of financing lease obligations	—	—	(154)	(1)	—	(155)
Repayments of long-term debt	—	—	(2,350)	—	—	(2,350)
Repurchases of common stock	(405)	—	—	—	—	(405)
Intercompany advances, net	405	(1,810)	1,406	(1)	—	—
Equity investment from parent	—	—	—	26	(26)	—
Tax withholdings on share-based awards	—	—	(10)	—	—	(10)
Cash payments for debt prepayment or debt extinguishment costs	—	—	(181)	—	—	(181)
Intercompany dividend paid	—	—	—	(130)	130	—
Other, net	1	—	(4)	—	—	(3)
Net cash provided (used in) by financing activities	1	260	(3,526)	(106)	104	(3,267)
Change in cash and cash equivalents	—	2	(2,232)	(82)	—	(2,312)
Cash and cash equivalents						
Beginning of period	1	1	2,395	130	—	2,527
End of period	$ 1	$ 3	$ 163	$ 48	$ —	$ 215

Index for Notes to the Condensed Consolidated Financial Statements

Condensed Consolidating Statement of Cash Flows Information
Six Months Ended June 30, 2019

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash (used in) provided by operating activities	$ —	$ (372)	$ 5,909	$ (1,703)	$ (295)	$ 3,539
Investing activities						
Purchases of property and equipment	—	—	(3,666)	(54)	—	(3,720)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(850)	—	—	(850)
Proceeds related to beneficial interests in securitization transactions	—	—	17	1,979	—	1,996
Other, net	—	—	(7)	—	—	(7)
Net cash (used in) provided by investing activities	—	—	(4,506)	1,925	—	(2,581)
Financing activities						
Proceeds from borrowing on revolving credit facility, net	—	1,765	—	—	—	1,765
Repayments of revolving credit facility	—	—	(1,765)	—	—	(1,765)
Repayments of financing lease obligations	—	—	(314)	(1)	—	(315)
Repayments of long-term debt	—	—	(600)	—	—	(600)
Intercompany advances, net	—	(1,392)	1,310	82	—	—
Tax withholdings on share-based awards	—	—	(104)	—	—	(104)
Cash payments for debt prepayment or debt extinguishment costs	—	—	(28)	—	—	(28)
Intercompany dividend paid	—	—	—	(295)	295	—
Other, net	2	—	(11)	—	—	(9)
Net cash provided (used in) by financing activities	2	373	(1,512)	(214)	295	(1,056)
Change in cash and cash equivalents	2	1	(109)	8	—	(98)
Cash and cash equivalents						
Beginning of period	2	1	1,079	121	—	1,203
End of period	$ 4	$ 2	$ 970	$ 129	$ —	$ 1,105

Index for Notes to the Condensed Consolidated Financial Statements

Condensed Consolidating Statement of Cash Flows Information
Six Months Ended June 30, 2018

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash (used in) provided by operating activities	$ —	$ (662)	$ 5,306	$ (2,483)	$ (130)	$ 2,031
Investing activities						
Purchases of property and equipment	—	—	(2,990)	(5)	—	(2,995)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(79)	—	—	(79)
Proceeds related to beneficial interests in securitization transactions	—	—	25	2,593	—	2,618
Acquisition of companies, net of cash	—	—	(338)	—	—	(338)
Equity investment in subsidiary	—	—	(26)	—	26	—
Other, net	—	—	26	—	—	26
Net cash (used in) provided by investing activities	—	—	(3,382)	2,588	26	(768)
Financing activities						
Proceeds from issuance of long-term debt	—	2,494	—	—	—	2,494
Payments of consent fees related to long-term debt	—	—	(38)	—	—	(38)
Proceeds from borrowing on revolving credit facility, net	—	4,240	—	—	—	4,240
Repayments of revolving credit facility	—	—	(3,920)	—	—	(3,920)
Repayments of financing lease obligations	—	—	(326)	(1)	—	(327)
Repayments of long-term debt	—	—	(3,349)	—	—	(3,349)
Repurchases of common stock	(1,071)	—	—	—	—	(1,071)
Intercompany advances, net	995	(6,070)	5,085	(10)	—	—
Equity investment from parent	—	—	—	26	(26)	—
Tax withholdings on share-based awards	—	—	(84)	—	—	(84)
Cash payments for debt prepayment or debt extinguishment costs	—	—	(212)	—	—	(212)
Intercompany dividend paid	—	—	—	(130)	130	—
Other, net	3	—	(3)	—	—	—
Net cash (used in) provided by financing activities	(73)	664	(2,847)	(115)	104	(2,267)
Change in cash and cash equivalents	(73)	2	(923)	(10)	—	(1,004)
Cash and cash equivalents						
Beginning of period	74	1	1,086	58	—	1,219
End of period	$ 1	$ 3	$ 163	$ 48	$ —	$ 215

Index for Notes to the Condensed Consolidated Financial Statements

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

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (" Form 10-Q ") includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, including information concerning our future results of operations, are forward-looking statements. These forward-looking statements are generally identified by the words "anticipate," "believe," "estimate," "expect," "intend," "may," "could" or similar expressions. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties and may cause actual results to differ materially from the forward-looking statements. The following important factors, along with the Risk Factors included in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018, as supplemented by the Risk Factors included in Part II, Item 1A below, could affect future results and cause those results to differ materially from those expressed in the forward-looking statements:

- the failure to obtain, or delays in obtaining, required regulatory approvals for the merger (the "Merger") with Sprint Corporation ("Sprint"), pursuant to the Business Combination Agreement with Sprint and other parties therein (as amended, the "Business Combination Agreement") and the other transactions contemplated by the Business Combination Agreement (collectively, the "Transactions"), risks associated with the actions and conditions we have agreed to in connection with such approvals, and the risk that such approvals may result in the imposition of additional conditions that, if accepted by the parties, could adversely affect the combined company or the expected benefits of the Transactions, or the failure to satisfy any of the other conditions to the Transactions on a timely basis or at all;
- the occurrence of events that may give rise to a right of one or both of the parties to terminate the Business Combination Agreement;
- adverse effects on the market price of our common stock or on our operating results because of a failure to complete the Merger in the anticipated timeframe, on the anticipated terms or at all;
- inability to obtain the financing contemplated to be obtained in connection with the Transactions on the expected terms or timing or at all;
- the ability of us, Sprint and the combined company to make payments on debt or to repay existing or future indebtedness when due or to comply with the covenants contained therein;
- adverse changes in the ratings of our or Sprint's debt securities or adverse conditions in the credit markets;
- negative effects of the announcement, pendency or consummation of the Transactions on the market price of our common stock and on our or Sprint's operating results, including as a result of changes in key customer, supplier, employee or other business relationships;
- significant costs related to the Transactions, including financing costs and unknown liabilities of Sprint or that may arise;
- failure to realize the expected benefits and synergies of the Transactions in the expected timeframes, in part or at all;
- costs or difficulties related to the integration of Sprint's network and operations into our network and operations, including intellectual property and communications systems, administrative and information technology infrastructure and accounting, financial reporting and internal control systems, and the alignment of the two companies' guidelines and practices;
- costs or difficulties related to the completion of Divestiture Transaction and the satisfaction of the Government Commitments (as defined below);
- the risk of litigation or regulatory actions related to the Transactions, including the antitrust litigation related to the Transactions brought by the attorneys general of thirteen states and the District of Columbia;
- the inability of us, Sprint or the combined company to retain and hire key personnel;
- the risk that certain contractual restrictions contained in the Business Combination Agreement during the pendency of the Transactions could adversely affect our or Sprint's ability to pursue business opportunities or strategic transactions;
- adverse economic, political or market conditions in the U.S. and international markets;
- competition, industry consolidation, and changes in the market for wireless services, which could negatively affect our ability to attract and retain customers;
- the effects of any future merger, investment, or acquisition involving us, as well as the effects of mergers, investments, or acquisitions in the technology, media and telecommunications industry;
- challenges in implementing our business strategies or funding our operations, including payment for additional spectrum or network upgrades;

- the possibility that we may be unable to renew our spectrum licenses on attractive terms or acquire new spectrum licenses at reasonable costs and terms;
- difficulties in managing growth in wireless data services, including network quality;
- material changes in available technology and the effects of such changes, including product substitutions and deployment costs and performance;
- the timing, scope and financial impact of our deployment of advanced network and business technologies;
- the impact on our networks and business from major technology equipment failures;
- inability to implement and maintain effective cyber security measures over critical business systems;
- breaches of our and/or our third-party vendors' networks, information technology ("IT") and data security, resulting in unauthorized access to customer confidential information;
- natural disasters, terrorist attacks or similar incidents;
- unfavorable outcomes of existing or future litigation;
- any changes in the regulatory environments in which we operate, including any increase in restrictions on the ability to operate our networks and changes in data privacy laws;
- any disruption or failure of our third parties' or key suppliers' provisioning of products or services;
- material adverse changes in labor matters, including labor campaigns, negotiations or additional organizing activity, and any resulting financial, operational and/or reputational impact;
- changes in accounting assumptions that regulatory agencies, including the Securities and Exchange Commission ("SEC"), may require, which could result in an impact on earnings;
- changes in tax laws, regulations and existing standards and the resolution of disputes with any taxing jurisdictions;
- the possibility that the reset process under our trademark license results in changes to the royalty rates for our trademarks;
- the possibility that we may be unable to adequately protect our intellectual property rights or be accused of infringing the intellectual property rights of others;
- our business, investor confidence in our financial results and stock price may be adversely affected if our internal controls are not effective;
- the occurrence of high fraud rates related to device financing, credit card, dealers, or subscriptions; and
- interests of a majority stockholder may differ from the interests of other stockholders.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. In this Form 10-Q , unless the context indicates otherwise, references to "T-Mobile," "T-Mobile US," "our Company," "the Company," "we," "our," and "us" refer to T-Mobile US, Inc., a Delaware corporation, and its wholly-owned subsidiaries.

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

Overview

The objectives of our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") are to provide users of our condensed consolidated financial statements with the following:

- A narrative explanation from the perspective of management of our financial condition, results of operations, cash flows, liquidity and certain other factors that may affect future results;
- Context to the financial statements; and

- Information that allows assessment of the likelihood that past performance is indicative of future performance.

Our MD&A is provided as a supplement to, and should be read together with, our unaudited condensed consolidated financial statements for the three and six months ended June 30, 2019 , included in Part I, Item 1 of this Form 10-Q and audited consolidated financial statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2018 . Except as expressly stated, the financial condition and results of operations discussed throughout our MD&A are those of T-Mobile US, Inc. and its consolidated subsidiaries.

Business Overview

In April 2019, we introduced TVision ™ Home, a rebranded and upgraded version of Layer3 TV. TVision ™ Home delivers what customers want most from high-end home TV, including a premium TV experience and HD and 4K channels. TVision ™ Home launched in eight markets.

In April 2019, we launched T-Mobile MONEY nationwide, offering customers a no-fee, interest-earning, mobile-first checking account which can be opened and managed from customers' smartphones. Accounts are held at BankMobile, a Division of Customers Bank.

Magenta Plans

In June 2019, we rebranded our T-Mobile ONE and ONE Plus plans to Magenta and Magenta Plus. The Magenta plan adds 3GB of high-speed smartphone hotspot, or tethering, per line and unlimited 3G tethering thereafter and includes a Netflix Basic subscription for customers with family plans. The Magenta Plus plan benefits remain the same as the ONE Plus plan and includes a Netflix Standard subscription for customers with family plans.

Proposed Sprint Transaction

On April 29, 2018, we entered into the Business Combination Agreement to merge with Sprint in an all-stock transaction at a fixed exchange ratio of 0.10256 shares of T-Mobile common stock for each share of Sprint common stock, or 9.75 shares of Sprint common stock for each share of T-Mobile common stock. The combined company will be named "T-Mobile" and, as a result of the Merger, is expected to be able to rapidly launch a broad and deep nationwide 5G network, accelerate innovation and increase competition in the U.S. wireless, video and broadband industries. Immediately following the Merger, it is anticipated that Deutsche Telekom AG ("DT") and SoftBank Group Corp. ("SoftBank") will hold, directly or indirectly, on a fully diluted basis, approximately 41.7% and 27.4% , respectively, of the outstanding T-Mobile common stock, with the remaining approximately 30.9% of the outstanding T-Mobile common stock held by other stockholders, based on closing share prices and certain other assumptions as of December 31, 2018. The consummation of the Merger remains subject to regulatory approvals and certain other customary closing conditions. We expect to receive final federal regulatory approval in the third quarter of 2019 and currently anticipate that the Merger will be permitted to close in the second half of the year.

For more information regarding our Business Combination Agreement, see Note 3 – Business Combinations of the Notes to the Condensed Consolidated Financial Statements .

T-Mobile Added to S&P 500

T-Mobile was added to the S&P 500 Index effective prior to the open of trading on July 15, 2019. We were added to the S&P 500 GICS (Global Industry Classification Standard) Wireless Telecommunication Services Sub-Industry index.

Accounting Pronouncements Adopted During the Current Year

Leases

On January 1, 2019, we adopted the new lease standard. See Note 1 – Summary of Significant Accounting Policies of the Notes to the Condensed Consolidated Financial Statements for information regarding the impact of our adoption of the new lease standard.

Results of Operations

Highlights for the three months ended June 30, 2019 , compared to the same period in 2018

- Total revenues of $11.0 billion for the three months ended June 30, 2019 increased $408 million , or 4% , primarily driven by growth in service revenues as further discussed below.

- Service revenues of $8.4 billion for the three months ended June 30, 2019 increased $495 million , or 6% , primarily due to growth in our average branded customer base driven by the continued growth in existing and Greenfield markets, including the growing success of new customer segments and rate plans such as Unlimited 55+, Military, Business and Essentials, along with record low churn and growth in wearables and other connected devices, partially offset by lower postpaid phone and prepaid Average Revenue Per User ("ARPU").

- Equipment revenues of $2.3 billion for the three months ended June 30, 2019 decreased $62 million , or 3% , primarily due to a decrease in the number of devices sold, excluding purchased leased devices, partially offset by a higher average revenue per device sold.

- Operating income of $1.5 billion for the three months ended June 30, 2019 increased $91 million , or 6% , primarily due to higher Service revenues, partially offset by higher Selling, general and administrative expenses, including merger-related costs of $222 million , compared to $41 million for the three months ended June 30, 2018 , and higher Costs of services. Operating income for the three months ended June 30, 2018 benefited from hurricane related reimbursements of $70 million .

- Net income of $939 million for the three months ended June 30, 2019 increased $157 million , or 20% , primarily due to higher Operating income and lower Other expense. The impact of merger-related costs was $175 million , net of tax, for the three months ended June 30, 2019 , compared to $39 million for the three months ended June 30, 2018 . Net income for the three months ended June 30, 2018 benefited from hurricane related reimbursements of $45 million , net of tax.

- Adjusted EBITDA , a non-GAAP financial measure, of $3.5 billion for the three months ended June 30, 2019 increased $228 million , or 7% , primarily due to higher Operating income driven by the factors described above. See " Performance Measures " for additional information.

- Net cash provided by operating activities of $2.1 billion for the three months ended June 30, 2019 increased $886 million , or 70% . See " Liquidity and Capital Resources " for additional information.

- Free Cash Flow, a non-GAAP financial measure, of $1.2 billion for the three months ended June 30, 2019 increased $395 million , or 51% . Free Cash Flow includes $151 million and $17 million in payments for merger-related costs for the three months ended June 30, 2019 and 2018, respectively. See " Liquidity and Capital Resources " for additional information.

Highlights for the six months ended June 30, 2019 , compared to the same period in 2018

- Total revenues of $22.1 billion for the six months ended June 30, 2019 increased $1.0 billion , or 5% , primarily driven by growth in service and equipment revenues as further discussed below.

- Service revenues of $16.7 billion for the six months ended June 30, 2019 increased $966 million , or 6% , primarily due to growth in our average branded customer base driven by the continued growth in existing and Greenfield markets, including the growing success of new customer segments and rate plans such as Unlimited 55+, Military, Business and Essentials, along with record low churn and growth in wearables and other connected devices, partially offset by lower postpaid phone and prepaid ARPU.

- Equipment revenues of $4.8 billion for the six months ended June 30, 2019 increased $101 million , or 2% , primarily due to a higher average revenue per device sold, partially offset by a decrease in the number of devices sold, excluding purchased leased devices.

- Operating income of $3.0 billion for the six months ended June 30, 2019 increased $285 million , or 10% , primarily due to higher Total revenues, partially offset by higher Selling, general and administrative expenses, including merger-related costs of $335 million , compared to $41 million for the six months ended June 30, 2018 , and higher Cost of services. Operating income for the six months ended June 30, 2018, benefited from hurricane related reimbursements, net of costs, of $34 million .

- Net income of $1.8 billion for the six months ended June 30, 2019 increased $394 million , or 27% , primarily due to higher Operating income and lower Interest expense and Interest expense to affiliates, partially offset by higher Income tax expense . The impact of merger-related costs was $268 million , net of tax, for the six months ended June 30, 2019 , compared to $39 million for the six months ended June 30, 2018 . Net income for the six months ended June 30, 2018 benefited from hurricane related reimbursements, net of costs, of $22 million , net of tax.

- Adjusted EBITDA , a non-GAAP financial measure, of $6.7 billion for the six months ended June 30, 2019 increased $556 million , or 9% , primarily due to higher Operating income driven by the factors described above. See " Performance Measures " for additional information.

- Net cash provided by operating activities of $3.5 billion for the six months ended June 30, 2019 increased $1.5 billion , or 74% . See " Liquidity and Capital Resources " for additional information.

