T-Mobile US, Inc.
Form 424B5
January 22, 2018
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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 January 22, 2018

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated April 25, 2016)

$2,500,000,000

T-Mobile USA, Inc.

% Senior Notes due 2026

% Senior Notes due 2028

T-Mobile USA, Inc. (the Issuer) is offering $ aggregate principal amount of its % Senior Notes due 2026 (the 2026 notes) and $ aggregate principal amount of its % Senior Notes due 2028 (the 2028 notes and together with the 2026 notes, the notes). The Issuer intends to use the net proceeds from this offering to redeem certain existing notes and for general corporate purposes, including partial paydown of borrowings under the Revolving Credit Facilities (as described under Description of Other Indebtedness and Certain Lease Obligations Revolving Credit Facilities). See Use of Proceeds.

The 2026 notes will bear interest at a rate of % per year and mature on , 2026. The 2028 notes will bear interest at a rate of % per year and mature on , 2028. The Issuer will pay interest on the notes on each and , commencing , 2018.

The 2026 notes will be redeemable, in whole or in part, at any time on or after , 2021 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 40% of the aggregate principal amount of the 2026 notes prior to , 2021 with an amount equal to the net cash proceeds from certain equity offerings. The Issuer also may redeem the notes prior to , 2021 at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date.

The 2028 notes will be redeemable, in whole or in part, at any time on or after , 2023 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 40% of the aggregate principal amount of the 2028 notes prior to , 2021 with an amount equal to the net cash proceeds from certain equity offerings. The Issuer also may redeem the notes prior to , 2023 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 (consisting of both a change of control and a ratings downgrade), the Issuer will be required to offer to repurchase the 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 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 reinsurance subsidiary and immaterial subsidiaries), all of the Issuer s restricted subsidiaries that guarantee other material indebtedness, and any future subsidiary of Parent that directly or indirectly owns any of the Issuer s equity interests. Upon and subject to completion of the Layer3 Acquisition, the Layer3 Entities (each as defined below under Summary Recent Developments Layer3 Acquisition) will be designated as Unrestricted Subsidiaries (and therefore non-guarantors) under the indenture governing the notes.

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 the guarantees, including the Issuer s Existing Senior Notes (as defined herein), the new DT notes (as defined herein), the borrowings under the Term Loan Credit Agreement (as defined under Description of Other Indebtedness and Certain Lease Obligations Incremental Term Loan Facility under the Term Loan Credit Agreement) and borrowings under the Revolving Credit Facilities (as described under Description of Other Indebtedness and Certain Lease Obligations Revolving Credit Facilities), 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, including the borrowings under the Term Loan Credit Agreement and borrowings under the Secured Revolving Credit Facility, to the extent of the value of the assets securing such indebtedness, and will be structurally subordinated to all of the liabilities and any future 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-14 of this prospectus supplement. You should also consider the risk factors described in the documents incorporated by reference into the accompanying prospectus.

	Per 2026 note	Per 2028 note
Public Offering Price	%	%
Total	$	$
Proceeds to T-Mobile USA, Inc.[(1)]	$	$

(1) Before expenses. The underwriting discount is % of the principal amount thereof, resulting in total underwriting discounts of (i) $ for the 2026 notes and (ii) $ for the 2028 notes.

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 January , 2018 through the facilities of The Depository Trust Company.

Joint Book-Running Managers

Deutsche Bank Securities **Barclays** **J.P. Morgan** **Morgan Stanley**

The date of this prospectus supplement is January , 2018.

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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 respective dates of such documents 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 on a stand-alone basis 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-14 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 or the accompanying prospectus 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 and 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 and the documents incorporated by reference into this prospectus supplement or the accompanying prospectus are the property of their respective owners.

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 future results of operations, are forward-looking statements. These forward-looking statements are generally identified by the words anticipate, believe, estimate, expect, inten 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 factors identified under Risk Factors and the risk factors incorporated by reference herein, could affect future results and cause those results to differ materially from those expressed in the forward-looking statements:

- adverse economic or political conditions in the U.S. and international markets;
- competition, industry consolidation, and changes in the market for wireless services 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;
- breaches of our and/or our third party vendors networks, information technology and data security;

- 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;
- 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;
- the ability to make payments on our debt or to repay our existing indebtedness when due or to comply with the covenants contained therein;
- adverse change in the ratings of our debt securities or adverse conditions in the credit markets;
- changes in accounting assumptions that regulatory agencies, including the SEC, may require, 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 and the documents incorporated by reference.

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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 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. 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. 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-14 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

We are the Un-carrier®. Un-satisfied with the status quo. Un-afraid to innovate. T-Mobile provides wireless communications services, including voice, messaging and data, to more than 72 million customers in the postpaid, prepaid and wholesale markets. The Un-carrier strategy is an approach that seeks to listen to the customer, address their pain points, bring innovation to the industry and improve the wireless experience for all. In practice, this means offering our customers a great service on a nationwide 4G Long-Term Evolution (LTE) network, offering devices when and how our customers want them, and providing plans that are simple, affordable and without unnecessary restrictions. Going forward, we will continue to listen and respond to our customers, refine and improve the Un-carrier strategy and deliver the best value experience in the industry.

We generate revenue by offering affordable wireless communication services to our postpaid, prepaid and wholesale customers, as well as a wide selection of wireless devices and accessories. Our most significant expenses are related to acquiring and retaining high-quality customers, providing a full range of devices, compensating employees, and operating and expanding our network. We provide service, devices and accessories across our flagship brands, T-Mobile and MetroPCS, through our owned and operated retail stores, third-party distributors and our websites (www.T-Mobile.com and www.MetroPCS.com). The information on or accessible through our websites is not incorporated into or part of this prospectus supplement (except for our SEC reports expressly incorporated by reference herein).

Recent Developments

Preliminary Fourth Quarter and Full-Year 2017 Customer Results

In the fourth quarter of 2017, we added approximately 1.9 million total net customers, bringing our total customer count to more than 72 million at year-end 2017. In the fourth quarter of 2017, we added 1.1 million branded postpaid net customers and 891,000 branded postpaid phone net customers. In full-year 2017, we added over 3.6 million branded postpaid net customers and 2.8 million branded postpaid phone net customers. Branded prepaid net customer additions in the fourth quarter of 2017 were 149,000. In full-year 2017, we added 855,000 branded prepaid net customers. Branded postpaid phone churn was 1.18% in the fourth quarter of 2017, representing our best-ever fourth quarter branded postpaid phone churn result.

The foregoing results are preliminary and subject to completion of year-end closing review procedures. Actual results may differ due to final adjustments and other developments that may arise between now and the time the financial statements for the year ended December 31, 2017 are finalized.

January 2018 Notes Redemption

In December 2017, we delivered a notice of redemption to redeem $1 billion aggregate principal amount of 6.125% Senior Notes due 2022, which were redeemed in January 2018 (the January 2018 Notes Redemption).

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Revolving Credit Facility

In January 2018, we borrowed $1,150 million under the Secured Revolving Credit Facility (the Revolver Borrowing). The proceeds of the borrowings were used to effect the January 2018 Notes Redemption and for general corporate purposes.

New DT Notes

Deutsche Telekom AG (DT) may purchase up to $2.5 billion in aggregate principal amount of % Senior Notes due 2026 and % Senior Notes due 2028 (the new DT notes) directly from the Issuer with no underwriting discount. If DT elects to purchase the new DT notes, we expect that DT would deliver to the Issuer $1.25 billion in aggregate principal amount of 8.097% Senior Reset Notes due 2021 (the 2021 Notes) and $1.25 billion in aggregate principal amount of 8.195% Senior Reset Notes due 2022 (the 2022 Notes) held by DT and called for redemption in exchange for the new DT notes. In connection with such exchange, the Issuer will pay DT in cash the premium portion of the redemption price set forth in the indenture governing the 2021 Notes and the 2022 Notes, plus accrued but unpaid interest on the 2021 Notes and the 2022 Notes to, but not including, the exchange date. The closing of the issuance and sale of the new DT notes to DT, and exchange of the 2021 Notes and 2022 Notes, is expected to occur on or about April 30, 2018. The placement of the new DT notes is not contingent upon the completion of this offering, and this offering is not contingent upon the placement of the new DT notes.

Any new DT notes will have substantially the same terms and conditions as the 2026 notes and the 2028 notes offered hereby, as applicable, other than issue date, issue price, registration rights and CUSIP. In addition, any new DT notes will be issued under separate supplemental indentures and will each constitute a separate series from the notes offered hereby for all purposes, including voting; provided that if the Issuer exercises its rights in respect of a series of notes offered hereby, the Issuer will be required to exercise the same rights in respect of the new DT notes of the corresponding series on an equal and ratable basis.

Layer3 Acquisition

In December 2017, we announced an agreement to acquire a television technology company, Layer3 TV, Inc. (Layer3 TV , and such acquisition, the Layer3 Acquisition). The Layer3 Acquisition is expected to be completed in January 2018. Upon and subject to completion of the Layer3 Acquisition, Layer3 TV and its subsidiaries (collectively, the Layer3 Entities) will be designated as Unrestricted Subsidiaries (and therefore non-guarantors) under the indentures governing the Existing Senior Notes, the notes and the new DT notes.

Stock Repurchase Program

On December 6, 2017, we announced our Board of Directors authorized a stock repurchase program for up to $1.5 billion of our common stock through December 31, 2018 (the Stock Repurchase Program). The Stock Repurchase Program does not obligate us to acquire any particular amount of common stock, and the Stock Repurchase Program may be suspended or discontinued at any time at our discretion. Repurchased shares are retired.

As of January 15, 2018, we had repurchased approximately 9.2 million shares under the Stock Repurchase Program at an average price per share of $63.63 for a total purchase price of approximately $583 million. The maximum approximate dollar value of shares that may yet be purchased under the Stock Repurchase Program was $917 million as of January 15, 2018.

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 (except for our SEC reports expressly incorporated by reference herein).

Ownership and Corporate Structure

The diagram below illustrates our current ownership and corporate structure:

(1) Intermediate holding companies not shown.
(2) As of September 30, 2017.
(3) See   Description of Other Indebtedness and Certain Lease Obligations.
(4) 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 September 30, 2017, the Issuer s subsidiaries that will not guarantee the notes that were included in our consolidated financial statements as of such date had approximately $1.5 billion of total assets (excluding receivables due from the Issuer and its guarantor subsidiaries) and $2.6 billion in indebtedness, other liabilities and preferred stock (excluding payables due to the Issuer and its guarantor subsidiaries).

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The Offering

Issuer	T-Mobile USA, Inc.
Securities	$ aggregate principal amount of % Senior Notes due 2026.
	$ aggregate principal amount of % Senior Notes due 2028.
Maturity	The 2026 notes will mature on , 2026.
	The 2028 notes will mature on , 2028.
Interest Payment Dates	and of each year, beginning on , 2018.
Optional Redemption	The Issuer may, at its option, redeem some or all of the 2026 notes at any time on or after , 2021 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 , 2021, the Issuer may, at its option, redeem some or all of the 2026 notes at a make-whole price, plus accrued and unpaid interest, if any, to, but not including, the redemption date. In addition, prior to , 2021, the Issuer may, at its option, redeem up to 40% of the aggregate principal amount of the 2026 notes with an amount equal to 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.
	The Issuer may, at its option, redeem some or all of the 2028 notes at any time on or after , 2023 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 , 2023, the Issuer may, at its option, redeem some or all of the 2028 notes at a make-whole price, plus accrued and unpaid interest, if any, to, but not including, the redemption date. In addition, prior to , 2021, the Issuer may, at its option, redeem up to 40% of the aggregate principal amount of the 2028 notes with an amount equal to 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 indebtedness of the Issuer to the extent that such indebtedness provides by its terms that it is subordinated in right of payment to the notes;

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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 (as adjusted to reflect the January 2018 Notes Redemption and the anticipated use of proceeds of the offering of the notes), without limitation, borrowings under the Revolving Credit Facilities and the Term Loan Credit Agreement (including the Incremental Term Loan Facility) and $21.5 billion aggregate principal amount of outstanding 5.300% Senior Notes due 2021 held by DT, 8.097% Senior Reset Notes due 2021 held by DT, 4.000% Senior Notes due 2022, 4.000% Senior Notes due 2022-1 held by DT, 8.195% Senior Reset Notes due 2022 held by DT, 6.000% Senior Notes due 2023, 6.625% Senior Notes due 2023, 6.836% Senior Notes due 2023, 9.332% Senior Reset Notes due 2023 held by DT, 6.000% Senior Notes due 2024, 6.000% Senior Notes due 2024 held by DT, 6.500% Senior Notes due 2024, 5.125% Senior Notes due 2025, 5.125% Senior Notes due 2025-1 held by DT, 6.375% Senior Notes due 2025, 6.500% Senior Notes due 2026, 5.375% Senior Notes due 2027 and 5.375% Senior Notes due 2027-1 held by DT (collectively, the Existing Senior Notes);

effectively subordinated to the Issuer s existing and future secured indebtedness, including borrowings under the Secured Revolving Credit Facility and the Term Loan Credit Agreement (including the Incremental Term Loan Facility), to the extent of the value of the Issuer s assets constituting collateral securing such indebtedness; and

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

Assuming that on September 30, 2017, we had completed the January 2018 Notes Redemption, effected the Revolver Borrowing, completed the offering of the notes and used the proceeds thereof as anticipated, we would have had approximately $31.0 billion of outstanding indebtedness, including $21.6 billion of outstanding indebtedness under the Issuer s Existing Senior Notes and the notes offered hereby, $4.0 billion of outstanding secured indebtedness under the Term Loan Credit Agreement, $1.0 billion of outstanding secured indebtedness under the Secured Revolving Credit Facility and approximately $2.6 billion in tower obligations relating to the Tower Transactions (as defined under Description of Other Indebtedness and Certain Lease Obligations Tower Transactions). We also would have had $0.5 billion available for borrowing under the Secured Revolving Credit Facility and $1.0 billion available for borrowing under the Unsecured Revolving Credit Facility (as defined under Description of Other Indebtedness and Certain Lease

Obligations Revolving Credit Facilities).

Note Guarantees

The notes will be guaranteed by Parent, all of the Issuer s wholly-owned domestic restricted subsidiaries (other than certain designated special purpose entities, a reinsurance subsidiary and immaterial subsidiaries), all of the Issuer s restricted subsidiaries that guarantee other material 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 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 the borrowings under the Revolving Credit Facilities and the Term Loan Credit Agreement (including the Incremental Term Loan Facility) and the Issuer s Existing Senior Notes;

effectively subordinated to that guarantor s existing and future secured indebtedness, including its guarantee of the borrowings under the Secured Revolving Credit Facility and the Term Loan Credit Agreement (including the Incremental Term Loan Facility), 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 any future preferred stock of any subsidiaries of such guarantor that do not guarantee the notes.

As of September 30, 2017, the Issuer s subsidiaries that will not guarantee the notes that were included in our consolidated financial statements as of such date had approximately $1.5 billion of total assets (excluding receivables due from the Issuer and its guarantor subsidiaries) and $2.6 billion in indebtedness, other liabilities and preferred stock (excluding payables due to the Issuer and its guarantor subsidiaries).

New DT Notes

Separately from the notes offered hereby, DT may purchase up to $2.5 billion in aggregate principal amount of new DT notes directly from the Issuer with no underwriting discount. If DT elects to purchase the new DT notes, we expect that DT would deliver to the Issuer $1.25 billion in aggregate principal amount of 2021 Notes and $1.25 billion in aggregate principal amount of 2022 Notes held by DT and called for redemption in exchange for the new DT notes. In connection with such exchange, the Issuer will pay DT in cash the premium portion of the redemption price set forth in the indenture

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governing the 2021 Notes and the 2022 Notes, plus accrued but unpaid interest on the 2021 Notes and the 2022 Notes to, but not including, the exchange date. The closing of the issuance and sale of the new DT notes to DT, and exchange of the 2021 Notes and 2022 Notes, is expected to occur on or about April 30, 2018. The placement of the new DT notes is not contingent upon the completion of this offering, and this offering is not contingent upon the placement of the new DT notes.

Any new DT notes will have substantially the same terms and conditions as the 2026 notes and the 2028 notes offered hereby, as applicable, other than issue date, issue price, registration rights and CUSIP. In addition, any new DT notes will be issued under separate supplemental indentures and will each constitute a separate series from the notes offered hereby for all purposes, including voting; provided that if the Issuer exercises its rights in respect of a series of notes offered hereby, the Issuer will be required to exercise the same rights in respect of the new DT notes of the corresponding series on an equal and ratable basis.

Certain Covenants

The indenture governing the notes will contain 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 will be 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, including borrowings under the Term Loan Credit Agreement or Revolving Credit Facilities, or secured by assets sold within a certain period of time after such sale or, prepay other senior debt and the notes on a pro rata basis or prepay debt of a non-guarantor restricted subsidiary (if the assets sold were the assets of a non-guarantor restricted subsidiary); otherwise the Issuer must make an offer to purchase, on a pro rata basis, a principal amount of the notes and other *pari passu* indebtedness equal to the excess net cash proceeds. The purchase price of the notes would be 100% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the repurchase date. See Description of Notes Repurchase at the Option of Holders Asset Sales.

Change of Control Triggering Event

If the Issuer experiences certain change of control triggering events (consisting of both a change of control and a ratings downgrade), the Issuer must make an offer to each holder to repurchase the notes 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 to redeem certain existing notes and for general corporate purposes, including partial paydown of borrowings under the Revolving Credit Facilities. 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 of the notes on any securities exchange or quotation of the notes on 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-14 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 summary 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 as of December 31, 2016 and 2015 and for the three years ended December 31, 2016, 2015 and 2014 contained in Parent s Current Report on Form 8-K filed on January 22, 2018, and our unaudited condensed consolidated financial statements and related notes as of and for the nine months ended September 30, 2017 and 2016 contained in Parent s Quarterly Report on Form 10-Q filed on October 23, 2017. The summary consolidated balance sheet data as of December 31, 2014 is derived from our audited consolidated financial statements which are not included or incorporated by reference in this prospectus supplement. 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. In particular, on January 1, 2018, we adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) , which requires entities to recognize revenue through the application of a five-step model, which includes: identification of the contract; identification of the performance obligations; determination of the transaction price; allocation of the transaction price to the performance obligations; and recognition of revenue as the entity satisfies the performance obligations. We anticipate this standard will have a material impact on our consolidated financial statements commencing with the quarter ended March 31, 2018.

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)				
			(in millions)		
Revenues:					
Total service revenues	$ 22,403	$ 20,599	$ 27,844	$ 24,821	$ 22,375
Equipment revenues	6,667	5,987	8,727	6,718	6,789
Other revenues	775	670	919	928	756
Total revenues	29,845	27,256	37,490	32,467	29,920
Operating expenses:					
Cost of services, exclusive of depreciation and amortization shown separately below	4,520	4,286	5,731	5,554	5,788
Cost of equipment sales	8,149	7,532	10,819	9,344	9,621
Selling, general and administrative	8,968	8,419	11,378	10,189	8,863
Depreciation and amortization	4,499	4,695	6,243	4,688	4,412
Cost of MetroPCS business combination		110	104	376	299
Gains on disposal of spectrum licenses	(67)	(835)	(835)	(163)	(840)
Other, net					5
Total operating expenses	26,069	24,207	33,440	29,988	28,148
Operating income	3,776	3,049	4,050	2,479	1,772

Other income (expense):					
Interest expense	(857)	(1,083)	(1,418)	(1,085)	(1,073)
Interest expense to affiliates	(398)	(248)	(312)	(411)	(278)
Interest income	15	9	13	6	3
Other expense, net	(89)	(6)	(6)	(11)	(11)
Total other expense, net	(1,329)	(1,328)	(1,723)	(1,501)	(1,359)
Income before income taxes	2,447	1,721	2,327	978	413
Income tax expense	(618)	(651)	(867)	(245)	(166)
Net income	1,829	1,070	1,460	733	247
Dividends on preferred stock	(41)	(41)	(55)	(55)	
Net income attributable to common stockholders	$ 1,788	$ 1,029	$ 1,405	$ 678	$ 247

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	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
Other Financial Data (in millions):					
Net cash provided by operating activities	$ 5,904	$ 4,533	$ 6,135	$ 5,414	$ 4,146
Net cash used in investing activities	(10,138)	(4,386)	(5,680)	(9,560)	(7,246)
Net cash (used in) provided by financing activities	(527)	623	463	3,413	2,524
Consolidated Operating Data:					
Total customers (at period end) (in thousands)	70,731	69,354	71,455	63,282	55,018
Adjusted EBITDA[(1)] (in millions)	$ 8,502	$ 8,032	$ 10,639	$ 7,807	$ 5,992
Net income margin[(2)]	8%	5%	5%	3%	1%
Adjusted EBITDA margin[(3)]	38%	39%	38%	31%	27%

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
Branded postpaid phone churn[(4)]	1.18%	1.30%	1.30%	1.39%	1.58%
Branded prepaid churn[(4)]	4.06%	3.86%	3.88%	4.45%	4.76%
Branded postpaid phone ARPU[(5)]	$ 47.17	$ 47.17	$ 47.47	$ 47.68	$ 49.44
Branded postpaid ABPU[(5)]	60.71	62.63	62.75	62.77	60.73
Branded prepaid ARPU[(5)]	38.71	37.82	37.92	37.68	37.10

	As of September 30, 2017 (unaudited)	As of December 31, 2016	2015	2014[(6)]
	(in millions)			
Balance Sheet Data:				
Total current assets	$ 7,449	$ 14,217	$ 14,890	$ 13,984
Property and equipment, net	21,570	20,943	20,000	16,245
Goodwill, spectrum licenses and other intangible assets, net	36,946	29,073	26,232	24,508
Other assets and equipment installment plan receivables due after one year, net[(6)]	1,958	1,658	1,291	1,902
Total assets[(6)]	67,923	65,891	62,413	56,639
Total current liabilities	8,103	9,022	9,528	8,776
Long-term debt[(6)]	13,163	21,832	20,461	16,259
Long-term debt to affiliates	14,586	5,600	5,600	5,600
Tower obligations	2,599	2,621	2,658	2,521
Other long-term liabilities, deferred rent expense and deferred tax liabilities	9,195	8,580	7,609	7,820
Total stockholders equity	20,277	18,236	16,557	15,663

(1)

Adjusted EBITDA represents earnings before interest expense, net of interest income, income tax expense, depreciation and amortization expense, non-cash stock-based compensation and certain expenses not reflective of T-Mobile s ongoing operating performance.

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 believes analysts and investors use Adjusted

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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 as they are not indicative of our ongoing operating performance and certain other nonrecurring 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 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.

	Nine months ended September 30,		**Year ended December 31,**		
	2017	**2016**	**2016**	**2015**	**2014**
	(unaudited)				
	(in millions)				
Calculation of Adjusted EBITDA:					
Net income	$ 1,829	$ 1,070	$ 1,460	$ 733	$ 247
Adjustments:					
Interest expense	857	1,083	1,418	1,085	1,073
Interest expense to affiliates	398	248	312	411	278
Interest income[(a)]	(15)	(9)	(13)	(6)	(3)
Other expense, net	89	6	6	11	11
Income tax expense	618	651	867	245	166
Operating income[(a)]	3,776	3,049	4,050	2,479	1,772
Depreciation and amortization	4,499	4,695	6,243	4,688	4,412
Cost of MetroPCS business combination[(b)]		110	104	376	299
Stock-based compensation[(c)]	222	171	235	222	211
Gains on disposal of spectrum licenses[(c)]					(720)
Other, net[(c)]	5	7	7	42	18
Adjusted EBITDA	$ 8,502	$ 8,032	$ 10,639	$ 7,807	$ 5,992

(a) The amortized imputed discount on equipment installment plan (EIP) receivables previously recognized as Interest income has been retrospectively re-classified as Other revenues. See the notes to our condensed consolidated financial statements incorporated by reference in this prospectus supplement for further detail.

(b) Beginning with the first quarter of 2017, we no longer separately present Cost of MetroPCS business combination as it is insignificant.

(c) Stock-based compensation includes payroll tax impacts and may not agree to stock-based compensation expense in the consolidated financial statements. Gains on disposal of spectrum licenses may not agree to the Consolidated Statements of Comprehensive Income primarily due to certain routine operating activities, such as routine spectrum license exchanges that would be expected to reoccur, and are therefore included in

Adjusted EBITDA. Other, net may not agree to the 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, and are therefore excluded in Adjusted EBITDA.

(2) Net income margin represents net income divided by service revenues.
(3) Adjusted EBITDA margin represents Adjusted EBITDA divided by service revenues.
(4) 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

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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.

(5) 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 realization per customer and assist in forecasting our future service revenues generated from our customer base. Branded postpaid phone ARPU excludes mobile broadband and DIGITS customers and related revenues. Average Billings Per User (ABPU) represents the average monthly customer billings, including monthly lease revenues and EIP billings before securitization, per customer. We believe branded postpaid ABPU provides management, investors and analysts with useful information to evaluate average branded postpaid customer billings as it is indicative of estimated cash collections, including device financing payments, from our customers each month.

(6) Other assets, Total assets, and Long-term debt have been adjusted to reflect the retrospective application of ASU 2015-03 Simplifying the Presentation of Debt Issuance Costs , which was adopted in the first quarter of 2016. Therefore, these numbers do not agree to our audited consolidated financial statements and the related notes for the year ended December 31, 2014. The implementation of this standard did not have a significant impact on our consolidated financial statements.

The following tables illustrate the calculation of our operating measures ARPU and ABPU and reconcile these measures to the related service revenues.

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)				
			(in millions)		
Calculation of Branded Postpaid Phone ARPU:					
Branded postpaid service revenues (in millions)	$ 14,465	$ 13,458	$ 18,138	$ 16,383	$ 14,392
Less: Branded postpaid other revenues (in millions)	(774)	(568)	(773)	(588)	(261)
Branded postpaid phone service revenues (in millions)	13,691	12,890	17,365	15,795	14,131
Divided by: Average number of branded postpaid phone customers (in thousands) and number of months in period	32,248	30,364	30,484	27,604	23,817
Branded postpaid phone ARPU	$ 47.17	$ 47.17	$ 47.47	$ 47.68	$ 49.44

	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)				
			(in millions)		
Calculation of Branded Postpaid ABPU:					
Branded postpaid service revenues (in millions)	$ 14,465	$ 13,458	$ 18,138	$ 16,383	$ 14,392

EIP billings (in millions)	4,285	4,062	5,432	5,494	3,596
Lease revenues (in millions)	717	1,062	1,416	224	
Total billings for branded postpaid customers (in millions)	$ 19,467	$ 18,582	$ 24,986	$ 22,101	$ 17,988
Divided by: Average number of branded postpaid customers (in thousands) and number of months in period	35,627	32,966	33,184	29,341	24,683
Branded postpaid ABPU	$ 60.71	$ 62.63	$ 62.75	$ 62.77	$ 60.73

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	Nine months ended September 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)				
	(in millions)				
Calculation of Branded Prepaid ARPU:					
Branded prepaid service revenues (in millions)	$ 7,009	$ 6,326	$ 8,553	$ 7,553	$ 6,986
Divided by: Average number of branded prepaid customers (in thousands) and number of months in period	20,119	18,586	18,797	16,704	15,691
Branded prepaid ARPU	$ 38.71	$ 37.82	$ 37.92	$ 37.68	$ 37.10

Performance Measures

In managing our business and assessing financial performance, we supplement the information provided by the financial statements with other operating or statistical data and non-GAAP financial measures, including Adjusted EBITDA, Branded Postpaid Phone Churn, Branded Prepaid Churn, Branded Postpaid Phone ARPU, Branded Postpaid ABPU and Branded Prepaid ARPU as disclosed above. 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.

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RISK FACTORS

An investment in the notes involves a high degree of risk. Prior to making a decision about investing in the notes, you should carefully consider the following risks and uncertainties, as well as those discussed under the caption Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2016. If any of the risks described in this prospectus supplement or accompanying prospectus, or the risks described in any documents incorporated by reference in this prospectus supplement or the accompanying prospectus, actually occur, our business, prospects, financial condition or operating results could be harmed. In such case, the trading price of the notes could decline, and you may lose all or part of your investment.

Risks Related to the Notes

Our significant indebtedness could adversely affect our business, financial condition and operating results, and senior creditors would have a secured claim to any collateral securing the debt owed to them.

We have, and we expect that we will continue to have, a significant amount of debt. Assuming that on September 30, 2017, we had completed the January 2018 Notes Redemption, effected the Revolver Borrowing, completed the offering of the notes and used the proceeds thereof as anticipated, we would have had approximately $31.0 billion of outstanding indebtedness, including $21.6 billion of outstanding indebtedness under the Issuer s Existing Senior Notes and the notes offered hereby, $4.0 billion of outstanding secured indebtedness under the Term Loan Credit Agreement, $1.0 billion of outstanding secured indebtedness under the Secured Revolving Credit Facility and approximately $2.6 billion in tower obligations relating to the Tower Transactions. We also would have had $0.5 billion available for borrowings under the Secured Revolving Credit Facility and $1.0 billion available for borrowing under the Unsecured Revolving Credit Facility.

Our ability to make payments on our debt, to repay our existing indebtedness when due, and to fund our capital intensive business and operations and significant planned capital expenditures will depend on our ability to generate cash in the future. Our ability to produce cash from operations is subject to a number of risks, including:

- introduction of new products and services by us or our competitors or changes in service plans or pricing by us or our competitors;
- customers acceptance of our service offerings;
- our ability to control our costs and maintain our current cost structure; and
- our ability to continue to grow our customer base and maintain projected levels of churn.

Our debt service obligations could have important material consequences to you, including the following:

- limiting our ability to borrow money or sell stock to fund working capital, capital expenditures, debt service requirements, acquisitions, technological initiatives and other general corporate purposes;

making it more difficult for us to make payments on indebtedness and satisfy obligations under the notes;

increasing our vulnerability to general economic downturns and industry conditions and limiting our ability to withstand competitive pressure;

limiting our flexibility in planning for, or reacting to, changes in our business or the communications industry or pursuing growth opportunities;

limiting our ability to increase our capital expenditures to roll out new services or to upgrade our networks to new technologies, such as LTE;

limiting our ability to purchase additional spectrum, expand existing service areas or develop new metropolitan areas in the future;

reducing the amount of cash available for working capital needs, capital expenditures for existing and new markets and other corporate purposes by requiring us to dedicate a substantial portion of cash flow from operations to the payment of principal of, and interest on, indebtedness; and

placing us at a competitive disadvantage to competitors who are less leveraged than we are.

Any of these risks could impair our ability to fund our operations or limit our ability to obtain additional spectrum, or expand our business as planned, which could have a material adverse effect on our business, financial condition, and operating results. Any such risks could also have an adverse effect on the trading prices of the notes.

Some of our debt also has a floating rate of interest linked to various indices. If the change in indices result in interest rate increases, debt service requirements will increase, which could adversely affect our cash flow and operating results. In addition, any agreements we have and may continue to enter into to limit our exposure to interest rate increases may not offer complete protection from this risk, and any portion not subject to such agreements would have full exposure to interest rate increases. Any of these risks could have a material adverse effect on our business, financial condition, and operating results.

Even with our current levels of indebtedness, we may incur additional indebtedness. This could further exacerbate the risks associated with our leverage.

Although we have substantial indebtedness, we may still be able to incur significantly more debt, including more secured debt, as market conditions and contractual obligations permit, which could further reduce the cash available to invest in operations, as a result of increased debt service obligations. The terms of the agreements governing our long-term indebtedness allow for the incurrence of additional indebtedness by us and our subsidiaries, subject to specified limitations. Assuming that on September 30, 2017, we had completed the January 2018 Notes Redemption, effected the Revolver Borrowing, completed the offering of the notes and used the proceeds thereof as anticipated, we also would have had $0.5 billion available for borrowings under the Secured Revolving Credit Facility and $1.0 billion available for borrowing under the Unsecured Revolving Credit Facility. The more leveraged we become, the more we, and in turn the holders of our securities, become exposed to the risks described above in the risk factor entitled Our significant indebtedness could adversely affect our business, financial condition and operating results, and senior creditors would have a secured claim to any collateral securing the debt owed to them.

There can be no assurance that sufficient funds will be available to us under our existing indebtedness or otherwise. Further, should we need to raise additional capital, the foreign ownership restrictions mandated by the Federal Communications Commission (FCC), and applicable to us, could limit our ability to attract additional equity financing outside the United States. If we were able to obtain funds, it may not be on terms and conditions acceptable to us, which could limit or preclude our ability to pursue new opportunities, expand our service, upgrade our networks, engage in acquisitions, or purchase additional spectrum, thus limiting our ability to expand our business which could have a material adverse effect on our business, financial condition and operating results.

The notes and the guarantees will be unsecured and effectively subordinated to the Issuer s and the guarantors existing and future secured indebtedness, including borrowings under the Term Loan Credit Agreement and the Secured Revolving Credit Facility, and structurally subordinated to the indebtedness and other liabilities of the Issuer s non-guarantor subsidiaries.

The notes and the guarantees will be general unsecured, unsubordinated obligations ranking effectively junior in right of payment to all existing and future secured debt of the Issuer and of each guarantor, including the borrowings under the Term Loan Credit Agreement (including the Incremental Term Loan Facility) and the Secured Revolving Credit

Facility, to the extent of the value of the collateral securing such debt, and will be structurally subordinated to any existing or future indebtedness, any future preferred stock and other liabilities of the Issuer s non-guarantor subsidiaries. The notes also will permit us to incur certain additional secured debt.

If the Issuer or a guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any secured debt of the Issuer or of that guarantor, including borrowings under the Term Loan Credit Agreement and the Secured Revolving Credit Facility, will be entitled to be paid in full from the Issuer s assets or the assets of the guarantor, as applicable, securing that debt before any payment may be made with respect to the notes or the guarantees.

Holders of the notes will participate ratably in any remaining assets with all holders of the Issuer s and each guarantor s unsecured indebtedness that is not by its terms subordinated to the notes, including all of the Issuer s and each guarantor s other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, there may not be sufficient assets to pay the indebtedness and other obligations owed to secured creditors and the amounts due on the notes. As a result, holders of the notes would likely receive less, ratably, than holders of secured indebtedness. It is possible that there will be no assets from which claims of holders of the notes can be satisfied.

Assuming that on September 30, 2017, we had completed the January 2018 Notes Redemption, effected the Revolver Borrowing, completed the offering of the notes and used the proceeds thereof as anticipated, we would have had approximately $31.0 billion of outstanding indebtedness, including $21.6 billion of outstanding indebtedness under the Issuer s Existing Senior Notes and the notes offered hereby, $4.0 billion of outstanding secured indebtedness under the Term Loan Credit Agreement, $1.0 billion of outstanding secured indebtedness under the Secured Revolving Credit Facility and approximately $2.6 billion of tower obligations relating to the Tower Transactions. We also would have had $0.5 billion available for borrowings under the Secured Revolving Credit Facility and $1.0 billion available for borrowing under the Unsecured Revolving Credit Facility. The notes would be effectively subordinated to our secured debt to the extent of the value of the assets constituting collateral securing this secured debt.

In addition, creditors of current and future subsidiaries of the Issuer that do not guarantee the notes would have claims, with respect to the assets of those subsidiaries that rank structurally senior to the notes. As of September 30, 2017, the Issuer s subsidiaries that will not guarantee the notes that were included in our consolidated financial statements as of such date had approximately $1.5 billion of total assets (excluding receivables due from the Issuer and its guarantor subsidiaries) and $2.6 billion in indebtedness, other liabilities and preferred stock (excluding payables due to the Issuer and its guarantor subsidiaries). In the event of any distribution or payment of assets of such subsidiaries in any dissolution, winding up, liquidation, reorganization, or other bankruptcy proceeding, the claims of those creditors must be satisfied prior to making any such distribution or payment to the Issuer in respect of direct or indirect equity interests in such subsidiaries. Certain subsidiaries of Issuer (such as special purpose entities, a reinsurance subsidiary and immaterial subsidiaries) will not guarantee the notes. See Description of Notes Brief Description of the Notes and the Note Guarantees The Note Guarantees.

To service our debt, we will require a significant amount of cash, which may not be available to us.

Our ability to meet existing or future debt obligations and to reduce indebtedness will depend on future performance and the other cash requirements of our businesses. Our performance, to a certain extent, is subject to general economic conditions and financial, competitive, business, political, regulatory and other factors that are beyond our control. In addition, our ability to borrow funds in the future to make payments on debt will depend on the satisfaction of covenants in the indentures governing the Existing Senior Notes, the notes offered hereby and the new DT notes, other debt agreements and other agreements we may enter into in the future. Specifically, under the Term Loan Credit Agreement (so long as any amounts are outstanding thereunder), we will need to maintain certain financial ratios. We cannot assure you that we will continue to generate sufficient cash flow from operations or that future equity issuances or borrowings will be available to us in an amount sufficient to enable us to service debt or repay all indebtedness in a timely manner or on favorable or commercially reasonable terms, or at all. If we are unable to satisfy financial covenants under the Term Loan Credit Agreement or generate sufficient cash to timely repay debt, our lenders could

accelerate the maturity of some or all of our outstanding indebtedness. As a result, we may need to refinance all or a portion of our remaining existing

indebtedness prior to its maturity. Disruptions in the financial markets, the general amount of debt refinancings occurring at the same time, and our financial position and performance could make it more difficult to obtain debt or equity financing on reasonable terms or at all. In addition, instability in the global financial markets has from time to time resulted in periodic volatility in the capital markets. This volatility could limit our access to the credit markets, leading to higher borrowing costs or, in some cases, the inability to obtain financing on terms that are acceptable to us, or at all. Any such failure to obtain additional financing could jeopardize our ability to repay, refinance or reduce debt obligations.

Upon certain events including a change of control, we may be required to offer to repurchase all of the Existing Senior Notes and all of the notes offered hereby and we may not have the ability to finance such repurchase. Not all significant transactions would constitute a change of control triggering event.

We have in the past been the subject of inquiries or offers related to potential strategic transactions (such as an acquisition of the Company), and we may be the subject of such inquires or offers in the future, and may engage in discussions or negotiations regarding such inquiries or offers that may ultimately lead to a transaction. The indentures governing the Existing Senior Notes provide and the indenture governing the notes offered hereby and the new DT notes will provide that, upon the occurrence of certain change of control triggering events, which change of control triggering events include a change of control combined with certain ratings downgrades or withdrawals as described further under Description of Notes Repurchase at the Option of Holders Change of Control Triggering Event, the Issuer will be required to offer to repurchase all outstanding Existing Senior Notes, the notes offered hereby and the new DT notes at 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase. In addition, any change of control is expected to cause an event of default under the Revolving Credit Facilities and the Term Loan Credit Agreement, entitling the lenders to declare all outstanding amounts thereunder to be immediately due and payable. We may not have sufficient access to funds at the time of the change of control triggering event to make the required repurchase of the Existing Senior Notes, the notes offered hereby and the new DT notes, and repay outstanding amounts under the Revolving Credit Facilities and the Term Loan Credit Agreement or contractual restrictions may not allow such repurchases or repayments. However, not all change of control transactions would trigger our repurchase obligations. Specifically, the change of control provisions in the indentures governing the Existing Senior Notes, the notes offered hereby and the new DT notes will not trigger our repurchase obligations unless both (i) such a transaction constitutes a Change of Control under the applicable indenture and (ii) the Change of Control is accompanied or followed by a downgrade or withdrawal of the rating of the notes in the manner and in the time frame described under Description of Notes Repurchase at the Option of Holders Change of Control Triggering Event. In the event that we undergo a significant corporate transaction that does not constitute a Change of Control Triggering Event, the notes would remain outstanding in accordance with their terms.

