NII Holdings, Inc.
Q4 and Full Year 2016
Earnings Presentation

March 9, 2017

Use of Non-GAAP Financial Measures

This presentation includes certain financial information that is calculated and presented on the basis of methodologies that are not in accordance with U.S. Generally Accepted Accounting Principles, or GAAP. Management, as well as certain investors, use these non-GAAP financial measures to evaluate NII Holdings' current and future financial performance. The non-GAAP financial measures included in this presentation do not replace the presentation of NII Holdings' GAAP financial results. These measurements provide supplemental information to assist investors in analyzing NII Holdings' financial position and results of operations. NII Holdings has chosen to provide this information to investors to enable them to perform meaningful comparisons of past, present and future operating results and as a means to emphasize the results of core on-going operations. Reconciliations of the non-GAAP financial measures provided in this presentation to the most directly comparable GAAP measures can be found in the appendix of this presentation and on NII Holdings' Investor Relations link, at nii.com.

Information regarding Q4 and Full Year 2016 Financial Statements

Nextel Argentina: On January 27, 2016, subsidiaries of NII Holdings completed a sale of their equity interests in Nextel Argentina. In connection with this sale, we have reported Nextel Argentina's results for all periods presented as discontinued operations in this report.

Reorganization Accounting: In accordance with the requirements of reorganization accounting, NII Holdings adopted the provisions of fresh start accounting as of June 30, 2015 and became a new entity for financial reporting purposes. All reported results for the periods through and including June 30, 2015 reflect the "Predecessor Company" and the results after June 30, 2015 reflect the "Successor Company".

Safe harbor statement under the Private Securities Litigation Reform Act of 1995

This presentation includes “forward-looking statements” within the meaning of the securities laws. The statements regarding the business and economic outlook, future performance, modifications to loan agreements, future funding or possible strategic transactions and guidance, as well as other statements that are not historical facts, are forward-looking statements. Forward-looking statements are estimates and projections reflecting management's judgment based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. With respect to these forward-looking statements, management has made assumptions regarding, among other things, the Company’s ability to fund the business and meet its business plans, customer growth and retention, pricing, network usage, operating costs, the timing of various events, the economic and regulatory environment and the foreign currency exchange rates that will prevail during 2017. Future performance cannot be assured and actual results may differ materially from those in the forward-looking statements. Some factors that could cause actual results to differ include the risks and uncertainties relating to: the impact of liquidity constraints, including the inability to access escrowed and pledged funds when expected, our ability to reach agreement with lenders on amendments to the terms of our financing arrangements, the impact of more intense competitive conditions and changes in economic conditions in Brazil, the performance of the Company’s networks, the Company’s ability to provide services that customers want or need, the ability of the Company to continue as a going concern, the Company’s ability to execute its business plan, and the additional risks and uncertainties that are described in NII Holdings' Annual Report on Form 10-K for the year ended December 31, 2016, as well as in other reports filed from time to time by NII Holdings with the Securities and Exchange Commission. The tables below speak only as of their date, and NII Holdings disclaims any duty to update the information herein.

Contents

Q4'16 and Full Year 2016 Earnings Overview

On the top line, operating revenue decreased $13M from Q3’16 primarily due to a smaller subscriber base

Increased promotional activities in Q4’16 led to a $3M increase in expenses over Q3’16

In local currency, Nextel Brazil generated Adjusted OIBDA of R$25M in Q4’16; a decrease of R$52M vs. Q3’16 due to lower revenues and slightly higher costs

For the full year 2016, a $228M reduction in revenue was offset by a $405M decrease in expenses which contributed to positive Adjusted OIBDA of $22M for 2016; a $177M improvement over 2015

- In local currency, Nextel Brazil generated Adjusted OIBDA of R$204M in 2016, a R$499M improvement over 2015

We ended the year with a subscriber base over 3.6 million with 90% of net subscriber losses (586K of 659K) from iDEN. Our 3G subscriber base grew by 3% over the year to 2.8 million

- 3G churn decreased by 40bp compared to Q3’16 which resulted in 40K 3G net subscriber additions for the quarter, the highest level since Q4’15

Total liquidity was up $19M from Q3’16 with $41M in operational free cash flow and $22M of cash returned from escrow, partially offset by $44M in debt service

We ended the year with $331M of cash and short term investments and $163M of restricted cash held in escrow

We are focused on protecting our subscriber and revenue base while operating our business in a prudent manner to reduce costs and preserve our liquidity