- Free Cash Flow, a non-GAAP financial measure, of $1.8 billion for the six months ended June 30, 2019 increased $345 million , or 24% . Free Cash Flow includes $185 million and $17 million in payments for merger-related costs for the six months ended June 30, 2019 and 2018, respectively. See " Liquidity and Capital Resources " for additional information.

Index for Notes to the Condensed Consolidated Financial Statements

Set forth below is a summary of our unaudited condensed consolidated financial results:

(in millions)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Change $	Change %	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Change $	Change %
Revenues								
Branded postpaid revenues	$ 5,613	$ 5,164	$ 449	9 %	$ 11,106	$ 10,234	$ 872	9 %
Branded prepaid revenues	2,379	2,402	(23)	(1)%	4,765	4,804	(39)	(1)%
Wholesale revenues	313	275	38	14 %	617	541	76	14 %
Roaming and other service revenues	121	90	31	34 %	215	158	57	36 %
Total service revenues	8,426	7,931	495	6 %	16,703	15,737	966	6 %
Equipment revenues	2,263	2,325	(62)	(3)%	4,779	4,678	101	2 %
Other revenues	290	315	(25)	(8)%	577	611	(34)	(6)%
Total revenues	10,979	10,571	408	4 %	22,059	21,026	1,033	5 %
Operating expenses								
Cost of services, exclusive of depreciation and amortization shown separately below	1,649	1,530	119	8 %	3,195	3,119	76	2 %
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	2,661	2,772	(111)	(4)%	5,677	5,617	60	1 %
Selling, general and administrative	3,543	3,185	358	11 %	6,985	6,349	636	10 %
Depreciation and amortization	1,585	1,634	(49)	(3)%	3,185	3,209	(24)	(1)%
Total operating expense	9,438	9,121	317	3 %	19,042	18,294	748	4 %
Operating income	1,541	1,450	91	6 %	3,017	2,732	285	10 %
Other income (expense)								
Interest expense	(182)	(196)	14	(7)%	(361)	(447)	86	(19)%
Interest expense to affiliates	(101)	(128)	27	(21)%	(210)	(294)	84	(29)%
Interest income	4	6	(2)	(33)%	12	12	—	— %
Other expense, net	(22)	(64)	42	(66)%	(15)	(54)	39	(72)%
Total other expense, net	(301)	(382)	81	(21)%	(574)	(783)	209	(27)%
Income before income taxes	1,240	1,068	172	16 %	2,443	1,949	494	25 %
Income tax expense	(301)	(286)	(15)	5 %	(596)	(496)	(100)	20 %
Net income	$ 939	$ 782	$ 157	20 %	$ 1,847	$ 1,453	$ 394	27 %
Statement of Cash Flows Data								
Net cash provided by operating activities	$ 2,147	$ 1,261	$ 886	70 %	$ 3,539	$ 2,031	$ 1,508	74 %
Net cash used in investing activities	(1,615)	(306)	(1,309)	428 %	(2,581)	(768)	(1,813)	236 %
Net cash used in financing activities	(866)	(3,267)	2,401	(73)%	(1,056)	(2,267)	1,211	(53)%
Non-GAAP Financial Measures								
Adjusted EBITDA	$ 3,461	$ 3,233	$ 228	7 %	$ 6,745	$ 6,189	$ 556	9 %
Free Cash Flow	1,169	774	395	51 %	1,787	1,442	345	24 %

The following discussion and analysis are for the three and six months ended June 30, 2019 , compared to the same period in 2018 unless otherwise stated.

Total revenues increased $408 million , or 4% , for the three months ended and $1.0 billion , or 5% , for the six months ended June 30, 2019 , as discussed below.

Branded postpaid revenues increased $449 million , or 9% , for the three months ended and $872 million , or 9% , for the six months ended June 30, 2019 , primarily from:

- Higher average branded postpaid phone customers, primarily from growth in our customer base driven by the continued growth in existing and Greenfield markets, including the growing success of new customer segments and rate plans such as Unlimited 55+, Military, Business and Essentials, along with record low churn; and
- Higher average branded postpaid other customers, driven by higher wearables and other connected devices, specifically the Apple watch; partially offset by
- Lower branded postpaid phone ARPU. See “Branded Postpaid Phone ARPU” in the “ Performance Measures ” section of this MD&A.

Branded prepaid revenues were essentially flat for the three and six months ended June 30, 2019 , with higher average branded prepaid customers driven by the continued success of our prepaid brands, offset by lower branded prepaid ARPU. See “Branded Prepaid ARPU” in the “ Performance Measures ” section of this MD&A.

Wholesale revenues increased $38 million , or 14% , for the three months ended and $76 million , or 14% , for the six months ended June 30, 2019 , primarily from the continued success of our Mobile Virtual Network Operator (“MVNO”) partnerships.

Roaming and other service revenues increased $31 million , or 34% , for the three months ended and $57 million , or 36% , for the six months ended June 30, 2019 , primarily from increases in domestic roaming revenues.

Equipment revenues decreased $62 million , or 3% , for the three months ended and increased $101 million , or 2% , for the six months ended June 30, 2019 .

The decrease for the three months ended June 30, 2019 , was primarily from:

- A decrease of $86 million in device sales revenues, excluding purchased leased devices, primarily from:
  - An 11% decrease in the number of devices sold, excluding purchased lease devices; partially offset by
  - Higher average revenue per device sold primarily due to an increase in the high-end device mix; and
- A decrease of $34 million in lease revenues primarily due to a lower number of customer devices under lease; partially offset by
- An increase of $27 million related to proceeds from liquidations of inventory; and
- An increase of $25 million in other equipment-related revenues.

The increase for the six months ended June 30, 2019 , was primarily from:

- An increase of $50 million in device sales revenues, excluding purchased leased devices, primarily from:
  - Higher average revenue per device sold due to an increase in the high-end device mix and lower promotions; partially offset by
  - A 10% decrease in the number of devices sold, excluding purchased leased devices;
- A $53 million increase in other equipment-related revenues; and
- A $21 million increase related to proceeds from liquidation of inventory; partially offset by
- A $44 million decrease in lease revenues primarily due to a lower number of customer devices under lease.

Other revenues decreased $25 million , or 8% , for the three months ended and $34 million , or 6% , for the six months ended June 30, 2019 , primarily from:

- A decrease of $46 million for the three months ended and $92 million for the six months ended June 30, 2019 in co-location rental revenue from the adoption of the new lease standard; partially offset by
- Higher amortized imputed discount on EIP receivables primarily due to an increase in volume of devices financed; and
- Higher advertising revenues.

Operating expenses increased $317 million , or 3% , for the three months ended and $748 million , or 4% , for the six months ended June 30, 2019 , primarily from higher Selling, general and administrative expenses and Cost of services as discussed below.

Cost of services , exclusive of depreciation and amortization, increased $119 million , or 8% , for the three months ended and $76 million , or 2% , for the six months ended June 30, 2019 .

The increase for the three months ended June 30, 2019 , was primarily from:

- Higher costs for employee-related expenses and network expansion; and
- Hurricane-related reimbursements of $70 million included in the three months ended June 30, 2018; partially offset by
- Lower regulatory program costs; and
- The positive impact of the new lease standard of approximately $95 million included in the three months ended June 30, 2019 resulting from the decrease in the average lease term and the change in accounting conclusion for certain sale-leaseback sites.

The increase for the six months ended June 30, 2019 , was primarily from:

- Higher costs for employee-related expenses, customer appreciation programs and network expansion; and
- Hurricane-related reimbursements, net of costs, of $34 million included in the six months ended June 30, 2018; partially offset by
- Lower regulatory program costs;
- The positive impact of the new lease standard of approximately $190 million in the first half of 2019 resulting from the decrease in the average lease term and the change in accounting conclusion for certain sale-leaseback sites.

Cost of equipment sales , exclusive of depreciation and amortization, decreased $111 million , or 4% , for the three months ended and increased $60 million , or 1% , for the six months ended June 30, 2019 .

The decrease for the three months ended June 30, 2019 , was primarily from:

- A decrease of $87 million in device cost of equipment sales, excluding purchased leased devices, primarily from:
    - An 11% decrease in the number of devices sold, excluding purchased lease devices; partially offset by
    - Higher average cost per device sold due to an increase in high-end device mix; and
- A decrease of $46 million in extended warranty costs; partially offset by
- An increase of $36 million in costs related to the liquidation of inventory.

The increase for the six months ended June 30, 2019 , was primarily from:

- An increase of $113 million in device cost of equipment sales, excluding purchased leased devices, primarily from:
    - Higher average cost per device sold due to an increase in high-end device mix; partially offset by
    - A 10% decrease in the number of devices sold, excluding purchased lease devices; and

- An increase of $44 million in costs related to the liquidation of inventory and increased volumes; partially offset by
- A decrease of $70 million in extended warranty costs; and
- A decrease of $27 million from lower volume of returned devices at the end of the lease term.

Selling, general and administrative expenses increased $358 million , or 11% , for the three months ended and $636 million , or 10% , for the six months ended June 30, 2019 .

The increase for the three months ended June 30, 2019 , was primarily from:

- An increase of $181 million in merger-related costs;
- Higher costs related to outsourced functions and employee-related costs; and
- Higher commissions expense resulting from an increase of $80 million in amortization expense related to commission costs that were capitalized beginning upon the adoption of ASC 606 on January 1, 2018; partially offset by lower commissions expense from lower gross customer additions and compensation structure changes.

The increase for the six months ended June 30, 2019 , was primarily from:

- An increase of $294 million in merger-related costs;
- Higher costs related to outsourced functions;
- Higher commissions expense resulting from an increase of $161 million in amortization expense related to commission costs that were capitalized beginning upon the adoption of ASC 606 on January 1, 2018; partially offset by lower commissions expense from lower gross customer additions and compensation structure changes; and
- Higher employee-related costs.

Depreciation and amortization decreased $49 million , or 3% , for the three months ended and $24 million , or 1% , for the six months ended June 30, 2019 , primarily from:

- Lower depreciation expense resulting from a lower total number of customer devices under lease; partially offset by
- The continued deployment of low band spectrum, including 600 MHz, and laying the groundwork for 5G.

Operating income , the components of which are discussed above, increased $91 million , or 6% , for the three months ended and $285 million , or 10% , for the six months ended June 30, 2019 .

Interest expense decreased $14 million , or 7% , for the three months ended and $86 million , or 19% , for the six months ended June 30, 2019 . The decrease for the six months ended June 30, 2019 , was primarily from:

- The redemption in April 2018 of aggregate principal amount of $2.4 billion Senior Notes, with various interest rates and maturity dates; and
- An increase of $37 million in capitalized interest costs, primarily due to the build out of our network to utilize our 600 MHz spectrum licenses.

Interest expense to affiliates decreased $27 million , or 21% , for the three months ended and $84 million , or 29% , for the six months ended June 30, 2019 , primarily from:

- An increase of $18 million in capitalized interest costs for the three months ended and $61 million for six months ended June 30, 2019 , primarily due to the build out of our network to utilize our 600 MHz spectrum licenses; and
- Lower interest rates achieved through refinancing a total of $2.5 billion of Senior Reset Notes in April 2018.

Other expense, net decreased $42 million , or 66% **,** for the three months ended June 30, 2019 and decreased $39 million , or 72% , for the six months ended June 30, 2019 , primarily from:

- An $86 million loss during the three months ended June 30, 2018 on the early redemption of $2.5 billion of DT Senior Reset Notes due 2021 and 2022; partially offset by
- A $30 million gain during the three months ended June 30, 2018 on the sale of auction rate securities which were originally acquired with MetroPCS; and
- During the three months ended June 30, 2019, a $28 million redemption premium on the DT Senior Reset Notes; partially offset by the write-off embedded derivatives upon redemption of the debt which resulted in a gain of $11 million .

Additional items impacting the six months ended June 30, 2019 include the following:

- A $25 million bargain purchase gain as part of our purchase price allocation related to the acquisition of Iowa Wireless Services, LLC (“IWS”) and a $15 million gain on our previously held equity interest in IWS, both recognized during the three months ended March 31, 2018; partially offset by
- A $32 million loss on the early redemption of $1.0 billion of 6.125% Senior Notes due 2022 during the three months ended March 31, 2018.

Income tax expense increased $15 million , or 5% , for the three months ended and $100 million , or 20% , for the six months ended June 30, 2019 , primarily from higher income before taxes, partially offset by a reduction in certain non-deductible expenses.

Net income , the components of which are discussed above, increased $157 million , or 20% , for the three months ended and $394 million , or 27% , for the six months ended June 30, 2019 , primarily due to higher Operating income and lower interest expense and interest expense to affiliates, partially offset by higher Income tax expense. Net income included the following:

- Merger-related costs of $175 million and $268 million , net of tax, for the three and six months ended June 30, 2019 , respectively, compared to merger-related costs of $39 million , net of tax, for both the three and six months ended June 30, 2018; and
- Hurricane related reimbursements, net costs, of $45 million and $22 million , net of tax, for the three and six months ended June 30, 2018, respectively. There were no impacts from hurricanes for the three and six months ended June 30, 2019 .

Guarantor Subsidiaries

The financial condition and results of operations of the Parent, Issuer and Guarantor Subsidiaries is substantially similar to our consolidated financial condition. The most significant components of the financial condition of our Non-Guarantor Subsidiaries were as follows:

(in millions)	June 30, 2019	December 31, 2018	Change $	Change %
Other current assets	$ 678	$ 645	$ 33	5 %
Property and equipment, net	312	297	15	5 %
Goodwill	218	218	—	NM
Tower obligations	2,171	2,173	(2)	— %
Total stockholders' deficit	(1,254)	(1,142)	(112)	10 %

NM - Not Meaningful

The most significant components of the results of operations of our Non-Guarantor Subsidiaries were as follows:

(in millions)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2019	2018	$	%	2019	2018	$	%
Service revenues	$ 767	$ 551	$ 216	39%	$ 1,499	$ 1,091	$ 408	37%
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	302	262	40	15%	574	498	76	15%
Selling, general and administrative	293	216	77	36%	568	452	116	26%
Total comprehensive income	118	42	76	181%	245	76	169	222%

The change to the results of operations of our Non-Guarantor Subsidiaries for the three months ended June 30, 2019 , was primarily from:

- Higher Service revenues , primarily due to an increase in activity of the non-guarantor subsidiary that provides premium services, primarily driven by a net increase in average revenue as well as growth in our customer base related to a premium service that launched at the end of August 2018 and sales of the new product; partially offset by
- Higher Cost of equipment sales, exclusive of depreciation and amortization, primarily due to higher cost devices used for device insurance claims fulfillment, partially offset by an increase in device liquidations; and
- Higher Selling, general and administrative expenses, primarily due to an increase in billing services fees due to an increase in rate during the fourth quarter of 2018 and an increase in program expenses, changes in fair value of the deferred purchase price assets for sold EIP receivables and certain employee-related costs from the non-guarantor Layer3 TV subsidiary.

The change to the results of operations of our Non-Guarantor Subsidiaries for the six months ended June 30, 2019 , was primarily from:

- Higher Service revenues , primarily due to an increase in activity of the non-guarantor subsidiary that provides premium services, primarily driven by a net increase in average revenue as well as growth in our customer base related to a premium service that launched at the end of August 2018 and sales of the new product; partially offset by
- Higher Selling, general and administrative expenses, primarily due to an increase in billing services fees due to an increase in rate during the fourth quarter of 2018 and an increase in program expenses and certain employee-related costs from the non-guarantor Layer3 TV subsidiary; and
- Higher Cost of equipment sales, exclusive of depreciation and amortization, primarily due to higher cost devices used for device insurance claims fulfillment, partially offset by an increase in device liquidations.

All other results of operations of the Parent, Issuer and Guarantor Subsidiaries are substantially similar to the Company's consolidated results of operations. See Note 14 – Guarantor Financial Information of the Notes to the Condensed Consolidated Financial Statements .

Performance Measures

In managing our business and assessing financial performance, we supplement the information provided by our financial statements with other operating or statistical data and non-GAAP financial measures. These operating and financial measures are utilized by our management to evaluate our operating performance and, in certain cases, our ability to meet liquidity requirements. Although companies in the wireless industry may not define each of these measures in precisely the same way, we believe that these measures facilitate comparisons with other companies in the wireless industry on key operating and financial measures.

Total Customers

A customer is generally defined as a SIM number with a unique T-Mobile identifier which is associated with an account that generates revenue. Branded customers generally include customers that are qualified either for postpaid service utilizing phones, DIGITS or connected devices which includes tablets, wearables and SyncUp DRIVE™, where they generally pay after receiving service, or prepaid service, where they generally pay in advance. Our branded prepaid customers include customers

of T-Mobile and Metro by T-Mobile. Wholesale customers include Machine-to-Machine ("M2M") and MVNO customers that operate on our network but are managed by wholesale partners.

On July 18, 2019, we entered into an agreement whereby certain T-Mobile branded prepaid products will now be offered and distributed by a current Mobile Virtual Network Operator ("MVNO") partner. Upon the effective date, the agreement resulted in a base adjustment to reduce branded prepaid customers by 616,000 as we will no longer actively support the branded product offering. Prospectively, new customer activity associated with these products will be recorded within wholesale customers and revenue for these customers will be recorded within wholesale revenues in our Condensed Consolidated Statements of Comprehensive Income.