In addition, pursuant to a noteholder agreement entered into between us and DT, upon the occurrence of certain events, DT will have the right to require us to repurchase any April 2013 senior notes (as defined under Description of Other Indebtedness and Certain Lease Obligations Existing Senior Notes) held by DT or any of its subsidiaries (other than Parent or any of its subsidiaries), even if a change of control triggering event has not occurred. If such an event were to occur, we may not have sufficient funds to pay the purchase price in any required repurchase offers and may be required to obtain third-party financing in order to do so. However, we may not be able to obtain such financing on commercially reasonable terms, or at all.

The failure to purchase the Existing Senior Notes or the notes offered hereby, as required under the respective indentures, or the failure to purchase the April 2013 senior notes as required under the noteholder agreement, would result in a default under such indentures or breach of such noteholder agreement, which could have material adverse consequences for us and the holders of the notes. Any such event of default would likely trigger an event of default on other outstanding or future indebtedness.

Under the Term Loan Credit Agreement, a change of control as defined in the indenture governing the notes, that is accompanied or followed by a downgrade by one or more gradations (including gradations within

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ratings categories as well as between ratings categories) or withdrawal of our corporate rating within a certain period by at least two out of three of S&P, Moody s and Fitch, where our corporate rating on any day during such period is below the rating by each such rating agency in effect immediately preceding the change of control constitutes an event of default; provided that in making the relevant decision(s) referred to above to downgrade or withdraw such ratings, as applicable, the relevant rating agency announces publicly or confirms in writing during such period that such decision(s) resulted, in whole or in part, from the occurrence (or expected occurrence) of such change of control; provided, further, that, notwithstanding the foregoing, no event of default shall occur under the Term Loan Credit Agreement if at the time of the applicable downgrade, our corporate rating by at least two out of three of S&P, Moody s and Fitch is investment grade. If such a change of control accompanied by a downgrade or withdrawal were to occur, we may not have sufficient funds to pay the amounts owing under our Term Loan Credit Agreement and may be required to obtain third-party financing in order to do so. However, we may not be able to obtain such financing on commercially reasonable terms, or at all.

The indentures governing the Existing Senior Notes, the notes offered hereby and the new DT notes, our Revolving Credit Facilities and the Term Loan Credit Agreement include or will include restrictive covenants that limit our operating flexibility.

The indentures governing the Existing Senior Notes, the notes offered hereby and the new DT notes, the Revolving Credit Facilities, the Term Loan Credit Agreement and other financing arrangements, impose (or, in the case of the indentures governing the notes offered hereby and the new DT notes, will impose) significant operating and financial restrictions on us. These restrictions, subject in certain cases to customary baskets, exceptions and incurrence-based ratio tests, may limit our or our restricted subsidiaries ability to engage in some transactions, including the following:

- incurring additional indebtedness and issuing preferred stock;
- paying dividends, redeeming capital stock or making other restricted payments or investments (although we will have the ability to make significant restricted payments following the issue date under the indenture governing the notes, as described further under Description of Notes Certain Covenants Restricted Payments);
- selling or buying assets, properties or licenses including participating in future FCC auctions of spectrum or private sales of spectrum;
- developing assets, properties or licenses that we have or in the future may procure;
- creating liens on assets;
- 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.

Any future debt that we incur may contain financial maintenance covenants. These restrictions could limit our ability to obtain debt financing, repurchase stock, refinance or pay principal on our outstanding debt, complete acquisitions for cash or debt or react to changes in our operating environment or the economy.

Any failure to comply with the restrictions of the indentures governing the Existing Senior Notes and the notes offered hereby, the Revolving Credit Facilities, the Term Loan Credit Agreement, or other financing agreements may result in an event of default under these agreements, which in turn may result in defaults or acceleration of obligations under these agreements and other agreements, giving our lenders and other debt holders the right to terminate any commitments they had made to provide us with further funds and to require us to repay all amounts then outstanding. Any of these events would have a material adverse effect on our business, financial condition, and operating results.

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The guarantees may not be enforceable because of fraudulent conveyance laws.

The guarantors guarantees of the notes may be subject to review under federal bankruptcy law or relevant state fraudulent conveyance laws if we or any guarantor file a petition for bankruptcy or our creditors file an involuntary petition for bankruptcy against us or any guarantor. Under these laws, if a court were to find that, at the time a guarantor incurred debt (including debt represented by the guarantee), such guarantor:

- incurred this debt with the intent of hindering, delaying or defrauding current or future creditors; or
- received less than reasonably equivalent value or fair consideration for incurring this debt, and the guarantor:
- was insolvent or was rendered insolvent by reason of the related financing transactions;
- was engaged in, or about to engage in, a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay these debts as they mature, as all of the foregoing terms are defined in or interpreted under the relevant fraudulent transfer or conveyance statutes;

then the court could void the guarantee or subordinate the amounts owing under the guarantee to the guarantor s presently existing or future debt or take other actions detrimental to you.

The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in any such proceeding. Generally, an entity would be considered insolvent if, at the time it incurred the debt or issued the guarantee:

- it could not pay its debts or contingent liabilities as they become due;
- the sum of its debts, including contingent liabilities, is greater than its assets, at a fair valuation; or
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities, including contingent liabilities, as they become absolute and mature.

If a guarantee is voided as a fraudulent conveyance or found to be unenforceable for any other reason, you will not have a claim against that obligor and will only be our creditor or that of any guarantor whose obligation was not set aside or found to be unenforceable. In addition, the loss of a guarantee will constitute an event of default under the indentures relating to the Existing Senior Notes and the notes offered hereby, and may constitute an event of default under the Revolving Credit Facilities and the Term Loan Credit Agreement, which events of default would allow the relevant noteholders or lenders to accelerate the amounts due and payable thereunder, and we may not have the ability

to pay any such amounts.

The indenture governing the notes will contain a provision intended to limit each guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer law, or may eliminate the guarantor s obligations or reduce the guarantor s obligations to an amount that effectively makes the guarantee worthless. In a recent Florida bankruptcy case, this kind of provision was found to be ineffective to protect the guarantees.

Many of the covenants in the indenture governing the notes will not apply if the notes are rated investment grade.

The indenture governing the notes will provide that many of its covenants will cease to apply to us if the notes are rated investment grade by at least two of Moody s, Standard & Poor s and Fitch, provided at such time

no default or event of default has occurred and is continuing. The indenture will further provide that these covenants will not be later reinstated in the event that the ratings of the notes subsequently decline. These covenants restrict, among other things, our ability to pay dividends, to incur debt and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade. However, termination of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force. See Description of Notes Certain Covenants Changes in Covenants When Notes Rated Investment Grade.

If we or our existing investors sell our debt securities after this offering, the market price of the notes could decline.

The market price of the notes could decline as a result of sales of the Issuer s debt securities in the market after this offering, or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for the Issuer to sell other debt securities in the future at a time and on terms that it deems appropriate.

After the completion of this offering, and reflecting the anticipated use of proceeds thereof, the Issuer would have outstanding approximately $21.6 billion in aggregate principal amount of debt securities, maturing in 2021 through 2028 (including the notes offered hereby), all of which would be senior unsecured debt securities. After completion of the issuance and sale of the new DT notes, Parent s majority shareholder, DT, would hold approximately $10.6 billion of these debt securities, maturing in 2021 through 2028. We have on file an effective shelf registration statement with respect to these debt securities held by DT, and DT could sell all or any portion of them at any time.

There is no established trading market for the notes and no guarantee that a market will develop or that you will be able to sell your notes.

The notes are a new issue of securities for which there is no established trading market. An active trading market may not develop for the notes. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for the notes may not be free from similar disruptions, and any such disruptions may adversely affect the prices at which you may sell your notes if at all. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our operating performance and financial condition and other factors. We do not intend to apply for listing of the notes on any securities exchange or quotation of the notes on any automated dealer quotation system.

The trading prices for the notes will be directly affected by many factors, including our credit rating.

Credit rating agencies continually revise their ratings for companies they follow, including us. Any ratings downgrade could adversely affect the trading price of the notes, or the trading market for the notes, to the extent a trading market for the notes develops. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future and any fluctuation may impact the trading price of the notes.

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USE OF PROCEEDS

We estimate that the net proceeds from the sale of the notes in this offering will be approximately $ billion, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering to redeem up to $1.75 billion in aggregate principal amount of our 6.625% Senior Notes due 2023 and up to $600 million in aggregate principal amount of our 6.836% Senior Notes due 2023, with the balance to be used for general corporate purposes, including partial paydown of borrowings under our Revolving Credit Facilities, which were used to fund the January 2018 Notes Redemption and for general corporate purposes. The interest rate on borrowings under the Revolving Credit Facilities, which mature on December 29, 2019, is the Eurodollar Rate (as defined in the Revolving Credit Facilities) plus 1.50%, in the case of the Secured Revolving Credit Facility, and plus 3.00%, in the case of the Unsecured Revolving Credit Facility.

We have not yet issued a notice of redemption with respect to our 6.625% Senior Notes due 2023 or our 6.836% Senior Notes due 2023, and the foregoing does not constitute a notice of redemption, or an obligation to issue a notice of redemption, with respect to our 6.625% Senior Notes due 2023 or our 6.836% Senior Notes due 2023.

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CAPITALIZATION

The table below sets forth our cash, cash equivalents, and short-term investments and capitalization as of September 30, 2017:

- on an actual basis;
- on an as adjusted basis, to give effect to (i) the January 2018 Notes Redemption, (ii) utilization of the Secured Revolving Credit Facility as of January 15, 2018 and (iii) repurchases of our common stock under the Stock Repurchase Program as of January 15, 2018; and
- on an as further adjusted basis, to give effect to (i) the issuance and sale of notes offered hereby, and (ii) the anticipated use of the net proceeds thereof, as discussed under the heading Use of Proceeds.

The table below does not give effect to the issuance and sale of new DT notes or the anticipated use of proceeds thereof, if any.

You should read this table in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and related notes thereto incorporated by reference in this prospectus supplement.

	As of September 30, 2017		
	Actual	As adjusted	As further adjusted
	(in millions)		
Cash, cash equivalents and short-term investments[1]	$ 739	$ 304	$ 219
Debt:			
5.300% senior notes due 2021 held by DT	2,000	2,000	2,000
8.097% senior reset notes due 2021 held by DT[2]	1,250	1,250	1,250
4.000% senior notes due 2022	500	500	500
4.000% senior notes due 2022-1 held by DT	1,000	1,000	1,000
6.125% senior notes due 2022[3]	1,000		
8.195% senior reset notes due 2022 held by DT[2]	1,250	1,250	1,250
6.000% senior notes due 2023	1,300	1,300	1,300
6.625% senior notes due 2023[4]	1,750	1,750	
6.836% senior notes due 2023[5]	600	600	
9.332% senior reset notes due 2023 held by DT	600	600	600
6.000% senior notes due 2024	1,000	1,000	1,000
6.000% senior notes due 2024 held by DT	2,000	2,000	2,000
6.500% senior notes due 2024	1,000	1,000	1,000
5.125% senior notes due 2025	500	500	500
5.125% senior notes due 2025-1 held by DT	1,250	1,250	1,250
6.375% senior notes due 2025	1,700	1,700	1,700

6.500% senior notes due 2026	2,000	2,000	2,000
5.375% senior notes due 2027	500	500	500
5.375% senior notes due 2027-1 held by DT	1,250	1,250	1,250
Senior notes offered hereby			2,500
Incremental Term Loan Facility	4,000	4,000	4,000
Revolving Credit Facilities(6)	0	1,150	1,000
Other(7)	1,857	1,858	1,773
Tower obligations(8)	2,599	2,599	2,599
Total debt	$ 30,906	$ 31,057	$ 30,972
Stockholders equity(1)(9)	20,277	19,662	19,662
Total capitalization	**$ 51,183**	**$ 50,719**	**$ 50,634**

(1) On December 15, 2017, 20 million shares of our preferred stock converted to approximately 32 million shares of our common stock at a conversion rate of 1.6119 common shares for each share of previously outstanding preferred stock. We made a nominal cash payment in lieu of any fractional shares.
(2) On or about April 30, 2018, DT is expected to exchange all of the $1.25 billion outstanding aggregate principal amount of the 8.097% senior reset notes due 2021 and 8.195% senior reset notes due 2022 it holds for the new DT notes.
(3) We delivered a notice of redemption to redeem the outstanding aggregate principal amount of the 6.125% senior notes due 2022 in December 2017, which were redeemed in January 2018 utilizing borrowings under the Secured Revolving Credit Facility.
(4) We intend to use a portion of the net proceeds from this offering to redeem up to $1.75 billion in aggregate principal amount of our existing 6.625% senior notes due 2023 at the price set forth in the applicable indenture governing such notes, plus any accrued and unpaid interest to, but not including, the redemption date.
(5) We intend to use a portion of the net proceeds from this offering to redeem up to $600 million in aggregate principal amount of our existing 6.836% senior notes due 2023 at the price set forth in the applicable indenture governing such notes, plus any accrued and unpaid interest to, but not including, the redemption date.
(6) We borrow and repay amounts under the Revolving Credit Facilities from time to time. As of January 15, 2018, $1.15 billion was drawn under the $1.5 billion Secured Revolving Credit Facility, and the $1.0 billion Unsecured Revolving Credit Facility was undrawn. Both facilities mature in December 2019. We intend to use a portion of the net proceeds from this offering to repay up to $150 million of borrowings under the Revolving Credit Facilities.
(7) Other primarily consists of capital leases and an unamortized premium from the purchase price allocation fair value adjustment as a result of the business combination involving T-Mobile USA, Inc. and MetroPCS Communications, Inc. (the Business Combination Transaction).
(8) Represents a financing obligation related to the Tower Transactions, including approximately 6,800 cell sites that are managed and operated by third parties.
(9) As of January 15, 2018, we had repurchased approximately 9.2 million shares under the Stock Repurchase Program at an average price per share of $63.63 for a total purchase price of approximately $583 million, including unsettled shares totaling $29 million.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth consolidated ratio of earnings to fixed charges for each of the last five years and for the nine months ended September 30, 2017. For periods prior to the Business Combination Transaction, the ratio represents T-Mobile USA, Inc. as the accounting acquirer in the business combination.

	Year Ended December 31,					Nine Months Ended September 30,
	2012	2013	2014	2015	2016	2017
Ratio of earnings to fixed charges[1]	[2]	1.06x	1.17x	1.30x	1.80x	2.15x

(1) For purposes of calculating the ratio of earnings to fixed charges, earnings available for fixed charges consists of income (loss) before income taxes and earnings from unconsolidated affiliates plus fixed charges and amortization of capitalized interest less capitalized interest. Fixed charges include interest expense including capitalized interest and the portion of operating rental expense that management believes is representative of the appropriate interest component of rental expense. The portion of total rental expense that represents the interest factor is estimated to be 33%.

(2) Due primarily to T-Mobile USA, Inc. s non-cash impairment charges in the year ended December 31, 2012, the ratio coverage was less than 1:1 in this period. T-Mobile USA, Inc. would have needed to generate additional earnings of $7.0 billion in the year ended December 31, 2012, to achieve a coverage of 1:1 in this period.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth selected consolidated financial data for the Company. The data should be read in conjunction with our audited consolidated financial statements and related notes as of December 31, 2016 and 2015 and for the three years ended December 31, 2016, 2015 and 2014 contained in Parent s Current Report on Form 8-K filed on January 22, 2018 and our unaudited condensed consolidated financial statements and related notes as of and for the nine months ended September 30, 2017 and 2016 contained in Parent s Quarterly Report on Form 10-Q filed on October 23, 2017. The consolidated balance sheet data as of December 31, 2014, 2013 and 2012 and the consolidated statement of operations data for the fiscal years ended December 31, 2013 and 2012 are derived from our consolidated financial statements which are not included or incorporated by reference in this prospectus supplement.

Our historical financial data may not be indicative of the results of operations or financial position to be expected in the future. In particular, on January 1, 2018, we adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) , which requires entities to recognize revenue through the application of a five-step model, which includes: identification of the contract; identification of the performance obligations; determination of the transaction price; allocation of the transaction price to the performance obligations; and recognition of revenue as the entity satisfies the performance obligations. We anticipate this standard will have a material impact on our consolidated financial statements commencing with the quarter ended March 31, 2018.

	Nine months ended September 30,		Year ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(unaudited)						
					(in millions)		
Consolidated Statements of Operations Data:							
Revenues:							
Total service revenues	$ 22,403	$ 20,599	$ 27,844	$ 24,821	$ 22,375	$ 19,068	$ 17,213
Equipment revenues	6,667	5,987	8,727	6,718	6,789	5,033	2,242
Other revenues	775	670	919	928	756	504	336
Total revenues	29,845	27,256	37,490	32,467	29,920	24,605	19,791
Operating expenses:							
Cost of services, exclusive of depreciation and amortization shown separately below	4,520	4,286	5,731	5,554	5,788	5,279	4,661
Cost of equipment sales	8,149	7,532	10,819	9,344	9,621	6,976	3,437
Selling, general and administrative	8,968	8,419	11,378	10,189	8,863	7,382	6,796
Depreciation and amortization	4,499	4,695	6,243	4,688	4,412	3,627	3,187
Cost of MetroPCS business combination		110	104	376	299	108	7
Impairment charges							8,134
Gains on disposal of spectrum licenses	(67)	(835)	(835)	(163)	(840)	(2)	(205)
Other, net					5	54	99

Total operating expenses	26,069	24,207	33,440	29,988	28,148	23,424	26,116
Operating income (loss)	3,776	3,049	4,050	2,479	1,772	1,181	(6,325)
Other income (expense):							
Interest expense	(857)	(1,083)	(1,418)	(1,085)	(1,073)	(545)	
Interest expense to affiliates	(398)	(248)	(312)	(411)	(278)	(678)	(661)
Interest income	15	9	13	6	3	4	5
Other income (expense), net	(89)	(6)	(6)	(11)	(11)	89	(5)
Total other expense, net	(1,329)	(1,328)	(1,723)	(1,501)	(1,359)	(1,130)	(661)

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	Nine months ended September 30,		Year ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(unaudited)						
				(in millions)			
Income (loss) before income taxes	2,447	1,721	2,327	978	413	51	(6,986)
Income tax expense	(618)	(651)	(867)	(245)	(166)	(16)	(350)
Net income (loss)	$ 1,829	$ 1,070	$ 1,460	$ 733	$ 247	$ 35	$ (7,336)
Dividends on preferred stock	(41)	(41)	(55)	(55)			
Net income (loss) attributable to common stockholders	$ 1,788	$ 1,029	$ 1,405	$ 678	$ 247	$ 35	$ (7,336)
Other Financial Data:							
Net cash provided by operating activities	$ 5,904	$ 4,533	$ 6,135	$ 5,414	$ 4,146	$ 3,545	$ 3,862
Net cash used in investing activities	(10,138)	(4,386)	(5,680)	(9,560)	(7,246)	(2,092)	(3,915)
Net cash (used in) provided by financing activities	(527)	623	463	3,413	2,524	4,044	57

	As of September 30,	As of December 31,				
	2017	2016	2015	2014[(1)]	2013[(1)]	2012[(1)]
	(unaudited)					
			(in millions)			
Consolidated Balance Sheet Data:						
Total current assets	$ 7,449	$ 14,217	$ 14,890	$ 13,984	$ 12,228	$ 5,541
Property and equipment, net	21,570	20,943	20,000	16,245	15,349	12,807
Goodwill, spectrum licenses and other intangible assets, net	36,946	29,073	26,232	24,508	21,009	14,629
Other assets and equipment installment plan receivables due after one year, net	1,958	1,658	1,291	1,902	1,360	645
Total assets	67,923	65,891	62,413	56,639	49,946	33,622
Total current liabilities	8,103	9,022	9,528	8,776	5,808	5,592
Long-term debt	13,163	21,832	20,461	16,259	14,338	
Long-term debt to affiliates	14,586	5,600	5,600	5,600	5,600	13,655
Tower obligations	2,599	2,621	2,658	2,521	2,496	2,461
Other long-term liabilities, deferred rent expense and deferred tax liabilities	9,195	8,580	7,609	7,820	7,459	5,799
Total stockholders equity	20,277	18,236	16,557	15,663	14,245	6,115

(1) Other assets, Total assets, and Long-term debt have been adjusted to reflect the retrospective application of ASU 2015-03 Simplifying the Presentation of Debt Issuance Costs which was adopted in the first quarter of 2016. Therefore, these numbers do not agree to our audited consolidated financial statements and the related notes for the years ended December 31, 2014 and 2013. The implementation of this standard did not have a significant

impact on the consolidated financial statements.

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DESCRIPTION OF OTHER INDEBTEDNESS AND CERTAIN LEASE OBLIGATIONS

Existing Senior Notes

On September 18, 2017, we consummated the sale to DT of $500 million principal amount of 5.375% Senior Notes due 2027-1 having the terms set forth below with respect to 5.375% Senior Notes due 2027.

On May 9, 2017, we consummated the sale to DT of $2.0 billion principal amount of 5.300% Senior Notes due 2021 (the 5.300% Senior Notes due 2021) and $2.0 billion of 6.000% Senior Notes due 2024 having the terms set forth below. The 5.300% Senior Notes due 2021 are our unsecured obligations and are guaranteed by Parent and by all of our wholly-owned domestic restricted subsidiaries (other than certain designated special purpose entities, a reinsurance subsidiary, and immaterial subsidiaries), all of our restricted subsidiaries that guarantee certain of our indebtedness and any future subsidiary of Parent that directly or indirectly owns any of our equity interests. Interest is payable on the 5.300% Senior notes due 2023 on March 15 and September 15 of each year. We may, at our option, redeem some or all of the 5.300% Senior Notes due 2021 at any time on or after March 15, 2018 at the redemption price set forth in the indenture governing the 5.300% Senior Notes due 2021. We also may redeem the 5.300% Senior Notes due 2021 prior to March 15, 2018 at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date. In addition, prior to March 15, 2018, we may also redeem up to 35% of the aggregate principal amount of the 5.300% Senior Notes due 2021 with the net cash proceeds of certain sales of equity securities, including the sale of our common stock.

On April 28, 2017, we consummated the sale to DT of (i) $500 million in aggregate principal amount of 4.000% Senior Notes due 2022-1 having the terms set forth below with respect to 4.00% Senior Notes due 2022, (ii) $1.25 billion principal amount of 5.125% Senior Notes due 2025-1 having the terms set forth below with respect to 5.125% Senior Notes due 2025 and (iii) $750 million principal amount of 5.375% Senior Notes due 2027-1 having the terms set forth below with respect to 5.375% Senior Notes due 2027.

On April 27, 2017, we consummated the sale to DT of $500 million in aggregate principal amount of 4.00% Senior Notes due 2022-1 having the terms set forth below with respect to 4.00% Senior Notes due 2022.

On March 16, 2017, we consummated the sale of $500 million principal amount of 4.000% Senior Notes due 2022 (the 4.000% Senior Notes due 2022), $500 million principal amount of 5.125% Senior Notes due 2025 (the 5.125% Senior Notes due 2025) and $500 million principal amount of 5.375% Senior Notes due 2027 (the 5.375% Senior Notes due 2027 , and together with the 4.000% Senior Notes due 2022 and the 5.125% Senior Notes due 2025, the March 2017 Notes). The March 2017 Notes are our unsecured obligations and are guaranteed by Parent and by all of our wholly-owned domestic restricted subsidiaries (other than certain designated special purpose entities, a reinsurance subsidiary, and immaterial subsidiaries), all of our restricted subsidiaries that guarantee certain of our indebtedness and any future subsidiary of Parent that directly or indirectly owns any of our equity interests. Interest is payable on the March 2017 Notes on April 15 and October 15 of each year. We may, at our option, redeem some or all of the 4.000% Senior Notes due 2022 at any time on or after March 16, 2022 at the redemption price set forth in the indenture governing the 4.000% Senior Notes due 2022. We also may redeem the 4.000% Senior Notes due 2022 prior to March 16, 2022 at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date. We may, at our option, redeem some or all of the 5.125% Senior Notes due 2025 at any time on or after April 15, 2020 at the redemption price set forth in the indenture governing the 5.125% Senior Notes due 2025. We also may redeem the 5.125% Senior Notes due 2025 prior to April 15, 2020 at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date. In addition, prior to April 15, 2020, we may also redeem up to 40% of the aggregate principal amount of the 5.125% Senior Notes due 2025 with the net cash proceeds of certain sales of equity securities, including the sale of our common stock. We

may, at our option, redeem some or all of the 5.375% Senior Notes due 2027 at any time on or after April 15, 2022 at the redemption price set forth in the indenture governing the 5.375% Senior Notes due 2027. We also may

redeem the 5.375% Senior Notes due 2027 prior to April 15, 2022 at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date. In addition, prior to April 15, 2020, we may also redeem up to 40% of the aggregate principal amount of the 5.375% Senior Notes due 2027 with the net cash proceeds of certain sales of equity securities, including the sale of our common stock.

On April 1, 2016, we consummated the sale of $1.0 billion principal amount of 6.000% Senior Notes due 2024 (the 6.000% Senior Notes due 2024). The 6.000% Senior Notes due 2024 are our unsecured obligations and are guaranteed by Parent and by all of our wholly-owned domestic restricted subsidiaries (other than certain designated special purpose entities, a reinsurance subsidiary, and immaterial subsidiaries), all of our restricted subsidiaries that guarantee certain of our indebtedness and any future subsidiary of Parent that directly or indirectly owns any of our equity interests. Interest is payable on the 6.000% Senior Notes due 2024 on April 15 and October 15 of each year. We may, at our option, redeem some or all of the 6.000% Senior Notes due 2024 at any time on or after April 15, 2019 at the redemption price set forth in the indenture governing our 6.000% Senior Notes due 2024. We also may redeem the 6.000% Senior Notes due 2024 prior to April 15, 2019 at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date. In addition, prior to April 15, 2019, we may also redeem up to 35% of the aggregate principal amount of each series of the 6.000% Senior Notes due 2024 with the net cash proceeds of certain sales of equity securities, including the sale of our common stock.

On November 5, 2015, we consummated the sale of $2.0 billion principal amount of 6.500% Senior Notes due 2026 (the 6.500% Senior Notes due 2026). The 6.500% Senior Notes due 2026 are our unsecured obligations and are guaranteed by Parent and by all of our wholly-owned domestic restricted subsidiaries (other than certain designated special purpose entities, a reinsurance subsidiary, and immaterial subsidiaries), all of our restricted subsidiaries that guarantee certain of our indebtedness and any future subsidiary of Parent that directly or indirectly owns any of our equity interests. Interest is payable on the 6.500% Senior Notes due 2026 on January 15 and July 15 of each year. We may, at our option, redeem some or all of the 6.500% Senior Notes due 2026 at any time on or after January 15, 2021 at the redemption price set forth in the indenture governing our 6.500% Senior Notes due 2026. We also may redeem the 6.500% Senior Notes due 2026 prior to January 15, 2021 at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date. In addition, prior to January 15, 2019, we may also redeem up to 35% of the aggregate principal amount of each series of the 6.500% Senior Notes due 2026 with the net cash proceeds of certain sales of equity securities, including the sale of our common stock.

On September 5, 2014, we consummated the sale of $1.3 billion principal amount of 6.000% Senior Notes due 2023 (the 6.000% senior notes) and $1.7 billion principal amount of 6.375% Senior Notes due 2025 (the 6.375% senior notes and, together with the 6.000% senior notes, the $3.0 billion senior notes). The $3.0 billion senior notes are our unsecured obligations and are guaranteed by Parent and by all of our wholly-owned domestic restricted subsidiaries (other than certain designated special purpose entities, a reinsurance subsidiary, and immaterial subsidiaries), all of our restricted subsidiaries that guarantee certain of our indebtedness and any future subsidiary of Parent that directly or indirectly owns any of our equity interests. Interest is payable on the $3.0 billion senior notes on March 1 and September 1 of each year. We may, at our option, redeem some or all of (i) the 6.000% senior notes at any time on or after September 1, 2018 and (ii) the 6.375% senior notes at any time on or after September 1, 2019, in each case at the redemption prices set forth in the applicable indentures governing the $3.0 billion senior notes. We also may redeem the $3.0 billion senior notes prior to the dates specified above at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date.

On November 21, 2013, we consummated the sale of $1.0 billion principal amount of 6.500% Senior Notes due 2024 (the 6.500% Senior Notes due 2024). The 6.500% Senior Notes due 2024 are our unsecured obligations and are guaranteed by Parent and by all of our wholly-owned domestic restricted subsidiaries (other than certain designated special purpose entities, a reinsurance subsidiary, and immaterial subsidiaries), all of our

restricted subsidiaries that guarantee certain of our indebtedness and any future subsidiary of Parent that directly or indirectly owns any of our equity interests. Interest is payable on the 6.500% Senior Notes due 2024 on January 15 and July 15 of each year. We may, at our option, redeem some or all of the 6.500% Senior Notes due 2024 at any time on or after January 15, 2019 at the redemption prices set forth in the indenture governing the 6.500% Senior Notes due 2024. We also may redeem the 6.500% Senior Notes due 2024 prior to January 15, 2019 at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date.

On August 21, 2013, we consummated the sale of $500 million principal amount of 5.25% Senior Notes due 2018 (the 5.25% senior notes). The 5.25% senior notes are our unsecured obligations and are guaranteed by Parent and by all of our wholly-owned domestic restricted subsidiaries (other than certain designated special purpose entities, a reinsurance subsidiary, and immaterial subsidiaries), all of our restricted subsidiaries that guarantee certain of our indebtedness and any future subsidiary of Parent that directly or indirectly owns any of our equity interests. Interest is payable on the 5.25% senior notes on March 1 and September 1 of each year. We may, at our option, redeem some or all of the 5.25% senior notes at any time on or after September 1, 2015 at the redemption prices set forth in the indenture governing the 5.25% senior notes.

On April 28, 2013, we consummated the sale to DT of $1.25 billion of our Senior Reset Notes due 2021 (the 2021 senior reset notes), $1.25 billion of our Senior Reset Notes due 2022 (the 2022 senior reset notes), $600.0 million of our 6.836% Senior Notes due 2023 (the 6.836% senior notes), and $600.0 million of our Senior Reset Notes due 2023 (the 2023 senior reset notes and, together with the 2021 senior reset notes and the 2022 senior reset notes, the DT Reset Notes ; the DT Reset Notes, together with the 6.836% senior notes, the April 2013 senior notes) and other notes that are no longer outstanding. On October 10, 2013, DT consummated the sale of the 6.836% senior notes it owned. The April 2013 senior notes are unsecured obligations and are guaranteed by Parent and by all of our wholly-owned domestic restricted subsidiaries (other than certain designated special purpose entities, a reinsurance subsidiary and immaterial subsidiaries), all of our restricted subsidiaries that guarantee certain of our indebtedness and any future subsidiary of Parent that directly or indirectly owns any of our equity interests. The 2021 senior reset notes and 2022 senior reset notes were re-priced on October 28, 2015, to 8.097% for the 2021 senior reset notes and 8.195% for the 2022 senior reset notes. The 2023 senior reset notes were re-priced on April 28, 2016 to 9.332%. Interest is payable on our DT Reset Notes on April 28 and October 28 of each year. Interest is payable on the 6.836% senior notes on January 28 and July 28 of each year. We may, at our option, redeem some or all of (i) the 6.836% senior notes, 2021 senior reset notes, and 2022 senior reset notes at any time on or after April 28 2018 and (ii) the 2023 senior reset notes at any time on or after April 28, 2019, in each case at the redemption prices set forth in the indenture governing the applicable notes. We also may redeem the April 2013 senior notes prior to the dates specified above at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date. The April 2013 senior notes are not subject to any contractual transfer restrictions, except that, pursuant to a stockholder s agreement, Parent may postpone and delay any offering of the April 2013 senior notes held by DT off the registration statement filed with respect to the April 2013 senior notes, for a reasonable period of time up to 60 days, up to two times every twelve months. See Risk Factors Risks Related to the Notes If we or our existing investors sell our debt securities after this offering, the market price of the notes could decline. Pursuant to certain provisions of a noteholder agreement entered into by the Company and DT, DT or any of its Subsidiaries (other than Parent, the Company or any of their Subsidiaries), to the extent they are from time to time holders of the April 2013 senior notes will have certain special rights, and will be subject to certain special restrictions, that do not apply to other holders of those notes. On the date hereof, those restrictions only apply to the DT Reset Notes.

On March 19, 2013, MetroPCS consummated the sale of $1.75 billion principal amount of 6.625% Senior Notes due 2023 (the 6.625% senior notes) and other notes that are no longer outstanding. The 6.625% senior notes were assumed by us in connection with the Business Combination Transaction, are our unsecured obligations and are guaranteed by Parent and by all of our wholly-owned domestic restricted subsidiaries (other than certain designated special purpose

entities, a reinsurance subsidiary, and immaterial subsidiaries), all of our restricted subsidiaries that guarantee certain of our indebtedness and any future subsidiary of Parent that directly

or indirectly owns any of our equity interests. Interest is payable on the 6.625% senior notes on April 1 and October 1 of each year. We may, at our option, redeem some or all of the 6.625% senior notes at any time on or after April 1, 2018 at the redemption prices set forth in the indentures governing the 6.625% senior notes. We also may redeem the 6.625% senior notes prior to April 1, 2018 at a specified make-whole redemption price plus accrued and unpaid interest to, but not including, the redemption date.

The indentures governing the Existing Senior Notes contain customary events of default, covenants and other terms, including covenants that, among other things, limit our and our restricted subsidiaries ability 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 include certain customary baskets, exceptions and incurrence-based ratio tests. The indentures governing the Existing Senior Notes do not contain any financial maintenance covenants. The covenants, events of default, and other non-economic terms of the notes offered hereby will be substantially identical to the covenants, events of default, and other non-economic terms of the Existing Senior Notes.

The notes offered hereby will be different series than the Existing Senior Notes, will not vote together with any of the Existing Senior Notes, will not be required to be redeemed on a pro rata basis with any of the Existing Senior Notes and will not trade with any of the Existing Senior Notes.

New DT Notes

DT may purchase up to $2.5 billion in aggregate principal amount of new DT notes directly from the Issuer with no underwriting discount. If DT elects to purchase the new DT notes, we expect that DT would deliver to the Issuer $1.25 billion in aggregate principal amount of 2021 Notes and $1.25 billion in aggregate principal amount of 2022 Notes held by DT and called for redemption in exchange for the new DT notes. In connection with such exchange, Issuer will pay DT in cash the premium portion of the redemption price set forth in the indenture governing the 2021 Notes and the 2022 Notes, plus accrued but unpaid interest on the 2021 Notes and the 2022 Notes to, but not including, the exchange date. The closing of the issuance and sale of the new DT notes to DT, and exchange of the 2021 Notes and 2022 Notes, is expected to occur on or about April 30, 2018. The placement of the new DT notes is not contingent upon the completion of this offering, and this offering is not contingent upon the placement of the new DT notes.

Any new DT notes will have substantially the same terms and conditions as the 2026 notes and the 2028 notes offered hereby, as applicable, other than issue date, issue price, registration rights and CUSIP. In addition, any new DT notes will be issued under separate supplemental indentures and will each constitute a separate series from the notes offered hereby for all purposes, including voting; provided that if the Issuer exercises its rights in respect of a series of notes offered hereby, the Issuer will be required to exercise the same rights in respect of the new DT notes of the corresponding series on an equal and ratable basis.

Incremental Term Loan Facility under the Term Loan Credit Agreement

On January 25, 2017, we borrowed $4.0 billion in incremental secured term loans constituting a secured term loan facility (the Incremental Term Loan Facility) under our Term Loan Credit Agreement, dated November 9, 2015 (as amended through the date hereof, the Term Loan Credit Agreement) among Parent, us, Deutsche Bank AG New York Branch (DB) and the lenders party thereto, in order to refinance $1.98 billion of outstanding secured term loans previously issued under the Term Loan Credit Agreement. DT was the lender for the entire Incremental Term Loan Facility.

On January 31, 2017, the loans under the Incremental Term Loan Facility were drawn in two tranches: (i) $2.0 billion of which bears interest at a rate equal to a per annum rate of LIBOR plus a margin of 2.00% and matures on November 9, 2022, and (ii) $2.0 billion of which initially bore interest at a rate equal to a per annum rate of LIBOR plus a margin of 2.25% and matures on January 31, 2024. In July 2017, we repriced the $2.0 billion Incremental Term Loan Facility maturing on January 31, 2024 with DT by reducing the interest rate to a per annum rate of LIBOR plus a margin of 2.00%.

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On March 31, 2017, the Incremental Term Loan Facility was amended to waive all interim principal payments. The outstanding principal balance will be due at maturity.

We were not required to pay any upfront fees, underwriting fees, original issue discount or other consideration to DT in connection with the Incremental Term Loan Facility. We may redeem the loans under the Incremental Term Loan Facility on any interest payment date without penalty or premium and, other than interest rate, maturity and absence of early termination penalties or premiums, and the loans are subject to substantially all of the existing terms of the Term Loan Credit Agreement.

Our obligations under the Term Loan Credit Agreement are guaranteed by Parent and by all of our wholly-owned domestic restricted subsidiaries (subject to certain exceptions), all of our restricted subsidiaries that guarantee certain of our indebtedness, and any future subsidiary of Parent that directly or indirectly owns any of our equity interests. In addition, our obligations under the Term Loan Credit Agreement and the guarantee obligations of the guarantors are secured by a first priority lien on substantially all of our assets and the assets of our subsidiaries that are guarantors, subject to certain exceptions as set forth in the Term Loan Credit Agreement and related documentation. In addition, our obligations under the Term Loan Credit Agreement and the guarantee obligations of the guarantors are supported by a first priority pledge of the equity interests held by us and our subsidiary guarantors in any other subsidiary guarantor and (subject to certain exceptions as set forth in the Term Loan Credit Agreement and related documentation, including for immaterial subsidiaries, unrestricted subsidiaries and certain designated subsidiaries) in our and their respective subsidiaries, certain intercompany obligations and to the extent permissible under applicable law, rights under or relating to any FCC licenses, and by a first priority pledge by Parent of all of the equity interests it owns in us, in each case subject to certain exceptions as set forth in the Term Loan Credit Agreement and related documentation.

The rates of interest on amounts borrowed under the Term Loan Credit Agreement are based on, at our option, either the USD London Interbank Offered Rate (LIBOR), or an alternate base rate, in each case, plus an applicable margin rate. The alternate base rate is the highest of (i) the prime rate of the administrative agent, (ii) the federal funds effective rate plus 0.50% and (iii) the one-month adjusted LIBOR plus 1.00%. The margin rate for borrowings under (i) the $2.0 billion tranche of the Incremental Term Loan Facility maturing November 9, 2022 is equal to 2.00% with respect to LIBOR Term Loan borrowings thereunder or 1.00% with respect to alternate base rate Term Loan borrowings thereunder and (ii) the $2.0 billion tranche of the Incremental Term Loan Facility maturing January 31, 2024 is equal to 2.25% with respect to LIBOR Term Loan borrowings thereunder or 1.25% with respect to alternate base rate Term Loan borrowings thereunder.

We are required to make scheduled quarterly principal payments equal to 0.25% of the principal amount of the Term Loans, with the balance of the principal due on the final maturity date. The Term Loan Credit Agreement requires us to prepay outstanding Term Loans, subject to certain exceptions, with: (i) a variable percentage of excess cash flow, ranging from 50% to 0% depending on our first lien net debt to cash flow ratio from time to time, (ii) 100% of the net cash proceeds in excess of (on an aggregate basis) $100.0 million of certain asset sales by us or any of our restricted subsidiaries, and (iii) 100% of our and our restricted subsidiaries net cash proceeds from issuances, offerings or placements of debt obligations not permitted under the Term Loan Credit Agreement, in each case subject to certain exceptions set forth in the Term Loan Credit Agreement and related documentation. We may voluntarily prepay outstanding Term Loans at any time subject to customary breakage costs with respect to LIBOR loans.