Consolidated 2016 Full Year Results

$m	2016	2015	% Change B/(W)	2016 % Rev
Operating revenue	985	1,213	(19%)	100%
Cost of revenue	402	637	37%	41%
General and administrative expenses	444	554	20%	45%
Selling and marketing expenses	117	177	34%	12%
Consolidated Adjusted OIBDA (Loss)	**22**	**(155)**	**114%**	**2%**
Service ARPU	*19*	*19*	*(3%)*	*nm*
Total ARPU	*21*	*22*	*(5%)*	*nm*
CCPU	*18*	*20*	*11%*	*nm*
CPGA	*97*	*145*	*33%*	*nm*
Average FX Rate (Real)	*3.5*	*3.3*	*(5%)*	*nm*

nm = Not Meaningful

Key points

Cost reduction across all expense categories in Brazil as well as decreases in G&A at headquarters resulted in a 30% or $405M reduction in expenses over 2015

Consolidated Adjusted OIBDA increased $177M against 2015 despite a 5% currency depreciation

Consolidated Q4’16 Results

$m	Q4'16	Q3'16	% Change B/(W)	Q4'16 % Rev	Q4'15	% Change B/(W)
Operating revenue	248	261	(5%)	100%	245	1%
Cost of revenue	100	102	3%	40%	119	16%
General and administrative expenses	113	112	(0%)	45%	116	3%
Selling and marketing expenses	36	30	(18%)	15%	27	(32%)
Consolidated Adjusted OIBDA	**0**	**16**	**(100%)**	**0%**	**(17)**	**100%**
Service ARPU	*20*	*21*	*(1%)*	*nm*	*16*	*26%*
Total ARPU	*22*	*23*	*(2%)*	*nm*	*18*	*25%*
CCPU	*19*	*19*	*(3%)*	*nm*	*17*	*(15%)*
CPGA	*100*	*93*	*(7%)*	*nm*	*92*	*(8%)*
Average FX Rate (Real)	*3.3*	*3.2*	*(1%)*	*nm*	*3.8*	*14%*

nm = Not Meaningful

Key points

Decrease of $13M in operating revenues primarily due to a smaller subscriber base

Consolidated adjusted OIBDA decline of $16M compared to Q3’16 driven by lower revenues and increased promotional activity during the quarter.

Brazil 2016 Full Year Results in Local Currency

R$m	2016	2015	% Change B/(W)	2016 % Rev
Operating revenue	3,424	3,961	(14%)	100%
Cost of revenue	1,402	2,072	32%	41%
General and administrative expenses	1,417	1,612	12%	41%
Selling and marketing expenses	401	572	30%	12%
Adjusted OIBDA (Loss)	**204**	**(295)**	**169%**	**6%**
Service ARPU	*65*	*63*	*3%*	*nm*
Total ARPU	*72*	*71*	*1%*	*nm*
CCPU	*59*	*61*	*4%*	*nm*
CPGA	*335*	*463*	*27%*	*nm*

nm = Not Meaningful

Key points

Local currency results reflect a decline in operating revenue primarily as a result of a 15% reduction in our subscriber base. Service ARPU increased by 3% from last year

In local currency terms, Adjusted OIBDA improved by R$499M as a result of our initiatives to improve our cost structure

Brazil Q4'16 Results in Local Currency

R$m	Q4'16	Q3'16	% Change B/(W)	Q4'16 % Rev	Q4'15	% Change B/(W)
Operating revenue	818	847	(3%)	100%	940	(13%)
Cost of revenue	328	332	1%	40%	459	28%
General and administrative expenses	346	339	(2%)	42%	397	13%
Selling and marketing expenses	119	99	(21%)	15%	105	(13%)
Adjusted OIBDA (Loss)	**25**	**77**	**(68%)**	**3%**	**(20)**	**221%**
Service ARPU	*67*	*67*	*0%*	*nm*	*62*	*8%*
Total ARPU	*73*	*73*	*(0%)*	*nm*	*68*	*7%*
CCPU	*61*	*58*	*(5%)*	*nm*	*60*	*(1%)*
CPGA	*330*	*301*	*(10%)*	*nm*	*353*	*7%*

nm = Not Meaningful

Key points

In Q4'16, revenues declined from the comparable periods due to a lower subscriber base

Adjusted OIBDA in Q4'16 was R$25M, down from Q3'16 due to lower operating revenue and increased advertising expenses and was significantly better than Q4'15 due to continued cost reduction efforts