The following table sets forth the number of ending customers:

(in thousands)	June 30, 2019	June 30, 2018	Change #	Change %
Customers, end of period				
Branded postpaid phone customers	38,590	35,430	3,160	9%
Branded postpaid other customers	6,056	4,652	1,404	30%
Total branded postpaid customers	44,646	40,082	4,564	11%
Branded prepaid customers	21,337	20,967	370	2%
Total branded customers	65,983	61,049	4,934	8%
Wholesale customers	17,069	14,570	2,499	17%
Total customers, end of period	83,052	75,619	7,433	10%

Branded Customers

Total branded customers increased 4,934,000 , or 8% , primarily from:

- Higher branded postpaid phone customers driven by the growing success of new customer segments and rate plans such as Unlimited 55+, Military, Business and Essentials and continued growth in existing and Greenfield markets, along with record-low churn, partially offset by competitive activity;
- Higher branded postpaid other customers, primarily due to strength in gross customer additions from wearables and other connected devices; and
- Higher branded prepaid customers driven by the continued success of our prepaid brands due to promotional activities, rate plan offers, and growth in connected devices, along with lower churn.

Wholesale

Wholesale customers increased 2,499,000 , or 17% , primarily due to the continued success of our M2M and MVNO partnerships.

Net Customer Additions

The following table sets forth the number of net customer additions:

(in thousands)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2019	2018	#	%	2019	2018	# Change	% Change
Net customer additions								
Branded postpaid phone customers	710	686	24	3%	1,366	1,303	63	5 %
Branded postpaid other customers	398	331	67	20%	761	719	42	6 %
Total branded postpaid customers	1,108	1,017	91	9%	2,127	2,022	105	5 %
Branded prepaid customers	131	91	40	44%	200	290	(90)	(31)%
Total branded customers	1,239	1,108	131	12%	2,327	2,312	15	1 %
Wholesale customers	512	471	41	9%	1,074	700	374	53 %
Total net customer additions	1,751	1,579	172	11%	3,401	3,012	389	13 %

Branded Customers

Total branded net customer additions increased 131,000 , or 12% , for the three months ended and increased 15,000 , or 1% , for the six months ended June 30, 2019 .

The increase for the three months ended June 30, 2019 was primarily from:

- Higher branded postpaid other net customer additions primarily due to higher gross customer additions from connected devices and lower churn;
- Higher branded prepaid net customer additions primarily due to lower churn, partially offset by the impact of continued promotional activities in the marketplace; and
- Higher branded postpaid phone net customer additions primarily due to record-low churn.

The increase for the six months ended June 30, 2019 was primarily from:

- Higher branded postpaid phone net customer additions primarily due to record-low churn; and
- Higher branded postpaid other net customer additions primarily due to higher gross customer additions from connected devices, partially offset by higher deactivations from a growing customer base; partially offset by
- Lower branded prepaid net customer additions primarily due to continued promotional activities in the marketplace, partially offset by lower churn.

Wholesale

Wholesale net customer additions increased 41,000 , or 9% , for the three months ended and increased 374,000 , or 53% , for the six months ended June 30, 2019 primarily due to higher gross additions from the continued success of our M2M and MVNO partnerships.

Customers Per Account

Customers per account is calculated by dividing the number of branded postpaid customers as of the end of the period by the number of branded postpaid accounts as of the end of the period. An account may include branded postpaid phone customers and branded postpaid other customers which includes DIGITS and connected devices such as tablets, wearables and SyncUp DRIVE™. We believe branded postpaid customers per account provides management, investors and analysts with useful information to evaluate our branded postpaid customer base.

The following table sets forth the branded postpaid customers per account:

	June 30, 2019	June 30, 2018	Change	
			#	%
Branded postpaid customers per account	3.08	2.97	0.11	4%

Branded postpaid customers per account increased 4% primarily from continued growth of new customer segments and rate plans such as Unlimited 55+, Military, Business and Essentials, promotional activities targeting families and the continued success of connected devices and wearables.

Churn

Churn represents the number of customers whose service was disconnected as a percentage of the average number of customers during the specified period. The number of customers whose service was disconnected is presented net of customers that subsequently have their service restored within a certain period of time. We believe that churn provides management, investors and analysts with useful information to evaluate customer retention and loyalty.

The following table sets forth the churn:

	Three Months Ended June 30,		Bps Change	Six Months Ended June 30,		Bps Change
	2019	2018		2019	2018	
Branded postpaid phone churn	0.78%	0.95%	-17 bps	0.83%	1.01%	-18 bps
Branded prepaid churn	3.49%	3.81%	-32 bps	3.67%	3.87%	-20 bps

Branded postpaid phone churn decreased 17 basis points for the three months ended and decreased 18 basis points for the six months ended June 30, 2019 , primarily from increased customer satisfaction and loyalty from ongoing improvements to network quality, industry-leading customer service and the overall value of our offerings.

Branded prepaid churn decreased 32 basis points for the three months ended and decreased 20 basis points for the six months ended June 30, 2019 , primarily due to the continued success of our prepaid brands due to promotional activities and rate plan offers as well as increased customer satisfaction and loyalty from ongoing improvements to network quality.

Average Revenue Per User

ARPU represents the average monthly service revenue earned from customers. We believe ARPU provides management, investors and analysts with useful information to assess and evaluate our service revenue per customer and assist in forecasting our future service revenues generated from our customer base. Branded postpaid phone ARPU excludes Branded postpaid other customers and related revenues which includes DIGITS and connected devices such as tablets, wearables and SyncUp DRIVE™.

The following table illustrates the calculation of our operating measure ARPU and reconciles this measure to the related service revenues:

(in millions, except average number of customers and ARPU)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2019	2018	$	%	2019	2018	$	%
Calculation of Branded Postpaid Phone ARPU								
Branded postpaid service revenues	$ 5,613	$ 5,164	$ 449	9 %	$ 11,106	$ 10,234	$ 872	9 %
Less: Branded postpaid other revenues	(326)	(272)	(54)	20 %	(636)	(531)	(105)	20 %
Branded postpaid phone service revenues	$ 5,287	$ 4,892	$ 395	8 %	$ 10,470	$ 9,703	$ 767	8 %
Divided by: Average number of branded postpaid phone customers (in thousands) and number of months in period	38,226	35,051	3,175	9 %	37,865	34,711	3,154	9 %
Branded postpaid phone ARPU	$ 46.10	$ 46.52	$ (0.42)	(1)%	$ 46.09	$ 46.59	$ (0.50)	(1)%
Calculation of Branded Prepaid ARPU								
Branded prepaid service revenues	$ 2,379	$ 2,402	$ (23)	(1)%	$ 4,765	$ 4,804	$ (39)	(1)%
Divided by: Average number of branded prepaid customers (in thousands) and number of months in period	21,169	20,806	363	2 %	21,146	20,695	451	2 %
Branded prepaid ARPU	$ 37.46	$ 38.48	$ (1.02)	(3)%	$ 37.56	$ 38.69	$ (1.13)	(3)%

Branded Postpaid Phone ARPU

Branded postpaid phone ARPU decreased $0.42 , or 1% , for the three months ended and $0.50 , or 1% , for the six months ended June 30, 2019 .

The decrease for the three months ended June 30, 2019 , was primarily due to:

- A reduction in regulatory program revenues from the continued adoption of tax inclusive plans;
- The ongoing growth in our Netflix offering, which totaled $0.61 for the three months ended June 30, 2019 , and decreased branded postpaid phone ARPU by $0.30 compared to the three months ended June 30, 2018;
- A reduction in certain non-recurring charges; and
- The growing success of new customer segments and rate plans such as Unlimited 55+, Military, Business and Essentials; partially offset by
- Higher premium services revenue.

The decrease for the six months ended June 30, 2019 , was primarily due to:

- A reduction in regulatory program revenues from the continued adoption of tax inclusive plans;
- The ongoing growth in our Netflix offering, which totaled $0.56 for the six months ended June 30, 2019 , and decreased branded postpaid phone ARPU by $0.28 compared to the six months ended June 30, 2018; and
- A reduction in certain non-recurring charges; partially offset by
- Higher premium services revenue.

We continue to expect Branded postpaid phone ARPU in full-year 2019 to remain generally stable within a range from plus 1% to minus 1%, compared to full-year 2018.

Branded Prepaid ARPU

Branded prepaid ARPU decreased $1.02 , or 3% , for the three months ended and $1.13 , or 3% , for the six months ended June 30, 2019 .

The decrease for the three months ended June 30, 2019 , was primarily due to:

- Dilution from promotional rate plans; and
- Growth in our Amazon Prime offering - included as a benefit with certain Metro by T-Mobile unlimited rate plans as of Q4 2018 - which impacted prepaid ARPU by $0.47 for the three months ended June 30, 2019 ; partially offset by
- An increase in certain non-recurring charges.

The decrease for the six months ended June 30, 2019 , was primarily due to:

- Dilution from promotional rate plans; and
- Growth in our Amazon Prime offering - included as a benefit with certain Metro by T-Mobile unlimited rate plans as of Q4 2018 - which impacted prepaid ARPU by $0.39 for the six months ended June 30, 2019 ; partially offset by
- An increase in certain non-recurring charges.

Adjusted EBITDA

Adjusted EBITDA represents earnings before Interest expense, net of Interest income, Income tax expense, Depreciation and amortization, non-cash Stock-based compensation and certain income and expenses not reflective of our operating performance. Net income margin represents Net income divided by Service revenues. Adjusted EBITDA margin represents Adjusted EBITDA divided by Service revenues.

Adjusted EBITDA is a non-GAAP financial measure utilized by our management to monitor the financial performance of our operations. We use Adjusted EBITDA internally as a measure to evaluate and compensate our personnel and management for their performance, and as a benchmark to evaluate our operating performance in comparison to our competitors. Management believes analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate overall operating performance and facilitate comparisons with other wireless communications companies because it is indicative of our ongoing operating performance and trends by excluding the impact of interest expense from financing, non-cash depreciation and amortization from capital investments, non-cash stock-based compensation, network decommissioning costs and costs related to the Transactions, as they are not indicative of our ongoing operating performance, as well as certain other nonrecurring income and expenses. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for income from operations, net income or any other measure of financial performance reported in accordance with U.S. Generally Accepted Accounting Principles ("GAAP").

The following table illustrates the calculation of Adjusted EBITDA and reconciles Adjusted EBITDA to Net income, which we consider to be the most directly comparable GAAP financial measure:

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(in millions)	**2019**	**2018**	**$**	**%**	**2019**	**2018**	**$**	**%**
Net income	$ 939	$ 782	$ 157	20 %	$ 1,847	$ 1,453	$ 394	27 %
Adjustments:								
Interest expense	182	196	(14)	(7)%	361	447	(86)	(19)%
Interest expense to affiliates	101	128	(27)	(21)%	210	294	(84)	(29)%
Interest income	(4)	(6)	2	(33)%	(12)	(12)	—	— %
Other (income) expense, net	22	64	(42)	(66)%	15	54	(39)	(72)%
Income tax expense (benefit)	301	286	15	5 %	596	496	100	20 %
Operating income	1,541	1,450	91	6 %	3,017	2,732	285	10 %
Depreciation and amortization	1,585	1,634	(49)	(3)%	3,185	3,209	(24)	(1)%
Stock-based compensation [1]	111	106	5	5 %	204	202	2	1 %
Merger-related costs	222	41	181	441 %	335	41	294	717 %
Other, net [2]	2	2	—	— %	4	5	(1)	(20)%
Adjusted EBITDA	$ 3,461	$ 3,233	$ 228	7 %	$ 6,745	$ 6,189	$ 556	9 %
Net income margin (Net income divided by service revenues)	11%	10%		100 bps	11%	9%		200 bps
Adjusted EBITDA margin (Adjusted EBITDA divided by service revenues)	41%	41%		0 bps	40%	39%		100 bps

(1) Stock-based compensation includes payroll tax impacts and may not agree to stock-based compensation expense in the condensed consolidated financial statements . Additionally, certain stock-based compensation expenses associated with the Transactions have been included in Merger-related costs .

(2) Other, net may not agree to the Condensed Consolidated Statements of Comprehensive Income primarily due to certain non-routine operating activities, such as other special items that would not be expected to reoccur or are not reflective of T-Mobile's ongoing operating performance, and are therefore excluded in Adjusted EBITDA.

Adjusted EBITDA increased $228 million , or 7% , for the three months ended and $556 million , or 9% , for the six months ended June 30, 2019 .

The increase for the three months ended June 30, 2019 , was primarily due to:

- Higher service revenues, as further discussed above; partially offset by
- Higher Selling, general and administrative expenses;
- Higher Cost of services expenses; and
- The impact from hurricane-related reimbursements of $70 million for the three months ended June 30, 2018. There was no impact from hurricanes for the three months ended June 30, 2019 .

The increase for the six months ended June 30, 2019 , was primarily due to:

- Higher service revenues, as further discussed above; and
- The positive impact of the new lease standard of approximately $98 million ; partially offset by
- Higher Selling, general and administrative expenses;
- Higher Cost of services expenses; and
- The impact from hurricane-related reimbursements, net of costs, of $34 million included in the six months ended June 30, 2018. There was no impact from hurricanes for the six months ended June 30, 2019 .

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents and cash generated from operations, proceeds from issuance of long-term debt and common stock, financing leases, the sale of certain receivables, financing arrangements of vendor payables which effectively extend payment terms and secured and unsecured revolving credit facilities with DT. Upon consummation of the Transactions, we will incur substantial third-party indebtedness which will increase our future financial commitments, including aggregate interest payments on higher total indebtedness, and may adversely impact our liquidity. Further, the incurrence of additional indebtedness may inhibit our ability to incur new debt under the terms governing our existing and future indebtedness, which may make it more difficult for us to incur new debt in the future to finance our business strategy.

Cash Flows

The following is a condensed schedule of our cash flows for the three and six months ended June 30, 2019 and 2018 :

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(in millions)	**2019**	**2018**	**$**	**%**	**2019**	**2018**	**$**	**%**
Net cash provided by operating activities	$ 2,147	$ 1,261	$ 886	70 %	$ 3,539	$ 2,031	$ 1,508	74 %
Net cash used in investing activities	(1,615)	(306)	(1,309)	428 %	(2,581)	(768)	(1,813)	236 %
Net cash used in financing activities	(866)	(3,267)	2,401	(73)%	(1,056)	(2,267)	1,211	(53)%

Operating Activities

Net cash provided by operating activities increased $886 million , or 70% , for the three months ended and $1.5 billion , or 74% , for the six months ended June 30, 2019 .

The increase for the three months ended June 30, 2019 , was primarily from:

- A $817 million decrease in net cash outflows from changes in working capital, primarily due to lower use from Accounts receivable, Other current and long-term assets, Equipment installment plan receivables and Accounts payable and accrued liabilities; and
- A $157 million increase in Net income .

The increase for the six months ended June 30, 2019 , was primarily from:

- A $1.0 billion decrease in net cash outflows from changes in working capital, primarily due to lower use from Accounts payable and accrued liabilities and Other current and long-term liabilities, partially offset by higher use from inventories; and
- A $394 million increase in Net income .

Changes in Operating lease right-of-use assets and Short and long-term operating lease liabilities are now presented in Changes in operating assets and liabilities due to the adoption of the new lease standard. The net impact of changes in these accounts decreased Net cash provided by operating activities by $52 million and $139 million for the three and six months ended June 30, 2019 , respectively.

Investing Activities

Net cash used in investing activities increased $1.3 billion , or 428% , for the three months ended and $1.8 billion , or 236% , for the six months ended June 30, 2019 .

The use of cash for the three months ended June 30, 2019 , was primarily from:

- $1.8 billion in Purchases of property and equipment, including capitalized interest, primarily driven by growth in network build as we continued deployment of low band spectrum, including 600 MHz, and started laying the groundwork for 5G; and
- $665 million in Purchases of spectrum licenses and other intangible assets, including deposits; partially offset by
- $839 million in Proceeds related to beneficial interests in securitization transactions.

The use of cash for the six months ended June 30, 2019 , was primarily from:

- $3.7 billion in Purchases of property and equipment, including capitalized interest, primarily driven by growth in network build as we continued deployment of low band spectrum, including 600 MHz, and started laying the groundwork for 5G; and
- $850 million in Purchases of spectrum licenses and other intangible assets, including deposits; partially offset by
- $2.0 billion in Proceeds related to beneficial interests in securitization transactions.

Financing Activities

Net cash used in financing activities decreased $2.4 billion , or 73% , for the three months ended and $1.2 billion , or 53% , for the six months ended June 30, 2019 .

The use of cash for the three months ended June 30, 2019 , was primarily from:

- $600 million for Repayments of long-term debt; and
- $229 million for Repayments of financing lease obligations.
- Activity under the revolving credit facility included borrowing and full repayment of $880 million , for a net of $0 impact.

The use of cash for the six months ended June 30, 2019 , was primarily from:

- $600 million for Repayments of long-term debt;
- $315 million for Repayments of financing lease obligations; and
- $104 million for Tax withholdings on share-based awards.
- Activity under the revolving credit facility included borrowing and full repayment of $1.8 billion , for a net of $0 impact.

Cash and Cash Equivalents

As of June 30, 2019 , our Cash and cash equivalents were $1.1 billion compared to $1.2 billion at December 31, 2018 .

Free Cash Flow

Free Cash Flow represents Net cash provided by operating activities less payments for Purchases of property and equipment, including Proceeds related to beneficial interests in securitization transactions and less Cash payments for debt prepayment or debt extinguishment costs. Free Cash Flow is a non-GAAP financial measure utilized by our management, investors and analysts of our financial information to evaluate cash available to pay debt and provide further investment in the business.

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(in millions)	**2019**	**2018**	**$**	**%**	**2019**	**2018**	**$**	**%**
Net cash provided by operating activities	$ 2,147	$ 1,261	$ 886	70 %	$ 3,539	$ 2,031	$ 1,508	74 %
Cash purchases of property and equipment	(1,789)	(1,629)	(160)	10 %	(3,720)	(2,995)	(725)	24 %
Proceeds related to beneficial interests in securitization transactions	839	1,323	(484)	(37)%	1,996	2,618	(622)	(24)%
Cash payments for debt prepayment or debt extinguishment costs	(28)	(181)	153	(85)%	(28)	(212)	184	(87)%
Free Cash Flow	$ 1,169	$ 774	$ 395	51 %	$ 1,787	$ 1,442	$ 345	24 %

Free Cash Flow increased $395 million , or 51% , for the three months ended and $345 million , or 24% , for the six months ended June 30, 2019 .