The Term Loan Credit Agreement contains certain limitations on us and our restricted subsidiaries with respect to dividends and other distributions, restrictions on subsidiary investments and distributions to us and our restricted subsidiaries, indebtedness and guarantees, sales of certain assets, affiliate transactions, liens, lines of business, acquisitions, consolidations and mergers, and changes in fiscal year. These limitations are substantially similar,

subject to certain additional carveouts, to the limitations in the indentures governing the Existing Senior Notes and the notes offered hereby, except that these limitations will continue to apply even in the event that the notes are assigned an investment grade rating by at least two of Standard & Poor s, Moody s and Fitch and no default has occurred and is continuing.

The Term Loan Credit Agreement provides that we have the right at any time to request incremental term loans up to the greater of (i) the sum of (a) $7.0 billion plus (b) the amount of all voluntary prepayments or repurchases of the term loans (including the initial Term Loans) incurred under the Term Loan Credit Agreement prior to the date of any such incurrence (in each case except for prepayments in connection with a refinancing of such loans), and (ii) such other amount so long as such amount at such time could be incurred without causing our pro forma first lien net debt to cash flow ratio to exceed 2.0 to 1.0. The lenders are not under any obligation to provide any such incremental commitments or loans.

The Term Loan Credit Agreement contains customary events of default, including, without limitation, payment defaults, covenant defaults, breaches of certain representations and warranties, cross defaults to certain material indebtedness, certain events of bankruptcy and insolvency, material judgments, a change of control coupled with a ratings downgrade, certain ERISA events and the invalidity of security documents and guarantees. If an event of default occurs and is not cured within any applicable grace period or is not waived, the administrative agent and the lenders are entitled to take various actions, including, without limitation, the acceleration of amounts due thereunder.

Revolving Credit Facilities

On December 29, 2016, T-Mobile USA entered into (i) a three-year $1.0 billion senior unsecured revolving credit agreement among Parent, T-Mobile USA, and DT, as administrative agent and lender (the Unsecured Revolving Credit Facility) and (ii) a three-year $1.5 billion senior secured revolving credit agreement among Parent, T-Mobile USA, as borrower, and DT, as administrative agent, collateral agent and lender (the Secured Revolving Credit Facility and together with the Unsecured Revolving Credit Facility, the Revolving Credit Facilities).

The Revolving Credit Facilities are intended to serve as Parent s primary source for its short-term liquidity needs and is available to be drawn from time to time (and repaid and redrawn) subject to certain limited and customary draw conditions (which conditions do not include the absence of a material adverse change or compliance with financial maintenance covenants).

The interest rate on borrowings under the Unsecured Revolving Credit Facility is the Eurodollar Rate (as defined in the credit agreement for the Unsecured Revolving Credit Facility), plus an applicable margin. The applicable margin for the Unsecured Revolving Credit Facility ranges from 2.00% to 3.25% per annum for Eurodollar Rate loans. The commitment fee for the Unsecured Revolving Credit Facility ranges from 0.25% to 0.625% per annum.

The interest rate on borrowings under the Secured Revolving Credit Facility is the Eurodollar Rate (as defined in the credit agreement for the Secured Revolving Credit Facility), plus an applicable margin. The applicable margin for the Secured Revolving Credit Facility ranges from 1.00% to 1.75% per annum for Eurodollar Rate loans. The commitment fee for the Secured Revolving Credit Facility is 0.25% per annum.

T-Mobile USA may terminate the commitments under the Revolving Credit Facilities (in whole or part) at any time without premium or penalty, provided that any partial termination will reduce the commitments pro-rata between the Secured Revolving Credit Facility and the Unsecured Revolving Credit Facility.

The Revolving Credit Facilities do not contain financial maintenance covenants and only contain certain limited covenants on Parent and our (and certain of our subsidiaries) ability to incur liens, sell assets and extend loans and/or guaranties. The Revolving Credit Facilities also contain customary events of default.

If DT ceases to own and control more than 50% of the voting stock of Parent, T-Mobile USA may draw any remaining capacity under the Revolving Credit Facilities and (i) in the case of the Secured Revolving Credit Facility,

at our option, convert the outstanding loans to secured term debt and/or issue senior unsecured high-

yield notes to DT in satisfaction of outstanding loans under the Secured Revolving Credit Facility, in either case, with a tenor equal to the remaining tenor under the Secured Revolving Credit Facility, in an aggregate amount not to exceed the loans then outstanding under the Secured Revolving Credit Facility and (ii) in the case of the Unsecured Revolving Credit Facility, issue senior unsecured high-yield notes to DT in satisfaction of the outstanding loans under the Unsecured Revolving Credit Facility, with a tenor equal to the remaining tenor under the Unsecured Revolving Credit Facility in an aggregate amount not to exceed the loans then outstanding under the Unsecured Revolving Credit Facility.

The Revolving Credit Facilities have the benefit of guarantees from the same entities that are guarantors under the Term Loan Credit Agreement. T-Mobile USA s obligations and the guarantors under the Secured Revolving Credit Facility are secured by a first priority lien on substantially all of our and such guarantors assets, subject to certain exceptions. In addition, T-Mobile USA s obligations under the Secured Revolving Credit Facility are subject to a first priority pledge of our equity interests and substantially all of its direct and indirect subsidiaries, subject to certain exceptions. The notes and guarantees under the Unsecured Revolving Credit facility are effectively subordinated to all of Parent s and the guarantors existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness, and are structurally subordinated to all of the liabilities and any future preferred stock of any of Parent s subsidiaries that do not guarantee the Notes.

Tower Transactions

In 2012, we conveyed to Crown Castle International Corp. (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 (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, while the remaining tower sites were sold to CCI. CCI has fixed-price purchase options for these towers totaling approximately $2.0 billion, based on the estimated fair market value 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 Phoenix Tower International (PTI) the exclusive right to manage and operate approximately 600 T-Mobile-owned wireless communication tower sites in exchange for net proceeds of approximately $140 million (2015 Tower Transaction and together with the 2012 Tower Transaction, the Tower Transactions). As of September 30, 2017, rights to approximately 200 of the tower sites remain operated by PTI under a management agreement. We lease back space at certain tower sites for an initial term of ten years, followed by optional renewals at customary terms.

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 3% for the 2015 Tower Transaction using the effective interest method. As of September 30, 2017, we had approximately $2.6 billion in tower obligations relating to the Tower Transactions.

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DESCRIPTION OF NOTES

You can find the definitions of certain terms used in this description of notes under the caption Certain Definitions below. In this description of notes, *Issuer* refers only to T-Mobile USA, Inc., a Delaware corporation, and not to any of its Subsidiaries, and *Parent* refers only to T-Mobile US, Inc., a Delaware corporation and the direct parent company of Issuer, and not to any of its Subsidiaries.

Issuer will issue $ in aggregate principal amount of notes in this offering as two separate series: $ in aggregate principal amount of notes due 2026 (the *2026 notes*) and $ in aggregate principal amount of notes due 2028 (the *2028 notes* and together with the 2026 notes, the *notes*).

Issuer will issue the notes under that certain base indenture (the *base indenture*) among itself, Parent, the Subsidiary Guarantors and Deutsche Bank Trust Company Americas, as trustee (the *trustee*), dated April 28, 2013, as supplemented with respect to each series of notes, by a supplemental indenture (for each such series, the *supplemental indenture*) among Issuer, Parent, the Subsidiary Guarantors and the trustee. In this description of notes, the term *indenture* refers to the base indenture as supplemented separately by the supplemental indenture for each series of notes. The terms of the notes of each series include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended (the *Trust Indenture Act*).

The obligations and covenants of Issuer described hereunder are only of Issuer and not of Parent. Although Parent is a guarantor of the notes, it and its Subsidiaries, except Issuer and its Restricted Subsidiaries, are generally not subject to any of the obligations and covenants described hereunder.

The following description is a summary of the material provisions of the indenture. It does not restate the indenture in its entirety. We urge you to read the indenture in its entirety because it, and not this description of notes, defines your rights as a holder of the notes. For more information on how you can obtain a copy of the base indenture and supplemental indenture, see Where You Can Find More Information. Certain defined terms used in this description of notes but not defined below under Certain Definitions have the meanings assigned to them in the indenture.

The registered holder of a note will be treated as the owner of the note for all purposes. Only registered holders will have rights under the indenture.

Brief Description of the Notes and the Note Guarantees

The Notes

The notes of each series:

- will be general unsecured, unsubordinated obligations of Issuer;

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

will be equal in right of payment with any of 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, borrowings under the Revolving Credit Facilities and the Term Loan Credit Agreement (including the Incremental Term Loan Facility) and the Existing Senior Notes;

will be effectively subordinated to Issuer s existing and future secured Indebtedness, including borrowings under the Secured Revolving Credit Facility and the Term Loan Credit Agreement (including the Incremental Term Loan Facility) to the extent of the value of Issuer s assets constituting collateral securing such Indebtedness;

will be structurally subordinated to all of the liabilities and any future preferred stock of Issuer s non-guarantor subsidiaries; and

will be unconditionally guaranteed on a senior unsecured basis by the Guarantors.

See Risk Factors Risks Related to the Notes The notes and the guarantees will be unsecured and effectively subordinated to Issuer s and the guarantors existing and future secured indebtedness, including borrowings under the Term Loan Credit Agreement and the Secured Revolving Credit Facility, and structurally subordinated to the indebtedness and other liabilities of Issuer s non-guarantor subsidiaries.

Assuming that on September 30, 2017, we had completed the January 2018 Notes Redemption, effected the Revolver Borrowing, completed the offering of the notes and used the proceeds thereof as anticipated, we would have had approximately $31.0 billion of outstanding indebtedness, including $21.6 billion of outstanding indebtedness under the Issuer s Existing Senior Notes and the notes offered hereby, $4.0 billion of outstanding secured indebtedness under the Term Loan Credit Agreement, $1.0 billion of outstanding secured indebtedness under the Secured Revolving Credit Facility and approximately $2.6 billion in tower obligations relating to the Tower Transactions. We also would have had $0.5 billion available for borrowing under the Secured Revolving Credit Facility and $1.0 billion available for borrowing under the Unsecured Revolving Credit Facility.

As of September 30, 2017, Issuer s Subsidiaries that will not guarantee the notes that were included in Parent s consolidated financial statements as of such date had approximately $1.5 billion of total assets (excluding receivables due from Issuer and its guarantor Subsidiaries) and $2.6 billion in Indebtedness, other liabilities and preferred stock (excluding payables due to Issuer and its guarantor subsidiaries).

The Note Guarantees

The notes will be guaranteed by Parent, all of Issuer s Domestic Restricted Subsidiaries that are Wholly-Owned Subsidiaries (other than Designated Tower Entities, Immaterial Subsidiaries and the Reinsurance Entity), Issuer s Restricted Subsidiaries that guarantee any Specified Issuer Indebtedness, and any future Subsidiary of Parent that directly or indirectly owns equity interests of Issuer. These Note Guarantees will be joint and several obligations of the Guarantors. The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance under applicable law. See Risk Factors Risks Related to the Notes The guarantees may not be enforceable because of fraudulent conveyance laws.

Each guarantee of the notes by a Guarantor:

will be a general unsecured, unsubordinated obligation of that Guarantor;

will be senior in right of payment to any future Indebtedness of that Guarantor to the extent that such future Indebtedness provides by its terms that it is subordinated in right of payment to such Guarantor s guarantee of the notes;

will be equal in right of payment with all existing and future Indebtedness and other liabilities of that Guarantor that are not by their terms subordinated to its guarantee of the notes, including, without limitation,

any guarantees of the borrowings under the Revolving Credit Facilities and the Term Loan Credit Agreement (including the Incremental Term Loan Facility) and Issuer s Existing Senior Notes;

will be effectively subordinated to that Guarantor s existing and future secured Indebtedness, including its guarantee of the borrowings under the Secured Revolving Credit Facility and the Term Loan Credit Agreement (including the Incremental Term Loan Facility) to the extent of the value of the assets of such Guarantor constituting collateral securing that Indebtedness; and

will be structurally subordinated to all of the Indebtedness and other liabilities and any future preferred stock of any subsidiaries of such Guarantor that do not guarantee the notes.

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See Risk Factors Risks Related to the Notes The notes and the guarantees will be unsecured and effectively subordinated to Issuer s and the guarantors existing and future secured indebtedness, including the Incremental Term Loan Facility and borrowings under the Secured Revolving Credit Facility and Term Loan Credit Agreement, and structurally subordinated to the indebtedness and other liabilities of Issuer s non-guarantor subsidiaries.

Under the circumstances described below under the subheading Certain Covenants Additional Note Guarantees, one or more of Issuer s Subsidiaries (including Issuer s existing Domestic Restricted Subsidiaries) together with certain newly created or acquired Subsidiaries in the future may not guarantee the notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay their trade creditors and holders of their debt and other obligations before they will be able to distribute any of their assets to Issuer.

As of the Series Issue Date, all of Issuer s Subsidiaries other than the Layer3 Entities (if applicable) will be Restricted Subsidiaries. However, under the circumstances described below under the caption Certain Covenants Designation of Restricted and Unrestricted Subsidiaries, Issuer will be permitted to designate certain of its Subsidiaries as Unrestricted Subsidiaries. Issuer s Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the indenture. Issuer s Unrestricted Subsidiaries will not guarantee the notes.

Except as otherwise provided in the following paragraph, a Guarantor of the notes of any series (other than Parent) may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than Issuer or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists in respect of the notes of such series; and

(2) either:

   (a) subject to the following paragraph and if it is not already a Guarantor of the notes of such series, the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under the indenture and its Note Guarantee of the notes of such series pursuant to a supplemental indenture; or

   (b) such sale or other disposition complies with the Asset Sale provisions of the indenture (it being understood that only such portion of the Net Proceeds as is or is required to be applied on or before the date of such release in accordance with the terms of the indenture needs to be so applied).

The Note Guarantee of a Guarantor will be released in respect of the notes of any series:

(1) only in the case of a Subsidiary Guarantor, in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) Issuer or a Restricted Subsidiary of Issuer, if the sale or other disposition is not prohibited by the Asset Sale provisions of the indenture;

(2) only in the case of a Subsidiary Guarantor, in connection with any issuance, sale or other disposition of Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) Issuer or a Restricted Subsidiary of Issuer, if the issuance, sale or other disposition does not violate the Asset Sale or Restricted Investment provisions of the indenture, and the Subsidiary Guarantor ceases to be a Wholly-Owned Subsidiary of Issuer as a result of such sale or other disposition and does not guarantee any Specified Issuer Indebtedness;

(3) if such Guarantor (other than Parent) ceases to guarantee any Specified Issuer Indebtedness and such Guarantor would not otherwise be required to guarantee the series of notes pursuant to the covenant described below under the caption Certain Covenants Additional Note Guarantees ;

(4) if Issuer designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the indenture;

(5) upon the legal defeasance, covenant defeasance, or satisfaction and discharge of the indenture as provided below under the captions Legal Defeasance and Covenant Defeasance and Satisfaction and Discharge ;

(6) upon the liquidation or dissolution of such Guarantor (other than Parent) provided no Default or Event of Default has occurred that is continuing; or

(7) if such Guarantor becomes an Immaterial Subsidiary and such Guarantor would not otherwise be required to guarantee the series of notes pursuant to the covenant described below under the caption Certain Covenants Additional Note Guarantees.

See Repurchase at the Option of Holders Asset Sales below.

Principal, Maturity and Interest

After the completion of the January 2018 Notes Redemption and this offering, and reflecting the anticipated use of proceeds thereof, Issuer would have outstanding $21.6 billion in aggregate principal amount of senior notes.

Issuer will issue $ in aggregate principal amount of notes in this offering, of which $ in aggregate principal amount will be 2026 notes and $ in aggregate principal amount will be 2028 notes.

Issuer may issue further additional notes of any series from time to time, and such additional notes of such series may be issued under the base indenture as supplemented either by the supplemental indenture for such series of notes or one or more other supplemental indentures. Any issuance of additional notes is subject to all of the covenants in the indenture, including the covenant described below under the caption Certain Covenants Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The notes of any series and any additional notes of such series subsequently issued will be treated as a single series for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase.

Issuer will issue notes in minimum denominations of $2,000 and integral multiples of $1,000. The 2026 notes will mature on , 2026 and the 2028 notes will mature on , 2028.

Interest on the 2026 notes will accrue at the rate of % per annum and interest on the 2028 notes will accrue at the rate of % per annum, and interest on each series of notes will be payable semiannually in arrears on and , commencing on , 2018. Issuer will make each interest payment to the holders of record on the immediately preceding and .

Interest on the notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. If an interest payment date or the maturity date falls on a day that is not a Business Day, the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date the payment was due, and no interest shall accrue for the intervening period.

Payments of principal of and interest on the notes issued in book-entry form or definitive form, if any, will be made as described below under the caption Methods of Receiving Payments on the Notes.

Each series of notes initially will be evidenced by one or more global notes deposited with a custodian for, and registered in the name of, Cede & Co., as nominee of The Depository Trust Company (DTC). Except as

described below, beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants. 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.

Methods of Receiving Payments on the Notes

If a holder of a definitive note has given wire transfer instructions to Issuer and Issuer is the paying agent, Issuer will pay all principal, interest and premium, if any, on that holder s notes in accordance with those instructions until given written notice to the contrary. All other payments on the notes will be made at the Corporate Trust Office of the Trustee, unless Issuer elects to make interest payments by check mailed to the noteholders at their address set forth in the books and records of the registrar.

Paying Agent and Registrar for the Notes

The trustee will initially act as paying agent and registrar. Issuer may change the paying agent or registrar without prior notice to the holders of the notes, and Issuer or any of its Subsidiaries may act as paying agent or registrar.

Transfer and Exchange

Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

A holder of a definitive note may transfer or exchange notes in accordance with the provisions of the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of notes. Holders will be required to pay all taxes relating to, arising out of, or in connection with such transfer. Issuer will not be required to transfer or exchange any note selected for redemption. Also, Issuer will not be required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed.

Optional Redemption

2026 Notes

At any time prior to , 2021, Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the 2026 notes issued under the applicable indenture, upon not less than 10 nor more than 60 days notice, at a redemption price equal to % of the principal amount of 2026 notes redeemed plus accrued and unpaid interest, if any, thereon to, but not including, the applicable redemption date, subject to the rights of holders of 2026 notes on the relevant record date to receive interest due on the relevant interest payment date for periods prior to such redemption date, with an amount equal to the net cash proceeds of one or more sales of Equity Interests (other than Disqualified Stock) of Issuer or contributions to Issuer s common equity capital made with an amount equal to the net cash proceeds of one or more sales of Equity Interests (other than Disqualified Stock) of Parent; *provided* that:

at least 50% of the aggregate principal amount of the 2026 notes issued under the applicable indenture (excluding 2026 notes held by Issuer and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

the redemption occurs within 180 days of the date of the closing of such sale of Equity Interests by Issuer or the date of contribution to Issuer s common equity capital made with an amount equal to the net cash proceeds of one or more sales of Equity Interests of Parent.

On or after , 2021, Issuer may redeem all or a part of the 2026 notes, upon not less than 10 nor more than 60 days notice, at the redemption prices (expressed as percentages of the principal amount of 2026 notes

redeemed) set forth below plus accrued and unpaid interest, if any, on the 2026 notes redeemed to, but not including, the applicable redemption date, if redeemed during the twelve month period beginning on of the years indicated below, subject to the rights of holders of 2026 notes on the relevant record date to receive interest due on the relevant interest payment date for periods prior to such redemption date:

Year	Percentage
2021	%
2022	%
2023 and thereafter	100.000%

At any time prior to , 2021, Issuer may also redeem all or a part of the 2026 notes, upon not less than 10 nor more than 60 days notice, at a redemption price equal to 100% of the principal amount of 2026 notes redeemed plus the Applicable Premium for the 2026 notes as of, and accrued and unpaid interest, if any, to, but not including, the redemption date, subject to the rights of holders of 2026 notes on the relevant record date to receive interest due on the relevant interest payment date for periods prior to such redemption date.

Unless Issuer defaults in the payment of the redemption price, interest will cease to accrue on the 2026 notes or portions thereof called for redemption on the redemption date.

2028 Notes

At any time prior to , 2021, Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the 2028 notes issued under the applicable indenture, upon not less than 10 nor more than 60 days notice, at a redemption price equal to % of the principal amount of 2028 notes redeemed plus accrued and unpaid interest, if any, thereon to, but not including, the applicable redemption date, subject to the rights of holders of 2028 notes on the relevant record date to receive interest due on the relevant interest payment date for periods prior to such redemption date, with an amount equal to the net cash proceeds of one or more sales of Equity Interests (other than Disqualified Stock) of Issuer or contributions to Issuer s common equity capital made with an amount equal to the net cash proceeds of one or more sales of Equity Interests (other than Disqualified Stock) of Parent; *provided* that:

- at least 50% of the aggregate principal amount of the 2028 notes issued under the applicable indenture (excluding 2028 notes held by Issuer and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

- the redemption occurs within 180 days of the date of the closing of such sale of Equity Interests by Issuer or the date of contribution to Issuer s common equity capital made with an amount equal to the net cash proceeds of one or more sales of Equity Interests of Parent.

On or after , 2023, Issuer may redeem all or a part of the 2028 notes, upon not less than 10 nor more than 60 days notice, at the redemption prices (expressed as percentages of the principal amount of 2028 notes redeemed) set forth below plus accrued and unpaid interest, if any, on the 2028 notes redeemed to, but, not including, the applicable redemption date, if redeemed during the twelve month period beginning on of the years indicated below, subject to the rights of holders of 2028 notes on the relevant record date to receive interest on the relevant interest payment date for periods prior to such redemption date:

Year	Percentage
2023	%
2024	%
2025	%
2026 and thereafter	100.000%

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At any time prior to , 2023, Issuer may also redeem all or a part of the 2028 notes, upon not less than 10 nor more than 60 days notice, at a redemption price equal to 100% of the principal amount of 2028 notes redeemed plus the Applicable Premium for the 2028 notes as of, and accrued and unpaid interest, if any, to, but not including, the redemption date, subject to the rights of holders of 2028 notes on the relevant record date to receive interest due on the relevant interest payment date for periods prior to such redemption date.

Unless Issuer defaults in the payment of the redemption price, interest will cease to accrue on the 2028 notes or portions thereof called for redemption on the redemption date.

Mandatory Redemption

Issuer is not required to make mandatory redemption or sinking fund payments with respect to the notes.

Repurchase at the Option of Holders

Change of Control Triggering Event

If a Change of Control Triggering Event occurs with respect to any series of notes, each holder of notes of such series will have the right to require Issuer to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000) of that holder s notes of such series pursuant to a Change of Control Offer on the terms set forth in the indenture. In the Change of Control Offer, Issuer will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased to, but not including, the date of purchase, subject to the rights of holders of notes on the relevant record date to receive interest due on the relevant interest payment date for periods prior to such repurchase date (the *Change of Control Payment*). Within 30 days following any Change of Control Triggering Event, Issuer will send a notice (the *Change of Control Offer*) to each holder of notes to which such Change of Control Triggering Event applies and the trustee describing the transaction or transactions and identify the ratings decline that together constitute the Change of Control Triggering Event and offering to repurchase the notes of such series on the Change of Control Payment Date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is sent (the *Change of Control Payment Date*), pursuant to the procedures required by the indenture and described in such notice. Issuer will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act) and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Triggering Event provisions of the indenture, or compliance with the Change of Control Triggering Event provisions of the indenture would constitute a violation of any such laws or regulations, Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Triggering Event provisions of the indenture by virtue of such compliance. In connection with the tender of any notes with respect to a Change of Control Triggering Event, the tendering holder shall provide good title to the notes, free and clear of all liens and encumbrances, and shall represent and warrant that such holder is presenting good title, free and clear of all liens and encumbrances, and such other representations and warranties as are customary.

On the Change of Control Payment Date, Issuer will, to the extent lawful:

(1) accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

(3) deliver or cause to be delivered to the paying agent the notes properly accepted together with an officers certificate stating the aggregate principal amount of notes or portions of notes being purchased by Issuer.

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The paying agent will promptly make payment, to each holder of notes properly tendered, of the Change of Control Payment for such notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder, a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; *provided* that each new note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof. Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require Issuer to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the indenture does not contain provisions that permit the holders of the notes to require, or otherwise provide, that Issuer repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction.

Notwithstanding the foregoing, Issuer will not be required to make a Change of Control Offer with respect to any series of the notes upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer for such series of notes in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by Issuer and purchases all notes of such series properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption with respect to such series has been given pursuant to the indenture as described above under the caption Optional Redemption, unless and until there is a default in payment of the applicable redemption price.

A Change of Control Offer may be made in advance of a Change of Control Triggering Event, and conditioned upon such Change of Control Triggering Event, if a definitive agreement has been executed for a transaction that would constitute a Change of Control at the time of making of the Change of Control Offer.

In the event that holders of not less than 90% of the aggregate principal amount of the outstanding notes of a series accept a Change of Control Offer and Issuer purchases all of the notes of such series held by such holders, Issuer will have the right, upon not less than 10 nor more than 60 days notice, given not more than 30 days following the purchase pursuant to the Change of Control Offer described above, to redeem all of the notes of such series that remain outstanding following such purchase at a redemption price equal to the Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest, if any, on the notes of such series that remain outstanding, to, but not including, the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date).

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of Issuer and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require Issuer to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Issuer and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

Asset Sales

Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1)

Issuer (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

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(2) at least 75% of the consideration received by Issuer or such Restricted Subsidiary in the Asset Sale and all other Asset Sales since the Closing Date is in the form of cash, Cash Equivalents or Replacement Assets or a combination thereof. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on Issuer s most recent consolidated balance sheet (or as would be shown on Issuer s consolidated balance sheet as of the date of such Asset Sale), of Issuer or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the notes or any Note Guarantees) that are assumed by the transferee of any such assets pursuant to a novation agreement that releases Issuer or such Restricted Subsidiary from further liability;

(b) any securities, notes or other obligations received by Issuer, or any such Restricted Subsidiary, from such transferee that are converted by Issuer or such Restricted Subsidiary into cash, Cash Equivalents or Replacement Assets within 90 days after such Asset Sale, to the extent of the cash, Cash Equivalents or Replacement Assets received in that conversion;

(c) consideration consisting of Indebtedness of Issuer or a Restricted Subsidiary (other than Subordinated Indebtedness) received after the Series Issue Date from Persons who are not Issuer or any Restricted Subsidiary; and

(d) any Designated Non-cash Consideration received by Issuer or any Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value (as determined in good faith by Issuer), taken together with all other Designated Non-cash Consideration received pursuant to this clause (d) that is at any time outstanding, not to exceed 5% of Issuer s Total Assets (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

Notwithstanding the foregoing, the 75% limitation referred to above shall be deemed satisfied with respect to any Asset Sale in which the cash, Cash Equivalents or Replacement Assets portion of the consideration received therefrom, determined in accordance with the foregoing provision on an after-tax basis, is equal to or greater than what the after-tax proceeds would have been had such Asset Sale complied with the aforementioned 75% limitation.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, Issuer or a Restricted Subsidiary may apply an amount equal to such Net Proceeds:

(1) to purchase Replacement Assets;

(2) to prepay, repay, defease, redeem, purchase or otherwise retire Indebtedness and other Obligations under a Credit Facility or Indebtedness secured by property that is subject to such Asset Sale and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(3)

to prepay, repay, defease, redeem, purchase or otherwise retire Obligations under Indebtedness that is not Subordinated Indebtedness other than the Indebtedness described in clause (2) above (and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto); *provided* that Issuer shall equally and ratably prepay, repay, defease, redeem, purchase or otherwise retire (or offer to prepay, repay, defease, redeem, purchase or otherwise retire, as applicable) Obligations under the notes on a pro rata basis for no less than 100% of the principal amount thereof plus accrued and unpaid interest, if any, thereon to, but not including, the applicable redemption date; or

(4) if the assets subject to such Asset Sale are the property or assets of a Restricted Subsidiary that is not a Guarantor, to prepay, repay, defease, redeem, purchase or otherwise retire Indebtedness of such Restricted Subsidiary or Indebtedness of any other Restricted Subsidiary that is not a Guarantor, other than Indebtedness owed to Issuer or any Restricted Subsidiary.

Notwithstanding the foregoing, if within 365 days after the receipt of any Net Proceeds from an Asset Sale, Issuer or a Restricted Subsidiary enters into a binding written agreement committing Issuer or such Restricted

Subsidiary, subject to customary conditions, to an application of funds of the kind described in clause (1) above, Issuer or such Restricted Subsidiary shall be deemed not to be in violation of the preceding paragraph so long as such application of funds is consummated within 545 days of the receipt of such Net Proceeds.

Pending the final application of any Net Proceeds of an Asset Sale, Issuer may temporarily reduce revolving credit borrowings or otherwise use the Net Proceeds in any manner that is not prohibited by the indenture.

An amount equal to any Net Proceeds from Asset Sales that are not applied or invested as provided in the third paragraph of this covenant will constitute *Excess Proceeds.* When the aggregate amount of Excess Proceeds exceeds $100.0 million, within 20 days thereof, Issuer shall apply the entire aggregate amount of unutilized Excess Proceeds (not only the amount in excess of $100.0 million) to make an offer (an *Asset Sale Offer*) to all holders of notes and all holders of other Indebtedness that is *pari passu* with the notes containing provisions requiring Issuer to make an offer to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of notes and purchase or redeem such other *pari passu* Indebtedness that may be purchased or redeemed out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount of the notes and such other *pari passu* Indebtedness that may be purchased or redeemed with Excess Proceeds, plus accrued and unpaid interest, if any, to, but not including, the date of consummation of the purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, Issuer and its Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by the indenture. If the aggregate principal amount of notes and other *pari passu* Indebtedness tendered in response to such Asset Sale Offer exceeds the amount of Excess Proceeds, the trustee shall select the notes and Issuer will select such other *pari passu* Indebtedness to be purchased or redeemed on a *pro rata* basis unless otherwise required by law or applicable stock exchange or depositary requirements. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the indenture, or compliance with the Asset Sale provisions of the indenture would constitute a violation of any such laws or regulations, Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the indenture by virtue of such compliance.

The agreements governing Issuer s other Indebtedness contain, and future agreements may contain, prohibitions of certain events, including events that would constitute a Change of Control or an Asset Sale and may prohibit repurchases of or other prepayments in respect of the notes. The exercise by the holders of the notes of their right to require Issuer to repurchase the notes upon a Change of Control Triggering Event or an Asset Sale could cause a default under these other agreements, even if the Change of Control Triggering Event or Asset Sale itself does not, due to the financial effect of such repurchases or other prepayments on Issuer. In the event a Change of Control Triggering Event or Asset Sale occurs at a time when Issuer is prohibited from purchasing notes, Issuer could seek the consent of the holders of such Indebtedness to the purchase of notes or could attempt to refinance the borrowings that contain such prohibition. If Issuer does not obtain a consent or repay those borrowings, Issuer will remain prohibited from purchasing notes. In that case, Issuer s failure to purchase tendered notes would constitute an Event of Default under the applicable indenture that could, in turn, constitute a default under the other Indebtedness. Finally, Issuer s ability to pay cash to the holders of notes upon a repurchase may be limited by Issuer s then existing financial resources. See Risk Factors Risks Related to the Notes The indenture governing the Existing Senior Notes and the notes offered hereby, our Revolving Credit Facilities and the Term Loan Credit Agreement include or will include restrictive covenants that limit our operating flexibility.

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Selection and Notice

If less than all of the notes of a series are to be redeemed, the trustee will select notes of such series for redemption on a *pro rata* basis unless otherwise required by law or applicable stock exchange or depositary requirements.

No notes of $2,000 or less can be redeemed in part. Notices of redemption will be sent electronically or mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address, except that redemption notices may be sent more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the notes of a series or a satisfaction and discharge of the indenture with respect to such series. Except as otherwise set forth in the provisions described under the caption Repurchase at the Option of Holders Change of Control Triggering Event, any such notice of redemption may, at Issuer s discretion, state that such redemption is subject to one or more conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in Issuer s discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (or waived by Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by Issuer in its sole discretion) by the redemption date (whether the original redemption date or the redemption date so delayed).

If any note is to be redeemed in part only, the notice of redemption that relates to that note will state the portion of the principal amount of that note that is to be redeemed. If in definitive form a new note in principal amount equal to the unredeemed portion of the original note will be issued in the name of the holder of notes upon cancellation of the original note. Except to the extent that a notice of redemption is conditional as permitted in the provisions described under the caption Repurchase at the Option of Holders Change of Control Triggering Event, notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on notes or portions of notes called for redemption.

Certain Covenants

Changes in Covenants When Notes Rated Investment Grade

If on any date following the Series Issue Date with respect to a series of notes:

(1) the notes of such series are rated Investment Grade by two out of the three Rating Agencies; and

(2) no Default or Event of Default shall have occurred and be continuing with respect to the notes of such series (other than with respect to the covenants specifically listed under the following captions),

then, beginning on that day, the covenants specifically listed under the following captions in this prospectus supplement will cease to apply to such series of notes and will not be later reinstated even if the ratings of the notes of such series should subsequently decline:

(1) Repurchase at the Option of Holders Asset Sales ;

(2) Restricted Payments ;

(3) Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ;

(4) Dividend and Other Payment Restrictions Affecting Subsidiaries ;

(5) Transactions with Affiliates ;

(6) Designation of Restricted and Unrestricted Subsidiaries ; and

(7) clauses (3) (to the extent that a Default or Event of Default exists by reason of one or more of the covenants specifically listed in this paragraph) and (4) of the covenant described below under the caption Merger, Consolidation or Sale of Assets.

There can be no assurance that the notes of any series will ever achieve an Investment Grade rating.

Restricted Payments

Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay (without duplication) any dividend, or make any other payment or distribution, on account of Issuer s or any of its Restricted Subsidiaries Equity Interests (including any payment in connection with any merger or consolidation involving Issuer or any of its Restricted Subsidiaries) or to the direct or indirect holders of Issuer s or any of its Restricted Subsidiaries Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of Issuer and other than dividends or distributions payable to Issuer or a Restricted Subsidiary of Issuer);

(2) purchase, redeem or otherwise acquire or retire for value (including in connection with any merger or consolidation involving Issuer) any Equity Interests of Issuer or any direct or indirect parent of Issuer;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Indebtedness (excluding any intercompany Indebtedness between or among Issuer and any of its Restricted Subsidiaries), except a payment of interest or principal at the Stated Maturity thereof; or

(4) make any Restricted Investment (all such payments and other actions set forth in clauses (1) through (4) above being collectively referred as Restricted Payments),

unless, at the time of and after giving effect to such Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) Issuer would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Debt to Cash Flow Ratio test set forth in the first paragraph of the covenant described below under the caption Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Issuer and its Restricted Subsidiaries since the Closing Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (7), (8), (9), (11), (12), (13), (14), (15), (16) and (17) of the next succeeding paragraph), is less than the sum, without duplication, of:

(i) 100% of Issuer s Consolidated Cash Flow for the period (taken as one accounting period) from and after the Closing Date to the end of Issuer s most recently ended fiscal quarter for which internal financial statements

are available at the time of such Restricted Payment, less the product of 1.4 times Issuer s Consolidated Interest Expense for the same period; *plus*

(ii) 100% of the aggregate net cash proceeds, and the Fair Market Value of any property other than cash, in each case received by Issuer after the Closing Date as a contribution to its common equity capital (other than any such contribution resulting, or deemed to result, from the Merger) or from the issue or sale of Equity Interests of Issuer (other than Disqualified Stock) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of Issuer that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of Issuer); *plus*

(iii) to the extent that any Restricted Investment that was made after the Closing Date, or, that any Restricted Investment that was made by MetroPCS Wireless, Inc. or any of its Restricted Subsidiaries after November 3, 2006 and prior to the Closing Date (*provided* that, and solely to the extent that, such Restricted Investment, at the time made, reduced the amount that would be calculated pursuant to clause (g) below), in each case, is sold for cash or Cash Equivalents, or otherwise is liquidated or repaid for cash or Cash Equivalents, an amount equal to such cash and Cash Equivalents; *plus*

(iv) to the extent that any Unrestricted Subsidiary of Issuer designated as such after the Closing Date is redesignated as a Restricted Subsidiary after the Closing Date, the Fair Market Value of Issuer s Investment in such Subsidiary as of the date of such redesignation; other than to the extent such Investment constituted a Permitted Investment; *plus*

(v) 100% of any cash dividends or cash distributions, and the Fair Market Value of any property other than cash, in each case actually received directly or indirectly by Issuer or a Restricted Subsidiary of Issuer that is a Guarantor after the Closing Date from an Unrestricted Subsidiary of Issuer, in each case, to the extent that such dividends, cash distributions or other property were not otherwise included in the Consolidated Net Income of Issuer for such period and other than to the extent such Investment constituted a Permitted Investment; *minus*

(vi) the aggregate amount of any Net Equity Proceeds taken into account for purposes of incurring Indebtedness pursuant to clause (14) the definition of Permitted Debt set forth below under the caption Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, after the Closing Date; *plus*

(vii) the amount that would be calculated immediately prior to the consummation of the Merger on the Closing Date pursuant to clause (3) of the second paragraph of Section 4.07(a) of the September 2010 Senior Notes Indenture, as in effect immediately prior to the effectiveness of the December 2012 Sixth Supplemental Indenture (*provided* that any calculation of cumulative Consolidated Cash Flow and Consolidated Interest Expense in subclause (A) of such clause (3) shall include (x) Issuer s last fiscal quarter ending prior to the Closing Date, and (y) the period from the beginning of Issuer s fiscal quarter during which the Closing Date occurs to the Closing Date, in each case, if internal financial statements are available for such period at the time of calculation, even if they are not available immediately prior to the consummation of the Merger on the Closing Date).

As of September 30, 2017, the amount calculated pursuant to clause (c)(i)-(vii) above (the *RP Basket*), was approximately $33 billion.

The preceding provisions will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of Issuer) of, Equity Interests of Issuer (other than Disqualified Stock) or from the substantially concurrent contribution of common equity capital to Issuer; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(b) of the preceding paragraph; *provided*, *further*, that any Net Equity Proceeds (x) used for making a Restricted Investment pursuant to clause (10) of this paragraph or (y) taken into account for purposes of incurring Indebtedness pursuant to clause (14) of the definition of Permitted Debt set forth below under the caption Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, may not also be used to make

a Restricted Payment pursuant to this clause (2);

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of Issuer or any Subsidiary Guarantor with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of Issuer to the holders of its Equity Interests on a pro rata basis;

(5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of Parent, Issuer, any Restricted Subsidiary of Issuer or any direct or indirect parent of Issuer held by any current or

former officer, director, employee or consultant of Parent, Issuer or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, shareholders agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed an amount equal to $50.0 million in any fiscal year; *provided*, *further*, that such amount in any fiscal year may be increased by an amount equal to (a) the net cash proceeds contributed to Issuer from the sale of Equity Interests of Parent to current or former members of management, directors, consultants or employees that occurs after the Closing Date plus (b) the net cash proceeds of key man life insurance policies received by Parent or its Restricted Subsidiaries after the Closing Date; *provided*, *further*, that such amount in any fiscal year shall be reduced by the amount of Indebtedness incurred in such fiscal year pursuant to clause (21) of the second paragraph of the covenant described below under the caption Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ;

(6) the repurchase, redemption or other acquisition or retirement of Equity Interests deemed to occur upon the exercise or exchange of stock options, warrants or other similar rights to the extent such Equity Interests represent a portion of the exercise or exchange price of those stock options, warrants or other similar rights, and the repurchase, redemption or other acquisition or retirement of Equity Interests made in lieu of withholding taxes resulting from the vesting, exercise or exchange of stock options, warrants or other similar rights;

(7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of Issuer or any Restricted Subsidiary of Issuer issued on or after the Closing Date in accordance with the Debt to Cash Flow Ratio test described below under the caption Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ;

(8) Permitted Payments to Parent;

(9) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of Parent to the extent necessary to comply with law or to prevent the loss or secure the renewal or reinstatement of any FCC License held by Issuer or any of its Subsidiaries;

(10) Restricted Investments in an amount equal to 100% of the aggregate amount of any Net Equity Proceeds, less the aggregate amount of any Net Equity Proceeds (x) used for making a Restricted Payment pursuant to clause (2) of this paragraph or (y) taken into account for purpose of incurring Indebtedness pursuant to clause (14) of the definition of Permitted Debt set forth below under the caption Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ;

(11) payments made to DT or its Subsidiaries from the proceeds of the Towers Transaction;

(12) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness pursuant to the provisions similar to those described under the captions Repurchase at the Option of Holders Change of Control Triggering Event and Repurchase at the Option of Holders Asset Sales ; *provided* that all notes tendered by the holders of the notes in connection with a Change of Control Offer or Asset Sale Offer,

as applicable, have been repurchased, redeemed or otherwise acquired for value;

(13) Restricted Payments in connection with the Cash Payment, as defined in the Business Combination Agreement;

(14) the making of cash payments in connection with any conversion of Convertible Debt in an aggregate amount since the Closing Date not to exceed the sum of (a) the principal amount of such Convertible Debt plus (b) any payments received by Issuer or any of its Restricted Subsidiaries pursuant to the exercise, settlement or termination of any related Permitted Bond Hedge Transactions;

(15) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to Issuer or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than any Unrestricted Subsidiary whose principal assets consist of cash and Cash Equivalents to the extent such cash and Cash Equivalents were invested in a Permitted Investment);

(16) other Restricted Payments in an aggregate amount since the Closing Date not to exceed the greater of (x) $375.0 million or (y) 6.0% of the Consolidated Cash Flow of Issuer; and

(17) any Restricted Payment; *provided* that the Debt to Cash Flow Ratio calculated on a pro forma basis in the manner described in the definition of Debt to Cash Flow Ratio after giving effect to such Restricted Payment would be equal to or less than 3.00 to 1.00;

provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (16) or (17), no Default or Event of Default has occurred and is continuing or would be caused thereby.

