T-MOBILE WEST LLC
Form 424B5
September 03, 2014
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Filed pursuant to Rule 424(b)(5)
Registration No. 333-192178

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are part of an effective registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated September 3, 2014

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated November 7, 2013)

$

T-Mobile USA, Inc.

$ % Senior Notes due 2023

$ % Senior Notes due 2025

T-Mobile USA, Inc. (the Issuer) is offering $ aggregate principal amount of its % Senior Notes due 2023 (the 2023 notes) and $ aggregate principal amount of its % Senior Notes due 2025 (the 2025 notes, and together with the 2023 notes, the notes, and each a series of notes). The Issuer intends to use the net proceeds from this offering for general corporate purposes, which may include capital investments, acquisition of additional spectrum and repayment of certain indebtedness. See Use of Proceeds.

The 2023 notes will bear interest at a rate of % per year and mature on March , 2023. The 2025 notes will bear interest at a rate of % per year and mature on March , 2025. The Issuer will pay interest on each series of notes on each March and September , commencing March , 2015.

The notes of each series will be redeemable, in whole or in part, at any time on or after September , 2018 (in the case of the 2023 notes) or September , 2019 (in the case of the 2025 notes) and at the redemption prices specified under Description of Notes Optional Redemption plus accrued and unpaid interest to, but not including, the redemption date. The Issuer may redeem up to 35% of the aggregate principal amount of each series of notes prior to September , 2017 with the net cash proceeds from certain equity offerings. The Issuer also may redeem each series of notes prior to the dates specified under Description of Notes Optional Redemption at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date.

If the Issuer experiences certain change of control triggering events, the Issuer will be required to offer to repurchase each series of notes at a repurchase price equal to 101% of the principal amount, plus accrued and unpaid interest to, but not including, the repurchase date. See Description of Notes Repurchase at the Option of Holders Change of Control Triggering Event.

The Issuer s obligations under the notes will initially be guaranteed by the Issuer s corporate parent, T-Mobile US, Inc. (Parent), and all of the Issuer s wholly-owned domestic restricted subsidiaries (excluding certain designated special purpose entities, a certain reinsurance subsidiary and immaterial subsidiaries), all of the Issuer s restricted subsidiaries that guarantee certain of its indebtedness, and any future subsidiary of Parent that directly or indirectly owns any of the Issuer s equity interests.

The notes and the guarantees will be the Issuer s and the guarantors unsubordinated unsecured obligations and will rank equally in right of payment with all of the Issuer s and the guarantors existing and future indebtedness and other liabilities that are not by their terms subordinated in right of payment to the notes and guarantees, including the Issuer s existing senior notes, and will rank senior in right of payment to any future indebtedness of the Issuer or any guarantor that provides by its terms that it is subordinated in right of payment to the notes and the guarantees. The notes and the guarantees will be effectively subordinated to all of the Issuer s and the guarantors existing and future secured indebtedness, to the extent of the assets securing such indebtedness, and will be structurally subordinated to all of the liabilities and preferred stock of any of the Issuer s subsidiaries that do not guarantee the notes.

Investing in the notes involves risks. See **Risk Factors beginning on page S-12 of this prospectus supplement.** **You should also consider the risk factors described in the documents incorporated by reference into the accompanying prospectus.**

	Per 2023 note	Per 2025 note
Public Offering Price	%	%
Total	$	$
Proceeds to T-Mobile USA, Inc.(1)	$	$

(1) Before expenses.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system. Currently, there is no public market for the notes.

The underwriters are offering the notes as set forth under Underwriting. Delivery of the notes is expected to be made in New York, New York on or about September , 2014 through the facilities of The Depository Trust Company. This represents T+2 settlement. Please see page S-86 of this prospectus supplement for more information.

Joint Book-Running Managers

Deutsche Bank Securities

Citigroup

Credit Suisse

J.P. Morgan

Co-Managers

Barclays **Goldman, Sachs & Co.** **RBS**

The date of this prospectus supplement is September , 2014.