The increase for the three months ended June 30, 2019 , was from:

- Higher Net cash provided by operating activities, as described above; and
- Lower Cash payments for debt extinguishment costs; partially offset by
- Lower Proceeds related to our deferred purchase price from securitization transactions; and
- Higher Cash purchases of property and equipment, net of capitalized interest of $125 million and $102 million for the three months ended June 30, 2019 and 2018 , respectively.
- Free Cash Flow includes $151 million and $17 million in payments for merger-related costs for the three months ended June 30, 2019 and 2018, respectively.

The increase for the six months ended June 30, 2019 , was from:

- Higher Net cash provided by operating activities, as described above; and
- Lower Cash payments for debt extinguishment costs; partially offset by
- Higher Cash Purchases of property and equipment, net of capitalized interest of $243 million and $145 million for the six months ended June 30, 2019 and 2018 , respectively; and
- Lower Proceeds related to our deferred purchase price from securitization transactions.
- Free Cash Flow includes $185 million and $17 million in payments for merger-related costs for the six months ended June 30, 2019 and 2018, respectively.

Borrowing Capacity and Debt Financing

As of June 30, 2019 , our total debt was $25.2 billion , excluding our tower obligations, of which $24.9 billion was classified as long-term debt.

Effective April 28, 2019, we redeemed $600 million aggregate principal amount of our DT Senior Reset Notes. The notes were redeemed at a redemption price equal to 104.666% of the principal amount of the notes (plus accrued and unpaid interest thereon) and were paid on April 29, 2019. The redemption premium was $28 million and was included in Other expense, net in our Condensed Consolidated Statements of Comprehensive Income and in Cash payments for debt prepayment or debt extinguishment costs in our Condensed Consolidated Statements of Cash Flows .

Certain components of the reset features were required to be bifurcated from the DT Senior Reset Notes and were separately accounted for as embedded derivatives. The write-off of embedded derivatives upon redemption resulted in a gain of $11 million which was included in Other expense, net in our Condensed Consolidated Statements of Comprehensive Income . See Note 7 - Fair Value Measurements for further information.

We maintain a $2.5 billion revolving credit facility with DT which is comprised of a $1.0 billion unsecured revolving credit agreement and a $1.5 billion secured revolving credit agreement, with a maturity date of December 29, 2021. As of June 30, 2019 and December 31, 2018 , there were no outstanding borrowings under the revolving credit facility.

We maintain a handset financing arrangement with Deutsche Bank AG (“Deutsche Bank”), which allows for up to $108 million in borrowings. Under the handset financing arrangement, we can effectively extend payment terms for invoices payable to certain handset vendors. As of June 30, 2019 and December 31, 2018 , there was no outstanding balance.

We maintain vendor financing arrangements with our primary network equipment suppliers. Under the respective agreements, we can obtain extended financing terms. As of June 30, 2019 , there was $300 million in outstanding borrowings under the vendor financing agreements. As of December 31, 2018 , there was no outstanding balance.

Consents on Debt

In connection with the entry into the Business Combination Agreement, DT and T-Mobile USA entered into a financing matters agreement, dated as of April 29, 2018, pursuant to which DT agreed, among other things, to consent to the incurrence by
T-Mobile USA of secured debt in connection with and after the consummation of the Merger. If the Merger is consummated, we will make payments for requisite consents to DT. There was no payment accrued as of June 30, 2019 .

On May 18, 2018, under the terms and conditions described in the Consent Solicitation Statement dated as of May 14, 2018, we obtained consents necessary to effect certain amendments to certain existing debt of us and our subsidiaries. If the Merger is consummated, we will make payments for requisite consents to third-party note holders. There was no payment accrued as of June 30, 2019 .

See Note 3 - Business Combinations for further information.

Future Sources and Uses of Liquidity

We may seek additional sources of liquidity, including through the issuance of additional long-term debt in 2019, to continue to opportunistically acquire spectrum licenses or other assets in private party transactions or for the refinancing of existing long-term debt on an opportunistic basis. Excluding liquidity that could be needed for spectrum acquisitions, or for other assets, we expect our principal sources of funding to be sufficient to meet our anticipated liquidity needs for business operations for the next 12 months as well as our longer-term liquidity needs. Our intended use of any such funds is for general corporate purposes, including for capital expenditures, spectrum purchases, opportunistic investments and acquisitions, redemption of high yield callable debt and stock purchases.

We determine future liquidity requirements, for both operations and capital expenditures, based in large part upon projected financial and operating performance, and opportunities to acquire additional spectrum. We regularly review and update these projections for changes in current and projected financial and operating results, general economic conditions, the competitive landscape and other factors. There are a number of risks and uncertainties that could cause our financial and operating results and capital requirements to differ materially from our projections, which could cause future liquidity to differ materially from our assessment.

The indentures and credit facilities governing our long-term debt to affiliates and third parties, excluding capital leases, contain covenants that, among other things, limit the ability of the Issuer and the Guarantor Subsidiaries to: incur more debt; pay dividends and make distributions on our common stock; make certain investments; repurchase stock; create liens or other encumbrances; enter into transactions with affiliates; enter into transactions that restrict dividends or distributions from subsidiaries; and merge, consolidate or sell, or otherwise dispose of, substantially all of their assets. Certain provisions of each of the credit facilities, indentures and supplemental indentures relating to the long-term debt to affiliates and third parties restrict the ability of the Issuer to loan funds or make payments to the Parent. However, the Issuer is allowed to make certain permitted payments to the Parent under the terms of each of the credit facilities, indentures and supplemental indentures relating to the long-term debt to affiliates and third parties. We were in compliance with all restrictive debt covenants as of June 30, 2019 .

Financing Lease Facilities

We have entered into uncommitted financing lease facilities with certain partners, which provide us with the ability to enter into financing leases for network equipment and services. As of June 30, 2019 , we have committed to $3.4 billion of financing

leases under these financing lease facilities, of which $316 million and $407 million was executed during the three and six months ended June 30, 2019 , respectively. We expect to enter into up to an additional $493 million in financing lease commitments during 2019.

Capital Expenditures

Our liquidity requirements have been driven primarily by capital expenditures for spectrum licenses and the construction, expansion and upgrading of our network infrastructure. Property and equipment capital expenditures primarily relate to our network transformation, including the build-out of our network to utilize our 600 MHz spectrum licenses. We expect cash purchases of property and equipment, excluding capitalized interest of approximately $400 million, to be at the very high end of the range of $5.4 to $5.7 billion and cash purchases of property and equipment, including capitalized interest, to be at the very high end of the range of $5.8 to $6.1 billion in 2019. This includes expenditures for the continued deployment of 600 MHz and laying the groundwork for 5G deployment. This does not include property and equipment obtained through financing lease agreements, leased wireless devices transferred from inventory or any additional purchases of spectrum licenses.

Share Repurchases

On December 6, 2017, our Board of Directors authorized a stock repurchase program for up to $1.5 billion of our common stock through December 31, 2018 (the "2017 Stock Repurchase Program"). Repurchased shares are retired. The 2017 Stock Repurchase Program completed on April 29, 2018.

On April 27, 2018, our Board of Directors authorized an increase in the total stock repurchase program to $9.0 billion , consisting of the $1.5 billion in repurchases previously completed and up to an additional $7.5 billion of repurchases of our common stock. The additional $7.5 billion repurchase authorization is contingent upon the termination of the Business Combination Agreement and the abandonment of the Transactions contemplated under the Business Combination Agreement.

Dividends

We have never paid or declared any cash dividends on our common stock, and we do not intend to declare or pay any cash dividends on our common stock in the foreseeable future. Our credit facilities and the indentures and supplemental indentures governing our long-term debt to affiliates and third parties, excluding financing leases, contain covenants that, among other things, restrict our ability to declare or pay dividends on our common stock.

Related Party Transactions

We have related party transactions associated with DT or its affiliates in the ordinary course of business, including intercompany servicing and licensing.

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 Exchange Act of 1934, as amended ("Exchange Act"). 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, transactions or dealings relating to Iran or with designated natural persons or entities involved in terrorism or the proliferation of weapons of mass destruction. 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.

As of the date of this report, we are not aware of any activity, transaction or dealing by us or any of our affiliates for the three months ended June 30, 2019 , that requires disclosure in this report under Section 13(r) of the Exchange Act, except as set forth below with respect to affiliates that we do not control and that are our affiliates solely due to their common control with DT. We have relied upon DT for information regarding their activities, transactions and dealings.

DT, through certain of its non-U.S. subsidiaries, is party to roaming and interconnect agreements with the following mobile and fixed line telecommunication providers in Iran, some of which are or may be government-controlled entities: MTN Irancell, Telecommunication Kish Company, Mobile Telecommunication Company of Iran, and Telecommunication Infrastructure Company of Iran. In addition, during the three months ended June 30, 2019, DT, through certain of its non-U.S. subsidiaries, provided basic telecommunications services to Telecommunication Company of Iran and to three customers in Germany identified on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Department of Treasury's Office of Foreign Assets Control: Bank Melli, Bank Sepah, and Europäisch-Iranische Handelsbank. These services have been

terminated or are in the process of being terminated. For the three months ended June 30, 2019 , gross revenues of all DT affiliates generated by roaming and interconnection traffic and telecommunications services with the Iranian parties identified herein were less than $0.1 million , and the estimated net profits were less than $0.1 million .

In addition, DT, through certain of its non-U.S. subsidiaries, operating a fixed-line network in their respective European home countries (in particular Germany), provides telecommunications services in the ordinary course of business to the Embassy of Iran in those European countries. Gross revenues and net profits recorded from these activities for the three months ended June 30, 2019 were less than $0.1 million . We understand that DT intends to continue these activities.

Off-Balance Sheet Arrangements

We have arrangements, as amended from time to time, to sell certain EIP accounts receivable and service accounts receivable on a revolving basis as a source of liquidity. As of June 30, 2019 , we derecognized net receivables of $2.6 billion upon sale through these arrangements. See Note 5 – Sales of Certain Receivables of the Notes to the Condensed Consolidated Financial Statements for further information.

Critical Accounting Policies and Estimates

Preparation of our consolidated financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues and expenses, as well as related disclosure of contingent assets and liabilities. Except as described below, there have been no material changes to the critical accounting policies and estimates as previously disclosed in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2018.

The policy below is critical because it requires management to make difficult, subjective and complex judgments about matters that are inherently uncertain and because it is likely that materially different amounts would be reported under different conditions or using different assumptions. Actual results could differ from those estimates.

Management and the Audit Committee of the Board of Directors have reviewed and approved these critical accounting policies.

Leases

We adopted the new lease standard on January 1, 2019 and recognized right-of-use assets and lease liabilities for operating leases that have not previously been recorded.

Significant Judgments:

The most significant judgments and impacts upon adoption of the standard include the following:

- In evaluating contracts to determine if they qualify as a lease, we consider factors such as if we have obtained or transferred substantially all of the rights to the underlying asset through exclusivity, if we can or if we have transferred the ability to direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights.

- We recognized right-of-use assets and operating lease liabilities for operating leases that have not previously been recorded. The lease liability for operating leases is based on the net present value of future minimum lease payments. The right-of-use asset for operating leases is based on the lease liability adjusted for the reclassification of certain balance sheet amounts such as prepaid rent and deferred rent which we remeasured at adoption due to the application of hindsight to our lease term estimates. Deferred and prepaid rent will no longer be presented separately.

- Capital lease assets previously included within Property and equipment, net , were reclassified to financing lease right-of-use assets and capital lease liabilities previously included in Short-term debt and Long-term debt were reclassified to financing lease liabilities in our Condensed Consolidated Balance Sheet.

- Certain line items in the Condensed Consolidated Statements of Cash Flows and the “Supplementary disclosure of cash flow information” have been renamed to align with the new terminology presented in the new lease standard; “Repayment of capital lease obligations” is now presenting as “ Repayments of financing lease obligations ” and “Assets acquired under capital lease obligations” is now presenting as “Financing lease right-of-use assets obtained in exchange for lease obligations.” In the “Operating Activities” section of the Condensed Consolidated Statements of Cash Flows we have added “Operating lease right-of-use assets” and “Short and long-term operating lease liabilities” which represent the change in the operating lease asset and liability, respectively. Additionally, in the “Supplemental disclosure of cash flow information” section of the Condensed Consolidated Statements of Cash Flows we have added “Operating lease payments,” and in the “Noncash investing and financing activities” section we have added “Operating lease right-of-use assets obtained in exchange for lease obligations.”

- In determining the discount rate used to measure the right-of-use asset and lease liability, we use rates implicit in the lease, or if not readily available, we use our incremental borrowing rate. Our incremental borrowing rate is based on an estimated secured rate comprised of a risk-free LIBOR rate plus a credit spread as secured by our assets.

- Certain of our lease agreements include rental payments based on changes in the consumer price index ("CPI"). Lease liabilities are not remeasured as a result of changes in the CPI; instead, changes in the CPI are treated as variable lease payments and are excluded from the measurement of the right-of-use asset and lease liability. These payments are recognized in the period in which the related obligation was incurred. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

- We elected the use of hindsight whereby we applied current lease term assumptions that are applied to new leases in determining the expected lease term period for all cell sites. Upon adoption of the new lease standard and application of hindsight our expected lease term has shortened to reflect payments due for the initial non-cancelable lease term only. This assessment corresponds to our lease term assessment for new leases and aligns with the payments that have been disclosed as lease commitments in prior years. As a result, the average remaining lease term for cell sites has decreased from approximately nine to five years based on lease contracts in effect at transition on January 1, 2019. The aggregate impact of using the hindsight is an estimated decrease in Total operating expense of $240 million in fiscal year 2019.

- We were also required to reassess the previously failed sale-leasebacks of certain T-Mobile-owned wireless communication tower sites and determine whether the transfer of the assets to the tower operator under the arrangement met the transfer of control criteria in the revenue standard and whether a sale should be recognized.

    - We concluded that a sale has not occurred for the 6,200 tower sites transferred to CCI pursuant to a master prepaid lease arrangement; therefore, these sites will continue to be accounted for as failed sale-leasebacks.

    - We concluded that a sale should be recognized for the 900 tower sites transferred to CCI pursuant to the sale of a subsidiary and for the 500 tower sites transferred to PTI. Upon adoption on January 1, 2019 we derecognized our existing long-term financial obligation and the tower-related property and equipment associated with these 1,400 previously failed sale-leaseback tower sites and recognized a lease liability and right-of-use asset for the leaseback of the tower sites. The estimated impacts from the change in accounting conclusion are primarily a decrease in Other revenues of $44 million and a decrease in Interest expense of $34 million in fiscal year 2019.

- Rental revenues and expenses associated with co-location tower sites are presented on a net basis under the new lease standard. These revenues and expenses were presented on a gross basis under the former lease standard.

See Note 1 - Summary of Significant Accounting Policies and Note 11 - Leases of the Notes to the Condensed Consolidated Financial Statements for further information.

Accounting Pronouncements Not Yet Adopted

See Note 1 – Summary of Significant Accounting Policies of the Notes to the Condensed Consolidated Financial Statements for information regarding recently issued accounting standards.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the interest rate risk as previously disclosed in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2018.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure information required to be disclosed in our periodic reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls are also designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this Form 10-Q .

The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits 31.1 and 31.2 , respectively, to this Form 10-Q .

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act, during our most recently completed fiscal quarter that materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 3 - Business Combinations and Note 12 – Commitments and Contingencies of the Notes to the Condensed Consolidated Financial Statements for information regarding certain legal proceedings in which we are involved.

Item 1A. Risk Factors

In addition to the other information contained in this Form 10-Q, the Risk Factors as previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018, and the following risk factors, should be considered carefully in evaluating T-Mobile. Our business, financial condition, liquidity, or operating results, as well as the price of our common stock and other securities, could be materially adversely affected by any of these risks.

Risks Related to the Proposed Transactions

The closing of the Transactions is subject to a number of conditions, including the receipt of approvals from various governmental entities, which may not approve the Transactions, may delay the approvals for, or may impose conditions or restrictions on, jeopardize or delay completion of, or reduce or delay the anticipated benefits of, the Transactions, and if these conditions are not satisfied or waived, the Transactions will not be completed.