For purposes of determining compliance with this Restricted Payments covenant, in the event that an Investment or Restricted Payment meets the criteria of more than one of the categories described in clauses (1) through (17) above or one or more of the exceptions contained in the definition of Permitted Investments , Issuer will be permitted to classify all or a portion of such Investment or Restricted Payment on the date of its occurrence, or later reclassify all or a portion of such Investment or Restricted Payment, in any manner that complies with this covenant.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock

Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, *incur*) any Indebtedness (including Acquired Debt), and Issuer will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock; *provided*, *however*, that Issuer may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock and the Subsidiary Guarantors may incur Indebtedness (including Acquired Debt) or issue Preferred Stock, if the Debt to Cash Flow Ratio for Issuer s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or such Preferred Stock is issued, as the case may be, would have been no greater than 6.00 to 1.00, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the Preferred Stock had been issued, as the case may be, at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, *Permitted Debt*), nor will it prohibit Issuer from issuing the following types of Disqualified Stock or Issuer s Restricted Subsidiaries from issuing the following types of Preferred Stock:

(1) the incurrence by Issuer and any Subsidiary Guarantor of (a) additional Indebtedness under Credit Facilities, *provided* that giving effect to such incurrence, the aggregate principal amount (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of Issuer and its Restricted Subsidiaries thereunder) of all Indebtedness under Credit Facilities then outstanding under this paragraph (1), together with any Indebtedness incurred pursuant to the following clause (b), does not exceed the greater of (x) $9.0 billion and (y) an amount such that, upon the incurrence of Indebtedness under this clause (1), the Secured Debt to Cash Flow Ratio of Issuer and its Subsidiaries for the most recently ended four full fiscal quarters for which financial

statements are available, calculated on a pro forma basis in the manner described in the definition of Secured Debt to Cash Flow Ratio, shall not exceed 2.00:1.00; *provided* that for purposes of determining the amount of Indebtedness that may be incurred under this clause (a)(y), all Indebtedness incurred under this clause (1) shall be treated as Consolidated Indebtedness that is secured by a Lien and (b) without duplication, all Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to the foregoing clause (a); *provided*, *however*, that the

maximum amount permitted under this clause (1) shall not be deemed to limit additional Indebtedness under the Credit Facilities to the extent that the incurrence of such additional Indebtedness is permitted pursuant to any of the other provisions of this covenant;

(2) the incurrence by Issuer and its Restricted Subsidiaries of any Existing Indebtedness or any Series Issue Date Existing Indebtedness;

(3) the incurrence by Issuer and the Subsidiary Guarantors of Indebtedness represented by the notes to be issued on the date of the supplemental indentures and the related Note Guarantees;

(4) the incurrence by Issuer or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing (whether prior to or within 270 days after) all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment or the Capital Stock of any Person owning such assets used in the business of Issuer or any of its Restricted Subsidiaries, in an aggregate principal amount at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4);

(5) the incurrence by Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (4), (5), (13), (14), (15), (24) or (25) of this paragraph;

(6) the incurrence by Issuer or any of its Restricted Subsidiaries of intercompany Indebtedness between or among Parent, Issuer and any of its Restricted Subsidiaries and any Guarantors; *provided*, *however*, that:

(a) if Issuer or any Subsidiary Guarantor is the obligor on such Indebtedness and the payee is not Issuer or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the notes, in the case of Issuer, or the Note Guarantee, in the case of a Subsidiary Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than Parent, Issuer or a Restricted Subsidiary of Issuer, or a Guarantor and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either Parent, Issuer or a Restricted Subsidiary of Issuer, or a Guarantor, will be deemed, in each case, to constitute an incurrence of such Indebtedness by Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the issuance by any of Issuer s Restricted Subsidiaries to Issuer or to any of its Restricted Subsidiaries of shares of Preferred Stock; *provided*, *however*, that:

(a) any subsequent issuance or transfer of Equity Interests that results in any such Preferred Stock being held by a Person other than Parent, Issuer or a Restricted Subsidiary of Issuer or a Guarantor; and

(b) any sale or other transfer of any such Preferred Stock to a Person that is not either Parent, Issuer or a Restricted Subsidiary of Issuer, or a Guarantor, will be deemed, in each case, to constitute an issuance of such Preferred Stock by such Restricted Subsidiary that was not permitted by this clause (7);

(8) the incurrence by Issuer or any of its Restricted Subsidiaries of Hedging Obligations (other than for speculative purposes);

(9) the guarantee by Issuer or any of the Subsidiary Guarantors of Indebtedness of Issuer or a Restricted Subsidiary of Issuer that was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the notes, then the guarantee shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(10) the incurrence by Issuer or any of its Restricted Subsidiaries of Indebtedness in respect of workers compensation claims, self-insurance obligations, bankers acceptances, deposits, performance bonds,

completion bonds, bid bonds, appeal bonds and surety bonds, indemnity bonds, specific performance or injunctive relief bonds or similar bonds or obligations in the ordinary course of business, and any Guarantees or letters of credit functioning as or supporting any of the foregoing;

(11) the incurrence by Issuer or any of its Restricted Subsidiaries of Indebtedness arising from (a) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days of notice to Issuer or any of its Restricted Subsidiaries, (b) in respect of netting, overdraft protection and other arrangement arising under standard business terms of any bank at which Issuer or any Restricted Subsidiary maintains an overdraft, cash pooling or other similar facility or arrangement or (c) in respect of the financing of insurance premiums in the ordinary course of business, *provided* that the aggregate principal amount of Indebtedness incurred pursuant to clauses (11)(b) and (c) shall not, at any time outstanding, exceed the greater of (x) $250.0 million and (y) 5.0% of the Consolidated Cash Flow of Issuer as of the time of such incurrence;

(12) the incurrence by Issuer or any of its Restricted Subsidiaries of Indebtedness in respect of letters of credit required to be issued in connection with any Permitted Joint Venture Investment;

(13) the incurrence by Issuer or any of its Restricted Subsidiaries of Indebtedness for relocation or clearing obligations relating to Issuer s or any of its Restricted Subsidiary s FCC Licenses in an aggregate principal amount (or accreted value, as applicable), including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (13), at any time outstanding not to exceed the greater of (x) $400.0 million and (y) 1.0% of Issuer s Total Assets as of the time of such incurrence;

(14) the incurrence by Issuer or any of its Restricted Subsidiaries of Contribution Indebtedness;

(15) the incurrence by Issuer or any of its Restricted Subsidiaries of Indebtedness (including Acquired Debt or Indebtedness) used to finance an acquisition of or a merger with another Person, *provided* that, Issuer or the Person formed by or surviving any such consolidation or merger (if other than Issuer or a Restricted Subsidiary), on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, would either (a) be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Debt to Cash Flow Ratio test set forth in the first paragraph of this covenant or (b) have a Debt to Cash Flow Ratio no greater than the Debt to Cash Flow Ratio of Issuer immediately prior to such transaction;

(16) the incurrence by Issuer or any of its Restricted Subsidiaries of Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds securing any obligations of Issuer or any of its Restricted Subsidiaries pursuant to such agreements, in any case incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than Guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition), so long as the amount does not exceed the gross proceeds actually received by Issuer or any Restricted Subsidiary thereof in connection

with such disposition;

(17) the incurrence by Issuer or any Restricted Subsidiary of Indebtedness constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business; *provided* that, upon the drawing of such letters of credit, such obligations are reimbursed within 30 days following such drawing;

(18) the incurrence by Issuer or any Restricted Subsidiary of Indebtedness to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the notes;

(19) the incurrence by Issuer or any of the Subsidiary Guarantors of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (19), not to exceed the greater of (x) $1.0 billion and (y) 2.0% of Issuer s Total Assets as of the time of such incurrence;

(20) the incurrence by Issuer or any Restricted Subsidiary of Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(21) the incurrence by Issuer or any Restricted Subsidiary of Indebtedness evidenced by promissory notes subordinated to the notes and the Note Guarantees issued to current or former employees or directors of Parent, Issuer or any Subsidiary (or their respective spouses or estates) in lieu of cash payments for Capital Stock being repurchased from such Persons, not to exceed, in any twelve-month period, an amount equal to the amount of Restricted Payments that could be made during such twelve-month period pursuant to clause (5) of the third paragraph under the covenant described above under the caption Restricted Payments, less the amount of Restricted Payments that have been made during such twelve-month period pursuant to such clause;

(22) the incurrence by Issuer or any Restricted Subsidiary of Indebtedness consisting of take-or-pay obligations contained in supply agreements entered into in the ordinary course of business;

(23) to the extent that deposits with, or payments owed to, the FCC in connection with the auction or licensing of Governmental Authorizations are deemed to be Indebtedness, the incurrence by Issuer or any Restricted Subsidiary of such Indebtedness;

(24) Indebtedness incurred in connection with the Towers Transaction; and

(25) the incurrence by Restricted Subsidiaries that are not Guarantors of Indebtedness; *provided*, *however*, that the aggregate principal amount (or accreted value, as applicable) of all Indebtedness incurred under this clause (25), when aggregated with the principal amount (or accreted value) of all other Indebtedness then outstanding and incurred pursuant to this clause (25), including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (25), does not exceed the greater of (x) $250.0 million and (y) 5.0% of the Consolidated Cash Flow of Issuer and its Subsidiaries for the most recently ended four full fiscal quarters for which financial statements are available.

For purposes of (x) determining compliance with this Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock covenant, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (25) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, Issuer will be permitted to classify all or a portion of such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant; *provided*, *however* that Indebtedness outstanding under the Term Loan Credit Agreement on the Issue Date shall be deemed to have been incurred under clause (1) above and (y) determining the amount of Indebtedness that may be incurred pursuant to clause (1)(a)(y) of the definition of Permitted Debt, Issuer may elect, pursuant to an officers certificate delivered to the trustee, to treat all or any portion of the commitment under any Indebtedness (and any refinancing with respect thereto) as being incurred at such time, in which case any subsequent incurrence of Indebtedness under such commitment or refinancing, as the case may be, shall not be deemed, for purposes of this calculation, to be an incurrence at such subsequent time. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles or the application thereof, and the payment of dividends on Disqualified Stock in the form of

additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values, and in no event shall the reclassification of any lease or other liability as indebtedness due to a change in accounting principles after the Closing Date be deemed to be an incurrence of Indebtedness. In determining the amount of Indebtedness outstanding under one of the clauses above, the outstanding principal amount of any particular Indebtedness of any Person shall be counted only once and any obligation of such Person or any other Person

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arising under any guarantee, Lien, letter of credit or similar instrument supporting such Indebtedness shall be disregarded so long as it is permitted to be incurred by the Person or Persons incurring such obligation.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) in the case of Hedging Obligations, the termination value of the agreement or arrangement giving rise to such obligations that would be payable by such Person at such time;

(3) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(4) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(a) the Fair Market Value of such assets at the date of determination; and

(b) the amount of the Indebtedness of the other Person.

Liens

Issuer will not, and will not permit any Guarantor to, directly or indirectly, create, incur or assume any Lien securing Indebtedness upon any asset now owned or hereafter acquired, except Permitted Liens, unless the notes are equally and ratably secured (except that Liens securing Indebtedness that is contractually subordinated to the notes shall be expressly subordinate to any Lien securing the notes to at least the same extent that such Indebtedness is subordinate to the notes).

For purposes of determining compliance with the covenant, (x) a Lien need not be incurred solely by reference to one category of Permitted Liens but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (y) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens, Issuer shall, in its sole discretion, divide, classify or may subsequently reclassify at any time such Lien (or any portion thereof) in any manner that complies with this covenant and the definition of Permitted Liens.

Dividend and Other Payment Restrictions Affecting Subsidiaries

Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1)

pay dividends or make any other distributions on its Capital Stock to Issuer or any of its Restricted Subsidiaries, or pay any Indebtedness owed to Issuer or any of its Restricted Subsidiaries;

(2) make loans or advances to Issuer or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to Issuer or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements or instruments governing (a) Existing Indebtedness and (b) Equity Interests and Credit Facilities as in effect on the Closing Date and, in each case, any amendments, restatements, modifications, renewals, increases, supplements, refundings, replacements or refinancings of those agreements or instruments; *provided* that the amendments, restatements, modifications, renewals, increases, supplements, refundings, replacements or refinancings are (in the good faith judgment of the Board of Directors of Issuer or a senior financial officer of Issuer, whose determination shall be conclusive) not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements or instruments on the Closing Date;

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(2) agreements or instruments governing Credit Facilities not in effect on the Closing Date so long as either (a) the encumbrances and restrictions contained therein do not impair the ability of any Restricted Subsidiary of Issuer to pay dividends or make any other distributions or payments directly or indirectly to Issuer in an amount sufficient to permit Issuer to pay the principal of, or interest and premium, if any, on the notes, or (b) the encumbrances and restrictions contained therein are no more restrictive, taken as a whole, than those contained in the indenture;

(3) Series Issue Date Existing Indebtedness, the notes issued on the Series Issue Date, and any additional notes of the same series, the Note Guarantees in respect thereof, and the base indenture, as supplemented by the supplemental indenture;

(4) applicable law, rule, regulation or order;

(5) agreements or instruments with respect to a Person acquired by Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition) or as may be amended, restated, modified, renewed, extended, supplemented, refunded, replaced or refinanced from time to time (so long as the encumbrances and restrictions in any such amendment, restatement, modification, renewal, extension, supplement, refunding, replacement or refinancing are, in the good faith judgment of Issuer s Board of Directors or a senior financial officer of Issuer, whose determination shall be conclusive, not materially more restrictive, taken as a whole, than those in effect on the date of the acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of agreements or instruments governing Indebtedness, such Indebtedness was permitted by the terms of the indenture to be incurred;

(6) customary non-assignment provisions in contracts and licenses entered into in the ordinary course of business and customary contractual restrictions on transfers of all or substantially all assets of a Person;

(7) any instrument governing any secured Indebtedness or Capital Lease Obligation that imposes restrictions on the assets securing such Indebtedness or the subject of such lease of the nature described in clause (3) of the preceding paragraph;

(8) any agreement for the sale or other disposition of a Restricted Subsidiary that imposes restrictions of the nature described in clauses (1) and/or (3) of the preceding paragraph on the Restricted Subsidiary pending the sale or other disposition;

(9) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(10)

Liens permitted to be incurred under the provisions of the covenant described above under the caption Liens that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) provisions limiting the disposition or distribution of assets or property in partnership and joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements, which limitation is applicable only to the assets that are the subject of such agreements;

(12) restrictions on cash or other deposits or net worth imposed by customers, suppliers or landlords or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

(13) restrictions in other Indebtedness, Disqualified Stock or Preferred Stock incurred or issued in compliance with the covenant described under the caption Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ; *provided* that such restrictions, taken as a whole, are, in the good faith judgment of Issuer s Board of Directors or a senior financial officer of Issuer, whose determination shall be conclusive, not materially more restrictive than those contained in the existing agreements referenced in clauses (1) and (3) above;

(14) the issuance of Preferred Stock by a Restricted Subsidiary of Issuer or the payment of dividends thereon in accordance with the terms thereof; *provided* that issuance of such Preferred Stock is permitted pursuant to the covenant described above under the caption Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and the terms of such Preferred Stock do not expressly restrict the ability of such Restricted Subsidiary to pay dividends or make any other distributions on its Capital Stock (other than requirements to pay dividends or liquidation preferences on such Preferred Stock prior to paying any dividends or making any other distributions on such other Capital Stock);

(15) any agreement or instrument with respect to Indebtedness incurred, or Preferred Stock issued, by any Restricted Subsidiary, *provided* that the restrictions contained in the agreements or instruments governing such Indebtedness or Preferred Stock (a) either (i) apply only in the event of a payment default or a default with respect to a financial covenant in such agreement or instrument or (ii) will not materially affect Issuer s ability to pay all principal, interest and premium, if any, on the notes, as determined in good faith by Issuer s Board of Directors or a senior financial officer of Issuer, whose determination shall be conclusive; and (b) are not materially more disadvantageous to the holders of the notes than is customary in comparable financings;

(16) any agreement or instrument of Issuer, Parent, MetroPCS Wireless, Inc., or any of MetroPCS Wireless, Inc. s Subsidiaries existing prior to, or entered into or assumed by Issuer or any of its Subsidiaries in connection with the Merger, in each case, as such agreements or instruments may be amended, restated, modified, renewed or replaced from time to time; *provided* that the amendments, restatements, modifications, renewals, and replacements are (in the good faith judgment of the Board of Directors of Issuer or a senior financial officer of Issuer, whose determination shall be conclusive) not materially more restrictive, taken as a whole, with respect to such encumbrances and restrictions than those agreements or instruments as in effect as of the Closing Date; and

(17) restrictions arising from the Towers Transaction.

Merger, Consolidation or Sale of Assets

Issuer will not: (1) consolidate or merge with or into another Person (whether or not Issuer is the surviving corporation); or (2) directly or indirectly sell, assign, lease, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of Issuer and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (a) Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than Issuer) or to which such sale, assignment, lease, transfer, conveyance or other disposition has been made is a corporation, limited liability company or partnership organized or existing under the laws of the United States, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger (if other than Issuer) or the Person to which such sale, assignment, lease, transfer, conveyance or other disposition has been made expressly assumes, by a supplemental indenture, executed and delivered to the trustee, the payment of the principal of and any premium and interest on the notes and the performance or observance of every covenant of the indenture on the part of Issuer to be performed or observed;

(3) immediately after such transaction, no Default or Event of Default exists; and

(4) Issuer or the Person formed by or surviving any such consolidation or merger (if other than Issuer), or to which such sale, assignment, lease, transfer, conveyance or other disposition has been made would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, either (a) be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Debt to Cash Flow Ratio test set forth in the first paragraph of the covenant described above under the caption Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock or (b) have a Debt to Cash Flow Ratio no greater than the Debt to Cash Flow Ratio of Issuer immediately prior to such transaction.

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Upon any consolidation or merger, or any sale, transfer, assignment, lease, conveyance or other disposition of all or substantially all of the properties or assets of Issuer and its Restricted Subsidiaries, taken as a whole, in a transaction that is subject to, and that complies with the provisions of, this Merger, Consolidation or Sale of Assets covenant, the successor Person formed by such consolidation or into or with which Issuer is merged or to which such sale, transfer, assignment, lease, conveyance or other disposition is made, shall succeed to, and be substituted for Issuer (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of the indenture referring to Issuer shall refer instead to the successor Person and not to Issuer), and may exercise every right and power of Issuer under the indenture with the same effect as if such successor Person had been named as Issuer therein. When the successor Person assumes all of Issuer s obligations under the indenture, Issuer shall be discharged from those obligations.

This Merger, Consolidation or Sale of Assets covenant will not apply to (and the following shall be permitted notwithstanding such covenant):

(1) a merger of Issuer with a direct or indirect Subsidiary of Parent solely for the purpose of reincorporating Issuer in another jurisdiction in the United States so long as the amount of Indebtedness of Issuer and its Restricted Subsidiaries is not increased thereby;

(2) any consolidation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among Issuer and its Restricted Subsidiaries; or

(3) the Transactions, including the Merger.

Transactions with Affiliates

Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of Issuer (each, an *Affiliate Transaction*), in any one or series of related transactions involving aggregate payments or consideration in excess of $50.0 million, unless:

(1) the Affiliate Transaction is on terms that, taken as a whole, are no less favorable to Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Issuer or such Restricted Subsidiary with an unrelated Person; and

(2) Issuer delivers to the trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $100.0 million, an officers certificate certifying that such Affiliate Transaction complies with this covenant; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $250.0 million, a resolution of the Board of Directors of Issuer set forth in an officers certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of Issuer.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, employee benefit plan, agreement or plan relating to employee, officer or director compensation or severance, officer or director indemnification agreement or any similar arrangement entered into by Issuer, any of its Restricted Subsidiaries or a direct or indirect parent of Issuer existing on the Closing Date, or entered into thereafter in the ordinary course of business, and any indemnities or other transactions permitted or required by bylaw, statutory provisions or any of the foregoing agreements, plans or arrangements and payments pursuant thereto;

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(2) transactions between or among Parent, Issuer and/or its Restricted Subsidiaries;

(3) transactions with a Person (other than an Unrestricted Subsidiary of Issuer) that is an Affiliate of Issuer solely because Issuer owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) any issuance of Equity Interests (other than Disqualified Stock) of Issuer to, or receipt of any capital contribution from, any Affiliate of Issuer;

(5) transactions in connection with any Permitted Joint Venture Investment;

(6) any Permitted Investments or Restricted Payments that do not violate the provisions of the indenture described above under the caption Restricted Payments ;

(7) (x) any contracts, agreements or understandings existing as of the Issue Date and disclosed in the notes to the consolidated financial statements of MetroPCS Wireless, Inc. for the year ended December 31, 2012, (y) any agreement listed on Schedule 3.2(r) Related-Party Agreements to the T-Mobile Disclosure Letter to the Business Combination Agreement, and (z) any agreement listed under the section entitled Transactions with Related Persons and Approval in the proxy statement of Parent filed with the SEC under cover of Schedule 14A on April 16, 2012 and, in each case, any amendments to, replacements of, or orders pursuant to such contracts, agreements or understandings so long as any such amendments, replacements, or orders, taken as a whole, are not (in the good faith judgment of Issuer s Board of Directors or a senior financial officer of Issuer, whose determination shall be conclusive) more disadvantageous to Issuer or to the holders of the notes in any material respect than the original contracts, agreements or understandings as in effect on the Closing Date;

(8) transactions with customers, clients, suppliers, purchasers, sellers of goods or services, or licensees of intellectual property, in each case in the ordinary course of business and otherwise in compliance with the terms of the indenture, *provided* that in the good faith determination of Issuer s Board of Directors or a senior financial officer of Issuer, which determination shall be conclusive, such transactions are on terms, taken as a whole, not materially less favorable to Issuer or the applicable Restricted Subsidiary than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm s length basis from a Person that is not an Affiliate of Issuer;

(9) issuances, exchanges, purchases or repurchases of notes or other Indebtedness of Issuer or its Restricted Subsidiaries or solicitations of amendments, waivers or consents in respect of notes or such other Indebtedness, if such issuance, exchange, purchase, repurchase or solicitation is approved by a majority of the disinterested members of the Board of Directors of Issuer;

(10) reasonable payments made for any financial advisory, financing, underwriting, placement or syndication services approved by Issuer s Board of Directors or a senior financial officer of Issuer in good faith;

(11) amendments, extensions, replacements and other modifications of transactions with Affiliates otherwise permitted by the indenture, *provided* that in the good faith determination of Issuer s Board of Directors or a senior financial officer of Issuer, which determination shall be conclusive, such amendments, extensions, replacements or other modifications, taken as a whole, are no less favorable in any material respect to Issuer or the applicable Restricted Subsidiary than the transaction or transactions being amended, extended, replaced or modified; and

(12) (i) the Business Combination Agreement and any Ancillary Agreements, as defined in the Business Combination Agreement, in each case, as the same may be amended, modified, supplemented or replaced from time to time on terms that, taken as a whole, in the good faith determination of Issuer s Board of Directors or a senior financial officer of Issuer, which determination shall be conclusive, are not materially less favorable to Issuer or the applicable Restricted Subsidiary than those of the agreement being amended, modified, supplemented or replaced, (ii) transactions or agreements relating to the DT Notes and the TMUS Working Capital Facility, each as may be amended, modified, or supplemented from time to time, and any indebtedness incurred in connection with the refinancing of the foregoing, on terms that, taken as a whole,

in the good faith determination of Issuer s Board of Directors or a senior financial officer of Issuer, which determination shall be conclusive, are not materially less favorable to Issuer than those of the DT Notes or TMUS Working Capital Facility, as applicable, and (iii) transactions between Issuer and its Restricted Subsidiaries, on the one hand, and any Designated Tower Entities that have been designated as Unrestricted Subsidiaries, on the other hand, in connection with the Towers Transaction.

Additional Note Guarantees

If (a) Issuer or any of Issuer s Domestic Restricted Subsidiaries acquires or creates another Domestic Restricted Subsidiary (and such Subsidiary is a Wholly-Owned Subsidiary and is neither a Designated Tower Entity, the Reinsurance Entity nor an Immaterial Subsidiary) after the Series Issue Date or (b) any Restricted Subsidiary of Issuer guarantees any Specified Issuer Indebtedness of Issuer after the Series Issue Date or (c) Parent or any Subsidiary of Parent acquires or creates a Subsidiary that directly or indirectly owns Equity Interests of Issuer, then Issuer or Parent, as applicable, will cause that newly acquired or created Domestic Restricted Subsidiary, Restricted Subsidiary or Subsidiary of Parent to become a Guarantor of the notes and execute a supplemental indenture and, if requested by the trustee, deliver an opinion of counsel reasonably satisfactory to the trustee within 10 Business Days after the date on which it was acquired or created or guarantees such Specified Issuer Indebtedness, as applicable, or reasonably promptly thereafter.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, (i) the aggregate Fair Market Value of all outstanding Investments owned by Issuer and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption Restricted Payments or under one or more clauses of the definition of Permitted Investments, as determined by Issuer in its discretion, and (ii) any Guarantee by Issuer or any Restricted Subsidiary thereof of any Indebtedness of the Restricted Subsidiary being so designated will be deemed to be an incurrence of Indebtedness by Issuer or such Restricted Subsidiary (or both, if applicable) at the time of such designation. That designation will only be permitted if the Investment and/or incurrence of Indebtedness would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of Issuer as an Unrestricted Subsidiary will be evidenced to the trustee by filing with the trustee a certified copy of a resolution of the Board of Directors giving effect to such designation and an officers certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption Restricted Payments. The Board of Directors of Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of Issuer; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of Issuer of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default would be in existence following such designation, and as a result of, such designation.

Notwithstanding the foregoing, Issuer may at any time and from time to time designate any Designated Entity, by written notice to the trustee, as an Unrestricted Subsidiary, and any such Subsidiary shall upon such notice immediately be designated and deemed an Unrestricted Subsidiary, without any further action by Issuer (and, for the

avoidance of doubt, shall not require delivery of a resolution of the Board of Directors or of an officers certificate) (each, a *Specified Unrestricted Subsidiary Designation*). The aggregate Fair Market Value

of all outstanding Investments owned by Issuer and its Restricted Subsidiaries in such Designated Entities so designated as Unrestricted Subsidiaries will, as calculated and to the extent permitted by clause (18) of the definition of Permitted Investments, be deemed to be an Investment made as of the time of such Specified Unrestricted Subsidiary Designation under such clause (18), and not reduce the amount available for Restricted Payments under the covenant described above under the caption Restricted Payments.

Reports

Whether or not required by the rules and regulations of the SEC, so long as any notes are outstanding, Parent will file a copy of each of the reports referred to in clauses (1) and (2) below with the SEC for public availability within the time periods (including all applicable extension periods) specified in the SEC rules and regulations applicable to such reports (unless the SEC will not accept such a filing):

(1) all quarterly and annual financial reports that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if Parent were required to file such reports, including a Management s Discussion and Analysis of Financial Condition and Results of Operations and, with respect to the annual information only, a report on the annual financial statements by its certified independent accountants; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if Parent or Issuer were required to file such reports;

provided that the availability of the foregoing reports on the SEC s EDGAR service (or successor thereto) shall be deemed to satisfy Issuer s delivery obligations to the trustee and any holder of notes.

All such reports will be prepared in all material respects in accordance with all of the rules and regulations applicable to such reports; *provided* that, if neither Parent nor Issuer is required under the rules and regulations of the SEC to file such reports with the SEC for public availability, such reports need not be prepared in accordance with all of the rules and regulations applicable to such reports and shall only be required to include the information or disclosure that would be required by such form to the extent that, and in the same general style of presentation as, the same or substantially similar information or disclosure is also included in the offering memorandum dated March 8, 2013 relating to the $1.75B Notes. Each annual report on Form 10-K will include a report on Parent s consolidated financial statements by Parent s certified independent accountants. Issuer will at all times comply with TIA §314(a).

If the SEC will not accept Parent s or Issuer s filings for any reason, Parent or Issuer will post the reports referred to in the preceding paragraphs on its website, on intralinks.com or another website within the time periods that would apply if Parent were required to file those reports with the SEC (including all applicable extension periods). If (i) Issuer has designated any of its Subsidiaries as Unrestricted Subsidiaries or (ii) the combined operations of Parent and its Subsidiaries, excluding the operations of Issuer and its Restricted Subsidiaries and excluding cash and Cash Equivalents, would, if held by a single Unrestricted Subsidiary of Issuer, constitute a Significant Subsidiary of Issuer, then the quarterly and annual financial information required by the preceding paragraphs will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in Management s Discussion and Analysis of Financial Condition and Results of Operations, of (A) in the case of (i) above, the financial condition and results of operations of Parent, Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of Issuer and (B) in the case of (ii) above, the financial condition and results of operations of Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of Parent and its other Subsidiaries; *provided*, *however*, that the requirements of

this paragraph shall not apply if Parent or Issuer files with the SEC the reports referred to in clauses (1) and (2) of the first paragraph of this covenant, and any such report contains the information required in this paragraph.

For so long as any notes remain outstanding, if at any time they are not required to file with the SEC the reports required by the preceding paragraphs, Issuer and the Guarantors will furnish to the holders of notes and to

securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act of 1933, as amended (the *Securities Act*).

Events of Default and Remedies

Each of the following is an *Event of Default* in respect of the notes of a series:

(1) default for 30 days in the payment when due of interest on the notes of such series;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the notes of such series;

(3) failure by Issuer for 120 days after notice to Issuer by the trustee or the holders of at least 25% in aggregate principal amount of the notes of such series then outstanding voting as a single class to comply with the provisions described under the caption Reports ;

(4) failure by Issuer or any of its Restricted Subsidiaries for 30 days after notice to Issuer by the trustee or the holders of at least 25% in aggregate principal amount of the notes of such series then outstanding voting as a single class to comply with the provisions described under the captions Repurchase at the Option of Holders Change of Control Triggering Event or Repurchase at the Option of Holders Asset Sales (in each case other than a failure to purchase notes that will constitute an Event of Default under clause (2) above), or Certain Covenants Merger, Consolidation or Sale of Assets ;

(5) failure by Issuer or any of its Restricted Subsidiaries for 90 days after notice to Issuer by the trustee or the holders of at least 25% in aggregate principal amount of the notes of such series then outstanding voting as a single class to comply with any of the other agreements in the indenture;

(6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary (or any Restricted Subsidiaries that together would constitute a Significant Subsidiary) (or the payment of which is guaranteed by Issuer or any of its Restricted Subsidiaries that would constitute a Significant Subsidiary), whether such Indebtedness or Guarantee now exists, or is created after the Series Issue Date with respect to such series of notes, if that default:

   (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a *Payment Default*); or

   (b) results in the acceleration of such Indebtedness prior to its express maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates an amount equal to $100.0 million or more, in each case for so long as such failure or acceleration is continuing;

(7) failure by Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary (or any Restricted Subsidiaries that together would constitute a Significant Subsidiary) to pay or discharge final judgments entered by a court or courts of competent jurisdiction aggregating in excess of $100.0 million (to the extent not covered by insurance), which judgments are not paid, discharged or stayed for a period of 60 consecutive days following entry of such final judgment or decree during which a stay of enforcement of such final judgment or decree, by reason of pending appeal or otherwise, is not in effect;

(8) Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary, or any group of Restricted Subsidiaries of Issuer that, taken together, would constitute a Significant Subsidiary, pursuant to or within the meaning of Bankruptcy Law:

(a) commences a voluntary case,

(b) consents to the entry of an order for relief against it in an involuntary case,

(c) consents to the appointment of a custodian of it or for all or substantially all of its property,

(d) makes a general assignment for the benefit of its creditors, or

(e) generally is not paying its debts as they become due;

(9) a court of competent jurisdiction enters a final order or decree under any Bankruptcy Law that:

(a) is for relief against Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of Issuer that, taken together, would constitute a Significant Subsidiary in an involuntary case;

(b) appoints a custodian of Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of Issuer that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of Issuer that, taken together, would constitute a Significant Subsidiary; or

(c) orders the liquidation of Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of Issuer that, taken together, would constitute a Significant Subsidiary;

(d) and the final order or decree remains unstayed and in effect for 60 consecutive days; and

(10) except as permitted by the indenture, any Note Guarantee with respect to the notes of such series is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor, or any Person acting on behalf of any such Guarantor, denies or disaffirms its obligations under its Note Guarantee.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to Issuer, any Restricted Subsidiary of Issuer that is a Significant Subsidiary or any group of Restricted Subsidiaries of Issuer that, taken together, would constitute a Significant Subsidiary, all outstanding notes of such series will become due and payable immediately without further action or notice. However, the effect of such provisions may be limited by applicable laws. If any other Event of Default occurs and is continuing with respect to the any series of notes, the trustee or the holders, with a copy to the trustee, of at least 25% in aggregate principal amount of the then outstanding notes of such series may declare all the notes of such series to be due and payable immediately.

Subject to certain limitations, the holders of a majority in aggregate principal amount of the then outstanding notes of such series may direct the trustee in its exercise of any trust or power. The trustee may withhold from holders of the notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default in the payment of interest or premium, if any, on, or the principal of, the notes of such series.

Subject to the provisions of the indenture relating to the duties of the trustee, the trustee will be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any holders of notes unless such holders have offered to the trustee indemnity or security satisfactory to it against any loss, liability or expense.

Except to enforce the right to receive payment of principal, premium, if any, or interest when due, no holder of a note may pursue any remedy with respect to the indenture or the notes unless:

(1) such holder has previously given to the trustee written notice that an Event of Default is continuing;

(2) holders of at least 25% in aggregate principal amount of the then outstanding notes of the applicable series have made a written request to the trustee to institute proceedings in respect of such Event of Default in its own name as trustee;

(3) such holder or holders have offered the trustee security or indemnity satisfactory to it against any loss, liability or expense to be incurred in compliance with such request;

(4) the trustee has not complied with such request within 90 days after receipt of the request and the offer of security or indemnity; and

(5) during such 90-day period, holders of a majority in aggregate principal amount of the then outstanding notes of the applicable series have not given the trustee a direction inconsistent with such request.

The holders of a majority in aggregate principal amount of the then outstanding notes of a series by written notice to the trustee may, on behalf of the holders of all of the notes of such series, rescind an acceleration or waive any existing Default or Event of Default in respect of such series and its consequences under the indenture except a continuing Default or Event of Default in the payment of interest or premium, if any, on, or the principal of, the notes of such series.

In the case of any Event of Default occurring by reason of any willful action (or inaction) taken (or not taken) by or on behalf of Issuer with the intention of avoiding payment of the premium that Issuer would have had to pay if Issuer then had elected to redeem the notes pursuant to the optional redemption provisions of the indenture, an equivalent premium will also become and be immediately due and payable to the extent permitted by law upon the acceleration of the notes of such series.

Issuer is required to deliver to the trustee annually a statement regarding compliance with the indenture. Upon becoming aware of any Default or Event of Default, Issuer is required to deliver to the trustee a statement specifying such Default or Event of Default.

No Personal Liability of Directors, Officers, Employees and Stockholders

No past, present or future director, officer, member, manager, partner, employee, incorporator or stockholder of Issuer or any Guarantor, as such, will have any liability for any obligations of Issuer or the Guarantors under the notes, the indenture, the Note Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Legal Defeasance and Covenant Defeasance

Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an officers certificate, elect to have all of its obligations discharged with respect to the outstanding notes of any series and all obligations of the Guarantors discharged with respect to their Note Guarantees with respect to such series (*Legal Defeasance*) except for:

(1) the rights of holders of outstanding notes of such series to receive payments in respect of the principal of, or interest or premium, if any, on, the notes when such payments are due from the trust referred to below;

(2) Issuer s obligations with respect to the notes of such series concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payment of money for security payments held in trust;

(3) the rights, powers, trusts, duties, indemnities and immunities of the trustee, and Issuer s and the Guarantors obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the indenture.

In addition, Issuer may, at its option and at any time with respect to any series of notes, elect to have the obligations of Issuer and the Guarantors released with respect to the provisions of the indenture described above

under Repurchase at the Option of Holders and under the caption Certain Covenants (other than the covenant described under the caption Certain Covenants Merger, Consolidation or Sale of Assets, except to the extent described below) and the limitation imposed by clause (4) under the caption Certain Covenants Merger, Consolidation or Sale of Assets (such release and termination being referred to as Covenant Defeasance), and thereafter any omission to comply with such obligations or provisions will not constitute a Default or Event of Default with respect to such notes. In the event Covenant Defeasance occurs with respect to any series of notes in accordance with the indenture, the Events of Default described under clauses (3) through (9) under the caption Events of Default and Remedies (in the case of clauses (8) and (9), only with respect to Issuer s Subsidiaries), in each case, will no longer constitute an Event of Default.

In order to exercise either Legal Defeasance or Covenant Defeasance with respect to any series of notes:

(1) Issuer must irrevocably deposit with the trustee or its designee, in trust, for the benefit of the holders of such series of notes, cash in U.S. dollars, non- callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in such amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, and premium, if any, and interest on, the outstanding notes of such series on the stated date for payment thereof or on the applicable redemption date, as the case may be, and Issuer must specify whether such notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, Issuer must deliver to the trustee an opinion of counsel reasonably acceptable to the trustee (which opinion of counsel may be subject to customary assumptions, qualifications and exclusions) confirming that (a) Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the Closing Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the holders of the outstanding notes of such series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, Issuer must deliver to the trustee an opinion of counsel reasonably acceptable to the trustee (which opinion of counsel may be subject to customary assumptions, qualifications and exclusions) confirming that the holders of the outstanding notes of such series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing with respect to such series of notes on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds, or the imposition of Liens in connection therewith, to be applied to such deposit, or a Default or Event of Default that will be cured by such Covenant Defeasance or Legal Defeasance) and the deposit will not result in a breach or violation of, or constitute a default under, any material instrument to which Issuer or any Guarantor is a party or by which Issuer or any Guarantor is bound;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the indenture) to which Issuer or any of its Subsidiaries is a party or by which Issuer or any of its Subsidiaries is bound;

(6) Issuer must deliver to the trustee an officers certificate stating that the deposit was not made by Issuer with the intent of preferring the holders of notes over the other creditors of Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of Issuer or others;

(7) Issuer must deliver to the trustee an officers certificate, stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(8) Issuer must deliver to the trustee an opinion of counsel (which may be subject to customary assumptions, qualifications and exclusions), stating that all conditions precedent set forth in clauses (2), (3) and (5) of this

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paragraph, as applicable, have been complied with; *provided* that the opinion of counsel with respect to clause (5) of this paragraph may be to the knowledge of such counsel.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the applicable indenture with respect to the notes of any series or the related Note Guarantees of the notes of any series may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the notes of such series then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, notes of such series), and any existing Default or Event of Default or compliance with any provision of the applicable indenture with respect to such notes or Note Guarantees may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding notes of such series (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the notes of such series).