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Prospectus supplement

Prospectus

Neither we nor the underwriters have authorized any other person to provide you with information different from that contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus or in any free writing prospectus that we may provide to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give. We are offering to sell and are seeking offers to buy the notes only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus is accurate only as of the date such information is presented regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of the notes. Our business, financial condition, results of operations and prospects may have changed since such date.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of the notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in the accompanying prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement; provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the accompanying prospectus or this prospectus supplement the statement in the document having the later date modifies or supersedes the earlier statement.

As permitted by the rules and regulations of the Securities and Exchange Commission (the SEC), the registration statement of which the accompanying prospectus forms a part includes additional information not contained in this prospectus supplement. You may read the registration statement and the other reports we file with the SEC at the SEC s website or at the SEC s offices described below under the heading Where You Can Find More Information.

You should read this prospectus supplement along with the accompanying prospectus and the documents incorporated by reference carefully before you decide whether to invest. These documents contain important information you should consider when making your investment decision. This prospectus supplement contains information about the securities offered in this offering and may add, update or change information in the accompanying prospectus.

In this prospectus supplement, unless stated otherwise or the context indicates otherwise, references to T-Mobile, the Company, our Company, we, our, ours and us refer to T-Mobile US, Inc. together with its direct and indirect restricted subsidiaries, including T-Mobile USA, Inc. References to the Issuer and T-Mobile USA refer to T-Mobile USA, Inc. only. The Issuer s corporate parent is T-Mobile US, Inc., which we refer to in this prospectus supplement as T-Mobile US or Parent. T-Mobile US, Inc. has no operations separate from its investment in the Issuer. Accordingly, unless otherwise noted, all of the business and financial information in this prospectus supplement, including the factors identified under Risk Factors beginning on page S-12 is presented on a consolidated basis for T-Mobile.

Market data and other statistical information used in this prospectus supplement or the accompanying prospectus or incorporated by reference into this prospectus supplement are based on independent industry publications, government publications, reports by market research firms and other published independent sources. Some data is also based on our good faith estimates, which we derive from our review of internal surveys and independent sources. Although we believe these sources are reliable, we have not independently verified the information. We neither guarantee its accuracy nor undertake a duty to provide or update such data in the future.

This prospectus supplement, the accompanying prospectus or the documents incorporated by reference into this prospectus supplement or the accompanying prospectus may include trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included or incorporated by reference in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference into this prospectus supplement or the accompanying prospectus are the property of their respective owners.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus supplement, the accompanying prospectus, any related free writing prospectus, the documents incorporated by reference and our other public statements include 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 possible or assumed future results of operations, are forward-looking statements. These forward-looking statements are generally identified by the words anticipates, believes, estimates, expects, or similar expressions.

Forward-looking statements are based on current expectations and assumptions which are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. The following important factors, among others, along with the factors identified under Risk Factors and the risk factors incorporated by reference herein, could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- adverse conditions in the U.S. and international economies or disruptions to the credit and financial markets;
- competition in the wireless services market;
- the ability to complete and realize expected synergies and other benefits of acquisitions;
- the inability to implement our business strategies or ability to fund our wireless operations, including payment for additional spectrum, network upgrades, and technological advancements;
- the ability to renew our spectrum licenses on attractive terms or acquire new spectrum licenses;
- the ability to manage growth in wireless data services including network quality and acquisition of adequate spectrum licenses at reasonable costs and terms;
- material changes in available technology;
- the timing, scope and financial impact of our deployment of 4G Long-Term Evolution (LTE) technology;
- the impact on our networks and business from major technology equipment failures;
- breaches of network or information technology security, natural disasters or terrorist attacks or existing or future litigation and any resulting financial impact not covered by insurance;

- any changes in the regulatory environments in which we operate, including any increase in restrictions on the ability to operate our networks;

- any disruption of our key suppliers provisioning of products or services;

- material adverse changes in labor matters, including labor negotiations or additional organizing activity, and any resulting financial and/or operational impact;

- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; and

- changes in tax laws, regulations and existing standards and the resolution of disputes with any taxing jurisdictions.

Additional information concerning these and other risk factors is contained in the section titled Risk Factors in this prospectus supplement.