The completion of the Transactions is subject to a number of conditions, including, among others, obtaining certain governmental authorizations, consents, orders or other approvals, including the expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, the receipt of required approvals from the Federal Communications Commission ("FCC") and certain state and territorial public utility commissions or similar state and foreign regulatory bodies, and the absence of any injunction prohibiting the Transactions or any legal requirements enacted by a court or other governmental entity preventing the completion of the Transactions. In connection with these required approvals, we have agreed to significant actions and conditions, including the planned divestiture of Sprint's prepaid wireless businesses to DISH Network Corporation and ongoing commercial and transition services arrangements to be entered into in connection with such divestiture, which we and Sprint announced on July 26, 2019 (the "Divestiture Transaction"), a stipulation and order and proposed final judgment with the U.S. Department of Justice, which we and Sprint announced on July 26, 2019 (the "Consent Decree"), the proposed commitments contained in the *ex parte* presentation filed with the Secretary of the FCC, which we and Sprint announced on May 20, 2019 (the "FCC Commitments") and any other commitments or undertakings we may enter into with governmental authorities at the federal and state level (collectively, with the Consent Decree and the FCC Commitments, the "Government Commitments"). There is no assurance that the remaining required authorizations, consents, orders or other approvals will be obtained or that they will be obtained in a timely manner, or whether they will be subject to additional required actions, conditions, limitations or restrictions on the combined company's business, operations or assets. In addition, the attorneys general of thirteen states and the District of Columbia have commenced litigation seeking an order prohibiting the consummation of the Transactions. Such litigation, and such required actions, conditions, limitations and restrictions, may jeopardize or delay completion of the Transactions, reduce or delay the anticipated benefits of the Transactions or allow the parties to the Business Combination Agreement to terminate the Business Combination Agreement, which could result in a material adverse effect on our or the combined company's business, financial condition or operating results. In addition, the completion of the Transactions is also subject to T-Mobile USA having specified minimum credit ratings on the closing date of the Transactions (after giving effect to the Merger) from at least two of three specified credit rating agencies, subject to certain qualifications. In the event that we terminate the Business Combination Agreement in connection with a failure to satisfy the closing condition related to the specified minimum credit ratings, then in certain circumstances, we may be required to pay Sprint an amount equal to $600 million. If the Transactions are not completed by November 1, 2019 (or, if the Marketing Period (as defined in the Business Combination Agreement) has started and is in effect at such date, then January 2, 2020)), or if there is a final and non-appealable order or injunction preventing the consummation of the Transactions, either we or Sprint may terminate the Business Combination Agreement. The Business Combination Agreement may also be terminated if the other conditions to closing are not satisfied, and we and Sprint may also mutually decide to terminate the Business Combination Agreement.

Failure to complete the Merger could negatively impact us and our business, assets, liabilities, prospects, outlook, financial condition or results of operations.

If the Merger is not completed for any reason, we may be subject to a number of material risks. The price of our common stock may decline to the extent that its current market price reflects a market assumption that the Merger will be completed. In addition, some costs related to the Transactions must be paid by us whether or not the Transactions are completed. Furthermore,

we may experience negative reactions from our stockholders, customers, employees, suppliers, distributors, retailers, dealers and others who deal with us, which could have an adverse effect on our business, financial condition and results of operations.

In addition, it is expected that if the Merger is not completed, we will continue to lack the network, scale and financial resources of the current market share leaders in, and other companies that have more recently begun providing, wireless services. Further, if the Merger is not completed, it is expected that we will not be able to deploy a nationwide 5G network on the same scale and on the same timeline as the combined company, and therefore will continue to be limited in their respective abilities to compete effectively in the 5G era.

We are subject to various uncertainties, including litigation and contractual restrictions and requirements while the Transactions are pending that could disrupt our or the combined company's business and adversely affect our or the combined company's business, assets, liabilities, prospects, outlook, financial condition and results of operations.

Uncertainty about the effect of the Transactions on employees, customers, suppliers, vendors, distributors, dealers and retailers may have an adverse effect on us or the combined company. These uncertainties may impair the ability to attract, retain and motivate key personnel during the pendency of the Transactions and, if the Transactions are completed, for a period of time thereafter, as existing and prospective employees may experience uncertainty about their future roles with the combined company. If key employees depart because of issues related to the uncertainty and difficulty of integration or a desire not to remain with the combined company, the combined company's business following the completion of the Transactions could be negatively impacted. We or the combined company may have to incur significant costs in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent. Additionally, these uncertainties could cause customers, suppliers, distributors, dealers, retailers and others to seek to change or cancel existing business relationships with us or the combined company or fail to renew existing relationships. Suppliers, distributors and content and application providers may also delay or cease developing for us or the combined company new products that are necessary for the operations of its business due to the uncertainty created by the Transactions. Competitors may also target our existing customers by highlighting potential uncertainties and integration difficulties that may result from the Transactions.

The Business Combination Agreement also restricts us, without Sprint's consent, from taking certain actions outside of the ordinary course of business while the Transactions are pending, including, among other things, certain acquisitions or dispositions of businesses and assets, entering into or amending certain contracts, repurchasing or issuing securities, making capital expenditures and incurring indebtedness, in each case subject to certain exceptions. These restrictions may have a significant negative impact on our business, results of operations and financial condition.

Management and financial resources have been diverted and will continue to be diverted toward the completion of the Transactions. We have incurred, and expect to incur, significant costs, expenses and fees for professional services and other transaction costs in connection with the Transactions. These costs could adversely affect our or the combined company's financial condition and results of operations.

In addition, we and our affiliates are involved in various disputes, governmental and/or regulatory inspections, investigations and proceedings and litigation matters that arise from time to time, including the antitrust litigation related to the Transactions brought by the attorneys general of thirteen states and the District of Columbia, and it is possible that an unfavorable resolution of these matters could prevent the consummation of the Transactions and/or adversely affect us and our results of operations, financial condition and cash flows and the results of operations, financial condition and cash flows of the combined company.

The Business Combination Agreement contains provisions that restrict the ability of our Board to pursue alternatives to the Transactions.

The Business Combination Agreement contains non-solicitation provisions that restrict our ability to solicit, initiate, knowingly encourage or knowingly take any other action designed to facilitate, any inquiries regarding, or the making of, any proposal the completion of which would constitute an alternative transaction for purposes of the Business Combination Agreement. In addition, the Business Combination Agreement does not permit us to terminate the Business Combination Agreement in order to enter into an agreement providing for, or to complete, such an alternative transaction.

Our directors and officers may have interests in the Transactions different from the interests of our stockholders.

Certain of our directors and executive officers negotiated the terms of the Business Combination Agreement. Our directors and executive officers may have interests in the Transactions that are different from, or in addition to, those of our stockholders. These interests include, but are not limited to, the continued service of certain of our directors as directors of the combined company, the continued employment of certain of our executive officers by the combined company, severance agreements and

amended employment terms and other rights held by our directors and executive officers, and provisions in the Business Combination Agreement regarding continued indemnification of and advancement of expenses to our directors and officers.

Risks Related to Integration and the Combined Company

Although we expect that the Transactions will result in synergies and other benefits, those synergies and benefits may not be realized or may not be realized within the expected time frame.

Our ability to realize the anticipated benefits of the Transactions will depend, to a large extent, on the combined company's ability to integrate our and Sprint's businesses in a manner that facilitates growth opportunities and achieves the projected standalone cost savings and revenue growth trends identified by each company without adversely affecting current revenues and investments in future growth. In addition, some of the anticipated synergies are not expected to occur for a significant time period following the completion of the Transactions and will require substantial capital expenditures in the near term to be fully realized. Even if the combined company is able to integrate the two companies successfully, the anticipated benefits of the Transactions, including the expected synergies and network benefits, may not be realized fully or at all or may take longer to realize than expected.

Our business and Sprint's business may not be integrated successfully or such integration may be more difficult, time consuming or costly than expected. Operating costs, customer loss and business disruption, including difficulties in completing the Divestiture Transaction, satisfying all of the Government Commitments and maintaining relationships with employees, customers, suppliers or vendors, may be greater than expected following the Transactions. Revenues following the Transactions may be lower than expected.

The combination of two independent businesses is complex, costly and time-consuming and may divert significant management attention and resources to combining our and Sprint's business practices and operations. This process, as well as the Divestiture Transaction and the Government Commitments, may disrupt our business. The failure to meet the challenges involved in combining our and Sprint's businesses and to realize the anticipated benefits of the Transactions could cause an interruption of, or a loss of momentum in, the activities of the combined company and could adversely affect the results of operations of the combined company. The overall combination of our and Sprint's businesses, the completion of the Divestiture Transaction and the compliance with the Government Commitments may also result in material unanticipated problems, expenses, liabilities, competitive responses, and loss of customer and other business relationships. The difficulties of combining the operations of the companies, completing the Divestiture Transaction and satisfying all of the Government Commitments include, among others:

- the diversion of management attention to integration matters;
- difficulties in integrating operations and systems, including intellectual property and communications systems, administrative and information technology infrastructure and financial reporting and internal control systems;
- challenges in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;
- differences in control environments, cultures, and auditor expectations may result in future material weaknesses, significant deficiencies, and/or control deficiencies while we work to integrate the companies and align guidelines and practices;
- alignment of key performance measurements may result in a greater need to communicate and manage clear expectations while we work to integrate the companies and align guidelines and practices;
- difficulties in integrating employees and attracting and retaining key personnel;
- challenges in retaining existing customers and obtaining new customers;
- difficulties in achieving anticipated cost savings, synergies, accretion targets, business opportunities, financing plans and growth prospects from the combination;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- the impact of the additional debt financing expected to be incurred in connection with the Transactions;
- the transition of management to the combined company management team, and the need to address possible differences in corporate cultures and management philosophies;
- challenges in managing the divestiture process for the Divestiture Transaction and in conjunction with the ongoing commercial and transition services arrangements to be entered into in connection with the Divestiture Transaction;
- difficulties in satisfying the large number of Government Commitments in the required timeframes and the tracking and monitoring of them, including the network build-out obligations under the FCC Commitments;
- contingent liabilities that are larger than expected; and

- potential unknown liabilities, adverse consequences and unforeseen increased expenses associated with the Transactions, the Divestiture Transaction and the Government Commitments.

Some of these factors are outside of our control and/or will be outside the control of the combined company, and any one of them could result in lower revenues, higher costs and diversion of management time and energy, which could materially impact the business, financial condition and results of operations of the combined company. In addition, even if the operations of our and Sprint's businesses are integrated successfully, the full benefits of the Merger may not be realized, including, among others, the synergies, cost savings or sales or growth opportunities that are expected, including as a result of the Divestiture Transaction, the Government Commitments and/or the other actions and conditions we have agreed to in connection with the Transactions, or otherwise. These benefits may not be achieved within the anticipated time frame or at all. Further, additional unanticipated costs may be incurred in the integration of our and Sprint's businesses and in connection with the Divestiture Transaction and the Government Commitments, including potential penalties that could arise if we fail to fulfill our obligations thereunder. All of these factors could cause dilution to the earnings per share of the combined company, decrease or delay the projected accretive effect of the Merger, and negatively impact the price of our common stock following the Merger. As a result, it cannot be assured that the combination of T-Mobile and Sprint will result in the realization of the full benefits expected from the Transactions within the anticipated time frames or at all.

The indebtedness of the combined company following the completion of the Transactions will be substantially greater than the indebtedness of each of T-Mobile and Sprint on a standalone basis prior to the execution of the Business Combination Agreement. This increased level of indebtedness could adversely affect the combined company's business flexibility and increase its borrowing costs.

In connection with the Transactions, we and Sprint have conducted, and expect to conduct, certain pre-Merger financing transactions, which will be used in part to prepay a portion of our and Sprint's existing indebtedness and to fund liquidity needs. After giving effect to the pre-Merger financing transactions and the Transactions, we anticipate that the combined company will have consolidated indebtedness of up to approximately $69.0 billion to $71.0 billion, based on estimated June 30, 2019 debt and cash balances, and excluding tower obligations and operating lease liabilities.

Our substantially increased indebtedness following the Transactions could have the effect, among other things, of reducing our flexibility to respond to changing business, economic, market and industry conditions and increasing the amount of cash required to meet interest payments. In addition, this increased level of indebtedness following the Transactions may reduce funds available to support efforts to combine our and Sprint's businesses and realize the expected benefits of the Transactions, and may also reduce funds available for capital expenditures, share repurchases and other activities that may put the combined company at a competitive disadvantage relative to other companies with lower debt levels. Further, it may be necessary for the combined company to incur substantial additional indebtedness in the future, subject to the restrictions contained in its debt instruments, which could increase the risks associated with the capital structure of the combined company.

Because of the substantial indebtedness of the combined company following the completion of the Transactions, there is a risk that the combined company may not be able to service its debt obligations in accordance with their terms.

The ability of the combined company to service its substantial debt obligations following the Transactions will depend in part on future performance, which will be affected by business, economic, market and industry conditions and other factors, including the ability of the combined company to achieve the expected benefits of the Transactions. There is no guarantee that the combined company will be able to generate sufficient cash flow to service its debt obligations when due. If the combined company is unable to meet such obligations or fails to comply with the financial and other restrictive covenants contained in the agreements governing such debt obligations, it may be required to refinance all or part of its debt, sell important strategic assets at unfavorable prices or make additional borrowings. The combined company may not be able to, at any given time, refinance its debt, sell assets or make additional borrowings on commercially reasonable terms or at all, which could have a material adverse effect on its business, financial condition and results of operations after the Transactions.

Some or all of the combined company's variable-rate indebtedness may use the LIBOR as a benchmark for establishing the rate. LIBOR is the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms and other pressures may cause LIBOR to disappear entirely or to perform differently than in the past. The consequence of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate indebtedness. In addition, any hedging agreements we have and may continue to enter into to limit our exposure to interest rate increases or foreign currency fluctuations may not offer complete protection from these risks or may be unsuccessful, and consequently may effectively increase the interest rate we pay on our debt or the exchange rate with respect to such debt, and any portion not subject to such hedging agreements would have full exposure to interest rate increases or foreign currency fluctuations, as applicable. If any financial institutions that are parties to our hedging agreements were to default on their payment obligations

to us, declare bankruptcy or become insolvent, we would be unhedged against the underlying exposures. Any of these risks could have a material adverse effect on our business, financial condition and operating results.

The agreements governing the combined company's indebtedness and other financings will include restrictive covenants that limit the combined company's operating flexibility.

The agreements governing the combined company's indebtedness and other financings will impose material operating and financial restrictions on the combined company. These restrictions, subject in certain cases to customary baskets, exceptions and maintenance and incurrence-based financial tests, may limit the combined company's ability to engage in transactions and pursue strategic business opportunities, including the following:

- incurring additional indebtedness and issuing preferred stock;
- paying dividends, redeeming capital stock or making other restricted payments or investments;
- selling or buying assets, properties or licenses;
- developing assets, properties or licenses which the combined company has or in the future may procure;
- creating liens on assets securing indebtedness or other obligations;
- participating in future FCC auctions of spectrum or private sales of spectrum;
- engaging in mergers, acquisitions, business combinations or other transactions;
- entering into transactions with affiliates; and
- placing restrictions on the ability of subsidiaries to pay dividends or make other payments.

These restrictions could limit the combined company's ability to obtain debt financing, make share repurchases, refinance or pay principal on its outstanding indebtedness, complete acquisitions for cash or indebtedness or react to business, economic, market and industry conditions and other changes in its operating environment or the economy. Any future indebtedness that the combined company incurs may contain similar or more restrictive covenants. Any failure to comply with the restrictions of the combined company's debt agreements may result in an event of default under these agreements, which in turn may result in defaults or acceleration of obligations under these and other agreements, giving the combined company's lenders the right to terminate any commitments they had made to provide it with further funds and to require the combined company to repay all amounts then outstanding.

The financing of the Transactions is not assured.

Although we have received debt financing commitments from lenders to provide various financing arrangements to facilitate the Transactions, the obligation of the lenders to provide these facilities is subject to a number of conditions and the financing of the Transactions may not be obtained on the expected terms or at all.

In particular, we have received commitments for $30.0 billion in debt financing to fund the Transactions, which is comprised of (i) a $4.0 billion secured revolving credit facility, (ii) a $7.0 billion term loan credit facility and (iii) a $19.0 billion secured bridge loan facility. Our reliance on the financing from the $19.0 billion secured bridge loan facility commitment is intended to be reduced through one or more secured note offerings or other long-term financings prior to the Merger closing. However, there can be no assurance that we will be able to issue any such secured notes or other long-term financings on terms we find acceptable or at all, especially in light of the recent debt market volatility, in which case we may have to exercise some or all of the commitments under the secured bridge facility to fund the Transactions. Accordingly, the costs of financing for the Transactions may be higher than expected.

Credit rating downgrades could adversely affect the businesses, cash flows, financial condition and operating results of T-Mobile and, following the Transactions, the combined company.

Credit ratings impact the cost and availability of future borrowings, and, as a result, cost of capital. Our current ratings reflect each rating agency's opinion of our financial strength, operating performance and ability to meet our debt obligations or, following the completion of the Transactions, obligations to the combined company's obligors. Each rating agency reviews these ratings periodically and there can be no assurance that such ratings will be maintained in the future. A downgrade in the rating of us and/or Sprint could adversely affect the businesses, cash flows, financial condition and operating results of T-Mobile and, following the Transactions, the combined company.

We have incurred, and will incur, direct and indirect costs as a result of the Transactions.

We have incurred, and will incur, substantial expenses in connection with and as a result of completing the Transactions, the Divestiture Transaction and the compliance with the Government Commitments, and over a period of time following the

completion of the Transactions, the combined company also expects to incur substantial expenses in connection with integrating and coordinating our and Sprint's businesses, operations, policies and procedures. A portion of the transaction costs related to the Transactions will be incurred regardless of whether the Transactions are completed. While we have assumed that a certain level of transaction expenses will be incurred, factors beyond our control could affect the total amount or the timing of these expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately. These expenses will exceed the costs historically borne by us. These costs could adversely affect our financial condition and results of operations prior to the Transactions and the financial condition and results of operations of the combined company following the Transactions.

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

None.

Index for Notes to the Condensed Consolidated Financial Statements

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
10.1*	Letter Agreement, dated as of February 19, 2018, between T-Mobile US, Inc. and David R. Carey.				X
10.2*	Compensation Term Sheet, dated as of April 28, 2018, for David R. Carey.				X
10.3*	Letter Agreement, dated as of April 28, 2018, between T-Mobile US, Inc. and David R. Carey.				X
10.4*	Amended Director Compensation Program effective as of May 1, 2013 (amended June 4, 2014 and further amended on June 1, 2015, June 16, 2016, June 13, 2017 and June 13, 2019).				X
10.5	Supplemental Agreement, effective as of June 3, 2019, to the License Agreement, dated as of April 30, 2013, by and between T-Mobile US, Inc. and Deutsche Telekom AG.				X
31.1	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1**	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2**	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH	XBRL Taxonomy Extension Schema Document.				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.				X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.				X

* Indicates a management contract or compensatory plan or arrangement.