Without the consent of each holder of notes of the applicable series affected, an amendment, supplement or waiver may not (with respect to any notes of a particular series held by a non-consenting holder):

(1) reduce the principal amount of notes of such series whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any note of such series or alter the provisions with respect to the redemption of the notes of such series (other than provisions relating to the covenants described above under the caption Repurchase at the Option of Holders);

(3) reduce the rate of or change the time for payment of interest on any note of such series;

(4) waive a Default or Event of Default in the payment of principal of, or premium, if any, or interest on, the notes of such series (except a rescission of acceleration of the notes of such series by the holders of at least a majority in aggregate principal amount of the then outstanding notes of such series and a waiver of the payment default that resulted from such acceleration);

(5) make any note of such series payable in money other than that stated in the notes of such series;

(6) make any change in the provisions of the indenture relating to waivers of past Defaults or the rights of holders of notes of such series to receive payments of principal of, or interest or premium, if any, on, the notes of such series;

(7) waive a redemption payment with respect to any note of such series (other than a payment required by one of the covenants described above under the caption Repurchase at the Option of Holders);

(8) release any Guarantor from any of its obligations under its related Note Guarantee of the notes of such series or the applicable indenture, except in accordance with the terms of such indenture; or

(9) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of notes, Issuer, the Guarantors and the trustee may amend or supplement the applicable indenture, the notes of any series or the related Note Guarantees:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated notes in addition to or in place of certificated notes;

(3) to provide for the assumption of Issuer s or a Guarantor s obligations to holders of notes of such series and related Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of Issuer s or such Guarantor s assets, as applicable;

(4) to effect the release of a Guarantor from its Note Guarantee in respect of such series notes and the termination of such Note Guarantee, all in accordance with the provisions of the applicable indenture governing such release and termination;

(5) to add any Guarantor or Note Guarantee with respect to such series or to secure the notes of such series or the related Note Guarantee;

(6) to make any change that would provide any additional rights or benefits to the holders of notes of such series or that does not adversely affect the legal rights under the indenture of any such holder in any material respect;

(7) to comply with requirements of the SEC in order to effect or maintain the qualification of the indenture under the Trust Indenture Act;

(8) to change or eliminate any of the provisions of the applicable indenture; *provided* that any such change or elimination shall not become effective with respect to any outstanding notes of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision;

(9) to provide for the issuance of and establish forms and terms and conditions of a new series of notes as permitted by the base indenture;

(10) to conform the text of the applicable supplemental indenture, the notes of such series, or the related Note Guarantees to any provision of the Description of Notes section of this prospectus supplement to the extent that such provision in such description of notes was intended to be a verbatim recitation of a provision of the applicable indenture, the applicable Note Guarantees, or the notes of such series, in each case, as conclusively evidenced by an officers certificate;

(11) to provide for the issuance of additional notes of such series, *provided* that such additional notes have the same terms as, and be deemed part of the same series as, the notes of such series to the extent required under the applicable indenture;

(12) to evidence and provide for the acceptance of and appointment by a successor trustee with respect to the notes of such series and to add to or change any of the provisions of the indenture as shall be necessary to provide for or facilitate the administration of the trust by more than one trustee; and

(13) to allow any Guarantor of the notes of such series to execute a supplemental indenture and/or a Note Guarantee with respect to the notes of such series.

The consent of the holders of the notes is not necessary under the indenture to approve the particular form of any proposed amendment or waiver. It is sufficient if such consent approves the substance of the proposed amendment or waiver.

Satisfaction and Discharge

The applicable indenture will be discharged and will cease to be of further effect as to all notes, when:

(1) either:

(a) all notes of such series that have been authenticated, except lost, stolen or destroyed notes that have been replaced or paid and notes for whose payment money has been deposited in trust and thereafter repaid to Issuer, have been delivered to the trustee for cancellation; or

(b) all notes of such series that have not been delivered to the trustee for cancellation have become due and payable by reason of the sending of a notice of redemption or otherwise or will become due and payable within one year and Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the trustee or its designee as trust funds in trust solely for the benefit of the holders of such series of notes, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the notes of such series not delivered to the trustee for cancellation for principal of, and premium, if any, and accrued interest to the date of maturity or redemption; *provided* that upon any redemption that requires

the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the indenture to the extent that an amount is deposited with the trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of the redemption only required to be deposited with the trustee on or prior to the date of the redemption;

(2) Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the indenture with respect to the notes of such series; and

(3) Issuer has delivered irrevocable instructions to the trustee under the indenture to apply the deposited money toward the payment of the notes of such series at maturity or on the redemption date, as the case may be.

In addition, Issuer must deliver to the trustee (a) an officers certificate, stating that all conditions precedent set forth in clauses (1) through (3) above have been satisfied, and (b) an opinion of counsel(which opinion of counsel may be subject to customary assumptions, qualifications and exclusions), stating that all conditions precedent set forth in clause (3) above have been satisfied.

Governing Law

The indenture, the notes and the Note Guarantees will be governed by the laws of the State of New York.

Concerning the Trustee

We maintain ordinary banking relationships with Deutsche Bank Trust Company Americas and its affiliates.

If the trustee becomes a creditor of Issuer or any Guarantor, the indenture limits the right of the trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest when a Default is continuing it must eliminate such conflict within 90 days of the date such conflict arises, apply to the SEC for permission to continue as trustee (if the indenture has been qualified under the Trust Indenture Act) or resign.

The holders of a majority in aggregate principal amount of the then outstanding notes of the applicable series will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee, subject to certain exceptions. The indenture provides that in case an Event of Default occurs and is continuing, the trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs.

Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any holder of notes of the applicable series, unless such holder has offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

Certain Definitions

Set forth below are certain defined terms used in the applicable indenture. Reference is made to the indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

$1.75B Notes means the $1,750,000,000 in principal amount of MetroPCS Wireless, Inc. s 6.625% Senior Notes due 2023, issued as of March 19, 2013, pursuant to the Indenture, between MetroPCS Wireless, Inc. s, MetroPCS, Inc., MetroPCS Communications, Inc., the guarantors party thereto, and Deutsche Bank Trust Company Americas, as supplemented by the First Supplemental Indenture dated March 19, 2013 or the Second Supplemental Indenture dated March 19, 2013 thereto, as applicable, as amended by the Third Supplemental Indenture dated April 29, 2013, as further supplemented by the Fourth Supplemental Indenture dated May 1,

2013, among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, as further supplemented by the Fifth Supplemental Indenture, dated as of July 15, 2013, among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, and as further supplemented by the Sixth Supplemental Indenture, dated as of August 11, 2014, among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee (as so supplemented and amended, the *$1.75B Notes Indenture*), (ii) any additional 6.625% Senior Notes due 2023 issued under the $1.75B Notes Indenture as part of the same series, and (iii) any Exchange Notes (as defined in the $1.75B Notes Indenture) relating thereto.

Acquired Debt means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

The term Acquired Debt does not include Indebtedness of a Person that is redeemed, defeased, retired or otherwise repaid at the time of, or immediately upon, consummation of the transactions by which such Person becomes a Restricted Subsidiary or acquires such asset, as the case may be.

Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, *control*, as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms *controlling*, *controlled by* and *under common control with* have correlative meanings.

Applicable Premium, as calculated by Issuer and provided to the trustee, means, with respect to any note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the note; or

(2) the excess of:

  (a) the present value at such redemption date of (i) the redemption price of the note at , 2021, in the case of the 2026 notes, and at , 2023, in the case of the 2028 notes (such redemption price in each case being set in the applicable table appearing above under the caption Optional Redemption), plus (ii) all required interest payments due on the note through , 2021, in the case of the 2026 notes, and , 2023, in the case of the 2028 notes (excluding accrued but unpaid interest, if any, to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points;

over

(b) the principal amount of the note, if greater.

Asset Acquisition means:

(1) an Investment by Issuer (or any predecessor thereto) or any of its Restricted Subsidiaries in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with Issuer or any of its Restricted Subsidiaries, or

(2) an acquisition by Issuer (or any predecessor thereto) or any of its Restricted Subsidiaries of the property and assets of any Person, other than Issuer or any of its Restricted Subsidiaries, that constitute all or substantially all of a division, operating unit or line of business of such Person.

For the avoidance of doubt, the Merger shall be deemed to be an Asset Acquisition.

Asset Disposition means the sale or other disposition by Issuer or any of its Restricted Subsidiaries other than to Issuer or another Restricted Subsidiary of (1) all or substantially all of the Capital Stock owned by Issuer or any of its Restricted Subsidiaries of any Restricted Subsidiary or any Person that is a Permitted Joint Venture Investment or (2) all or substantially all of the assets that constitute a division, operating unit or line of business of Issuer or any of its Restricted Subsidiaries.

Asset Sale means:

(1) the sale, lease, conveyance or other disposition of any assets or rights; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of Issuer and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the indenture described above under the caption Repurchase at the Option of Holders Change of Control Triggering Event and/or the provisions described above under the caption Certain Covenants Merger, Consolidation or Sale of Assets and not by the provisions of the covenant described above under the caption Repurchase at the Option of Holders Asset Sales ; and

(2) the issuance of Equity Interests in any of Issuer s Restricted Subsidiaries or the sale by Issuer or any Restricted Subsidiary thereof of Equity Interests in any of its Restricted Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than $100.0 million;

(2) a sale, lease, conveyance or other disposition of assets or Equity Interests between or among Issuer and/or its Restricted Subsidiaries;

(3) an issuance or sale of Equity Interests by a Restricted Subsidiary of Issuer to Issuer or to a Restricted Subsidiary of Issuer;

(4) the sale, lease, sub-lease, conveyance or other disposition of (a) assets, products, services or accounts receivable in the ordinary course of business, (b) equipment or other assets pursuant to a program for the maintenance or upgrading of such equipment or assets, or (c) any sale, conveyance or other disposition of damaged, worn-out, uneconomic or obsolete assets in the ordinary course of business;

(5) the sale, conveyance or other disposition of cash or Cash Equivalents;

(6) a surrender or waiver of contract rights or settlement, release or surrender of contract, tort or other claims in the ordinary course of business or a grant of a Lien not prohibited by the indenture;

(7) a Restricted Payment that does not violate the covenant described above under the caption Certain Covenants Restricted Payments ;

(8) arms-length sales, leases or sub-leases (as lessor or sublessor), sale and leasebacks, assignments, conveyances, transfers or other dispositions of assets or rights to a Person that is a Permitted Joint Venture Investment;

(9) licenses and sales of intellectual property or other general intangibles (other than FCC Licenses) in the ordinary course of business;

(10) a Permitted Investment;

(11) dispositions of assets to the ISIS Joint Venture;

(12) one or more sales, conveyances, leases, subleases, licenses, contributions, or other dispositions, assignments or transfers made as part of, or in connection with, the Towers Transaction;

(13) the settlement or early termination of any Permitted Bond Hedge Transaction; or

(14) any issuance, disposition or sale of Equity Interests in, or Indebtedness, assets or other securities of, an Unrestricted Subsidiary.

Asset Sale Offer has the meaning assigned to that term in the provision described under the caption Repurchase at the Option of Holders Asset Sales.

Bankruptcy Law means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

Beneficial Owner has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that (a) in calculating the beneficial ownership of any particular person (as that term is used in Section 13(d)(3) of the Exchange Act), such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time and (b) in the case of a group pursuant to Rule 13d-5 (b)(1) of the Exchange Act which group includes one or more Permitted Holders (or one or more Permitted Holders is deemed to share Beneficial Ownership with one or more other persons of any shares of Capital Stock), (i) such group shall be deemed not to have Beneficial Ownership of any shares held by such Permitted Holder and (ii) any person (other than such Permitted Holder) that is a member of such group (or sharing such Beneficial Ownership) shall be deemed not to have Beneficial Ownership of any shares held by such Permitted Holder (or in which any such Person shares beneficial ownership). The terms Beneficially Owns and Beneficially Owned have a corresponding meaning.

Board of Directors means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

Business Combination Agreement means that certain Business Combination Agreement, dated as of October 3, 2012, as amended from time to time, by and among Deutsche Telekom AG, T-Mobile Global Zwischenholding GmbH, T-Mobile Global Holding GmbH, Issuer and MetroPCS Communications, Inc.

Business Day means any day except a Saturday, Sunday, or a legal holiday in the City of New York or in any place of payment with respect to the Notes on which banking institutions are authorized or required by law, regulation or executive order to close.

Capital Lease Obligation means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty (*provided* that obligations either existing on the Issue Date or created thereafter that (a) initially were not included on the consolidated balance sheet of Issuer as capital lease obligations and were subsequently recharacterized as capital lease obligations or (b) did not exist on the Issue Date and were required to be characterized as capital lease

obligations but would not have been required to be treated as capital lease obligations on the Issue Date had they existed at that time, shall for all purposes not be treated as Capital Lease Obligations or Indebtedness).

Capital Stock means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests, respectively; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

Cash Equivalents means:

(1) United States dollars, pounds sterling, euros, the national currency of any member state of the European Union or any other foreign currencies held by Issuer and its Restricted Subsidiaries from time to time in the ordinary course of business;

(2) securities issued or directly and fully guaranteed or insured by the government of the United States of America, the United Kingdom or any country that is a member state of the European Union or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States of America, the United Kingdom or the relevant member state of the European Union, as the case may be, is pledged in support of those securities) having maturities of not more than two years from the date of acquisition;

(3) demand deposits, certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any domestic commercial bank having capital and surplus in excess of $500.0 million and a Thomson Bank Watch Rating of B or better;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper having one of the two highest ratings obtainable from a Rating Agency at the date of acquisition and, in each case, maturing within one year after the date of acquisition;

(6) securities issued and fully guaranteed by any state, commonwealth or territory of the United States, or by any political subdivision or agency or instrumentality thereof, rated at least A by a Rating Agency at the date of acquisition and having maturities of not more than two years after the date of acquisition;

(7) auction rate securities rated at least AA- or Aa3 by a Rating Agency at the time of purchase and with reset dates of one year or less from the time of purchase;

(8) investments, classified in accordance with GAAP as current assets of Issuer or any of its Restricted Subsidiaries, in money market funds, mutual funds or investment programs registered under the Investment Company Act of 1940, at least 90% of the portfolios of which constitute investments of the character, quality and maturity described in clauses (1) through (7) of this definition;

(9) any substantially similar investment to the kinds described in clauses (1) through (7) of this definition rated at least P-2 by Moody s or A-2 by S&P or the equivalent thereof; and

(10) deposits or payments made to the FCC in connection with the auction or licensing of Governmental Authorizations that are fully refundable.

Change of Control means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Issuer and its Restricted Subsidiaries taken as a whole to any person (as that term is used in Section 13(d) of the Exchange Act) other than any such disposition to a Restricted Subsidiary or a Permitted Holder;

(2) the adoption of a plan relating to the liquidation or dissolution of Issuer;

(3) the consummation of any transaction (including any merger or consolidation), the result of which is that any person (as defined above), other than a Permitted Holder, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of Parent (or its successor by merger, consolidation or purchase of all or substantially all of its assets or its equity), measured by voting power rather than number of shares; or

(4) Issuer ceases to be a direct or indirect Wholly-Owned Subsidiary of Parent.

provided that the Transactions and other transactions pursuant to the Business Combination Agreement (including the changes to the Beneficial Ownership of the Voting Stock of Parent contemplated therein) shall not be a Change of Control.

Change of Control Triggering Event means, with respect to any series of notes, the occurrence of a Change of Control (x) that is accompanied or followed by a downgrade by one or more gradations (including gradations within ratings categories as well as between ratings categories) or withdrawal of the rating of such series of notes within the Ratings Decline Period by at least two out of the three Rating Agencies and (y) the rating of such series of notes on any day during such Ratings Decline Period is below the rating by each such Rating Agency in effect immediately preceding the first public announcement of the Change of Control (or occurrence thereof if such Change of Control occurs prior to public announcement), *provided* that in making the relevant decision(s) referred to above to downgrade or withdraw such ratings, as applicable, the relevant Rating Agency announces publicly or confirms in writing during such Ratings Decline Period that such decision(s) resulted, in whole or in part, from the occurrence (or expected occurrence) of such Change of Control or the announcement of the intention to effect such Change of Control; *provided*, *further*, that no Change of Control Triggering Event shall be deemed to occur if at the time of the applicable downgrade the rating of such series of notes by at least two out of the three Rating Agencies is Investment Grade.

Closing Date means the date on which the Merger was consummated, or May 1, 2013.

Consolidated Cash Flow means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

(1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(2) the Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such period, to the extent that such Consolidated Interest Expense was deducted in computing such Consolidated Net Income; *plus*

(3) depreciation, amortization (including non-cash impairment charges and any write-off or write-down or amortization of intangibles but excluding amortization of ordinary course prepaid cash expenses that were paid in a prior period) and other non-cash expenses or charges (excluding any such non-cash expense to the extent that it represents an ordinary course accrual of or reserve for cash expenses in any future period or amortization of any ordinary course prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses or charges were deducted in computing such Consolidated Net Income; *plus*

(4) any nonrecurring or unusual gains or losses or income, expenses or charges (including all fees and expenses relating thereto), including (a) any fees, expenses and costs relating to the Towers Transaction, (b) any fees, expenses or charges related to any sale or offering of Equity Interests of such Person or Parent, any acquisition or disposition or any Indebtedness, in each case that is permitted to be incurred hereunder (in each case, whether or not successful), or the offering, amendment or modification of any debt instrument, including the offering, any amendment or other modification of the notes, *provided* that Consolidated Cash Flow shall not be deemed to be increased by more than $250.0 million in any twelve-month period pursuant to this clause (b), (c) any premium, penalty or fee paid in relation to any repayment, prepayment or

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repurchase of Indebtedness, (d) any fees or expenses relating to the Transactions and the offering, issuance and sale (in each case, whether or not successful) of the DT Notes and any Exchange Notes (as defined in the base indenture) issued in respect thereof and the Permitted MetroPCS Notes and any Exchange Notes (as defined in the $1.75B Notes Indenture), and (e) restructuring charges, integration costs (including retention, relocation and contract termination costs) and related costs and charges; *plus*

(5) New Market Losses; *minus*

(6) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business, in each case, on a consolidated basis and determined in accordance with GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary of Issuer that is not a Subsidiary Guarantor will be added to Consolidated Net Income to compute Consolidated Cash Flow of Issuer only to the extent that a corresponding amount would be permitted at the date of determination to be dividended to Issuer by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

For the avoidance of doubt, calculations of Consolidated Cash Flow of Issuer for any period prior to the Closing Date for purposes of calculating the Debt to Cash Flow Ratio shall be on a pro forma basis as described in the last paragraph of the definition of *Debt to Cash Flow Ratio*.

Consolidated Indebtedness means, with respect to any Person as of any date of determination, the sum, without duplication, of (i) the total amount of Indebtedness of such Person and its Restricted Subsidiaries, plus (ii) the total amount of Indebtedness of any other Person, to the extent that such Indebtedness has been Guaranteed by the referent Person or one or more of its Restricted Subsidiaries, plus (iii) the aggregate liquidation value of all Disqualified Stock of such Person and all Preferred Stock of Subsidiaries of such Person, in each case, determined on a consolidated basis in accordance with GAAP.

Consolidated Interest Expense means, with respect to any Person for any period, the sum of, without duplication:

(1) the consolidated interest expense of such Person and its Subsidiaries for such period, whether paid or accrued (including amortization of debt issuance costs or original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers acceptance financings, and net of payments (if any) pursuant to Hedging Obligations); *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest expense on that portion of Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries

(whether or not such Guarantee or Lien is called upon); *plus*

(4) the product of (a) all dividend payments on any series of Preferred Stock of such Person or any of its Restricted Subsidiaries; times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal;

in each case, on a consolidated basis and in accordance with GAAP; excluding, however, any amount of such interest of any Restricted Subsidiary of the referent Person if the net income of such Restricted Subsidiary is

excluded in the calculation of Consolidated Net Income pursuant to clause (2) of the definition thereof (but only in the same proportion as the net income of such Restricted Subsidiary is excluded from the calculation of Consolidated Net Income pursuant to clause (2) of the definition thereof). Notwithstanding the foregoing, if any lease or other liability is reclassified as indebtedness or as a Capital Lease Obligation due to a change in accounting principles or the application thereof after the Closing Date, the interest component of all payments associated with such lease or other liability shall be excluded from Consolidated Interest Expense.

Consolidated Net Income means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided* that:

(1) the positive Net Income of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(2) solely for the purpose of determining the amount available for Restricted Payments under clause 3(A) of the second paragraph of the covenant described above under the caption Certain Covenants Restricted Payments the Net Income of any Restricted Subsidiary that is not a Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders;

(3) the effect of a change in accounting principles or in the application thereof (including any change to IFRS and any cumulative effect adjustment) will be excluded;

(4) unrealized losses and gains attributable to Hedging Obligations, including those resulting from the application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 815, will be excluded; and

(5) any non-cash compensation charge or expense realized from grants of stock, stock appreciation or similar rights, stock option or other rights to officers, directors and employees, will be excluded.

Contribution Indebtedness means, Indebtedness in an aggregate principal amount at any one time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge such Indebtedness, not to exceed 150% of the aggregate amount of all Net Equity Proceeds.

Convertible Debt means Debt of Issuer (which may be Guaranteed by the Guarantors) permitted to be incurred hereunder that is either (a) convertible or exchangeable into common stock of Parent (and cash in lieu of fractional shares) and/or cash (in an amount determined by reference to the price of such common stock) or (b) sold as units with call options, warrants or rights to purchase (or substantially equivalent derivative transactions) that are exercisable for common stock of Parent and/or cash (in an amount determined by reference to the price of such common stock).

Corporate Trust Office of the Trustee means, solely for purposes of presenting the notes, Deutsche Bank Trust Company Americas located at 60 Wall Street, New York, NY 10005, and, for all other purposes, the office of the trustee at which any time its corporate trust business will be administered, which at the date hereof is located at 60 Wall Street, New York, NY 10005, or such other address as the trustee may designate from time to time by notice to the holders and Issuer, or the principal corporate trust office of any successor trustee (or such other address as such successor trustee may designate from time to time by notice to the holders and Issuer).

Credit Facilities means, one or more debt facilities (including the Revolving Credit Facilities and any additional notes issued pursuant to a Senior Notes Election thereunder and the Term Loan Credit Agreement),

capital leases, purchase money financings or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), capital leases, purchase money debt, debt securities or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including, in each case, by means of sales of debt securities to institutional investors) in whole or in part from time to time.

Debt to Cash Flow Ratio means, with respect to any Person as of any date of determination, the ratio of (a) the Consolidated Indebtedness of such Person as of such date, less cash and Cash Equivalents, to (b) the Consolidated Cash Flow of such Person for the four most recent full fiscal quarters ending immediately prior to such date for which internal financial statements are available.

For purposes of making the computation referred to above:

(1) pro forma effect shall be given to Asset Dispositions and Asset Acquisitions (including the Merger and including giving pro forma effect to any related financing transactions and the application of proceeds of any Asset Disposition) that occur during such four-quarter period or subsequent to such four quarter period but on or prior to the date on which the Debt to Cash Flow Ratio is to be calculated as if they had occurred and such proceeds had been applied on the first day of such four-quarter period;

(2) pro forma effect shall be given to asset dispositions and, asset acquisitions (including giving pro forma effect to any related financing transactions and the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary of Issuer or has been merged with or into Issuer (including MetroPCS Wireless, Inc.) or any Restricted Subsidiary during such four-quarter period or subsequent to such four quarter period but on or prior to the date on which the Debt to Cash Flow Ratio is to be calculated and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary, as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such four-quarter period;

(3) to the extent that the pro forma effect of any transaction is to be made pursuant to clause (1) or (2) above, such pro forma effect shall be determined in good faith on a reasonable basis by a responsible financial or accounting officer of the specified Person, whose determination shall be conclusive, as if the subject transaction(s) had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income;

(4) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of (without duplication of clauses (1) and (2) above) prior to the date on which the Debt to Cash Flow Ratio is to be calculated, shall be excluded;

(5) any Person that is a Restricted Subsidiary on the date on which the Debt to Cash Flow Ratio is to be calculated will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and

(6) any Person that is not a Restricted Subsidiary on the date on which the Debt to Cash Flow Ratio is to be calculated will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

For the avoidance of doubt, if the Debt to Cash Flow Ratio is determined for any period commencing prior to the date that is four fiscal quarters after the fiscal quarter during which the Closing Date occurs, the Debt to Cash Flow Ratio shall be calculated giving pro forma effect to the Transactions as if the Transactions had occurred on the first day of the four quarter reference period.

December 2012 Sixth Supplemental Indenture means the Sixth Supplemental Indenture, dated as of December 14, 2012, among MetroPCS Wireless, Inc., the guarantors party thereto and Wells Fargo Bank, N.A., as trustee, to the September 2010 Senior Notes Indenture.

Default means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

Designated Entity means (i) Iowa Wireless Services LLC, a Delaware limited liability company, or (ii) any Designated Tower Entity.

Designated Non-cash Consideration means the Fair Market Value (as determined in good faith by issuer) of non-cash consideration received by Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an officers certificate, setting forth such valuation, less the amount of cash and Cash Equivalents received in connection with a subsequent sale of, or other receipt of cash and Cash Equivalents in respect of, such Designated Non-cash Consideration.

Designated Tower Entity means any entity established solely or primarily for the limited purpose of holding wireless communications sites, towers, and related contracts, equipment, improvements, real estate, and other assets, and performing other activities incidental thereto or in connection with the Towers Transaction. For the avoidance of doubt, T-Mobile USA Tower LLC and T-Mobile West Tower LLC are each Designated Tower Entities.

Disqualified Stock means, with respect to notes of any series, any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the notes of the applicable series mature; *provided* that any class of Capital Stock of such Person that, by its terms, requires such Person to satisfy in full its obligations with respect to the payment of dividends or upon maturity, redemption (pursuant to a sinking fund or otherwise) or repurchase thereof or otherwise by the delivery of Capital Stock, and that is not convertible, puttable or exchangeable for cash, Disqualified Stock or Indebtedness, will not be deemed to be Disqualified Stock, so long as such Person satisfies its obligations with respect thereto solely by the delivery of Capital Stock. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require Issuer to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption Certain Covenants Restricted Payments. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the indenture will be the maximum amount that Issuer and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

Domestic Restricted Subsidiary means any Restricted Subsidiary that is not a Foreign Subsidiary.

DT means Deutsche Telekom AG, an Aktiengesellschaft organized and existing under the laws of the Federal Republic of Germany.

DT Notes shall have the meaning assigned to such term in the Business Combination Agreement.

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

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Existing Indebtedness means (a) Indebtedness of Issuer and its Subsidiaries (other than Indebtedness in respect of the DT Notes) in existence on the Closing Date, until such amounts are repaid, (b) (1) the $1.75B Notes in existence on the Closing Date (and any Exchange Notes (as defined in the $1.75B Notes Indenture) relating thereto), and (2) all other Indebtedness of MetroPCS Wireless, Inc. and its Subsidiaries in existence on the Closing Date that was not incurred in violation of the terms of the Business Combination Agreement, in each case until such amounts are repaid (*provided* that the aggregate principal amount of Indebtedness incurred in contemplation of the Transactions, including any Indebtedness in the form of the $1.75B Notes and notes issued on the date of the base indenture, in each case permitted by this clause (b), shall not exceed $20.5 billion).

Existing Senior Notes means (i) the $1.75B Notes existing on the Closing Date, (ii) the DT Notes existing on the Closing Date, (iii) the 6.000% Senior Notes due 2023 issued pursuant to the base indenture, as supplemented by that certain Seventeenth Supplemental Indenture dated as of September 5, 2014, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (iv) the 6.500% Senior Notes due 2024 issued pursuant to the base indenture, as supplemented by that certain Fifteenth Supplemental Indenture dated as of November 21, 2013, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (v) the 6.375% Senior Notes due 2025 issued pursuant to the base indenture, as supplemented by that certain Eighteenth Supplemental Indenture dated as of September 5, 2014, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (vi) the 6.500% Senior Notes due 2026 issued pursuant to the base indenture, as supplemented by that certain Twentieth Supplemental Indenture dated as of November 5, 2015, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (vii) the 6.000% Senior Notes due 2024 issued pursuant to the base indenture, as supplemented by that certain Twenty-First Supplemental Indenture dated as of April 1, 2016, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (viii) the 4.000% Senior Notes due 2022 issued pursuant to the base indenture, as supplemented by that certain Twenty-Third Supplemental Indenture dated as of March 16, 2017, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (ix) the 5.125% Senior Notes due 2025 issued pursuant to the base indenture, as supplemented by that certain Twenty-Fourth Supplemental Indenture dated as of March 16, 2017, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (x) the 5.375% Senior Notes due 2027 issued pursuant to the base indenture, as supplemented by that certain Twenty-Fifth Supplemental Indenture dated as of March 16, 2017, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (xi) the 4.000% Senior Notes due 2022-1 issued pursuant to the base indenture, as supplemented by that certain Twenty-Sixth Supplemental Indenture dated as of April 27, 2017, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (xii) the 5.125%% Senior Notes due 2025-1 issued pursuant to the base indenture, as supplemented by that certain Twenty-Seventh Supplemental Indenture dated as of April 28, 2017, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (xiii) the 5.375% Senior Notes due 2027-1 issued pursuant to the base indenture, as supplemented by that certain Twenty-Eighth Supplemental Indenture dated as of April 28, 2017, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, (xiv) the 5.300% Senior Notes due 2021 issued pursuant to the base indenture, as supplemented by that certain Twenty-Ninth Supplemental Indenture dated as of May 9, 2017, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee and (xv) the 6.000% Senior Notes due 2024 issued pursuant to the base indenture, as supplemented by that certain Thirtieth Supplemental Indenture dated as of May 9, 2017, among T-Mobile USA, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee.

Fair Market Value means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by Issuer s Board of Directors or a senior officer of Issuer, which determination shall be conclusive.

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FCC means the United States Federal Communications Commission and any successor agency that is responsible for regulating the United States telecommunications industry.

FCC Licenses means all licenses or permits now or hereafter issued by the FCC.

Fitch means Fitch Inc. and its successors.

Foreign Subsidiary means any Subsidiary of Issuer other than a Subsidiary organized under the laws of the United States or any state of the United States or the District of Columbia, or any direct or indirect Subsidiary thereof.

GAAP means generally accepted accounting principles as in effect on the date of any calculation or determination required under the notes or the indenture. Notwithstanding the foregoing, at any time, (i) Issuer may elect to apply IFRS accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP or parts of the Accounting Standards Codification or ASC shall thereafter be construed to mean IFRS (except as otherwise provided in the indenture); *provided* that any such election, once made, shall be irrevocable; *provided*, *further*, that any calculation or determination in the indenture that requires the application of GAAP for periods that include fiscal quarters ended prior to Issuer s election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP and (ii) Issuer, on any date, may elect to establish that GAAP shall mean GAAP as in effect on such date; *provided* that any such election, once made, shall be irrevocable. Issuer shall give notice of any such election made in accordance with this definition to the trustee and the holders of notes.

Government Securities means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer s option.

Governmental Authorization means any permit, license, authorization, plan, directive, consent, permission, consent order or consent decree of or from any governmental authority.

Guarantee means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

Guarantor means, with respect to the notes of any series, any Person who has guaranteed the obligations of Issuer under the applicable indenture until released from its Note Guarantee pursuant to the provisions of the applicable indenture.

Hedging Obligations means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices,

and any guarantee in respect thereof.

IFRS means the international accounting standards promulgated by the International Accounting Standards Board and its predecessors, as adopted by the European Union, as in effect from time to time.

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Immaterial Subsidiary means any Subsidiary of Issuer that at any time has less than the greater of (x) $250.0 million in Total Assets or (y) Total Assets accounting for 0.33% of Issuer s Total Assets; *provided* that the aggregate Total Assets of all Immaterial Subsidiaries shall not at any time exceed the greater of (x) $750.0 million and (y) 1.00% of Issuer s Total Assets.

Incremental Term Loan Facility means the secured term loan facility entered into by Issuer pursuant to the Term Loan Credit Agreement, as amended by that certain First Incremental Facility Amendment, dated as of December 29, 2016, by and among Parent, Deutsche Bank AG New York Branch, as administrative agent, the guarantors party thereto and DT, as the initial incremental term loan lender, and that certain Second Incremental Facility Amendment, dated as of January 25, 2017, by and among Parent, Deutsche Bank, AG New York Branch, as administrative agent, the guarantors party thereto and DT.

Indebtedness means, with respect to any specified Person, without duplication,

(1) any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

 (a) in respect of borrowed money;

 (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

 (c) in respect of banker s acceptances;

 (d) representing Capital Lease Obligations;

 (e) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; or

 (f) representing any Hedging Obligations; and

(2) any financial liabilities recorded in respect of the upfront proceeds received in connection with the Towers Transaction,

in each case, if and only to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term Indebtedness includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person. Notwithstanding the foregoing, in no event shall the reclassification of any lease or other liability as indebtedness due to a change in accounting principles (or in the application thereof) after the Closing Date be deemed to be an incurrence of

Indebtedness for any purpose under the indenture. The amount of any Indebtedness shall be determined in accordance with the last paragraph of the covenant described above under the caption Certain Covenants Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.

Investments means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees), advances (excluding commission, travel, entertainment, drawing accounts and similar advances to directors, officers and employees made in the ordinary course of business and excluding the purchase of assets, equipment, property or accounts receivables created or acquired in the ordinary course of business) or capital contributions, and purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities. If Issuer or any Restricted Subsidiary of Issuer sells or otherwise disposes of any Capital Stock of any direct or indirect Restricted Subsidiary of Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of Issuer, Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of Issuer s Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above

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under the caption Certain Covenants Restricted Payments. The acquisition by Issuer or any Subsidiary of Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by Issuer or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption Certain Covenants Restricted Payments as of the date the acquisition of the acquired Person is consummated. Except as otherwise provided in the indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

Investment Grade means

(1) with respect to Moody s (or any successor company acquiring all or substantially all of its assets), a rating of Baa3 (or its equivalent under any successor rating category of Moody s) or better;

(2) with respect to S&P (or any successor company acquiring all or substantially all of its assets), a rating of BBB- (or its equivalent under any successor rating category of S&P) or better;

(3) with respect to Fitch (or any successor company acquiring all or substantially all of its assets), a rating of BBB- (or its equivalent under any successor rating category of Fitch) or better; and

(4) if any Rating Agency ceases to exist or ceases to rate the notes for reasons outside of the control of Issuer, the equivalent investment grade credit rating for the notes from any other nationally recognized statistical rating organization , as such term is defined under Section 3(a)(62) of the Exchange Act, selected by Issuer as a replacement agency.

ISIS Joint Venture means Amended and Restated LLC Agreement of JVL Ventures, LLC dated October 1, 2010, as amended.

Issue Date means the effective date of the Board Resolution, officers certificate or supplemental indenture pursuant to which the first series of DT Notes was issued under the base indenture, or April 28, 2013.

January 2018 Notes Redemption means the redemption in full by Issuer of its then-outstanding 6.125% Senior Notes due 2022 that occurred on January 16, 2018.

Layer3 Entities means Layer3 TV, Inc. and its subsidiaries.

Lien means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement and any lease in the nature thereof.

Merger means the merger of MetroPCS Wireless, Inc. with and into Issuer with Issuer as the surviving Person, pursuant to the Business Combination Agreement.

Moody s means Moody s Investors Service, Inc., and its successors.

Net Equity Proceeds means the net cash proceeds received by Issuer since the Closing Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of Issuer (other than Disqualified Stock).

Net Income means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock accretion or dividends, excluding, however:

(1) any gain (or loss), together with any related provision for taxes on such gain (or loss) realized in connection with: (a) dispositions of assets (other than in the ordinary course of business); or (b) the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

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(2) any extraordinary gain (or loss), together with any related provision for taxes on such extraordinary gain (or loss).

Net Proceeds means the aggregate cash proceeds received by Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale, but excluding any items deemed to be cash pursuant to clause (2)(a) of the covenant described above under the caption Repurchase at the Option of Holders Asset Sales), net of all costs relating to such Asset Sale, including (a) legal, accounting and investment banking fees, finder s fees, sales commissions, employee severance costs, and any relocation expenses incurred as a result of the Asset Sale, (b) taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, (c) amounts required to be applied to the repayment of Indebtedness, other than Indebtedness under a Credit Facility, secured by a Lien on the asset or assets that were the subject of such Asset Sale, (d) all distributions and other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of such Asset Sale and (e) any amounts to be set aside in any reserve established in accordance with GAAP or any amount placed in escrow, in either case for adjustment in respect of the sale price of such properties or assets or for liabilities associated with such Asset Sale and retained by Issuer or any of its Restricted Subsidiaries until such time as such reserve is reversed or such escrow arrangement is terminated, in which case Net Proceeds shall include only the amount of the reserve so reversed or the amount returned to Issuer or its Restricted Subsidiaries from such escrow arrangement, as the case may be.

New Markets means the collective reference to any wireless telephone markets other than the metropolitan areas of Las Vegas, Nevada; Los Angeles, San Francisco and Sacramento, California; Detroit, Michigan; Dallas/Fort Worth, Texas; Tampa/Sarasota, Orlando, Miami and Jacksonville, Florida; Atlanta, Georgia; Philadelphia, Pennsylvania; New York, New York; Boston, Massachusetts; and Hartford, Connecticut.

New Market Losses means, for any period, to the extent such losses were deducted in computing such Consolidated Net Income during the applicable period, an amount equal to any extraordinary loss plus any net loss (without duplication) realized by Issuer or any of its Restricted Subsidiaries incurred in connection with construction, launch and operations in any New Market for such period, so long as such net losses are incurred on or prior to the fourth anniversary after the initial commencement of commercial operations in the applicable New Market.

Non-Recourse Debt means Indebtedness:

(1) as to which neither Issuer nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), subject to customary bad-boy exceptions, (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender;

(2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of Issuer or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its Stated Maturity; and

(3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of Issuer or any of its Restricted Subsidiaries.

Note Guarantee means the Guarantee by each Guarantor of obligations of Issuer under the indenture and the notes of any series, executed in accordance with the provisions of the indenture.

Obligations means any principal, interest, penalties, fees, indemnifications, reimbursements, cash collateral obligations, damages and other liabilities payable under the documentation governing any Indebtedness.

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Permitted Bond Hedge Transaction means any call or capped call option (or substantively equivalent derivative transaction) on Parent s common stock purchased by Issuer in connection with the issuance of any Convertible Debt; *provided* that the purchase price for such Permitted Bond Hedge Transaction, does not exceed the net cash proceeds received by Issuer from the sale of such Convertible Debt issued in connection with the Permitted Bond Hedge Transaction.

Permitted Business means those businesses in which Issuer and its Subsidiaries were engaged on the Closing Date, or any business similar, related, incidental or ancillary thereto or that constitutes a reasonable extension or expansion thereof, or any business reasonably related to the telecommunications industry, and the acquisition, holding or exploitation of any license relating to the delivery of those services.