Forward-looking statements in this prospectus supplement, the accompanying prospectus, any related free writing prospectus or the documents incorporated by reference speak only as of the date of this prospectus

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supplement or the applicable document referred to or incorporated by reference (or such earlier date as may be specified in the applicable document), as applicable, are based on assumptions and expectations as of such dates, and involve risks, uncertainties and assumptions, many of which are beyond our ability to control or predict, including the factors above. You should not place undue reliance on these forward-looking statements. We do not intend to, and do not undertake an obligation to, update these forward-looking statements in the future to reflect future events or circumstances, except as required by applicable securities laws and regulations. For more information, see the section entitled Where You Can Find More Information. The results presented for any period may not be reflective of results for any subsequent period.

You should carefully read and consider the cautionary statements contained or referred to in this section in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf, and all future written and oral forward-looking statements attributable to us are expressly qualified in their entirety by the foregoing cautionary statements.

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SUMMARY

The following summary highlights selected information about us contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information you should consider before deciding whether to invest in the notes. You should review this entire prospectus supplement and the accompanying prospectus carefully, including the risks of investing in the notes described under the heading Risk Factors beginning on page S-12 in this prospectus supplement, as well as our consolidated financial statements and notes thereto and other information incorporated by reference in this prospectus supplement and the accompanying prospectus.

Our Company

T-Mobile is a national provider of mobile communications services with a network covering more than 280 million people throughout the United States. Our objective is to be the simple choice for a better mobile life across all of our brands, including T-Mobile, MetroPCS, and GoSmart. Our intent is to bring this proposition to life across our customer base of retail, wholesale and business (B2B) customers through our owned and operated retail stores, third party distributors, as well as through our websites (www.T-Mobile.com and www.MetroPCS.com). The information on our websites is not part of this prospectus supplement.

We generate revenue by offering affordable postpaid and prepaid wireless voice, messaging and data services, and wholesale wireless services. As of June 30, 2014, we provided service to approximately 50.5 million customers through our nationwide network. We also generate revenues by offering a wide selection of wireless handsets and accessories, including smartphones, wireless-enabled computers such as notebooks and tablets, and data cards, which are manufactured by various suppliers. Our most significant expenses are related to expanding and providing network services, acquiring and retaining customers, and compensating employees.

Recent Developments

On September 3, 2014, we entered into an amendment to the Working Capital Facility (as defined under Description of Other Indebtedness and Certain Lease Obligations Working Capital Facility) that changed the maximum Debt to Cash Flow Ratio permitted by certain financial and indebtedness covenants, compliance with which is a condition to borrowing under the Working Capital Facility. The amendment sets the maximum Debt to Cash Flow Ratio applicable to these covenants at 5.00 to 1.00 (for fiscal periods ending on or prior to December 31, 2014), 4.50 to 1.00 (for fiscal periods ending after December 31, 2014 and on or prior to June 30, 2015) and 4.00 to 1.00 (for fiscal periods ending after June 30, 2015).

Corporate Information

Our corporate headquarters and principal executive offices are located at 12920 SE 38th Street, Bellevue, Washington 98006. Our telephone number is (425) 378-4000. We maintain a website at www.T-Mobile.com where our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports are available without charge, as soon as reasonably practicable following the time they are filed with or furnished to the SEC. The information on or accessible through our website is not incorporated into or part of this prospectus supplement.

This prospectus supplement and the accompanying prospectus may include trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included in this prospectus supplement and the accompanying prospectus are the property of their respective owners.

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Ownership and Corporate Structure

The diagram below illustrates our current ownership and corporate structure:

(1) Intermediate holding companies not shown.

(2) See Description of Other Indebtedness and Certain Lease Obligations Our Existing Senior Notes.

(3) Certain subsidiaries of the Issuer will not guarantee the notes. See Description of Notes Brief Description of the Notes and the Note Guarantees The Note Guarantees. As of June 30, 2014, the Issuer s subsidiaries that will not guarantee the notes had approximately $1.3 billion of total assets (excluding receivables due from the Issuer and its guarantor subsidiaries) and $2.5 billion in indebtedness, other liabilities and preferred stock.