** Furnished herein.

Index for Notes to the Condensed Consolidated Financial Statements

SIGNATURES

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.

T-MOBILE US, INC.

July 26, 2019

/s/ J. Braxton Carter

J. Braxton Carter
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Authorized Signatory)

EXHIBIT 10.1

T-Mobile US, Inc.
12920 SE 38 th Street
Bellevue, WA 98006-1350

February 19, 2018
Dave Carey

Re: Eligibility for Certain Payments and Benefits

Dear Dave:

This letter (the " ***Letter*** ") outlines certain payments and benefits that you will be eligible for if you voluntary resign from T-Mobile US, Inc. (the " ***Company*** ") on or after September 3, 2018 (the " ***Separation*** ").

1. STI Award . Notwithstanding anything in the T-Mobile US, Inc. 2013 Omnibus Incentive Plan, as amended from time to time, and any successor plan thereto (the " ***Omnibus Plan*** ") or in your short-term (annual) incentive award (" ***STI Award*** ") agreement between you and the Company for the year in which your Separation occurs (the " ***STI Award Agreement*** "), upon your Separation, you will receive a pro-rata payment of your STI Award calculated based on the actual level of attainment of the applicable Performance Measures (as defined in the STI Award Agreement) during the portion of the year ending on the last day of the calendar quarter ending immediately prior to your Separation (*i.e.* , determined as if the applicable performance period had ended as of the date of the last quarterly accounting accrual to occur prior to your Separation), as determined by the Company (or, if your Separation occurs during the first calendar quarter of the year, based on target performance), and pro-rated based on the number of days you were employed by the Company during the calendar year in which your Separation occurs (the " ***Pro-Rata STI Award*** "). The Pro-Rata STI Award will be paid to you within sixty (60) days following your Separation.

2. RSUs and PRSUs . Notwithstanding anything in the Omnibus Plan or in any award agreement between you and the Company evidencing the grant of an award of time-based restricted stock units (" ***RSUs*** ") or performance-based restricted stock units (" ***PRSUs*** ") (as applicable) (each, a " ***LTI Award Agreement*** ") (including any continued employment or continued service requirements set forth therein that would, absent this Letter, apply to the vesting and payment of your then-outstanding RSUs or PRSUs, as applicable), upon your Separation, your then-outstanding RSUs and PRSUs (excluding the one-time special award of PRSUs granted to you on February 15, 2018 (the " ***2018 Special Award*** ")) will be subject to the following provisions:

a. *RSUs* . Upon your Separation, your then-outstanding and unvested RSUs will remain outstanding and will continue to vest and be paid to you in accordance with the terms of the applicable LTI Award Agreement.

b. *PRSUs* . Upon your Separation, your then-outstanding and unvested PRSUs will remain outstanding and will continue to be eligible to vest and be paid to you in accordance with the terms of the applicable LTI Award Agreement; *provided* , *however* , that the number of PRSUs that vest and become payable to you, and the Adjustment Percentage (as defined in the applicable LTI Award Agreement), shall be determined based on the lesser of (i) the actual level of attainment of the applicable Performance Measures (as defined in the applicable LTI Award Agreement) during the applicable Performance Period (as defined in the applicable LTI Award Agreement), as determined by the Company following the conclusion of the Performance Period, or (ii) the actual level of attainment of the applicable Performance Measures during the portion of the applicable Performance Period ending on the date of your Separation (*i.e.* , determined as if the Performance Period had ended on the date of your Separation), as determined by the Company.

c. *Death; Disability*. Notwithstanding Sections 2(a) and (b) above, in the event of your death or Disability (as defined in the Omnibus Plan) following your Separation but prior to the last date on which any RSUs and/or PRSUs become vested in accordance with Sections 2(a) and (b) above, your then-outstanding and unvested RSUs and PRSUs will vest in full on the date of your death or Disability and be paid to you within sixty (60) days following the date of such death or Disability (and, with respect to your PRSUs, the applicable Adjustment Percentage shall be determined in accordance with Section 2(b) above).

3. COBRA Benefits. During the period commencing on the date of your Separation and ending on the earlier of the end of the last day of the eighteenth (18th) calendar month following the date of your Separation or, if earlier, the date on which you become eligible for coverage under a subsequent employer's group medical and dental plans (in either case, the "***COBRA Period***"), subject to your valid election to continue healthcare coverage under Section 4980B of the Internal Revenue Code of 1986, as amended (the "***Code***"), and the regulations thereunder, the Company will continue to provide to you and your dependents, at the Company's sole expense, coverage under its group medical and dental plans at the same levels in effect on the date of your Separation; *provided*, *however*, that if (a) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), (b) the Company is otherwise unable to continue to cover you or your dependents under its group health plans, or (c) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, an amount equal to the dollar value of the balance of the Company's subsidy shall thereafter be paid to you in substantially equal, then-currently-taxable monthly instalments over the COBRA Period (or remaining portion thereof) (collectively, the "***COBRA Benefits***").

4. Continued Mobile Service Discounts. Following the date of your Separation, you shall continue to be eligible for the Company's employee mobile service discount program, in accordance with the terms of such program as in effect from time to time during such period (the "***Continued Mobile Discounts***").

5. Release Requirement. Notwithstanding anything herein or in any applicable STI Award Agreement and any LTI Award Agreement (collectively, the "***Award Agreements***") to the contrary, you will not be eligible to receive any of the payments and benefits described in Sections 1 through 4 above unless you execute and do not revoke a release of claims in a form prescribed by the Company that becomes effective and irrevocable no later than sixty (60) days following the date of your Separation.

6. Exclusions; Amendment; No Other Modifications. Notwithstanding anything herein to the contrary, this Letter (including Section 2 hereof) will not apply to the 2018 Special Award. Your Award Agreements will be deemed amended to the extent necessary to reflect this Letter. Except as otherwise expressly set forth in this Letter, the terms and conditions set forth in the Omnibus Plan and the Award Agreements will continue to apply to your STI Awards, RSUs and PRSUs following the date of this Letter.

7. Restrictive Covenant Agreement. Notwithstanding anything herein or in the Restrictive Covenant and Confidentiality Agreement between you and T-Mobile USA, Inc., dated as of March 5, 2013, the duration of the post-termination "Restricted Period" (as defined in Section 4 of the Restrictive Covenant and Confidentiality Agreement) is hereby increased such that it shall extend through the later of one (1) year following your Separation or the last date on which any RSUs and/or PRSUs are paid to you in accordance with the terms of this Letter.

8. No Right to Continued Employment . Nothing contained in this Letter shall confer upon you any right to continue in the employ or service of the Company or affect the right of the Company to terminate your employment or service at any time.

9. No Tax Advice . The Company is not making any warranties or representations to you with respect to the income tax consequences associated with this Letter, the treatment of your STI Award, RSUs and/or PRSUs contemplated hereunder, the COBRA Benefits or the Continued Mobile Discounts and you are in no manner relying on the Company, its affiliates or any of their respective representatives for an assessment of such tax consequences. You are hereby advised to consult with your own tax advisor with respect to any tax consequences associated with this Letter.

10. Governing Law . This Letter shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the principles of conflicts of laws, and applicable federal law.

11. Section 409A . Notwithstanding anything to the contrary in the Omnibus Plan, any LTI Award Agreement or this Letter, if the Company determines that paying any amounts to you in respect of your RSUs and/or PRSUs at the time(s) indicated in any Award Agreement or this Letter (as applicable) would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, then no such payment shall be paid to you prior to the expiration of the six (6)-month period following your "separation from service" with the Company (within the meaning of Section 409A of the Code) if you are a "specified employee" (within the meaning of Section 409A of the Code) on the date of your separation from service. If the payment of any such amount is delayed as a result of the previous sentence, then on the first business day following the end of such six (6)-month period (or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of your death), the Company shall pay you a lump-sum amount equal to the cumulative amounts that would have otherwise been payable to you during such six (6)-month period (without interest).

12. Miscellaneous . This Letter, together with the Omnibus Plan and the Award Agreements, sets forth the final and entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by the Company and you, or any representative of the Company or you, with respect to the subject matter hereof. This Letter may be amended at any time by the Company, provided that no amendment may, without your consent, materially impair your rights under any Award Agreement. This Letter may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

Please indicate your acknowledgment of, and agreement to, the terms and conditions set forth in this Letter by signing in the space below and returning a signed copy of this Letter to John Legere, CEO and President. Please retain one fully-executed original for your files.

Sincerely,

T-Mobile US, Inc.

By:_ /s/ Elizabeth McAuliffe
Elizabeth McAuliffe
EVP, Human Resources

Acknowledged, Agreed and Accepted:

/s/ Dave R. Carey_____
Dave R. Carey

Date: February 19, 2018

EXHIBIT 10.2

T-MOBILE US, INC.

COMPENSATION TERM SHEET
FOR
DAVID CAREY

Following is a Compensation Term Sheet (the " Term Sheet ") with T-Mobile US, Inc. (the " Company ").

GENERAL As you know, the Company anticipates entering into a Business Combination Agreement with Sprint Corporation and certain other parties named therein (the " BCA ") on or around April 29, 2018. This Term Sheet confirms our understanding and agreement about your role and certain compensation opportunities with the Company, effective as of the date on which the BCA is fully executed (the " Effective Date ").

TERM Subject to the provisions for earlier termination set forth below, the term of this Term Sheet (the " Term ") will commence on the Effective Date and continue until the second (2 nd) anniversary thereof (the " Expiration Date "). Your employment remains "at will," meaning that it may be terminated by you or the Company, for any reason or for no reason whatsoever, with or without notice and with or without cause. The at-will nature of your employment relationship cannot be changed other than by a written agreement signed by you and a duly authorized Company officer.

POSITION During the Term, you will continue to serve as the Executive Vice President, Corporate Services of the Company reporting to the Chief Executive Officer (" CEO "). You will have such duties and authority commensurate with the position of Executive Vice President, Corporate Services of the Company and you will perform such other duties commensurate with such position as the CEO may from time-to-time assign. You will continue to devote your full professional time, attention and energies to the business of the Company. Your position will continue to be based in Bellevue, WA.

COMPENSATION During the Term, your compensation will be as follows:

Salary :

- You will receive an annual base salary of no less than $775,000 payable in accordance with the Company's standard payroll practices (but no less often than monthly).

Short-Term Incentive ("STI") :

- Effective as of the Effective Date, and for each calendar year commencing after the Effective Date during the Term, your annual target STI (" Target STI ") will be no less than 125% of your eligible base earnings during such calendar year.

- STI awards will continue be based on the achievement of Company goals (and, as applicable, individual performance) as determined by the Compensation

---

Committee or Section 16 Subcommittee of the Company's Board of Directors (collectively, the " Committee ").

Long-Term Incentive ("LTI") :

- Effective as of the Effective Date, with the next annual LTI award after such date anticipated to be granted in February 2019, your annual LTI awards will have an annual aggregate grant-date target value (as determined by the Committee) of no less than $4,359,375.

- LTI awards will continue to be made in such form and on such terms as the Committee may determine. Each LTI award (including the Transaction PRSUs (as defined below)) will be subject to the terms and conditions of the Company's 2013 Omnibus Incentive Plan (as amended from time to time, the " Plan ") and an award agreement prescribed by the Company, which shall evidence the grant of the LTI award.

Transaction PRSUs :

- Effective as of the Effective Date, you will be granted a one-time special equity award as follows:

  - On the Effective Date, the Company will grant to you, under the Plan, a one-time award of performance-based restricted stock units (" PRSUs ") with respect to a number of shares of Company common stock equal to the quotient of $5,719,000 divided by the average closing price of the Company's common stock over the 90 calendar-day period ending with (and including) April 27, 2018, rounded up to the nearest whole share (the " Transaction PRSUs ").

  - The Transaction PRSUs will be subject to substantially the same terms and conditions applicable to the award of PRSUs granted to you on February 15, 2018, except that: (i) 50% of the Transaction PRSUs shall be eligible to vest upon the earlier of (x) the closing (the " Closing ") of the transactions (collectively, the " Transaction ") contemplated by the BCA and (y) the Expiration Date, and (ii) the remaining 50% of the Transaction PRSUs shall be eligible to vest on the Expiration Date. Vesting of the Transaction PRSUs shall be based on the Company's total shareholder return relative to the Company's peer group during the applicable performance period, subject to your continued employment through the applicable vesting date, and further subject to accelerated vesting upon certain terminations of your employment in accordance the Transaction PRSU award agreement (and any other applicable Company plan or arrangement in which you participate). In addition, for purposes of determining the level of attainment of the total shareholder return performance goals applicable to the Transaction PRSUs, the Company's and each peer company's share price shall equal (x) as of the grant date, the volume weighted average price of the Company's (or such peer company's) common stock over the 90 calendar-day period ending with (and including) April 27, 2018, (y) as of the Closing, the average closing price of the Company's (or such peer

company's) common stock over the 30 calendar days immediately following the Closing, and (z) as of the Expiration Date, the average closing price of the Company's (or such peer company's) common stock over the 30 calendar-day period ending on the Expiration Date.

- The Transaction PRSUs will be administered as exempt from Section 409A (as defined below) for purposes of the application of your Side Letter (defined below) and any relevant agreements or plans (for clarify, the PRSUs will vest upon your Separation under your Side Letter (as defined therein) and be paid to you upon vesting).

SIDE LETTER You and the Company acknowledge and agree that the Letter Regarding Eligibility for Certain Payments and Benefits by and between you and the Company, dated February 19, 2018 (the " Side Letter "), remains in effect in accordance with its terms.

CODE SECTIONS The payments and benefits described in this Term Sheet are intended to comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (" Section 409A "). See Attachment A , which is hereby incorporated into this Term Sheet, for additional details. In addition, you acknow ledge and agree that the payments and benefits described in this Term Sheet (in addition to any other payments and benefits payable to you by the Company or any affiliate thereof) may be subject to reduction as set forth on Attachment B , which is hereby incorporated into this Term Sheet.

SUCCESSORS This Term Sheet is personal to you and, without the prior written consent of the Company, shall not be assignable by you other than by will or the laws of descent and distribution. This Term Sheet shall inure to the benefit of and be binding upon the Company and its successors and assigns.

WITHHOLDING All compensation and other benefits to or on behalf of you pursuant to this Term Sheet shall be subject to such deductions and withholding as may be agreed to by you or required by applicable law, rule or regulation or Company policy.

DISPUTE RESOLUTION Except for any claims arising out of, or relating to, your restrictive covenant, confidentiality or similar agreement with the Company (the " Restrictive Covenant and Confidentiality Agreement ") (to which you remain bound) and, any other written and fully executed agreements to which you and the Company or an affiliate thereof are parties that expressly provide for a different dispute resolution mechanism, any controversy, claim or dispute arising out of or relating to this Term Sheet or your employment with the Company or termination thereof, either during the existence of the employment relationship or afterward, and including, but not limited to, any common law or statutory claims for wrongful discharge, discrimination or unpaid compensation, shall be resolved exclusively by arbitration in King County, Washington, conducted in accordance with the then prevailing commercial arbitration rules of the American Arbitration Association (the " AAA "), with one arbitrator designated in accordance with those rules. The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive and may be entered in any court having jurisdiction thereof as a basis of judgment and of the issuance of execution for its collection. All such controversies, claims or disputes

shall be settled in this manner in lieu of any action at law or equity; provided, however, that nothing in this paragraph shall be construed as precluding either party from bringing an action for injunctive relief or other equitable relief. In any such dispute, the prevailing party shall be entitled to its or his attorneys' fees and costs, in addition to any other relief that may be awarded. In accordance with the terms of the Restrictive Covenant and Confidentiality Agreement, the exclusive venue for claims arising out of, or related to, the Restrictive Covenant and Confidentiality Agreement shall be the state and Federal courts of King County, Washington.

ENTIRE AGREEMENT This Term Sheet, along with the Restrictive Covenant and Confidentiality Agreement, your Side Letter and your STI and LTI award agreements, embody the entire agreement and understanding between the parties with respect to the subject matters hereof (including but not limited to your compensation terms) and supersedes all prior oral and written agreements and understandings between the Company and you with respect to the subject matters hereof, and it can only be modified in a fully executed written agreement between you and a duly authorized Company officer. It may be executed by facsimile and in counterparts which, taken together, shall constitute one original. To the extent the provisions of this Term Sheet are inconsistent with the terms of any underlying compensation plan or program, including without limitation any annual performance bonus plan or the Plan, the terms of this Term Sheet shall control. Notwithstanding the foregoing or anything herein to the contrary, to the extent that the Plan or any short-term incentive or long-term-incentive award agreement provides for more favorable treatment to you of your STI award(s) and/or LTI award(s) than the terms of this Term Sheet, the terms of the Plan or award agreement (as applicable) shall control. For avoidance of doubt, this Term Sheet is not intended to deprive you of any right, entitlement or protection (e.g., indemnification and insurance), in any case, that is not inconsistent with this Term Sheet and that you may have under any other agreement, plan, or policy of the Company applicable to you that may provide more favorable treatment than this Term Sheet, nor is it intended to exclude you from being eligible to receive any employee benefits (provided that such benefits would not result in you receiving a duplication of benefits) that may in the future be broadly provided to similarly-situated employees. Similarly, for avoidance of doubt, this Term Sheet is not intended to relieve you of obligations to the Company or requirements of the Company set forth in any other written agreement, plan, or policy of the Company applicable to you (including, without limitation, the Company's Executive Incentive Compensation Recoupment Policy as adopted October 30, 2014, as amended from time to time), unless such obligations or requirements are expressly contrary to a commitment in this Term Sheet. This Term Sheet shall be exclusively governed by and interpreted under the laws of the State of Washington.