Permitted Holder means (i) DT and (ii) any direct or indirect Subsidiary of DT.

Permitted Investments means:

(1) any Investment in Issuer or in any Restricted Subsidiary of Issuer;

(2) any Investment in Cash Equivalents;

(3) any Investment by Issuer or any Restricted Subsidiary of Issuer in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of Issuer; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, Issuer or a Restricted Subsidiary of Issuer;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption Repurchase at the Option of Holders Asset Sales ;

(5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of Issuer or Equity Interests of Parent;

(6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are no Affiliates;

(7) Investments represented by Hedging Obligations;

(8) loans or advances to employees made in the ordinary course of business of Issuer or any Restricted Subsidiary of Issuer in an aggregate principal amount not to exceed $50.0 million at any one time outstanding;

(9) any payment on or with respect to, or purchase, redemption, defeasement or other acquisition or retirement for value of (i) the notes, and any additional notes of the same series, (ii) the DT Notes, and any additional notes of the same series, and any Exchange Notes (as defined in the base indenture) relating thereto, (iii) any of the $1.75B Notes or (iv) any other Indebtedness that is *pari passu* with the notes;

(10) advances and prepayments for asset purchases in the ordinary course of business in a Permitted Business of Issuer or any of its Restricted Subsidiaries;

(11) Investments existing on the Closing Date, including Investments held by MetroPCS Wireless, Inc., Issuer and their Subsidiaries immediately prior to the Merger;

(12) Investments in the ISIS Joint Venture having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (12) since the Closing Date that are at that time outstanding, not to exceed $300.0 million;

(13) Permitted Bond Hedge Transactions which constitute Investments;

(14) (a) Permitted Joint Venture Investments, and (b) other Investments in any Person other than an Affiliate of Issuer (excluding any Person that is an Affiliate of Issuer solely by reason of Parent s ownership, directly or indirectly, of Equity Interests or Parent s control, of such Person or which becomes an Affiliate as a result of such Investment), to the extent such Investment under (a) or (b) has an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (14) that are at the time outstanding, not to exceed 12.5% of Issuer s Total Assets on the date of such Investment;

(15) Investments in a Person primarily engaged in a Permitted Business having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (15) since the Closing Date that are at that time outstanding, not to exceed $250.0 million;

(16) guarantees permitted under the covenant described under the caption Certain Covenants Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ; and

(17) deposits or payments made with the FCC in connection with the auction or licensing of Governmental Authorizations;

(18) any Investment deemed made from time to time pursuant to the covenant described under the caption Certain Covenants Designation of Restricted and Unrestricted Subsidiaries in connection with a Specified Unrestricted Subsidiary Designation, in an amount equal to the aggregate Fair Market Value of all outstanding Investments owned by Issuer and its Restricted Subsidiaries in the Subsidiaries designated as Unrestricted Subsidiaries pursuant to such Specified Unrestricted Subsidiary Designation, but only to the extent not in excess of the aggregate Fair Market Value of all outstanding Investments owned by Issuer and its Restricted Subsidiaries in such designated Subsidiaries as of the Closing Date (for this purpose, it shall be assumed, as regards to Investments in any Designated Tower Entity, that all wireless communications sites, towers, and related contracts, equipment, improvements, real estate, and other assets of Issuer and its Subsidiaries subject to the Towers Transaction that are contemplated to be transferred to the Designated Tower Entities in accordance with the terms of the Towers Transaction, as contemplated in the Towers Transaction Agreements as in effect as of March 19, 2013, had been transferred to the Designated Tower Entities, whether or not all such transfers have in fact then taken place, but disregarding any transfers of assets not part of the Towers Transaction as contemplated in the Towers Transaction Agreements as in effect as of March 19, 2013);

(19) any other Investments made in connection with the Towers Transaction, as contemplated in the Towers Transaction Agreements as in effect as of March 19, 2013; and

(20) other Investments; *provided* that the Debt to Cash Flow Ratio calculated on a pro forma basis in the manner described in the definition of Debt to Cash Flow Ratio after giving effect to such Investment would be equal to or

less than 3.50 to 1.00.

Notwithstanding any other provision to the contrary, no Permitted Investment shall be deemed to be a Restricted Payment.

Permitted Joint Venture Investment means, with respect to any specified Person, Investments in any other Person engaged in a Permitted Business of which at least 40% of the outstanding Capital Stock of such other Person is at the time owned directly or indirectly by the specified Person.

Permitted Liens means:

(1) Liens securing Indebtedness and other Obligations under Credit Facilities and/or securing Hedging Obligations related thereto permitted by clauses (1), (8) and (19) of the second paragraph of the covenant titled Certain Covenants Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred

Stock, *provided* that any secured Permitted Refinancing Indebtedness incurred in respect of Indebtedness or other Obligations previously secured pursuant to this clause (1) will be treated as Indebtedness secured pursuant to this clause (1) in making any determination as to whether additional Indebtedness or other Obligations may be secured pursuant to this clause (1);

(2) Liens in favor of Issuer or the Guarantors;

(3) Liens on property of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with Issuer or any Subsidiary of Issuer; *provided* that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets (other than improvements thereon, accessions thereto and proceeds thereof) other than those of the Person that becomes a Restricted Subsidiary or is merged into or consolidated with Issuer or the Subsidiary;

(4) Liens on property (including Capital Stock) existing at the time of acquisition of the property by Issuer or any Subsidiary of Issuer; *provided* that such Liens were in existence prior to, and not incurred in contemplation of, such acquisition;

(5) (a) bankers Liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution, and (b) Liens, deposits (including deposits with the FCC) or pledges to secure the performance of bids, tenders, trade or governmental contracts, leases, licenses, statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(6) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (4) of the second paragraph of the covenant titled Certain Covenants Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock covering only the assets (including the proceeds thereof, accessions thereto and upgrades thereof) acquired with or financed by such Indebtedness;

(7) Liens existing on the Closing Date (including Liens on the assets of MetroPCS Wireless, Inc. and its Subsidiaries existing immediately prior to the Merger);

(8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings; *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(9) Liens imposed by law or contract, such as carriers , warehousemen s, suppliers , vendors , construction, repairmen s, landlord s and mechanics Liens or other similar Liens, in each case, incurred in the ordinary course of business;

(10) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as

to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(11) Liens arising by reason of a judgment, attachment, decree or court order, to the extent not otherwise resulting in an Event of Default, and any Liens that are required to protect or enforce any rights in any administrative, arbitration or other court proceedings in the ordinary course of business;

(12) Liens created for the benefit of (or to secure) the notes (or the Note Guarantees);

(13) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the indenture; *provided*, *however*, that:

(a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to such property and assets and proceeds or distributions of such property and assets and improvements and accessions thereto); and

(b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount or, if greater, committed amount, of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged and (y) any amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(14) (a) Liens contained in purchase and sale agreements or lease agreements limiting the transfer of assets pending the closing of the transactions contemplated thereby or the termination of the lease, respectively, (b) spectrum leases or other similar lease or licensing arrangements contained in, or entered into in connection with, purchase and sale agreements, and (c) Liens relating to deposits or escrows established in connection with purchase and sale agreements;

(15) Liens that may be deemed to exist by virtue of contractual provisions that restrict the ability of Issuer or any of its Subsidiaries from granting or permitting to exist Liens on their respective assets;

(16) Liens in favor of the trustee as provided for in the indenture on money or property held or collected by the trustee in its capacity as trustee;

(17) Liens on cash or Cash Equivalents securing (a) worker s compensation claims, self-insurance obligations, unemployment insurance or other social security, old age pension, bankers acceptances, performance bonds, completion bonds, bid bonds, appeal bonds, indemnity bonds, specific performance or injunctive relief bonds, surety bonds, public liability obligations, or other similar bonds or obligations, or securing any Guarantees or letters of credit functioning as or supporting any of the foregoing, in each case incurred in the ordinary course of business or (b) letters of credit required to be issued for the benefit of any Person that controls a Permitted Joint Venture Investment to secure any put right for the benefit of the Person controlling the Permitted Joint Venture Investment;

(18) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into in the ordinary course of business covering only the property under lease (plus improvements and accessions to such property and proceeds or distributions of such property and improvements and accessions thereto);

(19) any interest or title of a lessor, licensor or sublicensor in the property subject to any lease, license or sublicense entered into in the ordinary course of business;

(20) Liens on cash or Cash Equivalents on deposit to secure reimbursement obligations under letters of credit incurred in the ordinary course of business;

(21) Liens on and pledges of the Equity Interests of any Unrestricted Subsidiary or any Person that is a Permitted Joint Venture Investment owned by Issuer or any Restricted Subsidiary to the extent securing Non-Recourse Debt or other Indebtedness of such Unrestricted Subsidiary or Person;

(22) Liens arising under operating agreements, joint venture agreements, partnership agreements, contracts for sale and other agreements arising in the ordinary course of business that are customary in the Permitted Business, and applicable only to the assets that are the subject of such agreements or contracts;

(23) Liens securing Hedging Obligations;

(24) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(25) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(26) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person s obligations in respect of bankers acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(27) Liens securing any arrangement for treasury, depositary or cash management services provided to Issuer or any of its Restricted Subsidiaries in the ordinary course of business;

(28) Liens with respect to obligations that do not exceed at any time the greater of (x) $500.0 million and (y) 1.0% of Issuer s Total Assets at such time;

(29) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual or warranty requirements; and

(30) Liens, if any, incurred in connection with the Towers Transaction.

Permitted MetroPCS Notes shall have the meaning assigned to such term in the Business Combination Agreement.

Permitted Payments to Parent means, without duplication as to amounts:

(1) payments to Parent to permit Parent to pay reasonable accounting, legal, investment banking fees and administrative expenses of Parent when due; and

(2) for so long as Issuer is a member of a group filing a consolidated or combined tax return with Parent, payments to Parent in respect of an allocable portion of the tax liabilities of such group that is attributable to Issuer and its Subsidiaries (Tax Payments). The Tax Payments shall not exceed the lesser of (i) the amount of the relevant tax (including any penalties and interest) that Issuer would owe if Issuer were filing a separate tax return (or a separate consolidated or combined return with its Subsidiaries that are members of the consolidated or combined group), taking into account any carryovers and carrybacks of tax attributes (such as net operating losses) of Issuer and such Subsidiaries from other taxable years and (ii) the net amount of the relevant tax that Parent actually owes to the appropriate taxing authority.

Permitted Refinancing Indebtedness means any Indebtedness of Issuer or any of its Restricted Subsidiaries, any Disqualified Stock of Issuer or any Preferred Stock of any Restricted Subsidiary issued (a) in exchange for, or the net proceeds of which are used to, extend the maturity renew, refund, refinance, replace, defease, discharge or otherwise retire for value, in whole or in part, or (b) constituting an amendment, modification or supplement to or a deferral or renewal of ((a) and (b) above, collectively, a Refinancing), any other Indebtedness of Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness), any Disqualified Stock of Issuer or any Preferred Stock of a Restricted Subsidiary in a principal amount or, in the case of Disqualified Stock of Issuer or Preferred Stock of a Restricted Subsidiary, liquidation preference, not to exceed (after deduction of reasonable and customary fees and expenses incurred in connection with the Refinancing) the lesser of:

(1) the principal amount or, in the case of Disqualified Stock or Preferred Stock, liquidation preference, of the Indebtedness, Disqualified Stock or Preferred Stock so Refinanced (plus, in the case of Indebtedness, the amount of accrued interest and premium, if any paid in connection therewith), and

(2) if the Indebtedness being Refinanced was issued with any original issue discount, the accreted value of such Indebtedness (as determined in accordance with GAAP) at the time of such Refinancing;

in each case, except to the extent that any such excess principal amount (or accreted value, as applicable) would be then permitted to be incurred by other provisions of the covenant described above under the caption Certain Covenants Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; *provided* that such excess principal amount of Indebtedness shall be deemed to be incurred under such other provision.

Notwithstanding the preceding, no Indebtedness, Disqualified Stock or Preferred Stock will be deemed to be Permitted Refinancing Indebtedness, unless:

(1) such Indebtedness, Disqualified Stock or Preferred Stock has a final maturity date or redemption date, as applicable, later than the final maturity date or redemption date, as applicable, of, and has a Weighted

Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness, Disqualified Stock or Preferred Stock being Refinanced;

(2) if the Indebtedness, Disqualified Stock or Preferred Stock being Refinanced is contractually subordinated in right of payment to the notes, such Indebtedness, Disqualified Stock or Preferred Stock is contractually subordinated in right of payment to, the notes, on terms at least as favorable to the holders of notes as those contained in the documentation governing the Indebtedness, Disqualified Stock or Preferred Stock being Refinanced at the time of the Refinancing; and

(3) such Indebtedness or Disqualified Stock is incurred or issued by Issuer or such Indebtedness, Disqualified Stock or Preferred Stock is incurred or issued by the Restricted Subsidiary who is the obligor on the Indebtedness being Refinanced or the issuer of the Disqualified Stock or Preferred Stock being Refinanced, or a Restricted Subsidiary of such obligor or issuer.

Person means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

Preferred Stock means, with respect to any Person, any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or payments upon liquidation.

Rating Agency means each of Moody s, S&P, Fitch and, if any of Moody s, S&P or Fitch ceases to exist or ceases to rate the notes of the applicable series for reasons outside of the control of Issuer, any other nationally recognized statistical rating organization as such term is defined under Section 3(a)(62) of the Exchange Act selected by Issuer as a replacement agency.

Ratings Decline Period means the period that (i) begins on the earlier of (a) the date of the first public announcement of the occurrence of a Change of Control or of the intention by Issuer or a shareholder of Issuer as applicable, to effect a Change of Control or (b) the occurrence thereof and (ii) ends 90 days following consummation of such Change of Control; *provided* that such period shall be extended for so long as the rating of the notes of the applicable series, as noted by the applicable Rating Agency, is under publicly announced consideration for downgrade by the applicable Rating Agency.

Reinsurance Entity means TMUS Assurance Corporation, a Hawaii corporation and any successor thereto.

Replacement Assets means: (i) capital expenditures with respect to any assets, (ii) other assets that will be used or useful in a Permitted Business, (iii) all or substantially all of the assets of a Permitted Business, (iv) Voting Stock of any Person engaged in a Permitted Business that, when taken together with all other Voting Stock of such Person owned by Issuer and its Restricted Subsidiaries, constitutes a majority of the Voting Stock of such Person and such Person will become a Restricted Subsidiary on the date of the acquisition thereof or (v) deposits or payments to acquire FCC Licenses.

Restricted Investment means an Investment other than a Permitted Investment.

Restricted Subsidiary of a Person means any Subsidiary of the referenced Person that is not an Unrestricted Subsidiary.

Revolving Credit Facilities means the revolving credit facilities entered into by Issuer pursuant to the Unsecured Revolving Credit Agreement, dated as of December 29, 2016, by and among Issuer, Parent, and DT, as administrative agent and lender, and the Senior Secured Revolving Credit Agreement, dated as of December 29, 2016, by and among Issuer, Parent and DT, as administrative agent, collateral agent and lender.

S&P means Standard & Poor s Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

Secured Debt to Cash Flow Ratio means, with respect to any Person as of any date of determination, the ratio of (a) the Consolidated Indebtedness of such Person as of such date that is secured by a Lien, less cash and Cash Equivalents, to (b) the Consolidated Cash Flow of such Person for the four most recent full fiscal quarters ending immediately prior to such date for which internal financial statements are available.

For purposes of making the computation referred to above, the Secured Debt to Cash Flow Ratio shall be calculated on a pro forma basis in the manner described in the second paragraph of the definition of Debt to Cash Flow Ratio.

Senior Notes Election shall have the meaning assigned to such term in the Unsecured Revolving Credit Agreement, dated as of December 29, 2016, by and among Issuer, Parent, and DT, as administrative agent and lender, and the Senior Secured Revolving Credit Agreement, dated as of December 29, 2016, by and among Issuer, Parent and DT, as administrative agent, collateral agent and lender.

September 2010 Senior Notes Indenture means the Indenture, dated as of September 21, 2010, as supplemented by the Second Supplemental Indenture, dated November 17, 2010, among MetroPCS Wireless, Inc., the guarantors party thereto and Wells Fargo Bank, N.A., as trustee, as supplemented by the Fourth Supplemental Indenture, dated as of December 23, 2010, by MetroPCS Wireless, Inc., the guarantors party thereto and Wells Fargo Bank, N.A., as trustee, as further supplemented by the December 2012 Senior Notes Sixth Supplemental Indenture, as further supplemented by the Seventh Supplemental Indenture, dated as of May 1, 2013, among T-Mobile USA, Inc., the guarantors party thereto and Wells Fargo Bank, N.A., as trustee, as further supplemented by the Eighth Supplemental Indenture, dated as of July 15, 2013, among T-Mobile USA, Inc., the guarantors party thereto and Wells Fargo Bank, N.A., as trustee, as further supplemented by that certain Ninth Supplemental Indenture, dated as of August 11, 2014, among T-Mobile USA, Inc., the guarantors named therein and Wells Fargo Bank, N.A., as trustee, as further supplemented by that certain Tenth Supplemental Indenture, dated as of September 28, 2015, among T-Mobile USA, Inc., the guarantors named therein and Wells Fargo Bank, N.A., as trustee, and as further supplemented by that certain Eleventh Supplemental Indenture, dated as of August 30, 2016, among T-Mobile USA, Inc., the guarantors named therein and Wells Fargo Bank, N.A., as trustee.

Series Issue Date means, with respect to a series of notes, the effective date of the Board Resolution, officers certificate or supplemental indenture pursuant to which the notes of such series are first issued.

Series Issue Date Existing Indebtedness means, with respect to a series of notes, the notes of any series issued under the base indenture and in existence on the applicable Series Issue Date for such series of notes (including the DT Notes) (and any Exchange Notes (as defined in the base indenture) relating thereto) and, in each case, the related Note Guarantees (other than the notes of such series issued on the Series Issue Date), including, for the avoidance of doubt, the Existing Senior Notes.

Significant Subsidiary means any Restricted Subsidiary that as of the end of the most recent fiscal quarter for which financial statements are available, would be a significant subsidiary as defined in Article 1, Rule-102 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Closing Date.

Specified Issuer Indebtedness means any Indebtedness of Issuer in a principal amount of $250 million or more.

Specified Unrestricted Subsidiary Designation has the meaning assigned to such term in the covenant described above under the caption Certain Covenants Designation of Restricted and Unrestricted Subsidiaries.

Stated Maturity means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the

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documentation governing such Indebtedness as of the Closing Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

Subordinated Indebtedness means:

(1) with respect to Issuer, any Indebtedness of Issuer which is by its terms subordinated in right of payment to the notes of the applicable series; and

(2) with respect to any Guarantor, any Indebtedness of such Guarantor which is by its terms subordinated in right of payment to such Guarantor s Guarantee of the notes of the applicable series.

Subsidiary means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

Subsidiary Guarantors means, collectively, the Guarantors that are Subsidiaries of Issuer.

Term Loan Credit Agreement means that certain credit agreement dated November 9, 2015 by and among Issuer, the several lenders party thereto and Deutsche Bank AG New York Branch as administrative agent and collateral agent, as amended by that certain First Incremental Facility Amendment, dated as of December 29, 2016, by and among Parent, Deutsche Bank AG New York Branch, as administrative agent, the guarantors party thereto and DT, as the initial incremental term loan lender, and that certain Second Incremental Facility Amendment, dated as of January 25, 2017, by and among Parent, Deutsche Bank, AG New York Branch, as administrative agent, the guarantors party thereto and DT, including any notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and, in each case, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced in whole or in part from time to time.

TMUS Working Capital Facility shall have the meaning assigned to such term in the Business Combination Agreement.

Total Assets means the consolidated total assets of a Person and its Subsidiaries as set forth on the most recent balance sheet of such Person prepared in accordance with GAAP.

Towers Transaction means the transactions contemplated by the Towers Transaction Agreements.

Towers Transaction Agreements means: (i) the Master Agreement, dated as of September 28, 2012 (as the same may be amended, modified or supplemented from time to time), among Issuer, Crown Castle International Corp., a Delaware corporation, and certain Subsidiaries of Issuer; and (ii) each of the or the transaction documents entered into in connection therewith or contemplated thereby, as they may be amended, modified or supplemented from time to time.

Transactions means (i) the Merger, (ii) the offering of the Permitted MetroPCS Notes and the DT Notes and the incurrence of the TMUS Working Capital Facility, (iii) the refinancing of Existing Indebtedness on or prior to the Closing Date, (iv) the Cash Payment and the MetroPCS Reverse Stock Split, each as defined in the Business Combination Agreement, and (v) all other transactions consummated in connection therewith.

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Treasury Rate means,

(1) with respect to the 2026 notes and any redemption date, the yield to maturity of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published (or the relevant information is no longer published therein), any publicly available source of similar market data)) most nearly equal to the period from such redemption date to , 2021; *provided*, *however*, that if the period from such redemption date to , 2021 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. Issuer will (1) calculate the Treasury Rate on the third business day preceding the applicable redemption date and (2) prior to such redemption date file with the trustee an officers certificate setting forth the Applicable Premium and the Treasury Rate and showing the calculation of each in reasonable detail; and

(2) with respect to the 2028 notes and any redemption date, the yield to maturity of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published (or the relevant information is no longer published therein), any publicly available source of similar market data)) most nearly equal to the period from such redemption date to , 2023; *provided*, *however*, that if the period from such redemption date to , 2023 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. Issuer will (1) calculate the Treasury Rate on the third business day preceding the applicable redemption date and (2) prior to such redemption date file with the trustee an officers certificate setting forth the Applicable Premium and the Treasury Rate and showing the calculation of each in reasonable detail.

Unrestricted Subsidiary means any Subsidiary of Issuer that is designated by the Board of Directors of Issuer as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that:

(1) exmargin:0in 0in .0001pt;text-align:center;">

Date	Rate	of Swap	of Swap	Outstanding	Outstanding
9/6/05	4.485%	9/14/05	7/29/15	$ 106,233	$ 106,233
3/29/06	5.25%	1/2/07	1/1/14	50,000	50,000
3/24/06	5.075%	1/2/08	1/2/13	50,000	50,000
8/9/07	5.07%	1/2/08	1/3/12		100,000
8/16/07	4.985%	3/31/08	3/31/12		50,000
8/16/07	5.04%	3/31/08	3/31/12		100,000
1/9/09	2.05%	1/22/09	1/22/14	100,000	100,000
2/11/09	2.45%	2/23/09	2/23/14	50,000	50,000
				$ 356,233	$ 606,233

The following table summarizes the derivative asset and liability balances at September 30, 2012 and December 31, 2011:

	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	Fair Value September 30, 2012	Fair Value December 31, 2011	Balance Sheet Location	Fair Value September 30, 2012	Fair Value December 31, 2011
Derivatives designated as hedging instruments						
Interest rate contracts	Fair value of derivative instruments (Current Assets)	$	$	Fair value of derivative instruments (Current Liabilities)	$ 609	$ 1,686
Interest rate contracts	Fair value of derivative instruments (Noncurrent Assets)			Fair value of derivative instruments (Noncurrent Liabilities)	18,261	23,654
Total derivatives designated as hedging instruments					18,870	25,340
Total Derivatives		$	$		$ 18,870	$ 25,340

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The following tables present the impact of derivative instruments and their location within the Condensed Consolidated Statement of Operations:

The Effect of Derivative Instruments on the Condensed Consolidated Statement of Operations

For the Three-Month Period Ended September 30, 2012

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2012	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2012	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2012
Interest rate contracts	$ (1,434)	Interest Expense	$ 2,959	Other Income (Expense)	$ 30

The Effect of Derivative Instruments on the Condensed Consolidated Statement of Operations

For the Three-Month Period Ended September 30, 2011

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2011	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2011	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2011
Interest rate contracts	$ (5,021)	Interest Expense	$ 7,438	Other Income (Expense)	$ 18

The Effect of Derivative Instruments on the Condensed Consolidated Statement of Operations

For the Nine-Month Period Ended September 30, 2012

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2012	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2012	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2012
Interest rate contracts	$ (3,999)	Interest Expense	$ 10,392	Other Income (Expense)	$ 76

The Effect of Derivative Instruments on the Condensed Consolidated Statement of Operations

For the Nine-Month Period Ended September 30, 2011

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2011	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2011	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2011
Interest rate contracts	$ (11,705)	Interest Expense	$ 22,038	Other Income (Expense)	$ 38

At September 30, 2012, ($10,082) of AOCI is expected to be reclassified into interest expense over the next 12 months associated with interest rate derivatives.

The Company is required to provide collateral in the form of vessel assets to support the interest rate swap agreements, excluding vessel assets of Baltic Trading. At September 30, 2012, the Company s 35 vessels mortgaged under the 2007 Credit Facility served as collateral in the aggregate amount of $100,000.

12 - ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of AOCI included in the accompanying condensed consolidated balance sheets consist of net unrealized gain (loss) on cash flow hedges and net unrealized gain from investments in Jinhui stock as of September 30, 2012 and December 31, 2011.

	Net Unrealized Gain (Loss) on Cash Flow Hedges	Unrealized Gain on Investments	AOCI
AOCI January 1, 2012	$ (25,245)	$ 7,696	$ (17,549)
Change in unrealized gain on investments		(643)	(643)
Unrealized gain on cash flow hedges	6,394		6,394
AOCI September 30, 2012	$ (18,851)	$ 7,053	$ (11,798)

13 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values and carrying values of the Company s financial instruments at September 30, 2012 and December 31, 2011 which are required to be disclosed at fair value, but not recorded at fair value, are noted below.

	September 30, 2012		December 31, 2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	$ 87,778	$ 87,778	$ 227,968	$ 227,968
Restricted cash	10,150	10,150	9,750	9,750
Floating rate debt	1,413,439	1,413,439	1,588,012	1,588,012
2010 Notes	109,726	48,750	106,381	80,000

The fair value of the floating rate debt under the 2007 Credit Facility, $100 Million Term Loan Facility, $253 Million Term Loan Facility and the 2010 Baltic Trading Credit Facility are based on management s estimate of rates the Company has recently obtained on August 1, 2012 when the Company entered into agreements to amend or waive certain provisions of the 2007 Credit Facility, $100 Million Term Loan Facility and the $253 Million Term Loan Facility. Additionally, the Company considers its creditworthiness in determining the fair value of floating rate debt under the credit facilities. The carrying value approximates the fair market value for these floating rate loans. The fair value of the convertible senior notes payable represents the market value based on recent transactions of the 2010 Notes at September 30, 2012 and December 31, 2011 without bifurcating the value of the conversion option. The fair value of the interest rate swaps is the estimated amount the Company would receive to terminate the swap agreements at the reporting date, taking into account current interest rates and the creditworthiness of both the swap counterparty and the Company. The carrying amounts of the Company s other financial instruments at September 30, 2012 and December 31, 2011 (principally Due from charterers and Accounts payable and accrued expenses), approximate fair values because of the relatively short maturity of these instruments.

Accounting Standards Codification Subtopic 820-10, Fair Value Measurements & Disclosures (ASC 820-10), applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair

values. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumption (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

- Level 1 Valuations based on quoted prices in active markets for identical instruments that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.

- Level 2 Valuations based on quoted prices in active markets for instruments that are similar, or quoted prices in markets that are not active for identical or similar instruments, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

- Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

As of September 30, 2012 and December 31, 2011, the fair values of the Company s financial assets and liabilities are categorized as follows:

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		September 30, 2012	
	Total	Quoted market prices in active markets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments	$ 23,825	$ 23,825	$
Derivative instruments liability position	18,870		18,870

		December 31, 2011	
	Total	Quoted market prices in active markets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments	$ 24,468	$ 24,468	$
Derivative instruments liability position	25,340		25,340

The Company holds an investment in the capital stock of Jinhui, which is classified as a long-term investment. The stock of Jinhui is publicly traded on the Oslo Stock Exchange and is considered a Level 1 item. The Company s interest rate derivative instruments are pay-fixed, receive-variable interest rate swaps based on LIBOR. The Company has elected to use the income approach to value the derivatives, using observable Level 2 market inputs at measurement date and standard valuation techniques to convert future amounts to a single present amount assuming that participants are motivated, but not compelled to transact. Level 2 inputs for the valuations are limited to quoted prices for similar assets or liabilities in active markets (specifically futures contracts on LIBOR for the first two years) and inputs other than quoted prices that are observable for the asset or liability (specifically LIBOR cash and swap rates and credit risk at commonly quoted intervals). Mid-market pricing is used as a practical expedient for fair value measurements. Refer to Note 11 Interest Rate Swap Agreements for further information regarding the Company s interest rate swap agreements. ASC 820-10 states that the fair value measurement of an asset or liability must reflect the nonperformance risk of the entity and the counterparty. Therefore, the impact of the counterparty s creditworthiness when in an asset position and the Company s creditworthiness when in a liability position has also been factored into the fair value measurement of the derivative instruments in an asset or liability position and did not have a material impact on the fair value of these derivative instruments. As of September 30, 2012, both the counterparty and the Company are expected to continue to perform under the contractual terms of the instruments. Cash and cash equivalents and restricted cash are considered Level 1 items as they represent liquid assets with short-term maturities. Floating rate debt is considered to be a Level 2 item as the Company considers the estimate of rates it could obtain for similar debt. The 2010 Notes are publicly traded in the over-the-counter market; however they are not considered to be actively traded. As such, the 2010 Notes are considered to be a Level 2 item.

14 - PREPAID EXPENSES AND OTHER CURRENT AND NONCURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	September 30, 2012	December 31, 2011
Lubricant inventory, fuel oil and diesel oil inventory and other stores	$ 10,321	$ 10,376
Prepaid items	4,621	5,514

Insurance receivable		860		1,025
Other		1,218		794
Total prepaid expenses and other current assets	$	17,020	$	17,709

Other noncurrent assets in the amount of $514 at September 30, 2012 and December 31, 2011 represent the security deposit related to the operating lease entered into effective April 4, 2011. Refer to Note 19 Commitments and Contingencies for further information related to the lease agreement.

15 - OTHER ASSETS, NET

Other assets consist of deferred financing costs, which include fees, commissions and legal expenses associated with securing loan facilities and other debt offerings and amending existing loan facilities. Total net deferred financing costs consist of the following as of September 30, 2012 and December 31, 2011:

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	September 30, 2012	December 31, 2011
2007 Credit Facility	$ 29,923	$ 13,189
$100 Million Term Loan Facility	1,822	1,578
$253 Million Term Loan Facility	4,802	4,113
2010 Notes	3,637	3,637
2010 Baltic Trading Credit Facility	3,027	3,027
Total deferred financing costs	43,211	25,544
Less: accumulated amortization	11,304	7,749
Total	$ 31,907	$ 17,795

Amortization expense for deferred financing costs for the three months ended September 30, 2012 and 2011 was $1,596 and $796, respectively. Amortization expense for deferred financing costs for the nine months ended September 30, 2012 and 2011 was $3,555 and $2,368, respectively. This amortization expense is recorded as a component of interest expense in the Condensed Consolidated Statements of Operations.

16 - FIXED ASSETS

Fixed assets consist of the following:

	September 30, 2012	December 31, 2011
Fixed assets, at cost:		
Vessel equipment	$ 2,973	$ 2,720
Leasehold improvements	3,823	3,664
Furniture and fixtures	997	997
Computer equipment	686	632
Total costs	8,479	8,013
Less: accumulated depreciation and amortization	3,077	2,422
Total	$ 5,402	$ 5,591

Depreciation and amortization expense for fixed assets for the three months ended September 30, 2012 and 2011 was $230 and $124, respectively. Depreciation and amortization expense for fixed assets for the nine months ended September 30, 2012 and 2011 was $655 and $372, respectively.

17 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

	September 30, 2012		December 31, 2011
Accounts payable	$	3,691	$	5,047
Accrued general and administrative expenses		10,115		14,275
Accrued vessel operating expenses		11,344		11,390
Total	$	25,150	$	30,712

18 - REVENUE FROM TIME CHARTERS

Total voyage revenue earned on time charters, including revenue earned in vessel pools and spot market-related time charters, for the three months ended September 30, 2012 and 2011 was $53,603 and $93,484, respectively, and for the nine months ended September 30, 2012 and 2011 was $174,740 and $292,614, respectively. Included in revenues for the three months ended September 30, 2012 and 2011 was profit sharing revenue of $0 and $1, respectively. Additionally, included in revenues for the nine months ended September 30, 2012 and 2011 was profit sharing revenue of $0 and $121, respectively. Future minimum time charter revenue, based on vessels committed to noncancelable time charter contracts as of November 1, 2012 is expected to be $11,480 for the remainder of 2012, $15,405 during 2013 and $3,512 during 2014, assuming off-hire due to any scheduled drydocking and that no additional off-hire time is incurred. For most drydockings, the Company assumes twenty days of offhire. Future minimum revenue excludes revenue earned for the five vessels currently in pool arrangements, vessels that are currently on or will be on spot market-related time charters, as spot rates cannot be estimated, as well as profit sharing revenue.

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19 - COMMITMENTS AND CONTINGENCIES

In September 2005, the Company entered into a 15-year lease for office space in New York, New York for which there was a free rental period from September 1, 2005 to July 31, 2006. On January 6, 2012, the Company ceased the use of this space and as such has recorded, during the three and nine months ended September 30, 2012, net rent expense of $255 and $826, respectively, representing the present value of the Company s estimated remaining rent expense for the duration of the lease after taking into account estimated future sublease income and deferred rent on the facility. The current and long-term lease obligations related to this lease agreement are recorded in the condensed consolidated balance sheet at September 30, 2012 in Current portion of lease obligations and Long-term lease obligations, respectively. Rent expense under this lease for the three and nine months ended September 30, 2011 was $117 and $350, respectively.

Future minimum rental payments on the above lease for the next five years and thereafter are as follows: $129 for the remainder of 2012, $518 annually for 2013 through 2015, $529 for 2016, and a total of $2,522 for the remaining term of the lease.

Effective April 4, 2011, the Company entered into a seven-year sub-sublease agreement for additional office space in New York, New York. The term of the sub-sublease commenced June 1, 2011, with a free base rental period until October 31, 2011. Following the expiration of the free base rental period, the monthly base rental payments will be $82 per month until May 31, 2015 and thereafter will be $90 per month until the end of the seven-year term. Pursuant to the sub-sublease agreement, the sublessor is obligated to contribute $472 toward the cost of the Company s alterations to the sub-subleased office space. The Company has also entered into a direct lease with the over-landlord of such office space that will commence immediately upon the expiration of such sub-sublease agreement, for a term covering the period from May 1, 2018 to September 30, 2025; the direct lease provides for a free base rental period from May 1, 2018 to September 30, 2018. Following the expiration of the free base rental period, the monthly base rental payments will be $186 per month from October 1, 2018 to April 30, 2023 and $204 per month from May 1, 2023 to September 30, 2025. For accounting purposes, the sub-sublease agreement and direct lease agreement with the landlord constitutes one lease agreement. As a result of the straight-line rent calculation generated by the free rent period and the tenant work credit, the monthly straight-line rental expense for the term of the entire lease from June 1, 2011 to September 30, 2025 will be $130. The Company had a long-term lease obligation at September 30, 2012 and December 31, 2011 of $1,649 and $1,217, respectively. Rent expense pertaining to this new lease for the three months ended September 30, 2012 and 2011 was $389 during both periods. Rent expense pertaining to this new lease for the nine months ended September 30, 2012 and 2011 was $1,168 and $519, respectively.

Future minimum rental payments on the above lease for the next five years and thereafter are as follows: $245 for the remainder of 2012, $982 annually for 2013 through 2014, $1,037 for 2015, $1,076 for 2016 and a total of $17,582 for the remaining term of the lease.

20 - NONVESTED STOCK AWARDS

The table below summarizes the Company s nonvested stock awards for the nine months ended September 30, 2012 under the Genco Shipping & Trading Limited 2005 Equity Incentive Plan (the GS&T Plan):

	Number of Shares	**Weighted Average Grant Date Price**

Outstanding at January 1, 2012	936,787	$	14.06
Granted	15,000		3.50
Vested	(15,000)		8.00
Forfeited	(1,500)		6.39
Outstanding at September 30, 2012	935,287	$	14.00

The total fair value of shares that vested under the GS&T Plan during the nine months ended September 30, 2012 and 2011 was $53 and $120, respectively. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

For the three and nine months ended September 30, 2012 and 2011, the Company recognized nonvested stock amortization expense for the GS&T Plan, which is included in general, administrative and management fees, as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
General, administrative and management fees	$ 1,069	$ 1,472	$ 3,214	$ 4,443

The fair value of nonvested stock at the grant date is equal to the closing stock price on that date. The Company is amortizing these grants over the applicable vesting periods, net of anticipated forfeitures. As of September 30, 2012, unrecognized future compensation cost of $4,800 related to nonvested stock will be recognized over a weighted-average period of 2.93 years.

The following table presents a summary of Baltic Trading s nonvested stock awards for the nine months ended September 30, 2012 under the Baltic Trading Limited 2010 Equity Incentive Plan (the Baltic Trading Plan):

	Number of Baltic Trading Common Shares	Weighted Average Grant Date Price
Outstanding at January 1, 2012	545,750	$ 11.60
Granted	12,500	3.86
Vested	(129,000)	13.31
Forfeited		
Outstanding at September 30, 2012	429,250	$ 10.86

The total fair value of shares that vested under the Baltic Trading Plan during the nine months ended September 30, 2012 and 2011 was $505 and $1,131, respectively. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

For the three and nine months ended September 30, 2012 and 2011, the Company recognized nonvested stock amortization expense for the Baltic Trading Plan, which is included in general, administrative and management fees, as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
General, administrative and management fees	$ 403	$ 623	$ 1,377	$ 2,174

The Company is amortizing Baltic Trading s grants over the applicable vesting periods, net of anticipated forfeitures. As of September 30, 2012, unrecognized future compensation cost of $1,434 related to nonvested stock will be recognized over a weighted-average period of 1.96 years.

21 - SHARE REPURCHASE PROGRAM

Since the inception of its share repurchase program through September 30, 2012, the Company has repurchased and retired 278,300 shares of its common stock for $11,500. Currently, the terms of the 2007 Credit Facility require the Company to suspend all share repurchases until the Company can represent that it is in a position to again satisfy the collateral maintenance covenant. No share repurchases were made during the three and nine months ended September 30, 2012 and 2011.

22 - LEGAL PROCEEDINGS

From time to time, the Company may be subject to legal proceedings and claims in the ordinary course of its business, principally personal injury and property casualty claims. Such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. The Company is not aware of any legal proceedings or claims that it believes will have, individually or in the aggregate, a material effect on the Company, its financial condition, results of operations or cash flows.

23 - SUBSEQUENT EVENTS

On October 31, 2012, Baltic Trading declared a dividend of $0.01 per share to be paid on or about November 21, 2012 to shareholders of record as of November 14, 2012. The aggregate amount of the dividend is expected to be approximately $227, of which approximately $170 will be paid to minority shareholders, which Baltic Trading anticipates will be funded from cash on hand at the time payment is to be made.

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ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements use words such as anticipate, estimate, expect, project, intend, plan, believe, and other words of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. These forward-looking statements are based on management s current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward looking statements contained in this report are the following: (i) declines in demand or rates in the drybulk shipping industry; (ii) prolonged weakness in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube oil, bunkers, repairs, maintenance and general, administrative and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of our vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) our acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete repairs on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to charters; (xiv) charterers compliance with the terms of their charters in the current market environment; and other factors listed from time to time in our filings with the Securities and Exchange Commission, including, without limitation, our Annual Report on Form 10-K for the year ended December 31, 2011 and subsequent reports on Form 8-K and Form 10-Q.

The following management s discussion and analysis should be read in conjunction with our historical consolidated financial statements and the related notes included in this Form 10-Q.