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THE OFFERING

Issuer	T-Mobile USA, Inc.
Securities	$ aggregate principal amount of % Senior Notes due 2023 and $ aggregate principal amount of % Senior Notes due 2025.
Maturity	The 2023 notes will mature on March , 2023 and the 2025 notes will mature on March , 2025.
Interest Payment Dates	March and September of each year, beginning on March , 2015.
Optional Redemption	The Issuer may, at its option, redeem some or all of the notes at any time on or after September , 2018 (in the case of the 2023 notes) or September , 2019 (in the case of the 2025 notes) at the fixed redemption prices described in the section Description of Notes Optional Redemption, plus accrued and unpaid interest, if any, to, but not including, the redemption date.
	Prior to September , 2018 (in the case of the 2023 notes) or September , 2019 (in the case of the 2025 notes), the Issuer may, at its option, redeem some or all of the notes of the applicable series at a make-whole price, plus accrued and unpaid interest, to, but not including, the redemption date.
	In addition, prior to September , 2017, the Issuer may, at its option, redeem up to 35% of the aggregate principal amount of the notes of the applicable series with the net cash proceeds of certain sales of equity securities or certain contributions to its equity at the redemption prices described in the section Description of Notes Optional Redemption, plus accrued and unpaid interest, if any, to, but not including, the redemption date.
Ranking	The notes will be the Issuer s general unsecured, unsubordinated obligations. Accordingly, they will rank:

- senior in right of payment to any future subordinated indebtedness of the Issuer to the extent that such indebtedness provides by its terms that it is subordinated to the notes;

- equally in right of payment with any of the Issuer s existing and future indebtedness and other liabilities that are not by their terms subordinated in right of payment to the notes, including, without limitation, $19.2 billion aggregate principal amount of outstanding 5.250% Senior Notes due 2018, 7.875% Senior Notes due 2018, 6.464% Senior Notes due 2019, 5.578% Senior Notes due 2019 (which have an interest rate reset date in April 2015), 6.625% Senior Notes due 2020, 6.542% Senior Notes due 2020, 5.656% Senior Notes due 2020 (which have an interest

rate reset date in April 2015), 6.250% Senior Notes due 2021, 6.633% Senior Notes due 2021, 5.747% Senior Notes due 2021 (which have an interest rate reset date in October 2015), 6.125% Senior Notes Due 2022, 6.731% Senior Notes due 2022, 5.845% Senior Notes due 2022 (which have an interest rate reset date in October 2015), 6.625% Senior Notes due 2023, 6.836% Senior Notes due 2023, 5.950% Senior Notes due 2023 (which have an interest rate reset date in April 2016) and 6.500% Senior Notes due 2024 (collectively, the Existing Senior Notes);

effectively subordinated to the Issuer s existing and future secured indebtedness, to the extent of the value of the Issuer s assets constituting collateral securing that indebtedness; and

structurally subordinated to any existing and future indebtedness and other liabilities and preferred stock of the Issuer s non-guarantor subsidiaries.

Assuming that on June 30, 2014, we had completed the offering of the notes, we would have had approximately $ billion of senior indebtedness outstanding, approximately $0.4 billion of which would have been secured (and including approximately $2.5 billion in long term financial obligation relating to the Tower Transaction (as defined under Description of Other Indebtedness and Certain Lease Obligations Tower Transaction)). The notes would be effectively subordinated to this secured debt to the extent of the value of the assets constituting collateral securing this secured debt.

Note Guarantees

The notes will be guaranteed by Parent, the Issuer s wholly-owned domestic restricted subsidiaries (other than certain designated special purpose entities, a certain reinsurance subsidiary and immaterial subsidiaries), all of the Issuer s restricted subsidiaries that guarantee certain of its indebtedness, and any future subsidiary of Parent that directly or indirectly owns any equity interests of the Issuer. See Description of Notes Brief Description of the Notes and the Note Guarantees The Note Guarantees. Each guarantee of the notes will be an unsecured, unsubordinated obligation of that guarantor and will rank:

senior in right of payment to any future subordinated indebtedness of that guarantor to the extent that such indebtedness provides by its terms that it is subordinated in right of payment to such guarantor s guarantee of the notes;

equally in right of payment with any existing and future indebtedness and other liabilities of that guarantor that are not by their terms subordinated to the notes, including, without limitation, any guarantees of our Existing Senior Notes;

effectively subordinated to that guarantor s existing and future secured indebtedness, to the extent of the value of the assets of such guarantor constituting collateral securing that indebtedness; and structurally subordinated to all of the liabilities and preferred stock of any subsidiaries of such guarantor that do not guarantee the notes.