EFFECTIVENESS This Term Sheet shall become effective as of the Effective Date. If the BCA is not fully executed for any reason, this Term Sheet shall be null and void and of no force or effect.

Please indicate your acceptance of, and agreement to, the terms and conditions outlined above by signing and dating this Term Sheet below.

[*Signature page follows*]

Sincerely,

T-MOBILE US, INC.

By:_ /s/ Elizabeth McAuliffe
Elizabeth McAuliffe
EVP, Human Resources

AGREED and **ACCEPTED** as of the date below:

/s/ David Carey
David Carey Date

ATTACHMENT A

It is intended that the payments and benefits under this Term Sheet comply with the provisions of Section 409A and the Treasury regulations relating thereto, or satisfy the requirements for an exemption from Section 409A, in each case to the extent applicable to this Agreement and, accordingly, to the maximum extent permitted, this Term Sheet shall be interpreted and be administered in a manner to be in compliance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, you shall not be considered to have terminated employment with the Company for purposes of this Term

Sheet, and no payment otherwise due upon a termination of employment shall be due to you under this Term Sheet, until you would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A (a " Separation from Service "). Any payments described in this Term Sheet that qualify for the "short-term deferral" exception from Section 409A shall not be treated as deferred compensation as described in Treasury Regulation Section 1.409A-1(b)(4) and will be paid under such exception unless applicable law requires otherwise. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii) and the application of the short-term deferral exception), each payment under this Term Sheet will be treated as a separate payment. Notwithstanding anything to the contrary in this Term Sheet (whether under this Term Sheet or otherwise), to the extent delayed commencement of any portion of the payments to be made to you upon your Separation from Service is required to avoid a prohibited payment under Section 409A(a)(2)(B)(i) of the Code, such portion of the payments shall be delayed and paid on the first business day after the earlier of (i) the date that is six (6) months following such Separation from Service or (ii) your death. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts reimbursable to you under this Term Sheet shall be paid to you on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to you) during any one year may not affect amounts reimbursable or provided in any subsequent year and may not be liquidated or exchanged for any other benefit.

ATTACHMENT B

In the event any payment, benefit or distribution of any type to or for the benefit of you, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Term Sheet or otherwise to you under this Term Sheet or otherwise constitutes a "parachute payment" under Section 280G of the Internal Revenue Code of 1986, as amended (the " Code "), the amount payable to you shall be either (a) paid in full, or (b) paid after reduction by the smallest amount as would result in no portion thereof being subject to the excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax under Section 4999 of the Code, results in the receipt by you, on an after-tax basis, of the greater net value, notwithstanding that all or some portion of such payment amount may be taxable under Section 4999 of the Code. Unless the Company and you otherwise agree in writing, all determinations required to be made under this paragraph, including the manner and amount of any reduction in your payments hereunder, and the assumptions to be utilized in arriving at such determinations, shall be made in writing in good faith by the accounting firm serving as the Company's independent public accounting firm immediately prior to the event giving rise to such payment (the " Accounting Firm "); provided, however, that no such reduction or elimination shall apply to any non-qualified deferred compensation amounts (within the meaning of Section 409A of the Code) to the extent such reduction or elimination would accelerate or defer the timing of such payment in manner that does not comply with Section 409A of the Code. For purposes of making the calculations required by this paragraph, the Accounting Firm may make reasonable assumptions and approximations concerning the application of Sections 280G and 4999 of the Code. The Company and you shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably request to make a determination under this paragraph. The Accounting Firm shall provide its written report to the Committee and you, which shall include information regarding methodology. The Company shall bear all costs the Accounting Firm may reasonably incur in connection with any calculations contemplated by this paragraph. You and the Company shall cooperate in case of a potential Change in Control (as defined in the Plan) to consider alternatives to mitigate any Section 280G exposure, although the Company cannot guaranty any such alternatives will be available or approved by the Company and neither you nor the Company shall be obligated to enter into them.

EXHIBIT 10.3

T-Mobile US, Inc.
12920 SE 38 th Street
Bellevue, WA 98006-1350

April 28, 2018

David Carey
c/o T-Mobile US, Inc.
12920 SE 38 th Street
Bellevue, WA 98006-1350

Re: Severance Benefits

Dear David:

T-Mobile US, Inc. (the " ***Company*** ") is pleased to inform you that, in connection with the Company's entrance into that certain Business Combination Agreement with Sprint Corporation and certain other parties named therein, dated on or around the date hereof (the " ***Business Combination Agreement*** "), the Company has determined that you will be eligible for certain severance payments and benefits in connection with a Qualifying Termination (as defined below), upon and subject to the terms and conditions set forth in this letter agreement (this " ***Letter*** "). Capitalized terms used in this Letter will have the meanings set forth on Exhibit A attached hereto.

1. Severance Benefits . In the event that your employment is terminated by the Company other than for Cause or you resign for Good Reason, in either case, upon or within twelve (12) months following the Transaction Date (each, a " ***Qualifying Termination*** "), then, subject to your execution and non-revocation of a Release in accordance with Section 2 below and your compliance with the other terms, conditions and requirements specified herein (including Section 3 below), the Company shall pay or provide to you the following (the payments and benefits in clauses (a) through (g) below, collectively, the " ***Severance Benefits*** "):

(a) The Company shall pay you an amount equal to two (2) times the sum of (ii) your then-current annual base salary plus (ii) your then-current target annual short-term incentive award (" ***STI Award*** "), payable in a single lump-sum amount within seventy-four (74) days following the Termination Date.

(b) The Company shall pay you a pro-rated STI Award for the calendar year in which the Termination Date occurs, based on the number of days in such calendar year through and including the Termination Date divided by 365 (or 366, as applicable) and based on actual performance results for such calendar year as determined by the Company, payable no later than March 15 th of the calendar year following the calendar year in which the Termination Date occurs.

(c) The Company shall pay you any earned, unpaid STI Award for the calendar year ending immediately prior to the calendar year in which the Termination Date occurs, payable in a single lump-sum amount within seventy-four (74) days following the Termination Date.

(d) During the period commencing on the Termination Date and ending on the earlier of the end of the eighteenth (18th) full calendar month following the Termination Date or the date on which you become eligible for coverage under a subsequent employer's group medical and dental plans (in either case, the "***COBRA Period***"), subject to your valid election to continue healthcare coverage under COBRA, the Company will continue to provide to you and your dependents, at the Company's sole expense, coverage under its group medical and dental plans at the same levels in effect on the Termination Date; provided, however, that if (i) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), (ii) the Company is otherwise unable to continue to cover you or your dependents under its group health plans, or (iii) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, an amount equal to the dollar value of the balance of the Company's subsidy shall thereafter be paid to you in substantially equal, then-currently-taxable monthly installments over the COBRA Period (or remaining portion thereof). In the event the Company-subsidized portion of the coverage cost paid on you or your dependents' behalf during the COBRA Period, as described above, would cause you to be taxable on reimbursements under the applicable plans by reason of the application of Section 105(h) of the Code (and the Company is not paying such amounts to you in then-currently-taxable monthly installments as contemplated by the preceding sentence), such Company-subsidized portion of the coverage cost will to be imputed as taxable income to you.

(e) The Company shall, at its sole expense and on an as-incurred basis, provide you with outplacement counseling services directly related to your Qualifying Termination, for up to twelve (12) months following the Termination Date, the provider of which shall be selected by the Company.

(f) Each outstanding long-term incentive or other equity award covering shares of the Company's common stock (each, an "***LTI Award***") which is not subject to any performance vesting conditions as of the Termination Date shall vest in full (to the extent then-unvested) on the Release Effective Date (as defined below) (and shall remain outstanding and eligible to vest on the Release Effective Date).

(g) Each outstanding LTI Award (or portion thereof) which is subject to one or more performance vesting conditions as of the Termination Date shall become earned and vested as of the Release Effective Date (and shall remain outstanding and eligible to vest on the Release Effective Date) based on the actual level of actual performance determined as if the performance period in effect as of the Termination Date had ended as of the last trading day immediately preceding the Termination Date, with such vested and earned LTI Award payable no more than sixty (60) days following the applicable vesting date (unless subject to any deferral of earned and vested awards elected by you in accordance with the terms of the applicable LTI Award agreement(s), in which case such deferral shall dictate payment timing).

2. Release. As a condition to your receipt of the Severance Benefits described above, you must execute and deliver to the Company a release of all claims in a form determined solely by the Company (the "***Release***"), and such Release must become fully effective and irrevocable (including due to the expiration

of any revocation period) no later than seventy-four (74) days following the Termination Date (the date on which the Release becomes effective and irrevocable, the " ***Release Effective Date*** "). If the aggregate period during which you are entitled to consider and/or revoke the Release spans two calendar years, no payments under Section 1 above will be made prior to the beginning of the second such calendar year (and any payments otherwise payable prior thereto (if any) will instead be paid on the first regularly scheduled Company payroll date occurring in the latter such calendar year or, if later, on the first regularly scheduled Company payroll date following the Release Effective Date).

3. Restrictive Covenants . To protect the trade secrets and confidential information of the Company and its customers and clients that have been and will be entrusted to you, the business goodwill of the Company and its subsidiaries that has been and will be developed in and through you and the business opportunities that have been and will be disclosed or entrusted to you by the Company and its subsidiaries, and as an additional incentive for the Company to enter into this Letter, and without limiting any provision of your confidentiality, restrictive covenant or similar agreement with the Company (or an affiliate thereof) (your " ***Restrictive Covenant Agreement*** "), you hereby agree as follows:

(a) Non-Competition . During the term of your employment and for a period of (i) if you incur a Qualifying Termination upon or within twelve (12) months following the closing of the Transaction, eighteen (18) months immediately following your Qualifying Termination or (ii) if you incur a Qualifying Termination upon or within twelve (12) months following the date on which the Company publicly announces that the Transaction will not close (as determined by the Company in its discretion), twelve (12) months immediately following your Qualifying Termination (which is consistent with the Company's existing practices) (in either case, the " ***Restricted Period*** ") you shall not either directly or indirectly, with or without compensation: (A) engage in, provide, offer to provide, or assist anyone in providing, services to or for a business, entity or individual that is substantially the same as or similar to the Company's Business or that competes with the Company's Business, directly or indirectly, in the geographic areas where the Company conducts business; or (B) compete with the Company, its affiliates or its dealers within the geographic areas where such entities provide or are permitted to provide services.

(b) Non-Solicitation . During the Restricted Period, neither you nor any person or entity otherwise connected with you shall directly or indirectly solicit or aid others in soliciting, or otherwise assist Customers in obtaining service provided through any competitor of the Company in those markets being serviced by the Company, including but not limited to others providing the services of the type(s) described as the Business on Exhibit A attached hereto. During that portion of the Restricted Period following your Qualifying Termination, you shall not interfere with any established business relationship between the Company and any of its Customers, shall not call upon any Customer of the Company's Business for the purpose of soliciting, selling, providing or delivering services or products of the kind which are the subject of the Company's Business, and shall not render or provide any service to any Customer, including any person who was a Customer of the Company during the time that you were employed with the Company, that is the same as or similar to the service provided in the Company's Business. In addition, during the Restricted Period, neither you nor any person or entity otherwise connected with you shall act, directly or indirectly, as a

reseller or dealer of any such service in the geographic area where the Company provides or is permitted to provide service. You agree that while employed by the Company and during the Restricted Period, you shall not directly or indirectly induce or attempt to influence any employee of the Company to terminate his or her employment with the Company or to work for you or any other person or entity. You further agree to provide any potential future employer who provides any service described in the definition of "Business" with a copy of this Letter before you begin employment with any such person or entity.

(c) Reasonableness. You acknowledge that the restrictions contained in this Letter are reasonable in time, scope and geographic restraints, and do not unreasonably restrict your ability to obtain other employment. You further warrant that the restrictions do not impose an undue hardship on you, and do not deprive you of an ability to earn a living.

(d) Remedies. In the event of any breach or threatened breach of any of the provisions of Section 3(a) or (b) above, in addition to any other rights or remedies available to the Company, the Company shall have the right to seek monetary damages and equitable relief, including specific performance by means of temporary, preliminary or permanent injunctions against you or against your partners, agents, representatives, servants, employers, employees, family members and/or any and all persons acting directly or indirectly by or with you, to prevent or restrain such breach. With respect to any such equitable actions or proceedings, you agree that no adequate legal remedy exists, and hereby waive any defense that an adequate remedy at law exists and any requirement that the Company prove damages. You further waive any requirement that the Company furnish any bond or other security, and agree that to the extent a bond is nevertheless required by law, it shall be in the amount of $100.00. You agree that the Company's right to seek injunctive and other equitable relief shall be and are cumulative and not exclusive and shall be in addition to any other remedies that the Company may have.

4. Limitations. For clarity, if your employment terminates for any reason other than due to a Qualifying Termination (including, without limitation, (a) due to your death or disability, (b) due to a termination by the Company for Cause, (c) due to a resignation by you without Good Reason, (d) due to your retirement (as determined by the Company), or (e) due to a termination by the Company without Cause or a resignation by you for Good Reason, in either case, prior to or more than twelve (12) months following the Transaction Date), you shall not be entitled to receive any Severance Benefits under this Letter, and the Company shall not have any obligation to you hereunder.

5. No Duplication of Benefits. The Severance Benefits set forth in this Letter represent the sole and exclusive severance payments and benefits that you are eligible to receive upon a Qualifying Termination. If, upon a Qualifying Termination, you would otherwise become entitled to receive any severance payments or benefits (including any accelerated vesting) under any other plan, program, agreement or arrangement maintained by the Company or its affiliates in which you are eligible to participate or to which you are a party (including, without limitation, the Company's 2013 Omnibus Incentive Plan, any short-term incentive or long-term-incentive award agreement between you and the Company or any employment agreement or compensation term sheet between the Company and you) (each, a " ***Severance Program*** "), then by signing this Letter, you acknowledge and agree that, except as expressly contemplated

by Section 6 below, you will not be eligible to receive any severance payments or benefits under such Severance Program and instead will be entitled to receive only the Severance Benefits set forth herein.

6. No Deprivation of Benefits . Notwithstanding Section 5 above, to the extent that any Severance Program provides for more favorable treatment of your STI Award(s) and/or LTI Award(s) upon a termination of your employment by the Company without Cause or by you for Good Reason than the terms of this Letter and such treatment would (absent Section 5 above) apply to you upon your Qualifying Termination, the terms of the Severance Program shall control. For the avoidance of doubt, this Letter is not intended to deprive you of any right, entitlement or protection (*e.g.* , indemnification and insurance), in any case, that is not inconsistent with this Letter and that you may have under any other agreement, plan, or policy of the Company applicable to you that may provide more favorable treatment to you than this Letter, nor is it intended to and shall not exclude you from eligibility to receive any employee benefits, including any employee benefits that provide for more favorable treatment to you than this Letter (provided that such benefits would not result in you receiving a duplication of severance or any other benefits) that may in the future be broadly provided to similarly-situated executives.

7. Term . This Letter shall become effective on date on which the Business Combination Agreement is fully executed (or, if later, the first date on which it has been executed by both you and the Company). This Letter shall automatically terminate and be of no further force or effect on the earlier of (i) your Termination Date or (ii) 5:00 p.m. Pacific Time on the twelve (12)-month anniversary of the Transaction Date (the " Expiration Time ") or, if the Company becomes obligated to pay (in connection with such termination) or is paying or providing Severance Benefits hereunder at such time, on the last date on which such Severance Benefits are paid or provided to you in accordance with Section 1 above. Notwithstanding the foregoing, Sections 8-14 hereof and, only if you incur a Qualifying Termination prior to the Expiration Time, Sections 3-6 hereof, shall survive termination of this Letter and remain in effect in accordance with their respective terms.

8. Representations . By signing this Letter below, you hereby represent and warrant to the Company that (i) you have read and understand, and accept the terms and conditions set forth in, this Letter, and (ii) you have entered into and agreed to the terms and conditions of this Letter voluntarily.

9. No Tax Advice . The Company is not making any warranties or representations to you with respect to the income tax consequences associated with this Letter or the Severance Benefits payable thereunder and you are in no manner relying on the Company, its affiliates or any of their respective representatives for an assessment of such tax consequences. You are hereby advised to consult with your own tax advisor with respect to any tax consequences associated with the Severance Benefits.

10. Sections 409A and 280G . The payments and benefits described in this Letter are intended to comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (" ***Section 409A*** "). See Exhibit B , which is hereby incorporated into this Letter, for additional details. In addition, you acknowledge and agree that the payments and benefits described in this Letter (in addition to any other

payments and benefits payable to you by the Company or any affiliate thereof) may be subject to reduction as set forth on Exhibit C , which is hereby incorporated into this Letter.

11. Miscellaneous . This Letter, together with your Restrictive Covenant Agreement and any other agreements referenced herein, sets forth the final and entire agreement of the parties with respect to the subject matter hereof. This Letter may be amended only in a writing signed by you and an authorized officer of the Company. This Letter may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This Letter shall be governed by and construed in accordance with the laws of the State of Washington without giving effect to the principles of conflicts of laws, and applicable federal law. Nothing contained in this Letter shall confer upon you any right to continue in the employ or service of the Company or affect the right of the Company to terminate your employment or service at any time.

Please indicate your acknowledgment of, and agreement to, the terms and conditions set forth in this Letter by signing and dating this Letter in the space below and returning a signed copy to Liz McAuliffe.