General

We are a Marshall Islands company that transports iron ore, coal, grain, steel products and other drybulk cargoes along worldwide shipping routes through the ownership and operation of drybulk carrier vessels. Excluding vessels of Baltic Trading Limited (Baltic Trading), as of November 9, 2012, our fleet consisted of nine Capesize, eight Panamax, 17 Supramax, six Handymax and 13 Handysize drybulk carriers, with an aggregate carrying capacity of approximately 3,810,000 dwt, and the average age of our fleet is approximately 7.5 years, as compared to the average age for the world fleet of approximately 10 years for the drybulk shipping segments in which we compete. We seek to deploy our vessels on time charters, spot market-related time charters or in vessel pools trading in the spot market, to reputable charterers, including Cargill International S.A., Pacific Basin Chartering Ltd., Trafigura Beheer B.V., Swissmarine Services S.A., Klaveness Chartering and LB/IVS Pool, in which Lauritzen Bulkers A/S acts as the pool manager. The majority of the vessels in our current fleet are presently engaged under time charter and spot market-related time charter contracts that expire (assuming the option periods in the time charters are not exercised) between November 2012 and May 2015.

In addition, as of November 9, 2012, Baltic Trading s fleet consisted of two Capesize, four Supramax and three Handysize drybulk carriers with an aggregate carrying capacity of approximately 672,000 dwt.

See pages 34 - 37 for a table of all vessels that have been delivered to us, including Baltic Trading s vessels.

Depending on market conditions, we intend to acquire additional modern, high-quality drybulk carriers through timely and selective acquisitions of vessels in a manner that is accretive to our cash flow. We expect to fund acquisitions of additional vessels using cash reserves set aside for this purpose or additional borrowings and may consider additional debt or equity financing alternatives from time to time.

Our management team and our other employees are responsible for the commercial and strategic management of our fleet. Commercial management includes the negotiation of charters for vessels, managing the mix of various types of charters, such as time charters, voyage charters and spot market-related time charters, and monitoring the performance of our vessels under their charters. Strategic management includes locating, purchasing, financing and selling vessels. We currently contract with three independent technical managers to provide technical management of our fleet at a lower cost than we believe would be possible in-house. Technical management involves the day-to-day management of vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. Members of our New York City-based management team oversee the activities of our independent technical managers.

From time to time in the current global economic environment, our charterers with long-term time charters may request to renegotiate the terms of our charters with them. As a general matter, we do not agree to make changes to the terms of our charters in response to such requests. The failure of any charterer to meet its obligations under our long-term time charters could have an adverse effect on our results of operations.

Baltic Trading, formerly a wholly-owned subsidiary of the Company, completed its IPO on March 15, 2010. As of September 30, 2012, the Company s wholly-owned subsidiary Genco Investments LLC owned 5,699,088 shares of Baltic Trading s Class B Stock, which represents a 25.09% ownership interest in Baltic Trading at September 30, 2012 and 83.40% of the aggregate voting power of Baltic Trading s outstanding shares of voting stock. Baltic Trading is consolidated with the Company, as we control a majority of the voting interest in Baltic Trading. Management s discussion and analysis of the Company s results of operations and financial condition in this section includes the results of Baltic Trading.

We entered into a long-term management agreement (the Management Agreement) with Baltic Trading pursuant to which we apply our expertise and experience in the drybulk industry to provide Baltic Trading with commercial, technical, administrative and strategic services. The Management Agreement is for an initial term of approximately 15 years and will automatically renew for additional five-year periods unless terminated in accordance with its terms. Baltic Trading will pay us for the services we provide it as well as reimburse us for our costs and expenses incurred in providing certain of these services. Management fee income we earn from the Management Agreement net of any allocated shared expenses, such as salary, office expenses and other general and administrative fees, will be taxable to us. Upon consolidation with Baltic Trading, any management fee income earned will be eliminated for financial reporting purposes.

We provide technical services for drybulk vessels purchased by Maritime Equity Partners LLC (MEP) under an agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services are provided for a fee of $750 per ship per day plus reimbursement of out-of-pocket costs and will be provided for an initial term of one year. MEP has the right to cancel provision of services on 60 days notice with payment of a one-year termination fee upon a change of our control. We may terminate provision of the services at any time on 60 days notice. Peter C. Georgiopoulos, our Chairman of the Board of Directors, is a minority investor in MEP, and affiliates of Oaktree Capital Management, L.P., of which Stephen A. Kaplan, one of our directors, is a principal, are majority investors in MEP. This arrangement was approved by an independent committee of our Board of Directors.

During January 2011, the Genco Success, a 1997-built Handymax vessel, was on charter to Korea Line Corporation (KLC) when KLC filed for a rehabilitation application. We estimate that we have a claim of approximately $0.8 million against KLC related primarily to unpaid revenue earned prior to re-delivery of the vessel. If a rehabilitation plan is approved by the South Korean courts and it is determined that we will receive a cash settlement for our outstanding claim, any amounts due from KLC will be recorded once the collectibility of the receivable has been assessed and the amount has been deemed collectible.

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Factors Affecting Our Results of Operations

We believe that the following table reflects important measures for analyzing trends in our results of operations. The table reflects our ownership days, available days, operating days, fleet utilization, TCE rates and daily vessel operating expenses for the three and nine months ended September 30, 2012 and 2011 on a consolidated basis, which includes the operations of Baltic Trading.

	For the Three Months Ended September 30,		Increase	
	2012	2011	(Decrease)	% Change
Fleet Data:				
Ownership days (1)				
Capesize	1,012.0	1,012.0		
Panamax	736.0	736.0		
Supramax	1,932.0	1,932.0		
Handymax	552.0	552.0		
Handysize	1,472.0	1,360.7	111.3	8.2%
Total	5,704.0	5,592.7	111.3	2.0%
Available days (2)				
Capesize	999.2	1,000.9	(1.7)	(0.2)%
Panamax	699.0	736.0	(37.0)	(5.0)%
Supramax	1,874.7	1,932.0	(57.3)	(3.0)%
Handymax	538.2	552.0	(13.8)	(2.5)%
Handysize	1,472.0	1,359.7	112.3	8.3%
Total	5,583.1	5,580.6	2.5	0.0%
Operating days (3)				
Capesize	998.9	1,000.9	(2.0)	(0.2)%
Panamax	691.1	731.1	(40.0)	(5.5)%
Supramax	1,836.9	1,914.3	(77.4)	(4.0)%
Handymax	537.5	551.5	(14.0)	(2.5)%
Handysize	1,472.0	1,345.9	126.1	9.4%
Total	5,536.4	5,543.7	(7.3)	(0.1)%
Fleet utilization (4)				
Capesize	100.0%	100.0%		
Panamax	98.9%	99.3%	(0.4)%	(0.4)%
Supramax	98.0%	99.1%	(1.1)%	(1.1)%
Handymax	99.9%	99.9%		
Handysize	100.0%	99.0%	1.0%	1.0%
Fleet average	99.2%	99.3%	(0.1)%	(0.1)%

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	For the Three Months Ended September 30, 2012	2011	Increase (Decrease)	% Change
	(U.S. dollars)			
Average Daily Results:				
Time Charter Equivalent (5)				
Capesize	$ 12,261	$ 28,815	(16,554)	(57.4)%
Panamax	6,537	18,119	(11,582)	(63.9)%
Supramax	8,906	14,600	(5,694)	(39.0)%
Handymax	8,554	12,616	(4,062)	(32.2)%
Handysize	8,689	10,617	(1,928)	(18.2)%
Fleet average	9,119	16,447	(7,328)	(44.6)%
Daily vessel operating expenses (6)				
Capesize	$ 5,507	$ 5,528	$ (21)	(0.4)%
Panamax	5,813	4,972	841	16.9%
Supramax	4,778	4,491	287	6.4%
Handymax	4,808	4,209	599	14.2%
Handysize	4,440	4,321	119	2.8%
Fleet average	4,956	4,673	283	6.1%

	For the Nine Months Ended September 30, 2012	2011	Increase (Decrease)	% Change
Fleet Data:				
Ownership days (1)				
Capesize	3,014.0	3,003.0	11.0	0.4%
Panamax	2,192.0	2,184.0	8.0	0.4%
Supramax	5,754.0	5,645.6	108.4	1.9%
Handymax	1,644.0	1,638.0	6.0	0.4%
Handysize	4,384.0	3,763.3	620.7	16.5%
Total	16,988.0	16,233.9	754.1	4.6%
Available days (2)				
Capesize	2,983.9	2,991.9	(8.0)	(0.3)%
Panamax	2,064.4	2,165.7	(101.3)	(4.7)%
Supramax	5,610.1	5,643.7	(33.6)	(0.6)%
Handymax	1,560.5	1,608.3	(47.8)	(0.3)%
Handysize	4,384.0	3,760.8	623.2	16.6%
Total	16,602.9	16,170.4	432.5	2.7%
Operating days (3)				
Capesize	2,979.9	2,991.4	(11.5)	(0.4)%
Panamax	2,051.0	2,147.3	(96.3)	(4.5)%
Supramax	5,549.1	5,600.4	(51.3)	(0.9)%
Handymax	1,542.7	1,600.7	(58.0)	(3.6)%
Handysize	4,371.1	3,728.8	642.3	17.2%
Total	16,493.8	16,068.6	425.2	2.6%
Fleet utilization (4)				
Capesize	99.9%	100.0%	(0.1)%	(0.1)%
Panamax	99.3%	99.1%	0.2%	0.2%
Supramax	98.9%	99.2%	(0.3)%	(0.3)%

Handymax	98.9%	99.5%	(0.6)%	(0.6)%
Handysize	99.7%	99.2%	0.5%	0.5%
Fleet average	99.3%	99.4%	(0.1)%	(0.1)%

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	For the Nine Months Ended September 30, 2012	2011	Increase (Decrease)	% Change
	(U.S. dollars)			
Average Daily Results:				
Time Charter Equivalent (5)				
Capesize	$ 14,239	$ 27,804	$ (13,565)	(48.8)%
Panamax	9,894	22,374	(12,480)	(55.8)%
Supramax	10,002	15,675	(5,673)	(36.2)%
Handymax	8,367	16,793	(8,426)	(50.2)%
Handysize	8,567	11,409	(2,842)	(24.9)%
Fleet average	10,218	17,935	(7,717)	(43.0)%
Daily vessel operating expenses (6)				
Capesize	$ 5,403	$ 5,306	$ 97	1.8%
Panamax	5,480	4,821	659	13.7%
Supramax	4,835	4,538	297	6.5%
Handymax	5,626	4,731	895	18.9%
Handysize	4,621	4,401	220	5.0%
Fleet average	5,040	4,706	334	7.1%

Definitions

In order to understand our discussion of our results of operations, it is important to understand the meaning of the following terms used in our analysis and the factors that influence our results of operations.

(1) Ownership days. We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(2) Available days. We define available days as the number of our ownership days in a period less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels between time charters. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(3) Operating days. We define operating days as the number of our available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

(4) Fleet utilization. We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the period. The shipping industry uses fleet utilization to measure a company s efficiency in finding suitable employment for its vessels and minimizing the number of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel

upgrades, special surveys or vessel positioning.

(5) TCE rates. We define TCE rates as net voyage revenue (voyage revenues less voyage expenses) divided by the number of our available days during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	**2011**	**2012**	**2011**
Voyage revenues (in thousands)	$ 53,603	$ 93,484	$ 174,740	$ 292,614
Voyage expenses (in thousands)	2,693	1,702	5,099	2,595
	$ 50,910	$ 91,782	169,641	$ 290,019
Total available days	5,583.1	5,580.6	16,602.9	16,170.4
Total TCE rate	$ 9,119	$ 16,447	$ 10,218	$ 17,935

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(6) Daily vessel operating expenses. We define daily vessel operating expenses as vessel operating expenses divided by ownership days for the period. Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses.

Operating Data

	For the Three Months Ended September 30,			
	2012	2011	Change	% Change
	(U.S. dollars in thousands, except for per share amounts)			
Revenue:				
Voyage revenues	$ 53,603	$ 93,484	$ (39,881)	(42.7)%
Service revenues	828	828		
Total revenues	54,431	94,312	(39,881)	(42.3)%
Operating Expenses:				
Voyage expenses	2,693	1,702	991	58.2%
Vessel operating expenses	28,272	26,133	2,139	8.2%
General, administrative and management fees	8,622	8,759	(137)	(1.6)%
Depreciation and amortization	35,038	34,378	660	1.9%
Total operating expenses	74,625	70,972	3,653	5.1%
Operating (loss) income	(20,194)	23,340	(43,534)	(186.5)%
Other expense	(21,540)	(21,595)	55	(0.3)%
(Loss) income before income taxes	(41,734)	1,745	(43,479)	(2,491.6)%
Income tax expense	(303)	(328)	25	(7.6)%
Net (loss) income	(42,037)	1,417	(43,454)	(3,066.6)%
Less: Net loss attributable to noncontrolling interest	(3,588)	(145)	(3,443)	2,374.5%
Net (loss) income attributable to Genco Shipping & Trading Limited	$ (38,449)	$ 1,562	$ (40,011)	(2,561.5)%
Net (loss) income per share - basic	$ (0.90)	$ 0.04	$ (0.94)	(2,350.0)%
Net (loss) income per share - diluted	$ (0.90)	$ 0.04	$ (0.94)	(2,350.0)%
Dividends declared and paid per share	$	$	$	
Weighted average common shares outstanding - basic	42,885,810	35,157,110	7,728,700	22.0%
Weighted average common shares outstanding - diluted	42,885,810	35,212,840	7,672,970	21.8%
EBITDA (1)	$ 18,389	$ 57,894	$ (39,505)	(68.2)%

	For the Nine Months Ended September 30, 2012	2011	Change	% Change
	(U.S. dollars in thousands, except for per share amounts)			
Revenue:				
Voyage revenues	$ 174,740	$ 292,614	$ (117,874)	(40.3)%
Service revenues	2,466	2,457	9	0.4%
Total revenues	177,206	295,071	(117,865)	(39.9)%
Operating Expenses:				
Voyage expenses	5,099	2,595	2,504	96.5%
Vessel operating expenses	85,622	76,394	9,228	12.1%
General, administrative and management fees	25,680	25,908	(228)	(0.9)%
Depreciation and amortization	103,954	101,484	2,470	2.4%
Total operating expenses	220,355	206,381	13,974	6.8%
Operating (loss) income	(43,149)	88,690	(131,839)	(148.7)%
Other expense	(64,848)	(64,231)	(617)	1.0%
(Loss) income before income taxes	(107,997)	24,459	(132,456)	(541.5)%
Income tax expense	(918)	(1,041)	123	(11.8)%
Net (loss) income	(108,915)	23,418	(132,333)	(565.1)%
Less: Net loss attributable to noncontrolling interest	(9,626)	(1,662)	(7,964)	479.2%
Net (loss) income attributable to Genco Shipping & Trading Limited	$ (99,289)	$ 25,080	$ (124,369)	(495.9)%
Net (loss) income per share - basic	$ (2.40)	$ 0.71	$ (3.11)	(438.0)%
Net (loss) income per share - diluted	$ (2.40)	$ 0.71	$ (3.11)	(438.0)%
Dividends declared and paid per share	$	$	$	
Weighted average common shares outstanding - basic	41,290,719	35,149,912	6,140,807	17.5%
Weighted average common shares outstanding - diluted	41,290,719	35,212,041	6,078,678	17.3%
EBITDA (1)	$ 70,391	$ 191,756	$ (121,365)	(63.3)%

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(1) EBITDA represents net (loss) income attributable to Genco Shipping & Trading Limited plus net interest expense, taxes and depreciation and amortization. EBITDA is included because it is used by management and certain investors as a measure of operating performance. EBITDA is used by analysts in the shipping industry as a common performance measure to compare results across peers. Our management uses EBITDA as a performance measure in our consolidated internal financial statements, and it is presented for review at our board meetings. We believe that EBITDA is useful to investors as the shipping industry is capital intensive which often results in significant depreciation and cost of financing. EBITDA presents investors with a measure in addition to net income to evaluate our performance prior to these costs. EBITDA is not an item recognized by U.S. GAAP and should not be considered as an alternative to net income, operating income or any other indicator of a company s operating performance required by U.S. GAAP. EBITDA is not a measure of liquidity or cash flows as shown in our consolidated statements of cash flows. The definition of EBITDA used here may not be comparable to that used by other companies. The foregoing definition of EBITDA differs from the definition of Consolidated EBITDA used in the financial covenants of our 2007 Credit Facility, our $253 Million Term Loan Credit Facility, and our $100 Million Term Loan Credit Facility. Specifically, Consolidated EBITDA substitutes gross interest expense (which includes amortization of deferred financing costs) for net interest expense used in our definition of EBITDA, includes adjustments for restricted stock amortization and non-cash charges for deferred financing costs related to the refinancing of other credit facilities or any non-cash losses from our investment in Jinhui, and excludes extraordinary gains or losses and gains or losses from derivative instruments used for hedging purposes or sales of assets other than inventory sold in the ordinary course of business.

The following table demonstrates our calculation of EBITDA and provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading Limited for each of the periods presented above:

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	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Net (loss) income attributable to Genco Shipping & Trading Limited	$ (38,449)	$ 1,562	$ (99,289)	$ 25,080
Net interest expense	21,497	21,626	64,808	64,151
Income tax expense	303	328	918	1,041
Depreciation and amortization	35,038	34,378	103,954	101,484
EBITDA (1)	$ 18,389	$ 57,894	$ 70,391	$ 191,756

Results of Operations

The following tables set forth information about the vessels in our fleet, including Baltic Trading s vessels, as of November 1, 2012:

Genco Shipping & Trading Limited

Vessel	Year Built	Charterer	Charter Expiration (1)	Cash Daily Rate (2)
Capesize Vessels				
Genco Augustus	2007	Cargill International S.A.	December 2012	100% of BCI
Genco Tiberius	2007	Cargill International S.A.	September 2013	100% of BCI(3)
Genco London	2007	Cargill International S.A.	July 2013	100% of BCI
Genco Titus	2007	Swissmarine Services S.A.	June 2013	100% of BCI
Genco Constantine	2008	Cargill International S.A.	October 2013	100% of BCI
Genco Hadrian	2008	Cargill International S.A.	November 2012	100% of BCI(4)
Genco Commodus	2009	Swissmarine Services S.A.	May 2013	99% of BCI
Genco Maximus	2009	Swissmarine Services S.A.	January 2013	98.5% of BCI
Genco Claudius	2010	Swissmarine Services S.A.	December 2012	98.5% of BCI
Panamax Vessels				
Genco Beauty	1999	Global Maritime Investments Ltd.	May 2013	97% of BPI
Genco Knight	1999	Swissmarine Services S.A.	March 2013	98% of BPI
Genco Leader	1999	J. Aron & Company	December 2012	100% of BPI
Genco Vigour	1999	Global Maritime Investments Ltd.	January 2013	97% of BPI
Genco Acheron	1999	Global Maritime Investments Ltd.	December 2012	97% of BPI
Genco Surprise	1998	Swissmarine Services S.A.	September 2013	97% of BPI(5)
Genco Raptor	2007	Global Maritime Investments Ltd.	March 2013	100% of BPI
Genco Thunder	2007	Swissmarine Services S.A.	June 2013	97% of BPI
Supramax Vessels				
Genco Predator	2005	D Amico Dry Ltd.	April 2013	103% of BSI
Genco Warrior	2005		May 2014	101% of BSI(6)

		Pacific Basin Chartering Ltd.		
Genco Hunter	2007	Pacific Basin Chartering Ltd.	July 2013	105% of BSI
Genco Cavalier	2007	Great Pacific Navigation Corp., Ltd.	November 2012	$5,900
Genco Lorraine	2009	Pioneer Navigation Ltd.	July 2013	$9,400
Genco Loire	2009	Clipper Bulk Shipping N.V.	July 2013	$9,950
Genco Aquitaine	2009	Pioneer Navigation Ltd.	March 2013	100% of BSI
Genco Ardennes	2009	Hamburg Bulk Carriers	February 2014	$10,250

Genco Auvergne	2009	Pacific Basin Chartering Ltd.	April 2013	100% of BSI
Genco Bourgogne	2010	Western Bulk Carriers A/S	November 2012	$12,250
Genco Brittany	2010	D Amico Dry Ltd.	April 2013	100% of BSI
Genco Languedoc	2010	Clipper Bulk Shipping N.V.	January 2013	$8,500(7)
Genco Normandy	2007	Bulk Marine	November 2012	$9,000(8)
Genco Picardy	2005	Trafigura Beheer B.V.	December 2012	98% of BSI
Genco Provence	2004	Hamburg Bulk Carriers	December 2012	$12,000
Genco Pyrenees	2010	Navig8 Inc.	February 2013	100% of BSI
Genco Rhone	2011	AMN Bulk Carriers Inc.	March 2013	100% of BSI
Handymax Vessels				
Genco Success	1997	ED & F MAN Shipping Ltd.	April 2013	91.5% of BSI
Genco Carrier	1998	Klaveness Chartering	June 2013	91% of BSI
Genco Prosperity	1997	SK Shipping Co. Ltd.	November 2012	$8,000
Genco Wisdom	1997	Cargill International S.A.	November 2012	$4,000(9)
Genco Marine	1996	ED & F MAN Shipping Ltd.	April 2013	91% of BSI
Genco Muse	2001	Trafigura Beheer B.V.	March 2013	93.5% of BSI
Handysize Vessels				
Genco Explorer	1999	Lauritzen Bulkers A/S	February 2013	Spot(10)
Genco Pioneer	1999	Lauritzen Bulkers A/S	February 2013	Spot(10)
Genco Progress	1999	Lauritzen Bulkers A/S	November 2013	Spot(10)
Genco Reliance	1999	Lauritzen Bulkers A/S	November 2013	Spot(10)
Genco Sugar	1998	Lauritzen Bulkers A/S	November 2013	Spot(10)
Genco Charger	2005	AMN Bulk Carriers Inc.	March 2013	100% of BHSI(11)
Genco Challenger	2003	AMN Bulk Carriers Inc.	December 2012	100% of BHSI
Genco Champion	2006	Pacific Basin Chartering Ltd.	March 2013	100% of BHSI
Genco Ocean	2010	Cargill International S.A.	June 2013	$8,500-$13,500 with 50% profit sharing(12)
Genco Bay	2010	Cargill International S.A.	January 2013	$8,500-$13,500 with 50% profit sharing(12)
Genco Avra	2011	Cargill International S.A.	March 2014	$8,500-$13,500 with 50% profit sharing(12)
Genco Mare	2011	Cargill International S.A.	May 2015	115% of BHSI
Genco Spirit	2011	Cargill International S.A.	September 2014	$8,500-$13,500 with 50% profit sharing(12)

(1) The charter expiration dates presented represent the earliest dates that our charters may be terminated in the ordinary course. Under the terms of each contract, the charterer is entitled to extend the time charter from two to four months in order to complete the vessel s final voyage plus any time the vessel has been off-hire.

(2) Time charter rates presented are the gross daily charterhire rates before third-party commissions generally ranging from 1.25% to 6.25%. In a time charter, the charterer is responsible for voyage expenses such as bunkers, port expenses, agents fees and canal dues.

(3) We have agreed to an extension with Cargill International S.A. on a spot market-related time charter for 11 to 14.5 months based on 100% of the Baltic Capesize Index (BCI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid every 15 days in arrears less a 5.00% third party brokerage commission. Genco maintains the option to convert to a fixed rate based on Capesize FFA values at 100%. The extension began on October 25, 2012.

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(4) We have agreed to an extension with Cargill International S.A. for one voyage from Australia to China at a rate based on 100% of the BCI, as reflected in daily reports. Hire is paid every 15 days in arrears less a 5.00% third party brokerage commission. The extension began on October 30, 2012.

(5) We have reached an agreement with Swissmarine Services S.A. on a spot market-related time charter for 10.5 to 13.5 months based on 97% of the Baltic Panamax Index (BPI), published by the Baltic Exchange, as reflected in daily reports, except for the initial 45 days in which hire is based on 97% of the rate for the Baltic Panamax 3A route. Hire is paid every 15 days in arrears less a 5.00% third party brokerage commission. Genco maintains the option to convert to a fixed rate based on Panamax FFA values at 97%. The vessel delivered to charterers on October 22, 2012 after previously being fixed with BHP Billiton on a spot market-related time charter based on 100% of the Baltic Panamax 3A route.

(6) We have reached an agreement with Pacific Basin Chartering Ltd. on a spot market-related time charter based on 101% of the Baltic Supramax Index (BSI), published by the Baltic Exchange, as reflected in daily reports, except for the initial 45 days in which hire is based on 101% of the rate for the Baltic Supramax S2 route. The minimum and maximum expiration dates are May 20, 2014 and August 20, 2014, respectively. Hire is paid every 15 days in arrears less a 5.00% third party brokerage commission. Genco maintains the option to convert to a fixed rate based on Supramax FFA values at 101%. The vessel will deliver to charterers on or about November 7, 2012 after previously being fixed with Trafigura Beheer B.V. on a spot market-related time charter based on 102% of the BSI.

(7) We have reached an agreement with Clipper Bulk Shipping N.V. on a time charter for 3 to 5.5 months at a rate of $7,350 per day for the initial 50 days and $8,500 per day thereafter. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on October 16, 2012.

(8) We have reached an agreement with Bulk Marine on a time charter for approximately 25 days at a rate of $9,000 per day less a 5.00% third party brokerage commission. Hire is paid every 15 days in advance. The vessel delivered to charterers on October 13, 2012 after repositioning. The vessel s previous time charter ended on October 6, 2012.

(9) We have reached an agreement with Cargill International S.A. on a time charter for approximately 25 days at a rate of $4,000 per day less a 5.00% third party brokerage commission. Hire is paid every 15 days in advance. The vessel delivered to charterers on October 27, 2012 after previously being fixed with Pacific Basin Chartering Ltd. on a time charter for $8,500 per day.

(10) We have reached an agreement to enter these vessels into the LB/IVS Pool whereby Lauritzen Bulkers A/S acts as the pool manager. We can withdraw up to two vessels with three months notice and the remaining three vessels with 12 months notice.

(11) We have agreed to an extension with AMN Bulk Carriers Inc. for an additional 60 days from the maximum expiration date of the spot market-related time charter to March 1, 2013. The rate will continue to be based on 100% of the Baltic Handysize Index (BHSI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid every 15 days in arrears net of a 5.00% third party brokerage commission. Genco maintains the option to convert to a fixed rate based on Handysize FFA values at 100%.

(12) The rate for the spot market-related time charter is linked with a floor of $8,500 and a ceiling of $13,500 daily with a 50% profit sharing arrangement to apply to any amount above the ceiling. The rate is based on 115% of the average of the daily rates of the BHSI, as reflected in daily reports. Hire is paid every 15 days in advance net of a 5.00% third party brokerage commission. These vessels were acquired with existing time charters with below-market rates. For these below-market time charters, Genco allocates the purchase price between the respective vessels and an intangible liability for the value assigned to the below-market charter-hire. This intangible liability is amortized as an increase to voyage revenues over the minimum remaining terms of the applicable charters, at which point the respective liabilities will be amortized to zero and the vessels will begin earning the Cash Daily Rate. For cash flow purposes, Genco will continue to receive the rate presented in the Cash Daily Rate column until the charter expires. Specifically, for the Genco Spirit, Genco Avra, Genco Ocean and Genco Bay, the daily amount of amortization associated with the below-market rates are approximately $200, $350, $700 and $750 per day over the actual cash rate earned, respectively.

Baltic Trading Limited

Vessel	**Year Built**	**Charterer**	**Charter Expiration(1)**	**Employment Structure**
Capesize Vessels				
Baltic Bear	2010	Swissmarine Services S.A.	May 2013	101.5% of BCI (2)
Baltic Wolf	2010	Cargill International S.A.	May 2014	100% of BCI (3)
Supramax Vessels				
Baltic Leopard	2009	Resource Marine PTE	February 2014	95% of BSI (4)

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		Ltd. (part of the Macquarie group of companies)		
Baltic Panther	2009	Klaveness Chartering	April 2013	95% of BSI (5)
Baltic Jaguar	2009	Resource Marine PTE Ltd. (part of the Macquarie group of companies)	April 2014	95% of BSI (6)
Baltic Cougar	2009	Bulk Marine	November 2012	$7,850 (7)
Handysize Vessels				
Baltic Wind	2009	Cargill International S.A.	May 2013	115% of BHSI (8)
Baltic Cove	2010	Cargill International S.A.	February 2014	115% of BHSI (8)
Baltic Breeze	2010	Cargill International S.A.	July 2014	115% of BHSI (8)

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(1) The charter expiration dates presented represent the earliest dates that our charters may be terminated in the ordinary course. Under the terms of each contract, the charterer is entitled to extend the time charters from two to four months in order to complete the vessel s final voyage plus any time the vessel has been off-hire.

(2) We have agreed to an extension with Swissmarine Services S.A. on a spot market-related time charter at a rate based on 101.5% of the average of the daily rates of the Baltic Capesize Index (BCI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid in arrears net of a 6.25% brokerage commission which includes the 1.25% commission payable to GS&T. The duration of the extension is 10.5 to 13.5 months.

(3) We have agreed to an extension with Cargill International S.A. on a spot market-related time charter based on 100% of the average of the daily rates of the BCI, as reflected in daily reports. Hire is paid every 15 days in arrears net of a 5.00% brokerage commission, which includes the 1.25% commission payable to GS&T. The duration of the spot market-related time charter is 21.5 to 26.5 months. The extension began on August 15, 2012.

(4) We have reached an agreement with Resource Marine PTE Ltd. on a spot market-related time charter for a minimum of 18.5 months to a maximum end date of May 30, 2014 based on 95% of the average of the daily rates of the Baltic Supramax Index (BSI), published by the Baltic Exchange, as reflected in daily reports except for the initial 65 days in which the vessel will earn a fixed rate of $4,000 per day. Hire is paid every 15 days in arrears net of a 6.25% brokerage commission, which includes the 1.25% commission payable to GS&T.

(5) We have reached an agreement with Klaveness Chartering on a spot market-related time charter based on 95% of the average of the daily rates of the BSI, as reflected in daily reports. The duration is 22.5 to 25.5 months with hire paid every 15 days in arrears net of a 6.25% brokerage commission, which includes the 1.25% commission payable to GS&T.

(6) We have reached an agreement with Resource Marine PTE Ltd. on a spot market-related time charter for a minimum of 20.5 months to a maximum end date of July 11, 2014 based on 95% of the average of the daily rates of the BSI, as reflected in daily reports, except for the initial 65 days in which the vessel will earn a fixed rate of $4,000 per day. Hire is paid every 15 days in arrears net of a 6.25% brokerage commission, which includes the 1.25% commission payable to GS&T.

(7) We have reached an agreement with Bulk Marine on a time charter for approximately 25 days at a rate of either $7,850 per day or $9,000 per day depending on whether the vessel redelivers to the east coast or west coast of India. The rate has yet to be declared as charterers are to declare upon sailing from the vessel s load port. Hire is paid every 15 days in advance net of a 6.25% brokerage commission, which includes the 1.25% commission payable to GS&T. The vessel was delivered to charterers on October 12, 2012 after previously being fixed with D Amico Dry Ltd. on a time charter at a rate of $6,500 per day.

(8) The rate for each of these spot market-related time charters is based on 115% of the average of the daily rates of the Baltic Handysize Index (BHSI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid every 15 days in advance net of a 6.25% brokerage commission, which includes the 1.25% commission payable to GS&T.

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Three months ended September 30, 2012 compared to the three months ended September 30, 2011

VOYAGE REVENUES-

For the three months ended September 30, 2012, voyage revenues decreased 42.7% to $53.6 million as compared to $93.5 million for the three months ended September 30, 2011. The decrease in revenues was due to lower charter rates achieved by substantially all of our vessels as well as a higher number of days that our vessels were on planned offhire to complete drydockings during the third quarter of 2012 as compared to the third quarter of 2011. Additionally, there was a decrease in revenues earned by Baltic Trading s vessels of $4.6 million, due to lower spot market rates achieved.

The average Time Charter Equivalent (TCE) rate of our fleet decreased 44.6% to $9,119 a day for the three months ended September 30, 2012 from $16,447 a day for the three months ended September 30, 2011. The decrease in TCE rates resulted from lower charter rates achieved during the third quarter of 2012 versus the same period last year for substantially all of the vessels in our fleet. We believe that increased vessel supply coupled with negative sentiment on the rate of growth in emerging economies were the main contributors to reduced rates during the third quarter. The effect of these contributors was partially offset by record scrapping of older tonnage. We believe that Chinese iron ore restocking commencing at the end of September 2012 along with improvement in sentiment appears to have led to a relative rate improvement with the Baltic Dry Index (BDI) at 916 as of November 8, 2012.

For the three months ended September 30, 2012 and 2011, we had 5,704.0 and 5,592.7 ownership days, respectively. The increase in ownership days is a result of the delivery of two vessels during the third and fourth quarter of the year ended December 31, 2011. Fleet utilization was relatively stable at 99.2% and 99.3% for the three months ended September 30, 2012 and 2011, respectively.

SERVICE REVENUES-

Service revenues consist of revenues earned from providing technical services to MEP pursuant to the agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services are provided for a fee of $750 per ship per day. During the three months ended September 30, 2012 and 2011, total service revenue was $0.8 million during both periods.

VOYAGE EXPENSES-

In time charters, spot market-related time charters and pool agreements, operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel and specified voyage costs such as fuel and port charges are paid by the charterer. There are certain other non-specified voyage expenses such as commissions, which are typically borne by us. Voyage expenses include port and canal charges, fuel (bunker) expenses and brokerage commissions payable to unaffiliated third parties. Port and canal charges and bunker expenses primarily increase in periods during which vessels are employed on voyage charters because these expenses are for the account of the vessel owner. At the

inception of a time charter, we record the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a gain or loss within voyage expenses and the cost of bunkers consumed during short-term time charters.

Voyage expenses increased by $1.0 million from $1.7 million during the three months ended September 30, 2011 as compared to $2.7 million during the three months ended September 30, 2012. The increase is primarily due to bunker consumption during short-term time charters that was billed back to the charterer pursuant to the terms of the respective time charter agreements. Refer to Note 2 Summary of Significant Accounting Policies in our condensed consolidated financial statements. This increase was also due to an increase in bunker consumption for deviation to perform drydockings as well as during the repositioning of vessels. This increase was partially offset by a decrease in broker commissions as a result of a decrease in voyage revenue earned during the three months ended September 30, 2012 as compared to the same period last year.

VESSEL OPERATING EXPENSES-

Vessel operating expenses increased by $2.1 million for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011 primarily as a result of the operation of a larger fleet, including the two vessels delivered during the third and fourth quarters of 2011. The increase was also related to higher expenses related to crewing and maintenance during the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. The $2.1 million increase includes a $0.2 million increase related to Baltic Trading s vessels.

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Daily vessel operating expenses increased to $4,956 per vessel per day for the three months ended September 30, 2012 from $4,673 per day for the three months ended September 30, 2011. The increase in daily vessel operating expenses was mainly due to higher expenses related to crewing and maintenance. We believe daily vessel operating expenses are best measured for comparative purposes over a 12-month period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year of operation. Our actual daily vessel operating expenses per vessel for the three months ended September 30, 2012 were $259 below the weighted-average budgeted rate of $5,215 per vessel per day, which includes Baltic Trading s vessels.

Our vessel operating expenses, which generally represent fixed costs for each vessel, will increase if our fleet expands. Other factors beyond our control, some of which may affect the shipping industry in general, including, for instance, developments relating to market prices for crewing, lubes, and insurance, may also cause these expenses to increase.

GENERAL, ADMINISTRATIVE AND MANAGEMENT FEES-

For the three months ended September 30, 2012 and 2011, general, administrative and management fees were $8.6 million and $8.8 million, respectively. The decrease in general, administrative and management fees was primarily due to lower non-cash compensation offset by an increase in office-related expenses. We incur management fees to third-party technical management companies for the day-to-day management of our vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. The decrease in general, administrative and management fees was partially offset by slightly higher management fees related to the operation of a larger fleet, including the delivery of two vessels during the third and fourth quarter of 2011.

DEPRECIATION AND AMORTIZATION-

Depreciation and amortization expense increased by $0.7 million during the third quarter of 2012 as compared to the third quarter of 2011 primarily due to the operation of a larger fleet, including the two vessels delivered during the third and fourth quarter of 2011.

OTHER (EXPENSE) INCOME-

NET INTEREST EXPENSE-

For the three months ended September 30, 2012 and 2011, net interest expense was $21.5 million and $21.6 million, respectively. Net interest expense during the three months ended September 30, 2012 and 2011 consisted of interest expense under our 2007 Credit Facility, $100 Million Term Loan Facility, $253 Million Term Loan Facility, and Baltic Trading s $150 million senior secured revolving credit facility (the 2010 Baltic Trading Credit Facility) as well as interest expense related to our 5.0% Convertible Senior Notes (the 2010 Notes). Additionally, interest income, unused commitment fees associated with the aforementioned credit facilities as well as the amortization of deferred financing costs related to the aforementioned credit facilities are included in net interest expense during the three months ended September 30, 2012 and 2011.

The decrease in net interest expense for the third quarter of 2012 as compared to the third quarter of 2011 was primarily due to the expiration of four interest rate swap agreements during the fourth quarter of 2011 and the first quarter of 2012. This decrease was partially offset by an increase in net interest expense due to the facility fee for the 2007 Credit Facility of 1.0% per annum, which is based on the average daily outstanding principal loan amount which was effective December 21, 2011 as per an amendment to the 2007 Credit Facility. Additionally, the decrease was partially offset by an increase in the applicable margin for the 2007 Credit Facility which was increased from 2.0% to 3.0% effective August 1, 2012 pursuant to an amendment to the 2007 Credit Facility. Refer to Note 9 Long-Term Debt in our condensed consolidated financial statements for more information regarding the facility fee and the increase in the applicable margin.

INCOME TAX EXPENSE-

For the three months ended September 30, 2012 and 2011, income tax expense was $0.3 million during both periods. This income tax expense consists primarily of federal, state and local income taxes on net income earned by Genco Management (USA) Limited (Genco (USA)), one of our wholly-owned subsidiaries. Pursuant to certain agreements, we technically and commercially manage vessels for Baltic Trading, as well as provide technical management of vessels for MEP in exchange for specified fees for these services provided. These services are provided by Genco (USA), which has elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) is subject to United States federal income tax on its worldwide net income, including the net income derived from providing these services. Refer to the Income taxes section of Note 2 Summary of Significant Accounting Policies included in our condensed consolidated financial statements for further information.

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NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST-

For the three months ended September 30, 2012 and 2011, net loss attributable to noncontrolling interest was $3.6 million and $0.1 million, respectively. These amounts represent the net loss attributable to the noncontrolling interest of Baltic Trading.

Nine months ended September 30, 2012 compared to the nine months ended September 30, 2011

VOYAGE REVENUES-

For the nine months ended September 30, 2012, voyage revenues decreased 40.3% to $174.7 million versus $292.6 million for the nine months ended September 30, 2011. Revenues decreased by approximately $117.9 million primarily due to lower charter rates achieved by substantially all of our vessels as well as a higher number of days that our vessels were on planned off-hire to complete drydockings during the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. The decrease in charter rates was partially offset by the increase in the size of our fleet. Additionally, there was a decrease in revenues earned by Baltic Trading s vessels of $10.2 million due to lower spot market rates achieved.

The average TCE rate of our fleet decreased 43.0% to $10,218 a day for the nine months ended September 30, 2012 from $17,935 a day for the nine months ended September 30, 2011. The decrease in TCE rates resulted from lower charter rates achieved during the nine months ended September 30, 2012 versus the same period last year for substantially all of the vessels in our fleet. We believe that increased vessel supply coupled with negative sentiment on the rate of growth in emerging economies were the main contributors to reduced rates during the third quarter. The effect of these contributors was partially offset by record scrapping of older tonnage. We believe that Chinese iron ore restocking commencing at the end of September 2012 along with improvement in sentiment appears to have led to a relative rate improvement with the BDI at 916 as of November 8, 2012.