As of June 30, 2014, the Issuer s subsidiaries that will not guarantee the notes had approximately $1.3 billion of total assets (excluding receivables due from the Issuer and its guarantor subsidiaries) and $2.5 billion in indebtedness, other liabilities and preferred stock.

Certain Covenants

The indenture governing the notes contains covenants that, among other things, limit the ability of the Issuer and its restricted 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 agreements that restrict dividends or distributions from subsidiaries; and
- merge, consolidate or sell, or otherwise dispose of, substantially all of their assets.

These covenants are subject to a number of important limitations and exceptions that are described later in this prospectus supplement under the caption Description of Notes Certain Covenants. If the notes are assigned an investment grade rating by at least two of Standard & Poor s Rating Services (Standard & Poor s), Moody s Investors Service, Inc. (Moody s) and Fitch Ratings, Inc. (Fitch) and no default has occurred or is continuing, certain covenants will cease to apply and will not be later reinstated even if the rating of the notes should subsequently decline. See Description of Notes Certain Covenants Changes in Covenants When Notes Rated Investment Grade.

Asset Sale Proceeds

If the Issuer or its restricted subsidiaries engage in certain types of asset sales, the Issuer generally must use the net cash proceeds from the sale either to make investments in its business (through capital expenditures, acquisitions or otherwise) or to repay permanently debt under credit facilities or secured by assets sold within a certain period of time after such sale; otherwise the Issuer must make an offer to purchase, on a pro rata basis, a principal amount of the notes of each series and other *pari passu* indebtedness equal to the excess net cash proceeds. The purchase price of the notes of each series would be 100% of their principal amount, plus accrued and unpaid interest, to, but not including, the repurchase date. See Description of notes Repurchase at the Option of Holders Asset Sales.

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Change of Control Triggering Event	If the Issuer experiences certain change of control triggering events, the Issuer must make an offer to each holder to repurchase the notes of each series at a price in cash equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the purchase date. See Description of Notes Repurchase at the Option of Holders Change of Control Triggering Event.
Use of Proceeds	We expect to use the net proceeds from this offering for general corporate purposes, which may include capital investments, acquisition of additional spectrum and repayment of certain indebtedness. See Use of Proceeds.
Absence of Public Market for the Notes	The notes will be a new class of security and there is currently no established trading market for the notes. The underwriters have advised us that certain underwriters intend to make a market in the notes. However, they are not obligated to do so and they may discontinue any market making at any time in their sole discretion. As a result, a liquid market for the notes may not be available if you wish to sell your notes. We do not intend to apply for a listing or quotation of the notes on any securities exchange or any automated dealer quotation system.
Risk Factors	You should consider carefully all of the information set forth in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and, in particular, you should carefully evaluate the specific factors under Risk Factors beginning on page S-12 of this prospectus supplement and those risk factors incorporated by reference herein.

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Summary Historical Financial and Operating Data

The following table sets forth selected consolidated financial and operating data for the Company. The summary consolidated financial data has been derived from our audited consolidated financial statements and related notes for the three years ended December 31, 2013, 2012 and 2011 contained in Parent s Annual Report on Form 10-K filed on February 25, 2014, and our unaudited condensed consolidated financial statements and related notes for the six months ended June 30, 2014 and 2013 contained in Parent s Quarterly Report on Form 10-Q filed on July 31, 2014. The summary financial data should be read in conjunction with the consolidated financial statements described above and the related notes. The summary operating data is not derived from the audited or unaudited consolidated financial statements.

Our historical financial data may not be indicative of the results of operations or financial position to be expected in the future.