[*Signature page follows*]

Sincerely,

T-Mobile US, Inc.

By: /S/ Elizabeth McAuliffe
Name: Elizabeth McAuliffe
Title: EVP, Human Resources

Acknowledged, Agreed and Accepted:

/s/ David Carey

Name: David Carey

Date: April 28, 2018

Exhibit A

Definitions

1.1 " ***Business*** " means the business of offering, providing and marketing to, and procuring, retail and wholesale customers for commercial mobile radio service (CMRS), including without limitation, cellular telephone service, personal communications service (PCS) and other wireless voice and data services, including, without limitation, (i) paging, messaging, radio, telephone, internet, voice over internet protocol (VOIP), Wi-Fi, Mobile Virtual Network Operator (MVNO), Telemetry (machine-to-machine) services, and ancillary services and applications, as they exist now and may be later developed, and (ii) the sale of all services, products, devices and other hardware used in connection with the services described above.

1.2 " ***Cause*** " means any one or more of the following: (i) your gross neglect or willful material breach of your principal employment responsibilities or duties, (ii) a final judicial adjudication that you are guilty of any felony (other than a law , rule or regulation relating to a traffic violation or other similar offense that has no material adverse effect on the Company or any of its affiliates) , (iii) your breach of any non-competition or confidentiality covenant between you and the Company or any affiliate of the Company, (iv) fraudulent conduct as determined by a court of competent jurisdiction in the course of your employment with the Company or any of its affiliates , (v) the material breach by you of any other obligation which continues uncured for a period of thirty (30) days after notice thereof by the Company or any of its affiliates and which is demonstrably injurious to the Company or affiliate.

1.1 " ***COBRA*** " means the Consolidated Omnibus Budget Reconciliation Act of 1985.

1.2 " ***Code*** " means the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

1.3 " ***Customers*** " shall mean all customers and subscribers for whom the Company, you, or the Company's other employees, agents or independent contractors perform services or make sales in the course of business (during, before and after your employment with the Company).

1.4 " ***Good Reason*** " means the occurrence of any of the following conditions about which you notify the Company within not more than ninety (90) days after initial existence and which the Company does not cure within thirty (30) days of such notice: (i) a material diminution in your duties, authority or responsibilities; (ii) a material reduction in your annual base salary, target short-term incentive award opportunity, or target long-term incentive opportunity, except for across-the-board salary reductions based on the Company's and subsidiaries' financial performance similarly affecting all or substantially all management employees of the Company and its subsidiaries; (iii) the relocation of the office at which you were principally employed as of the Transaction Date to a location more than fifty (50) miles from the location of such office, or you being required to be based anywhere other than such office, except to the extent you were not previously assigned to a principal location and except for required travel on business to an extent substantially consistent with your business travel obligations as of the Transaction Date; or (iv) such other event, if any, as is set forth as "good reason" or "constructive termination" in your individual employment agreement or compensation term sheet (as applicable) with the Company.

1.5 " ***Termination Date*** " means the effective date of your termination of employment with the Company.

1.6 " ***Transaction*** " means, collectively, the transactions contemplated by the Business Combination Agreement.

1.7 " ***Transaction Date*** " means the first to occur of (i) the date on which the Transaction closes or (ii) the date on which the Company publicly announces that the Transaction will not close (as determined by the Company in its discretion).

Exhibit B

Section 409A

It is intended that the payments and benefits under this Letter comply with the provisions of Section 409A and the Treasury regulations relating thereto, or satisfy the requirements for an exemption from Section 409A, in each case to the extent applicable to this Letter and, accordingly, to the maximum extent permitted, this Letter shall be interpreted and be administered in a manner to be in compliance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, you shall not be considered to have terminated employment with the Company for purposes of this Letter, and no payment otherwise due upon a termination of employment shall be due to you under this Letter, until you would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A (a " ***Separation from Service*** "). Any payments described in this Letter that qualify for the "short-term deferral" exception from Section 409A shall not be treated as deferred compensation as described in Treasury Regulation Section 1.409A-1(b)(4) and will be paid under such exception unless applicable law requires otherwise. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii) and the application of the short-term deferral exception), each payment under this Letter will be treated as a separate payment. Notwithstanding anything to the contrary in this Letter (whether under this Letter or otherwise), to the extent delayed commencement of any portion of the payments to be made to you upon your Separation from Service is required to avoid a prohibited payment under Section 409A(a)(2)(B)(i) of the Code, such portion of the payments shall be delayed and paid on the first business day after the earlier of (i) the date that is six (6) months following such Separation from Service or (ii) your death. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts reimbursable to you under this Letter shall be paid to you on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to you) during any one year may not affect amounts reimbursable or provided in any subsequent year and may not be liquidated or exchanged for any other benefit.

Exhibit C

Section 280G

In the event any payment, benefit or distribution of any type to or for the benefit of you, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Letter or otherwise to you under this Letter or otherwise constitutes a "parachute payment" under Section 280G of the Code, the amount payable to you shall be either (a) paid in full, or (b) paid after reduction by the smallest amount as would result in no portion thereof being subject to the excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax under Section 4999 of the Code, results in the receipt by you, on an after-tax basis, of the greater net value, notwithstanding that all or some portion of such payment amount may be taxable under Section 4999 of the Code. Unless the Company and you otherwise agree in writing, all determinations required to be made under this paragraph, including the manner and amount of any reduction in your payments hereunder, and the assumptions to be utilized in arriving at such determinations, shall be made in writing in good faith by the accounting firm serving as the Company's independent public accounting firm immediately prior to the event giving rise to such payment (the " ***Accounting Firm*** "); provided, however, that no such reduction or elimination shall apply to any non-qualified deferred compensation amounts (within the meaning of Section 409A of the Code) to the extent such reduction or elimination would accelerate or defer the timing of such payment in manner that does not comply with Section 409A of the Code. For purposes of making the calculations required by this paragraph, the Accounting Firm may make reasonable assumptions and approximations concerning the application of Sections 280G and 4999 of the Code. The Company and you shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably request to make a determination under this paragraph. The Accounting Firm shall provide its written report to the Committee and you, which shall include information regarding methodology. The Company shall bear all costs the Accounting Firm may reasonably incur in connection with any calculations contemplated by this paragraph. You and the Company shall cooperate in case of a potential Change in Control (as defined in the Company's 2013 Omnibus Incentive Plan) to consider alternatives to mitigate any Section 280G exposure, although the Company cannot guaranty any such alternatives will be available or approved by the Company and neither you nor the Company shall be obligated to enter into them.

EXHIBIT 10.4

DIRECTOR COMPENSATION PROGRAM

T-Mobile US, Inc.

Effective as of May 1, 2013 [1]

The terms of the Director Compensation Program (the " ***Program*** ") for Non-Employee Directors of T-Mobile US, Inc. (the " ***Company*** ") are set forth herein.

For purposes of the Program, a " ***Non-Employee Director*** " is any director of the Company who is not (i) an employee of the Company or any of its subsidiaries or (ii) an officer or employee of Deutsche Telekom AG or any of its subsidiaries.

1. Eligibility

Each Non-Employee Director of the Company elected or appointed to the Company's Board of Directors (the " ***Board*** ") shall be eligible to receive the compensation set forth in the Program.

2. Non-Employee Director Compensation

Subject to the terms and conditions set forth herein and in the Plan, Non-Employee Directors shall receive the following compensation:

a. Cash Compensation

Non-Employee Directors shall receive the following cash compensation, as applicable, to be paid in cash in equal quarterly installments after the end of the quarter in which earned:

Annual Retainer for Board Service	$133,333
Additional Retainer for Lead Independent Director	$45,000
Audit Committee Chair	$60,000
Compensation Committee Chair	$25,000
Nominating and Corporate Governance Committee Chair	$15,000
Additional Retainer for Audit Committee Members (including AC Chair)	$15,000

Any person who becomes a Non-Employee Director and/or committee chair at any time of the year other than the date of the Annual Meeting of Stockholders shall receive a pro rata portion of cash compensation set forth above, as applicable, based on the number of days remaining in the one-year period following the date of the previous Annual Meeting of Stockholders.

If any Non-Employee Director attends more than 10 Board meetings or more than 10 committee meetings during a calendar year, such Director will receive additional compensation of (i) $2,000 per meeting for any excess in-person Board or committee meeting or (ii) $1,000 per meeting for any excess telephonic Board or committee meetings.

[1] Amended June 4, 2014 and further amended on June 1, 2015, June 16, 2016, June 13, 2017, and June 13, 2019.

b. Reimbursement of Expenses

The Company shall pay on behalf of, or reimburse, Non-Employee Directors for all reasonable costs and expenses incurred in attending meetings of the Board, Board committees, and the Company's stockholders and in fulfilling their other responsibilities as directors of the Company. In addition, the Company shall pay on behalf of, or reimburse, Non-Employee Directors for all reasonable costs and expenses, including an appropriate tax gross up, for spousal or partner travel to one Board meeting per year (or as requested by the Company).

c. Restricted Stock Unit Grants

Immediately after each Annual Meeting of Stockholders beginning with the 2013 Annual Meeting of Stockholders, each Non-Employee Director shall automatically be granted restricted stock units of the Company (" ***RSUs*** ") with a value of $216,667 (based on the closing price of the Company's common stock on the NASDAQ Global Select Market of The NASDAQ Stock Market LLC on the grant date), with any fractional share rounded to the nearest whole share; provided, that any person who becomes a Non-Employee Director at any time of the year other than the date of the Annual Meeting of Stockholders shall automatically be granted RSUs equal to the pro rata portion of $216,667 based on the number of days remaining in the one-year period following the date of the most recent previous Annual Meeting of Stockholders, such grant to be effective on the date he or she becomes a Non-Employee Director and based on the closing price of the Company's common stock on the NASDAQ Global Select Market of The NASDAQ Stock Market LLC on the grant date, with any fractional share rounded to the nearest whole share.

The RSUs shall be fully vested as of the one-year anniversary of the date on which the RSUs were granted, contingent upon the Non-Employee Director's continuous service on the Board during such period; provided, however, that for a person who becomes a Non-Employee Director at any time other than the date of the Annual Meeting of Stockholders, the vesting date shall be the one-year anniversary of the grant date for awards made in connection with the most recent previous Annual Meeting of Stockholders. In the event of a Non-Employee Director's resignation or removal prior to the vesting of the RSUs, such RSUs shall automatically be forfeited to the Company; provided, however, that if a Non-Employee Director serves through the date of an Annual Meeting of Stockholders but does not stand for re-election at that meeting, any RSU award made for the prior year that has not yet vested as of such meeting shall continue to vest per schedule. In the event of a Non-Employee Director's death, the RSUs shall immediately vest.

Upon a Change in Control of the Company (as defined in the Company's Omnibus Incentive Plan), the RSUs shall immediately vest upon the date of such Change in Control.

RSUs shall be granted pursuant to the Company's Omnibus Incentive Plan (the " ***Plan*** ") and shall be subject to the terms and conditions of the Plan and the applicable restricted stock unit agreement in effect on the grant date. Capitalized terms used but not defined herein shall have the meanings given to them in the Plan. The above terms supplement, and do not alter or change, the provisions of the Plan. In the event of any inconsistency between the terms contained herein and in the Plan, the Plan shall govern.

3. Amendment

The Board may amend the provisions of the Program in such respects as it deems advisable. Any such amendment shall not, without the consent of the Non-Employee Director, impair or diminish any rights of the Non-Employee Director under the Program.

EXHIBIT 10.5

Supplemental Agreement
to the License Agreement

between

Deutsche Telekom AG , Friedrich-Ebert-Allee 140, 53113 Bonn, Germany

– hereinafter referred to as " **DT** " –

and

T-Mobile US, Inc., 12920 SE 38 th Street, Bellevue, WA 98006, United States

– hereinafter referred to as the " **Licensee** " –

– DT and the Licensee hereinafter are collectively referred to as " **Parties** " or individually as " **Party** " –

Preamble

(1) Whereas, the Parties entered into a License Agreement which became effective on 30 April 2013 (the " **License Agreement** ") and in which DT granted the Licensee the right to use certain trademarks, domain names and its company name in the United States, Puerto Rico and certain territories and protectorates of the United States.

(2) Whereas, § 7.4 of the License Agreement provides that the Parties shall enter into a process to determine a New License Fee (as defined in the License Agreement) that is effective from January 1, 2019.

(3) Whereas, Licensee, DT, Sprint Corporation (" **Sprint** ") and certain other parties have entered into a Business Combination Agreement dated April 29, 2018 (the " **Business Combination Agreement** "), pursuant to which Licensee, Sprint and the other parties to the Business Combination Agreement have agreed that Licensee and Sprint shall combine in one or more transactions. The Business Combination Agreement contains specific provisions for the determination of the New License Fee in the event that the transactions (the "Merger Transactions") contemplated therein are consummated.

(4) Whereas, prior to obtaining clarity on whether the Merger Transactions will close giving effect to the provisions in the Business Combination Agreement regarding the New License Fee the Parties wish to defer the process contained in the License Agreement for determining the New License Fee.

NOW, THEREFORE, the Parties agree as follows:

1. **General Rules**

1.1 Any capitalized terms in this Supplemental Agreement shall have the same meaning as defined in the License Agreement, unless this Supplemental Agreement explicitly provides a different definition.

1.2 **"Triggering Date"** shall mean the date on which the Business Combination Agreement is terminated, such that the parties agree it shall not successfully close. For the avoidance of doubt, none of the provisions of this Supplemental Agreement to the License Agreement shall become effective if and when the transactions contemplated by the BCA close successfully.

1.3 **"New License Fee Determination Date"** shall mean the earlier of: (i) the date on which the Parties agree on the New License Fee, or (ii) both Parties have received in writing or by e-mail the determination of the accounting firm jointly appointed by the Parties, or (iii) the arbitral award determining the New License Fee is received by both Parties, pursuant to the terms of the License Agreement.

1.4 Sections 15 (Jurisdiction and Venue, Choice of Law) and 16 (Miscellaneous) of the License Agreement shall apply accordingly to this Supplemental Agreement.

1.5 The deferral of the calculation of a New License Fee pursuant to the License Agreement and all arrangements set out herein shall be without prejudice to the understanding of each party regarding the appropriate level of a New License Fee and nothing contained herein shall suggest that the current License Fee is an appropriate New License Fee. No party shall be deemed to waive any rights it may have by continuing the current practice regarding the calculation of the License Fee pursuant to the License Agreement.

2. **Schedule of the Process for Determining the New License Fee**

2.1 The Parties agree that the dates and deadlines for the determination of the New License Fee as provided in § 7.4, second paragraph of the License Agreement shall be adjusted as follows:

(a) The deadline of March 31, 2018 shall be replaced by the date that is 60 days after the Triggering Date.

(b) The deadline of July 31, 2018 shall be replaced by the date that is 180 days after the Triggering Date.

2.2 The New License Fee determined in accordance with the procedure provided in § 7.4 of the License Agreement and the deadlines provided in section 2.1 herein shall be effective retroactively as of January 1, 2019. For this process the following rules shall apply:

(a) Until the New License Fee Determination Date the Licensee shall continue to pay on a preliminary basis the License Fee currently agreed in the License Agreement.

(b) In the event the New License Fee is determined to be higher than the previously agreed License Fee, the Licensee shall pay the difference between the License Fee and New License Fee for all calendar quarters since January 1, 2019, including the calendar quarter in which the New License Fee Determination Date takes place. The difference shall be due 6 weeks after the calendar quarter in which the New License Fee Determination Date takes place.

(c) In the event the New License Fee is determined to be lower than the previously agreed License Fee, DT shall pay back the difference between the License Fee and New License Fee for all calendar quarters since January 1, 2019, including the calendar quarter in which the New License Fee Determination Date takes place. The repayment by DT shall be due 6 weeks after the calendar quarter in which the New License Fee Determination Date takes place.

3. **Effective Date, Termination**

3.1 This Supplemental Agreement shall become effective on the date it is signed by both Parties.

June 3, 2019 /s/ Axel Lützner
Date and Place Deutsche Telekom AG

Signed by: Dr. Axel Lützner
Vice President
Anorganic Changes of Structure
Deutsche Telekom AG

June 3, 2019 /s/ Winfried Wegmann
Date and Place Deutsche Telekom AG

Signed by: Dr. Winfried Wegmann
Vice President
Legal Service 2
Deutsche Telekom AG

May 21, 2019 Bellevue, WA /s/ J. Braxton Carter
Date and Place T-Mobile USA, Inc.

Signed by: J. Braxton Carter
Chief Financial Officer

EXHIBIT 31.1

Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John J. Legere, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of T-Mobile US, Inc.;

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 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 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.

July 26, 2019

/s/ John J. Legere

John J. Legere
Chief Executive Officer

EXHIBIT 31.2

Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, J. Braxton Carter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of T-Mobile US, Inc.;

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 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 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.

July 26, 2019

/s/ J. Braxton Carter

J. Braxton Carter
Executive Vice President and Chief Financial Officer

EXHIBIT 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

In connection with the Quarterly Report of T-Mobile US, Inc. (the "Company"), on Form 10-Q for the quarter ended June 30, 2019 , as filed with the Securities and Exchange Commission (the "Report"), John J. Legere, Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

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.

July 26, 2019

/s/ John J. Legere

John J. Legere
Chief Executive Officer

EXHIBIT 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

In connection with the Quarterly Report of T-Mobile US, Inc. (the "Company"), on Form 10-Q for the quarter ended June 30, 2019 , as filed with the Securities and Exchange Commission (the "Report"), J. Braxton Carter, Executive Vice President and Chief Financial Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

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.

July 26, 2019

/s/ J. Braxton Carter

J. Braxton Carter
Executive Vice President and Chief Financial Officer