For the nine months ended September 30, 2012 and 2011, we had 16,988.0 and 16,233.9 ownership days, respectively. The increase in ownership days is a result of the delivery of four vessels during the year ended December 31, 2011. Fleet utilization was stable at 99.3% and 99.4% during the nine months ended September 30, 2012 and 2011, respectively.

SERVICE REVENUES-

Service revenues consist of revenues earned from providing technical services to MEP pursuant to the agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services are provided for a fee of $750 per ship per day. During the nine months ended September 30, 2012 and 2011, total service revenue was $2.5 million during both periods.

VOYAGE EXPENSES-

For the nine months ended September 30, 2012 and 2011, voyage expenses were $5.1 million and $2.6 million, respectively. The $2.5 million increase is primarily due to bunker consumption during short-term time charters that was billed back to the charterer pursuant to the terms of the respective time charter agreements. The increase was also due to larger net gains recorded during the nine months ended September 30, 2011, which represented the difference between the costs of the bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as compared to the nine months ended September 30, 2012. Additionally, the increase was due to an increase in bunker consumption for deviation to perform drydockings as well as during the repositioning of the vessels for the nine months ended September 30, 2012 as compared to the same period last year. These increases were partially offset by a decrease in broker commissions as a result of a decrease in voyage revenue earned during the nine months ended September 30, 2012 as compared to the same period last year. Included in this variance is a $0.8 million increase for Baltic Trading s vessels.

VESSEL OPERATING EXPENSES-

Vessel operating expenses increased by $9.2 million for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011 primarily a result of the operation of a larger fleet, including the four vessels delivered during the year ended December 31, 2011. The increase was also related to higher maintenance and crew related expenses, as well as the timing of purchases of stores and spare parts for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. The $9.2 million increase includes a $0.7 million increase related to Baltic Trading s vessels.

Daily vessel operating expenses increased to $5,040 per vessel per day for the nine months ended September 30, 2012 from $4,706 per day for the nine months ended September 30, 2011. The increase in daily vessel operating expenses was mainly due to higher maintenance and crew related expenses. We believe daily vessel operating expenses are best measured for comparative purposes over a 12-month period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year

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of operation. Our actual daily vessel operating expenses per vessel for the nine months ended September 30, 2012 were $175 below the weighted-average budgeted rate of $5,215 per vessel per day, which includes Baltic Trading s vessels.

GENERAL, ADMINISTRATIVE AND MANAGEMENT FEES-

For the nine months ended September 30, 2012 and 2011, general, administrative and management fees remained relatively stable at $25.7 million and $25.9 million, respectively, with a decrease in non-cash compensation offset by higher office-related expenses. We incur management fees to third-party technical management companies for the day-to-day management of our vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. The decrease in general, administrative and management fees was partially offset by slightly higher management fees related to the operation of a larger fleet, including the delivery of four vessels during 2011.

DEPRECIATION AND AMORTIZATION-

Depreciation and amortization expense increased by $2.5 million during the nine months ended September 30, 2012 as compared to the same period last year due to the operation of a larger fleet, including the four vessels delivered during 2011.

OTHER (EXPENSE) INCOME-

NET INTEREST EXPENSE-

For the nine months ended September 30, 2012 and 2011, net interest expense was $64.8 million and $64.2 million, respectively. Net interest expense during the nine months ended September 30, 2012 and 2011 consisted of interest expense under our 2007 Credit Facility, $100 Million Term Loan Facility, $253 Million Term Loan Facility, and the 2010 Baltic Trading Credit Facility as well as interest expense related to our 2010 Notes. Additionally, interest income, unused commitment fees associated with the aforementioned credit facilities as well as the amortization of deferred financing costs related to the aforementioned credit facilities are included in net interest expense during the nine months ended September 30, 2012 and 2011.

The increase in net interest expense for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011 was primarily a result of the facility fee for the 2007 Credit Facility of 2.0% per annum on the average daily outstanding principal loan amount which was effective December 21, 2011 as per an amendment to the 2007 Credit Facility as well as an increase in the applicable margin for the 2007 Credit Facility which was increased from 2.0% to 3.0% effective August 1, 2012 pursuant to an amendment to the 2007 Credit Facility. These increases were partially offset by the impact of the expiring of interest rate swap agreements during the fourth quarter of 2011 and the first quarter of 2012 and the prepayment of $99.9 million of outstanding debt during August 2012. Refer to Note 9 Long-Term Debt in our condensed consolidated financial statements for more information regarding the facility fee, increase in the applicable margin and the prepayment of outstanding debt. The facility fee of 2.0% was reduced to 1.0% on February 28, 2012 upon the completion of an equity offering of 7,500,000 shares. The increase in interest expense was also due to interest expense incurred on additional borrowings under the $100 Million

Term Loan Facility and $253 Million Term Loan Facility due to the acquisition of four vessels during the year ended December 31, 2011.

INCOME TAX EXPENSE-

For the nine months ended September 30, 2012, income tax expense was $0.9 million as compared to $1.0 million during the nine months ended September 30, 2011. This income tax expense consists primarily of federal, state and local income taxes on net income earned by Genco (USA). Pursuant to certain agreements, we technically and commercially manage vessels for Baltic Trading, as well as provide technical management of vessels for MEP in exchange for specified fees for these services provided. These services are provided by Genco (USA), which has elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) is subject to United States federal income tax on its worldwide net income, including the net income derived from providing these services. Refer to the Income taxes section of Note 2 Summary of Significant Accounting Policies included in our condensed consolidated financial statements for further information. The decrease in income tax expense during the nine months ended September 30, 2012 as compared to the same period during the prior year is primarily due to lower commercial service revenue due to Genco (USA) from Baltic Trading pursuant to the Management Agreement as a result of lower charter rates achieved by Baltic Trading s fleet.

NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST-

For the nine months ended September 30, 2012 and 2011, net loss attributable to noncontrolling interest was $9.6 million and $1.7 million, respectively. These amounts represent the net loss attributable to the noncontrolling interest of Baltic Trading.

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LIQUIDITY AND CAPITAL RESOURCES

To date, we have financed our capital requirements with cash flow from operations, equity offerings, convertible notes and bank debt. We have used our funds primarily to fund vessel acquisitions, regulatory compliance expenditures, the repayment of bank debt and the associated interest expense and the payment of dividends. We will require capital to fund ongoing operations, acquisitions and debt service. Please refer to the discussion under the subheading Dividend Policy below for additional information regarding dividends. We also may consider debt and additional equity financing alternatives from time to time. However, if market conditions become negative, we may be unable to raise additional equity capital or debt financing on acceptable terms or at all. As a result, we may be unable to pursue acquisition opportunities to expand our business. We anticipate that internally generated cash flow will be sufficient to fund the operations of our fleet, including our working capital requirements, for the next twelve months.

Currently, our wholly-owned subsidiary Genco Investments LLC owns 5,699,088 shares of Baltic Trading s Class B Stock, which represents a 25.09% ownership interest in Baltic Trading and 83.40% of the aggregate voting power of Baltic Trading s outstanding shares of voting stock. On April 16, 2010, Baltic Trading entered into the 2010 Baltic Trading Credit Facility with Nordea Bank Finland plc, acting through its New York branch. The 2010 Baltic Trading Credit Facility was subsequently amended effective November 30, 2010, which increased the borrowing capacity from $100 million to $150 million. The amended 2010 Baltic Trading Credit Facility matures on November 30, 2016. Refer to the 2011 10-K for a description of this facility as well as a description of the amendment entered into effective November 30, 2010. To remain in compliance with a net worth covenant in the 2010 Baltic Trading Credit Facility, Baltic Trading would need to maintain a net worth of $232.8 million after the payment of any dividends. We do not believe these restrictions have a significant impact on our liquidity.

We entered into two secured term loan facilities during August 2010 in order to fund vessel acquisitions. On August 12, 2010, we entered into a $100 million secured term loan facility (the $100 Million Term Loan Facility) to fund or refund to us a portion of the purchase price of the acquisition of five vessels from companies within the Metrostar group of companies. Additionally, on August 20, 2010, we entered into a $253 million senior secured term loan facility (the $253 Million Term Loan Facility) to fund a portion of the purchase price of the acquisition of 13 vessels from Bourbon.

On February 28, 2012, we completed an equity offering of 7,500,000 shares of common stock at a purchase price of $7.10 per share. The Company received net proceeds of $49.9 million after deducting underwriters fees and expenses.

The 2007 Credit Facility, the $253 Million Term Loan Facility, and the $100 Million Term Loan Facility each include a maximum leverage ratio covenant limiting the ratio of our net debt to EBITDA to a maximum of 5.5 to 1. We calculate the leverage ratio under our 2007 Credit Facility, $253 Million Term Loan Facility, and $100 Million Term Loan Facility by dividing our Average Consolidated Net Indebtedness by our Consolidated EBITDA as defined under these facilities. There is no leverage ratio covenant under the 2010 Baltic Trading Credit Facility. Average Consolidated Net Indebtedness is the monthly average of our indebtedness as defined under the facilities, which at September 30, 2012 consisted of long-term debt, the 2010 Notes, cash and cash equivalents (excluding restricted cash) and the letter of credit issued related to leases. On December 21, 2011, we entered agreements which waived the existing maximum leverage ratio covenant, as well as the consolidated interest ratio, for the three aforementioned credit facilities for a period beginning on October 1, 2011 and ending on (and including) March 31, 2013. On August 1, 2012, we entered into agreements which extended these waivers through December 31, 2013 (the August 2012 Agreements).Refer to Note 9 Long-Term Debt in our condensed consolidated financial statements for further information regarding the terms and fees associated with these agreements. The August 2012 Agreements required us to utilize $99.9 million of cash to repay outstanding debt under these facilities and beginning with September 30, 2012, we have implemented a quarterly cash sweep whereby excess cash over $100.0 million will be used to repay debt under the under the 2007 Credit Facility, The debt repayment of $99.9 million and the future cash sweep may limit the amount of available cash for future growth and other working capital needs of the Company.

If the current prolonged weakness in drybulk shipping rates does not abate, we may not be in compliance with covenants under our three credit facilities following the expiration of the waivers that were extended in the August 2012 Agreements. If such an event appears likely, we expect to seek further waivers or modifications to our credit agreements, which may be subject to certain conditions, and may also seek to raise additional capital through equity or debt offerings or selling assets (including vessels). We cannot be certain that we will accomplish any such actions.

Pursuant to the current terms of the 2007 Credit Facility, the existing collateral maintenance financial covenant is waived, which required us to maintain pledged vessels with a value equal to at least 130% of our current borrowings, and accelerated the reductions of the total facility which began on March 31, 2009. Please read the 2011 10-K for further details. The collateral maintenance covenant is waived until we can represent that we are in compliance with all of our financial covenants. Under the collateral maintenance covenants of our $253 Million Term Loan Facility, our $100 Million Term Loan Facility, and the 2010 Baltic Trading Credit Facility, the aggregate valuations of our vessels pledged under each facility must at least be a certain percentage of loans outstanding (or, in the case of the 2010 Baltic Trading Credit Facility, the total amount we may borrow), which percentages are

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135%, 130%, and 140%, respectively. Under our $253 Million Term Loan Facility, the amount payable upon early termination of any interest rate swaps under the facility is added to outstanding loans for purposes of this covenant. If our valuations fall below the applicable percentage, we must provide additional acceptable collateral, repay a portion of our borrowings, or (in the case of the 2010 Baltic Trading Credit Facility) permanently reduce the amount we may borrow under the facility to the extent required to restore our compliance with the applicable covenant. The Company estimates that it would not be in compliance if the valuation of its collateral under the $100 Million Term Loan Facility as of August 17, 2012 were to decline approximately 6%. If it is likely that we would not be in compliance with this covenant, we expect to pay down sufficient outstanding debt on the facility to meet the covenant requirement utilizing cash and cash equivalents on hand.

Dividend Policy

Historically, our dividend policy, which commenced in November 2005, has been to declare quarterly distributions to shareholders by each February, May, August and November, substantially equal to our available cash from operations during the previous quarter, less cash expenses for that quarter (principally vessel operating expenses and debt service) and any reserves our Board of Directors determines we should maintain. These reserves covered, among other things, drydocking, repairs, claims, liabilities and other obligations, interest expense and debt amortization, acquisitions of additional assets and working capital. In the future, we may incur other expenses or liabilities that would reduce or eliminate the cash available for distribution as dividends. Under the current terms of the 2007 Credit Facility, we are required to suspend the payment of cash dividends until we can represent that we are in a position to satisfy the collateral maintenance covenant. Refer to the 2011 10-K for further information regarding the current terms of the 2007 Credit Facility. As such, a dividend has not been declared during 2009, 2010, 2011 or the nine months ended September 30, 2012.

As a result of the 2009 Amendment to the 2007 Credit Facility, we have suspended the payment of cash dividends effective for the fourth quarter of 2008, and payment of cash dividends will remain suspended until we can meet the collateral maintenance covenant contained in the 2007 Credit Facility. In addition, under the terms of the August 2012 Agreements, we are prohibited from paying dividends through December 31, 2013.

The declaration and payment of any dividend is subject to the discretion of our board of directors and our compliance with the collateral maintenance covenant, which is currently waived. The timing and amount of dividend payments will depend on our earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in our loan agreements, the provisions of Marshall Islands law affecting the payment of distributions to shareholders and other factors. Our board of directors may review and amend our dividend policy from time to time in light of our plans for future growth and other factors.

We believe that, under current law, our dividend payments from earnings and profits will constitute qualified dividend income and, as such, will generally be subject to a 15% U.S. federal income tax rate with respect to non-corporate U.S. shareholders that meet certain holding period and other requirements (through 2012). Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of a U.S. shareholder s tax basis in its common stock on a dollar-for-dollar basis and, thereafter, as capital gain.

Cash Flow

Net cash used in operating activities for the nine months ended September 30, 2012 was $4.0 million versus $121.3 million of net cash provided by operating activities for the nine months ended September 30, 2011. The decrease in cash provided by operating activities was primarily due to a net loss of $108.9 million for the first nine months of 2012 compared to net income of $23.4 million for the same period of 2011, which resulted from lower charter rates achieved in the first nine months of 2012 versus the prior year period for the majority of the vessels in our fleet.

Net cash used in investing activities for the nine months ended September 30, 2012 and 2011 was $3.2 million and $100.4 million, respectively. The decrease was primarily due to fewer funds used for purchases of vessels during the first nine months of 2012 compared to the same period in 2011. For the nine months ended September 30, 2012, cash used in investing activities primarily related to the purchase of fixed assets in the amount of $1.9 million and vessel related equipment totaling $0.9 million. For the nine months ended September 30, 2011, cash used in investing activities predominantly related to purchases of vessels in the amount of $98.9 million.

Net cash used in financing activities was $132.9 million during the nine months ended September 30, 2012 as compared to thirty-nine thousand dollars during the nine months ended September 30, 2011. The increase in cash used in financing activities was primarily due to the Company prepaying an aggregate of $99.9 million under its agreements to amend the 2007 Credit Facility, the $253 Million Term Loan Facility and the $100 Million Term Loan Facility in August 2012 as well as making a scheduled debt repayment under the 2007 Credit Facility of $48.2 million in July 2012. This was offset by $49.9 million of net proceeds provided by our follow-on offering in

February 2012. Cash used in financing activities for the first nine months of 2012 consisted of $118.6 million repayment of debt under the 2007 Credit Facility, $40.6 million repayment of debt under the $253 Million Term Loan Facility, $15.4 million repayment of debt under the $100 Million Term Loan Facility, $4.3 million of deferred financing costs and the $3.9 million dividend payment of our subsidiary, Baltic Trading, to its outside shareholders. Cash used in financing activities during the first nine months of 2011 mainly consisted of $21.5 million of proceeds from the $253 Million Term Loan Facility related to the Bourbon vessels acquired and $40.0 million of proceeds from the $100 Million Term Loan Facility related to the Metrostar vessels acquired offset by the following uses of cash: $37.5 million repayment of debt under the 2007 Credit Facility, $14.8 million repayment of debt under the $253 Million Term Loan Facility, $3.2 million repayment of debt under the $100 Million Term Loan Facility and the $5.6 million dividend payment of our subsidiary, Baltic Trading, to its outside shareholders.

Credit Facilities

Refer to the 2011 10-K for a summary and description of our outstanding credit facilities, including the underlying financial and non-financial covenants. On August 1, 2012 we entered into the August 2012 Agreements, which amended or waived certain provision of the agreements for the 2007 Credit Facility, the $100 Million Term Loan Facility and the $253 Million Term Loan Facility. Refer to Note 9 Long-Term Debt in our condensed consolidated financial statements for further information regarding the terms and fees associated with these agreements.

As of September 30, 2012, we believe we are in compliance with all of the financial covenants under our 2007 Credit Facility, as amended; the $100 Million Term Loan Facility, as amended; the $253 Million Term Loan Facility, as amended and the 2010 Baltic Trading Credit Facility.

Interest Rate Swap Agreements, Forward Freight Agreements and Currency Swap Agreements

At September 30, 2012 and December 31, 2011, we had five and eight interest rate swap agreements with DnB NOR Bank, respectively, to manage interest costs and the risk associated with changing interest rates. The total notional principal amount of the swaps is $356.2 million and $606.2 million, respectively, and the swaps have specified rates and durations.

Refer to the table in Note 11 Interest Rate Swap Agreements of our condensed consolidated financial statements, which summarizes the interest rate swaps in place as of September 30, 2012 and December 31, 2011.

We have considered the creditworthiness of both ourselves and the counterparty in determining the fair value of the interest rate derivatives, and such consideration resulted in an immaterial adjustment to the fair value of derivatives on the balance sheet. Valuations prior to any adjustments for credit risk are validated by comparison with counterparty valuations. Amounts are not and should not be identical due to the different modeling assumptions. Any material differences are investigated.

As part of our business strategy, we may enter into arrangements commonly known as forward freight agreements, or FFAs, to hedge and manage market risks relating to the deployment of our existing fleet of vessels. These arrangements may include future contract, or commitments to perform in the future a shipping service between ship owners, charterers and traders. Generally, these arrangements would bind us and each counterparty in the arrangement to buy or sell a specified tonnage freighting commitment forward at an agreed time and price and

for a particular route. Although FFAs can be entered into for a variety of purposes, including for hedging, as an option, for trading or for arbitrage, if we decided to enter into FFAs, our objective would be to hedge and manage market risks as part of our commercial management. It is not currently our intention to enter into FFAs to generate a stream of income independent of the revenues we derive from the operation of our fleet of vessels. If we determine to enter into FFAs, we may reduce our exposure to any declines in our results from operations due to weak market conditions or downturns, but may also limit our ability to benefit economically during periods of strong demand in the market. We have not entered into any FFAs as of September 30, 2012 and December 31, 2011.

Contractual Obligations

The following table sets forth our contractual obligations and their maturity dates as of September 30, 2012. The table incorporates the employment agreement entered into in September 2007 with our Chief Financial Officer, John Wobensmith. The interest and borrowing fees reflect the 2007 Credit Facility, the 2010 Baltic Trading Credit Facility, the $100 Million Term Loan Facility, the $253 Million Term Loan Facility and the 2010 Notes utilizing the coupon rate of 5% which were issued on July 27, 2010 and the interest rate swap agreements as discussed above under the section Interest Rate Swap Agreements, Forward Freight Agreements and Currency Swap Agreements. On August 1, 2012, we entered into the August 2012 agreements which amended or waived certain provisions of the 2007 Credit Facility, the $100 Million Term Loan Facility and the $253 Million Term Loan Facility. Refer to Note 9 Long-Term Debt in our condensed consolidated financial statements for further information regarding the fees and debt prepayments required as part of the agreements. We have included these amounts in the credit agreement payments and interest

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and borrowing fees below. The following table also incorporates the future lease payments associated with our two lease agreements. Refer to Note 19 Commitments and Contingencies in our condensed consolidated financial statements for further information regarding the terms of our two lease agreements.

	Total	Less than One Year (1)	One to Three Years	Three to Five Years	More than Five Years
			(U.S. dollars in thousands)		
Credit Agreements	$ 1,413,439	$	$ 220,772	$ 614,493	$ 578,174
2010 Notes	125,000			125,000	
Interest and borrowing fees (2)	263,552	19,254	139,245	80,223	24,830
Executive employment agreement	455	118	337		
Office leases	26,637	375	2,999	3,159	20,104
Totals	$ 1,829,083	$ 19,747	$ 363,353	$ 822,875	$ 623,108

(1) Represents the three-month period ending December 31, 2012.

(2) Includes the 1.25% fee payable to lenders under the 2007 Credit Facility due upon the maturity of the facility.

Interest expense has been estimated using the fixed hedge rate for the effective period and notional amount of the debt which is effectively hedged and 0.25% for the portion of the debt that has no designated swap against it, plus the applicable bank margin of 3.00% for the 2007 Credit Facility, $100 Million Term Loan Facility, $253 Million Term Loan Facility and the 2010 Baltic Trading Credit Facility. We are obligated to pay certain commitment fees in connection with all of our credit facilities, which have been reflected within interest and borrowing fees. These commitment fees include the facility fee for the 2007 Credit Facility which represents 1.0% per annum on the average daily outstanding principal amount of the outstanding loans under the facility.

Capital Expenditures

We make capital expenditures from time to time in connection with our vessel acquisitions. Excluding Baltic Trading s vessels, our fleet currently consists of nine Capesize drybulk carriers, eight Panamax drybulk carriers, 17 Supramax drybulk carriers, six Handymax drybulk carriers and 13 Handysize drybulk carriers. Baltic Trading s fleet currently consists of two Capesize drybulk carriers, four Supramax drybulk carriers and three Handysize drybulk carriers.

In addition to acquisitions that we may undertake in future periods, we will incur additional expenditures due to special surveys and drydockings. We estimate our drydocking costs and scheduled off-hire days for our fleet through 2013 to be:

Year	Estimated Drydocking Cost (U.S. dollars in millions)	Estimated Off-hire Days

2012 (October 1- December 31, 2012)	$		2
2013	$	7.8	200

The costs reflected are estimates based on drydocking our vessels in China. Actual costs will vary based on various factors, including where the drydockings are actually performed. We expect to fund these costs with cash from operations. The Genco Hunter drydock concluded on October 2, 2012. The majority of the costs associated with this drydock were incurred during the third quarter of 2012.

We estimate that each drydock will result in 20 days of off-hire. Actual length will vary based on the condition of the vessel, yard schedules and other factors. Included in the total estimated offhire days during the fourth quarter of 2012 is a portion of the Genco Hunter drydock which amounted to two days.

During the nine months ended September 30, 2012 and 2011, we incurred a total of $10.4 million and $2.7 million of drydocking costs, respectively.

We estimate that none of our vessels will be drydocked in the remainder of 2012. An additional 10 of our vessels will be drydocked in 2013.

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Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Inflation

Inflation has only a moderate effect on our expenses given current economic conditions. In the event that significant global inflationary pressures appear, these pressures would increase our operating, voyage, general and administrative, and financing costs.

CRITICAL ACCOUNTING POLICIES

There have been no changes or updates to the critical accounting policies as disclosed in the 2011 10-K.

Vessels and Depreciation

We record the value of our vessels at their cost (which includes acquisition costs directly attributable to the vessel and expenditures made to prepare the vessel for its initial voyage) less accumulated depreciation. We depreciate our drybulk vessels on a straight-line basis over their estimated useful lives, estimated to be 25 years from the date of initial delivery from the shipyard. Depreciation is based on cost less the estimated residual scrap value of $245/lwt. We estimate residual scrap value based on the 15-year average scrap value of steel. An increase in the residual value of the vessels would decrease the annual depreciation charge over the remaining useful life of the vessel. Similarly, an increase in the useful life of a drybulk vessel would also decrease the annual depreciation charge. Comparatively, a decrease in the useful life of a drybulk vessel or in its residual value would have the effect of increasing the annual depreciation charge. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, we will adjust the vessel s useful life to end at the date such regulations preclude such vessel s further commercial use.

The carrying value of each of our vessels does not represent the fair market value of such vessel or the amount we could obtain if we were to sell any of our vessels, which could be more or less. Under U.S. GAAP, we would not record a loss if the fair market value of a vessel (excluding its charter) is below our carrying value unless and until we determine to sell that vessel or the vessel is impaired as discussed in the 2011 10-K. Excluding the three Bourbon vessels we resold immediately upon delivery to MEP at our cost, we have sold three of our vessels since our inception and realized a profit in each instance. However, we did determine to cancel an acquisition of six drybulk newbuildings in November 2008, incurring a $53.8 million loss from the forfeiture of our deposit and related interest.

Pursuant to our bank credit facilities, we regularly submit to the lenders valuations of our vessels on an individual charter free basis in order to evidence our compliance with the collateral maintenance covenants under our bank credit facilities. Such a valuation is not necessarily the same as the amount any vessel may bring upon sale, which may be more or less, and should not be relied upon as such. We were in compliance with the collateral maintenance covenants under our $100 Million Term Loan Facility and our $253 Million Term Loan Facility, as well as the 2010 Baltic Trading Credit Facility, at September 30, 2012, and the collateral maintenance covenant under our 2007 Credit Facility was waived at September 30, 2012, as discussed in Note 9 Long-Term Debt in our condensed consolidated financial statements. In the chart below, we list each of our vessels that represent the collateral for the aforementioned credit facilities, the year it was built, the year we acquired it, and its carrying value at September 30, 2012. At September 30, 2012, the vessel valuations of all of our vessels for covenant compliance purposes under our bank credit facilities as of the most recent compliance testing date were lower than their carrying values at September 30, 2012. For the Genco Ocean, Genco Bay, Genco Avra, Genco Mare and Genco Spirit, the last compliance testing date was August 17, 2012, in accordance with the terms of the $100 Million Term Loan Facility; and for all other vessels, the compliance testing date was June 30, 2012, in accordance with the terms of the applicable credit facility.

The amount by which the carrying value at September 30, 2012 of all of the vessels in our fleet exceeded the valuation of such vessels for covenant compliance purposes ranged, on an individual vessel basis, from $3.7 million to $75.8 million per vessel, compared to $2.2 million to $73.8 million per vessel as of December 31, 2011. The average amount by which the carrying value of our vessels exceeded the valuation of such vessels for covenant compliance purposes was $22.3 million as of September 30, 2012 and $19.6 million as of December 31, 2011. However, neither such valuation nor the carrying value in the table below reflects the value of long-term time charters related to some of our vessels.

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Vessels	Year Built	Year Acquired	Carrying Value (U.S. Dollars in thousands) as of September 30, 2012
2007 Credit Facility			
Genco Reliance	1999	2004	$ 15,611
Genco Vigour	1999	2004	21,345
Genco Explorer	1999	2004	15,482
Genco Carrier	1998	2004	15,798
Genco Sugar	1998	2004	14,484
Genco Pioneer	1999	2005	15,330
Genco Progress	1999	2005	15,491
Genco Wisdom	1997	2005	14,923
Genco Success	1997	2005	14,858
Genco Beauty	1999	2005	21,498
Genco Knight	1999	2005	21,227
Genco Leader	1999	2005	21,165
Genco Marine	1996	2005	14,167
Genco Prosperity	1997	2005	15,037
Genco Muse	2001	2005	21,119
Genco Acheron	1999	2006	21,030
Genco Surprise	1998	2006	19,990
Genco Augustus	2007	2007	104,431
Genco Tiberius	2007	2007	104,619
Genco London	2007	2007	105,942
Genco Titus	2007	2007	106,439
Genco Challenger	2003	2007	32,693
Genco Charger	2005	2007	35,972
Genco Warrior	2005	2007	52,624
Genco Predator	2005	2007	54,045
Genco Hunter	2007	2007	57,883
Genco Champion	2006	2008	37,547
Genco Constantine	2008	2008	111,647
Genco Raptor	2007	2008	76,244
Genco Cavalier	2007	2008	62,315
Genco Thunder	2007	2008	76,398
Genco Hadrian	2008	2008	109,605
Genco Commodus	2009	2009	112,048
Genco Maximus	2009	2009	112,019
Genco Claudius	2010	2009	113,734
TOTAL			$ 1,764,760
$100 Million Term Loan Facility			
Genco Bay	2010	2010	31,663
Genco Ocean	2010	2010	31,715
Genco Avra	2011	2011	32,813
Genco Mare	2011	2011	32,708
Genco Spirit	2011	2011	33,345
TOTAL			$ 162,244
$253 Million Term Loan Facility			
Genco Aquitaine	2009	2010	33,362
Genco Ardennes	2009	2010	33,525
Genco Auvergne	2009	2010	33,487
Genco Bourgogne	2010	2010	33,458
Genco Brittany	2010	2010	33,523

Genco Languedoc	2010	2010		33,691
Genco Loire	2009	2010		30,500
Genco Lorraine	2009	2010		30,191
Genco Normandy	2007	2010		27,903
Genco Picardy	2005	2010		27,517
Genco Provence	2004	2010		27,143
Genco Pyrenees	2010	2010		33,437
Genco Rhone	2011	2011		35,072
TOTAL			$	412,809
2010 Baltic Trading Credit Facility				
Baltic Leopard	2009	2009		32,013
Baltic Panther	2009	2010		32,090
Baltic Cougar	2009	2010		32,241
Baltic Jaguar	2009	2010		32,149
Baltic Bear	2010	2010		67,129
Baltic Wolf	2010	2010		66,860
Baltic Wind	2009	2010		30,715
Baltic Cove	2010	2010		31,032
Baltic Breeze	2010	2010		31,596
TOTAL			$	355,825
Consolidated Total			$	2,695,638

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk

We are exposed to the impact of interest rate changes. Our objective is to manage the impact of interest rate changes on our earnings and cash flow in relation to our borrowings. We held five and eight interest rate swap agreements with DnB Bank ASA at September 30, 2012 and December 31, 2011, respectively, to manage future interest costs and the risk associated with changing interest rates. The total notional principal amount of the swaps is $356.2 million and $606.2 million, respectively, and the swaps have specified rates and durations. Refer to the table in Note 11 Interest Rate Swap Agreements of our condensed consolidated financial statements which summarizes the interest rate swaps in place as of September 30, 2012 and December 31, 2011.

The swap agreements with effective dates prior to September 30, 2012 synthetically convert variable rate debt to fixed rate debt at the fixed interest rate of the swap plus the applicable margin of 2.00% until August 1, 2012 and 3.00% thereafter during the three and nine months ended September 30, 2012. Effective August 1, 2012, the applicable margin over LIBOR for the 2007 Credit Facility increased from 2.00% to 3.00% pursuant to the August 2012 Agreements. Refer to Note 9 Long-Term Debt in our condensed consolidated financial statements for further information regarding this amendment.

The total liability associated with the swaps at September 30, 2012 is $18.9 million, of which $0.6 million is current, and $25.3 million at December 31, 2011, of which $1.7 million is current, and is presented as the fair value of derivatives on the balance sheet. As of September 30, 2012 and December 31, 2011, the Company has accumulated other comprehensive loss (AOCI) of ($18.9) million and ($25.2) million, respectively, related to the effectively hedged portion of the swaps. Hedge ineffectiveness associated with the interest rate swaps resulted in a minimal amount of other income (expense) during the three and nine months ended September 30, 2012 and 2011. At September 30, 2012, ($10.1) million of AOCI is expected to be reclassified into income over the next 12 months associated with interest rate derivatives.

We are subject to market risks relating to changes in LIBOR rates because we have significant amounts of floating rate debt outstanding. For the nine month period ending September 30, 2011, we paid LIBOR plus 2.00% on the 2007 Credit Facility for the debt in excess of any designated swap s notional amount for such swap s effective period. Effective December 21, 2011, we were also subject to a facility fee of 2.00% per annum on the average daily outstanding principal amount of the outstanding loan under the 2007 Credit Facility pursuant to the amendment entered into with our lenders under this facility which was reduced to 1.0% on February 28, 2012 when we consummated an equity offering resulting in gross proceeds of $53.3 million. Additionally, effective August 1, 2012, the applicable margin over LIBOR for the 2007 Credit Facility increased from 2.00% to 3.00% pursuant to the August 2012 Agreements. Refer to Note 9 Long-Term Debt in our condensed consolidated financial statements for further information regarding these amendments. During the nine months ended September 30, 2012 and 2011, we also paid LIBOR plus 3.00% on the outstanding debt under the $100 Million Term Loan Facility, $253 Million Term Loan Facility and the 2010 Baltic Trading Credit Facility. A 1% increase in LIBOR would result in an increase of $8.6 million in interest expense for the nine months ended September 30, 2012, considering the increase would be only on the unhedged portion of the debt.

Derivative financial instruments

As of September 30, 2012 and December 31, 2011, we held five and eight interest rate swap agreements, respectively, with DnB Bank ASA to manage interest costs and the risk associated with changing interest rates. The total notional principal amount of the swaps is $356.2 million and $606.2 million, respectively, and the swaps have specified rates and durations. Refer to the table in

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Note 11 Interest Rate Swap Agreements of our condensed consolidated financial statements which summarizes the interest rate swaps in place as of September 30, 2012 and December 31, 2011.

The differential to be paid or received for these swap agreements is recognized as an adjustment to interest expense as incurred. The interest rate differential pertaining to the interest rate swaps for the three months ended September 30, 2012 and 2011 was $3.0 million and $7.4 million, respectively. The interest rate differential pertaining to the interest rate swaps for the nine months ended September 30, 2012 and 2011 was $10.4 million and $22.0 million, respectively. The Company is currently utilizing cash flow hedge accounting for the swaps whereby the effective portion of the change in value of the swaps is reflected as a component of AOCI. The ineffective portion is recognized as other (expense) income, which is a component of other (expense) income. If for any period of time we did not designate the swaps for hedge accounting, the change in the value of the swap agreements prior to designation would be recognized as other (expense) income.

Amounts receivable or payable arising at the settlement of hedged interest rate swaps are deferred and amortized as an adjustment to interest expense over the period of interest rate exposure provided the designated liability continues to exist. Amounts receivable or payable arising at the settlement of unhedged interest rate swaps are reflected as other (expense) income and is listed as a component of other (expense) income.

Refer to Interest rate risk section above for further information regarding the interest rate swap agreements.

Currency and exchange rates risk

The international shipping industry s functional currency is the U.S. Dollar. Virtually all of our revenues and most of our operating costs are in U.S. Dollars. We incur certain operating expenses in currencies other than the U.S. dollar, and the foreign exchange risk associated with these operating expenses is immaterial.

As part of our business strategy, we may enter into short-term forward currency contracts to protect ourselves from the risk arising from the fluctuation in the exchange rate associated with the cost basis of the Jinhui shares.

Investments

We hold an investment in Jinhui of $23.8 million at September 30, 2012, which is classified as available for sale under Accounting Standards Codification 320-10, Investments Debt and Equity Securities (ASC 320-10). The investment is classified as a noncurrent asset based on our intent to hold the investment at each reporting date. The investments that are classified as available for sale are subject to risk of changes in market value, which if determined to be impaired (other than temporarily impaired), could result in realized impairment losses. The Company reviews the carrying value of such investments on a quarterly basis to determine if any valuation adjustments are appropriate under ASC 320-10. We will continue to evaluate the investment on a quarterly basis to determine the likelihood of any further significant adverse effects on the fair value. For the three and nine months ended September 30, 2012 and 2011, we have not deemed our investment to be impaired. In the event we determine that the Jinhui investment is subject to any impairment, the amount of the impairment would be reclassified from AOCI and recorded as a loss in the Condensed Consolidated Statement of Operations for the amount of the impairment.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our President and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act as of the end of the period covered by this report. Based upon that evaluation, our President and Chief Financial Officer have concluded that our disclosure controls and procedures are effective.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time the Company may be subject to legal proceedings and claims in the ordinary course of its business, principally personal injury and property casualty claims. Such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. The Company is not aware of any legal proceedings or claims that it believes will have, individually or in the aggregate, a material effect on the Company, its financial condition, results of operations or cash flows.

ITEM 6. EXHIBITS

Exhibit	Document
3.1	Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited.(1)
3.2	Articles of Amendment of Articles of Incorporation of Genco Shipping & Trading Limited as adopted July 21, 2005.(2)
3.3	Articles of Amendment of Articles of Incorporation of Genco Shipping & Trading Limited as adopted May 18, 2006.(3)
3.4	Certificate of Designations of Series A Preferred Stock.(4)
3.5	Amended and Restated By-Laws of Genco Shipping & Trading Limited, dated as of March 27, 2012.(5)
4.1	Indenture, dated July 27, 2010, between Genco Shipping & Trading Limited and The Bank of New York Mellon.(6)
4.2	Supplemental Indenture, dated July 27, 2010, between Genco Shipping & Trading Limited and The Bank of New York Mellon.(6)
10.1	Amendment and Supplement No. 6 to Senior Secured Credit Agreement by and among Genco Shipping & Trading Limited, the lenders party thereto, DnB Bank ASA (f/k/a DnB NOR Bank ASA), New York Branch, as Administrative Agent, mandated lead arranger, bookrunner, security trustee and collateral agent, and DnB Bank ASA and Bank of Scotland PLC, as mandated lead arrangers.(7)
10.2	Second Supplemental Agreement dated as of August 1, 2012 to $253,000,000 Secured Loan Facility Agreement dated August 20, 2010, by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (publ), as Swap Providers; Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner; and the subsidiaries of Genco listed therein as Guarantors.(7)
10.3	Second Amendment to Loan Agreement, dated as of August 1, 2012, by and among Genco Shipping & Trading Limited as Borrower, the banks and financial institutions listed in Schedule 1 thereto as Lenders, the companies listed in Schedule 2 thereto as Guarantors on a joint and several basis and Crédit Agricole Corporate and Investment Bank, as Agent and Security Trustee.(7)
10.4	Letter Agreement dated as of August 6, 2012 by and among Genco Shipping & Trading Limited, the subsidiaries of Genco listed therein, and Deutsche Bank Luxembourg S.A, as Agent.(8)
31.1	Certification of President pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.*
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.*
32.1	Certification of President pursuant to 18 U.S.C. Section 1350.*
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.*

101	The following materials from Genco Shipping & Trading Limited s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of September 30, 2012 and December 31, 2011 (Unaudited), (ii) Condensed Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2012 and 2011 (Unaudited), (iii) Condensed Consolidated Statements of Comprehensive (Loss) Income for the Three and Nine Months Ended September 30, 2012 and 2011 (Unaudited), (iv) Condensed Consolidated Statements of Equity for the Nine Months Ended September 30, 2012 and 2011 (Unaudited), (v) Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2012 and 2011 (Unaudited), and (vi) Notes to Condensed Consolidated Financial Statements (Unaudited).

(*) Filed with this report.

(1) Incorporated by reference to Genco Shipping & Trading Limited s Registration Statement on Form S-1/A, filed with the Securities and Exchange Commission on July 6, 2005.

(2) Incorporated by reference to Genco Shipping & Trading Limited s Registration Statement on Form S-1/A, filed with the Securities and Exchange Commission on July 21, 2005.

(3) Incorporated by reference to Genco Shipping & Trading Limited s Report on Form 8-K, filed with the Securities and Exchange Commission on May 18, 2006.

(4) Incorporated by reference to Genco Shipping & Trading Limited s Report on Form 8-K, filed with the Securities and Exchange Commission on April 9, 2007.

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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.

GENCO SHIPPING & TRADING LIMITED

DATE: November 9, 2012	By: Robert Gerald Buchanan President (Principal Executive Officer)	/s/ Robert Gerald Buchanan
DATE: November 9, 2012	By: John C. Wobensmith Chief Financial Officer & Secretary (Principal Financial and Accounting Officer)	/s/ John C. Wobensmith

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