	Six months ended June 30,		Year ended December 31,		
(in millions)	2014	2013	2013	2012	2011
Revenues:					
Service revenues	$ 10,821	$ 8,762	$ 19,068	$ 17,213	$ 18,481
Equipment sales	3,048	1,984	5,033	2,242	1,901
Other revenues	191	159	319	264	236
Total revenues	14,060	10,905	24,420	19,719	20,618
Operating expenses:					
Cost of services, exclusive of depreciation and amortization shown separately below	2,917	2,436	5,279	4,661	4,952
Cost of equipment sales	4,501	2,822	6,976	3,437	3,646
Selling, general and administrative	4,247	3,353	7,382	6,796	6,728
Depreciation and amortization	2,184	1,643	3,627	3,187	2,982
Impairment charges				8,134	6,420
MetroPCS transaction and integration costs	34	39	108	7	
Restructuring costs		54	54	85	
Other, net	(757)	(2)	(2)	(191)	169
Total operating expenses	13,126	10,345	23,424	26,116	24,897
Operating income (loss)	934	560	996	(6,397)	(4,279)
Other income (expense):					
Interest expense to affiliates	(103)	(403)	(678)	(661)	(670)
Interest expense	(547)	(160)	(545)		
Interest income	158	75	189	77	25
Other income (expense), net	(18)	112	89	(5)	(10)
Total other expense, net	(510)	(376)	(945)	(589)	(655)
Income (loss) before income taxes	424	184	51	(6,986)	(4,934)
Income tax expense (benefit)	184	93	16	350	(216)
Net income (loss)	$ 240	$ 91	$ 35	$ (7,336)	$ (4,718)

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	Six months ended June 30,		Year ended December 31,		
	2014	2013	2013	2012	2011
	(dollars in millions, customers in thousands)				
Other Financial Data:					
Net cash provided by operating activities	$ 1,729	$ 1,715	$ 3,545	$ 3,862	$ 4,980
Net cash (used in) provided by investing activities	(4,275)	262	(2,092)	(3,915)	(4,699)
Net cash (used in) provided by financing activities	(265)	(9)	4,044	57	
Consolidated Operating Data:					
Customers (at period end)	50,545	44,016	46,684	33,389	33,185
Adjusted EBITDA[1]	$ 2,539	$ 2,302	$ 4,885	$ 4,886	$ 5,310
Adjusted EBITDA as a percentage of service revenues[2]	23%	26%	26%	28%	29%
Capital Expenditures[3]	$ 1,887	$ 2,126	$ 4,025	$ 2,901	$ 2,729

	Six months ended June 30,		Year ended December 31,		
	2014	2013	2013	2012	2011
Average monthly churn (Branded Postpaid Phone)[4]	1.5%	1.7%	1.7%	2.3%	2.6%
Average monthly churn (Branded Prepaid)[4]	4.4	6.0	5.4	6.4	6.7
Branded Postpaid Phone ARPU[5]	$ 49.89	$ 54.26	$ 53.03	$ 57.23	$ 57.85
Branded Postpaid ABPU[5]	59.67	58.01	58.48	58.56	59.00
Branded Prepaid ARPU[5]	36.63	32.61	34.59	26.85	24.27

	As of June 30,	As of December 31,	
	2014	2013	2012
		(in millions)	
Balance Sheet Data:			
Current assets	$ 9,896	$ 12,228	$ 5,541
Property and equipment, net	15,537	15,349	12,807
Goodwill, spectrum licenses and other intangible assets, net	24,551	21,009	14,629
Other assets	1,680	1,367	645
Total assets	51,664	49,953	33,622
Current liabilities	7,131	5,808	5,592
Long-term debt to affiliates	5,600	5,600	13,655
Long-term debt	14,369	14,345	
Long-term financial obligation	2,502	2,496	2,461
Other long-term liabilities	7,499	7,459	5,799
Stockholders equity	14,563	14,245	6,115

(1) Adjusted EBITDA represents earnings before interest expense (net of interest income), tax, depreciation, amortization, impairment, stock-based compensation and expenses not reflective of T-Mobile s ongoing operating performance. Adjusted EBITDA margin is Adjusted EBITDA divided by service revenues.

Adjusted EBITDA is a non-GAAP financial measure utilized by our management to monitor the financial performance of our operations. We use Adjusted EBITDA internally as a metric 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 also uses Adjusted EBITDA to measure our ability to provide cash flows to meet future debt services, capital expenditures and working capital requirements, and fund future growth. We believe analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate overall operating performance and that presentation of Adjusted EBITDA facilitates comparisons with other wireless communications companies. Adjusted EBITDA has limitations

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as an analytical tool and should not be considered in isolation or as a substitute for income from operations, net income, or any other measure of financial performance reported in accordance with GAAP.

