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T-Mobile Adds 2 Million Customers

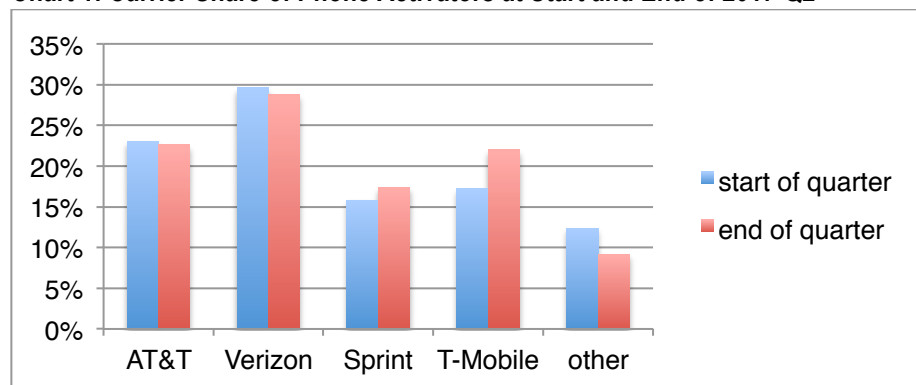
Sprint Also Adds, While AT&T, Verizon Lose Slightly

CHICAGO, IL – Monday, July 17, 2017 - Consumer Intelligence Research Partners, LLC (CIRP) today released analysis of the results from its research on mobile phone companies for the calendar quarter that ended June 30, 2017. This analysis features findings about consumer trends in mobile phone activations from April-June, 2017 for AT&T (T), Verizon (VZ), Sprint (S), and T-Mobile (TMUS).

CIRP finds that among major mobile phone companies, T-Mobile had the best quarter, combining retention of existing customers, gains of new customers from other carriers, and first-time customers, for a net gain of 2 million customers.

Based on our analysis of customer activations, we identify customers that renewed contracts with a previous mobile carrier, customers that switched carriers, and first-time mobile phone buyers. Combining these three factors, among customers that activated a phone during the quarter, T-Mobile grew its customer base 28%, relative to the number of customers that started the quarter as T-Mobile customers and were eligible to renew or switch carriers (Chart 1). (Note this does not indicate that T-Mobile's entire installed base of customers grew by that percentage in the quarter.)

Chart 1: Carrier Share of Phone Activators at Start and End of 2017-Q2




“We take a quarterly view of loyalty and churn, focusing on customers who are eligible to activate a phone,” said Mike Levin, Partner and Co-Founder of CIRP. “T-Mobile started with 17% of the consumers in our quarterly survey of phone activators, and

ended the quarter with 22%. Including first-time customers, the 28% increase in share of this quarter's phone activators suggests that T-Mobile added 2 million customers in the quarter. Similarly, we estimate Sprint added under one million customers, and that Verizon and AT&T actually lost a small number of mobile phone customers."

Change in share for the quarter consists of eligible customers that started with a carrier, plus those that became new customers of the carrier, minus those that switched away from that carrier. T-Mobile attracted new customers that switched from other carriers equal to 38% of the eligible customers it had at the start of the quarter, and attracted first-time phone buyers equal to 5% of its customers at the start of the quarter. T-Mobile also lost 15% of its customers that activated a phone during the quarter. (Table 1).

Table 1: Customer Gains and Losses by Carrier – 2017-Q2

| | AT&T | Verizon | Sprint | T-Mobile | other | |
|---------------------------------|-----------------|----------------|---------------|-----------------|--------------|---|
| begin of period | 100% | 100% | 100% | 100% | 100% | |
| lost to other carriers | -22% | -18% | -27% | -15% | -37% | |
| retained | 78% | 82% | 73% | 85% | 63% | |
| gain from other carriers | 18% | 14% | 35% | 38% | 10% | |
| first phone | 2% | 1% | 1% | 5% | 2% | |
| end of period | 98% | 97% | 110% | 128% | 74% |  |

"T-Mobile had the highest loyalty rate in the quarter, followed by Verizon," said Josh Lowitz, Partner and Co-Founder of CIRP. "T-Mobile also had the highest rate of customers gained from other carriers, followed by Sprint. And, T-Mobile had the highest rate of first-time customers, relative to its eligible customers at the start of the quarter. Sprint's high gain rate was offset by a lower loyalty rate. Verizon's relatively high loyalty rate was offset by smaller gains from other carriers, and AT&T was toward the bottom in both measures, leading to a similar end-of-period percentage losses as Verizon."

"While the four leading carriers trade customers, as a group much of their growth comes at the expense of regional and non-affiliated pre-paid carriers," said Levin. "The regional and pre-paid carriers retained a much smaller percentage of their customer base, and attracted a smaller percentage of new customers from other carriers, as well."

CIRP bases its findings on a survey of 500 US subjects, from July 1-13, 2017, that activated a new or used phone in the April-June 2017 period. For additional information, please contact Mike Levin (mike@cirpllc.com) or Josh Lowitz (josh@cirpllc.com) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at www.cirpllc.com.

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