The following table illustrates the calculation of Adjusted EBITDA and reconciles Adjusted EBITDA to net income (loss) which we consider to be the most directly comparable GAAP financial measure to Adjusted EBITDA.

	Six months ended June 30,		Year ended December 31,		
	2014	2013	2013 (in millions)	2012	2011
Calculation of Adjusted EBITDA:					
Net income (loss)	$ 240	$ 91	$ 35	$ (7,336)	$ (4,718)
Adjustments:					
Interest expense to affiliates	103	403	678	661	670
Interest expense	547	160	545		
Interest income	(158)	(75)	(189)	(77)	(25)
Other expense (income), net	18	(112)	(89)	5	10
Income tax expense (benefit)	184	93	16	350	(216)
Operating income (loss)	934	560	996	(6,397)	(4,279)
Depreciation and amortization	2,184	1,643	3,627	3,187	2,982
Impairment charges				8,134	6,420
MetroPCS transaction and integration costs	34	39	108	7	
Restructuring costs		54	54	85	
Stock-based compensation	112	6	100		
Other, net[(a)]	(725)			(130)	187
Adjusted EBITDA	$ 2,539	$ 2,302	$ 4,885	$ 4,886	$ 5,310

(a) Other, net for the six months ended June 30, 2014 primarily consisted of a non-cash gain from spectrum license transactions. Other, net for the year ended December 31, 2012 represents a net gain on an AWS spectrum license purchase and exchange and transaction-related costs incurred for the terminated AT&T acquisition of T-Mobile USA. Other, net for the year ended December 31, 2011 represents AT&T transaction-related costs incurred from the terminated AT&T acquisition of T-Mobile USA. Other, net transactions may not agree in total to the other, net in the condensed consolidated statements of comprehensive income (loss) primarily due to certain routine operating activities, such as insignificant routine spectrum license exchanges that would be expected to reoccur, and are therefore included in Adjusted EBITDA

(2) Adjusted EBITDA as a percentage of service revenues is calculated by dividing Adjusted EBITDA by total service revenues.

(3) Capital expenditures consist of amounts paid for construction and purchase of property and equipment.

(4) Branded churn is defined as the number of branded customers whose service was discontinued, expressed as a rounded monthly percentage of the average number of branded customers during the specified period. T-Mobile believes that churn, which is a measure of customer retention and loyalty, provides relevant and useful information and is used by management to evaluate the operating performance of our business.

(5) ARPU represents the average monthly service revenue earned from customers. We believe ARPU provides management, investors and analysts with useful information to assess our per-customer service revenue realization, assist in forecasting our future service revenues, and evaluate the average monthly service revenues generated from our customer base. Branded postpaid phone ARPU is reported for the first time in the quarterly reporting period ending June 30, 2014 in replacement of branded postpaid ARPU to exclude mobile broadband customers and related revenues and to provide disclosure which is more comparable with other national carriers ARPU disclosures.

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ABPU represents the average monthly branded postpaid customer billings. We believe ABPU provides management, investors and analysts with useful information to evaluate average per-branded postpaid customer billings as it approximates the estimated cash collections, including equipment installments, from our customers each month.

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

	Six months ended June 30,		Year ended December 31,		
	2014	2013	2013	2012	2011
Calculation of Branded Postpaid Phone ARPU:					
Branded postpaid service revenues (in millions)	$ 6,958	$ 6,547	$ 13,166	$ 14,521	$ 16,230
Less: Branded postpaid mobile broadband revenues (in millions)	(101)	(86)	(169)	(186)	(169)
Branded postpaid phone service revenues (in millions)	$ 6,857	$ 6,461	$ 12,997	$ 14,335	$ 16,061
Divided by: Average number of branded customers (in thousands) and number of months in period	22,908	19,844	20,424	20,872	23,134
Branded postpaid phone ARPU	$ 49.89	$ 54.26	$ 53.03	$ 57.23	$ 57.85

	Six months ended June 30,		Year ended December 31,		
	2014	2013	2013	2012	2011
Calculation of Branded Postpaid ABPU:					
Branded postpaid service revenues (in millions)	$ 6,958	$ 6,547	$ 13,166	$ 14,521	$