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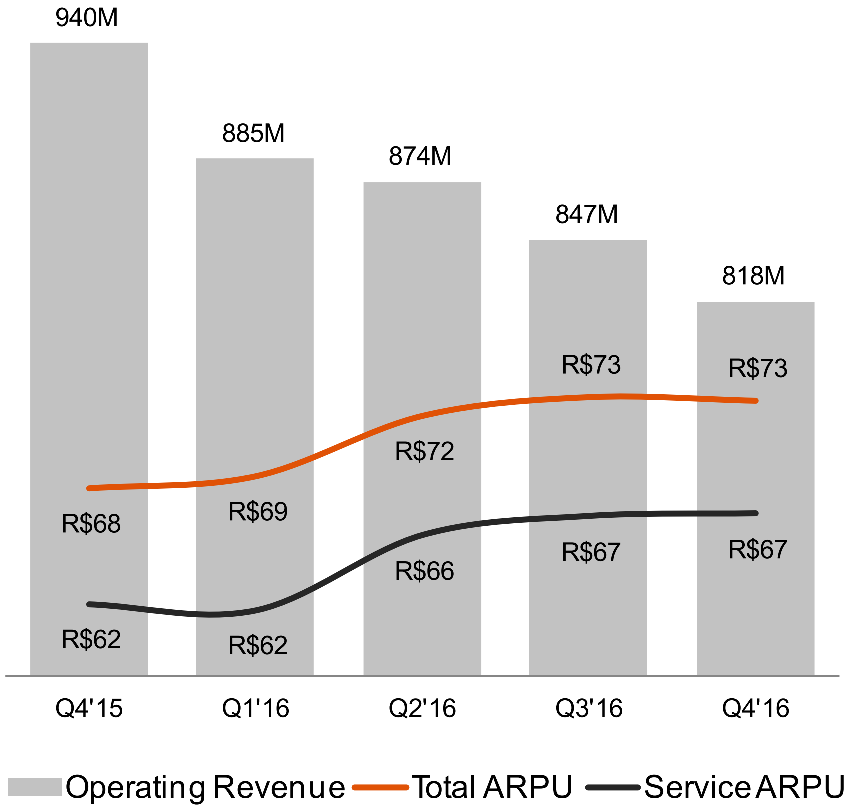
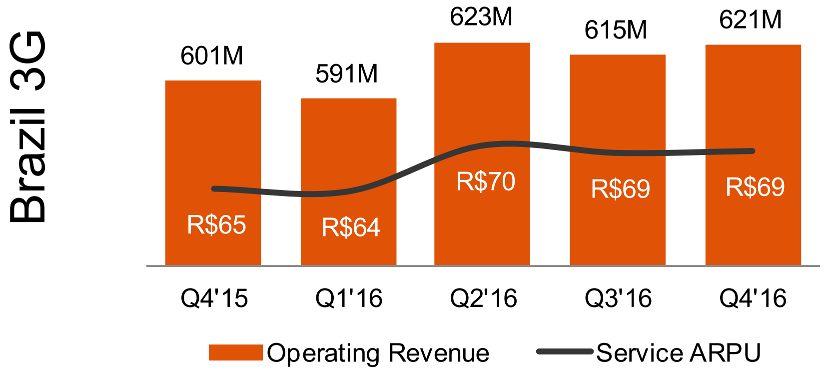
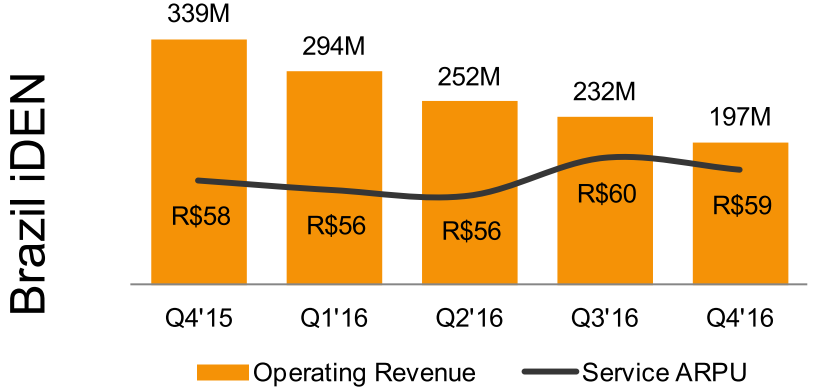
Q4'16 Brazil Operating Revenue in Local Currency

Brazil Operating Revenue and Total ARPU
(Operating Revenue in millions R$)







Segment Earnings* Trend

Brazil Segment Earnings Trend
(in millions $)

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Operating Revenue	245	227	249	261	248
Cost of Revenue	119	101	99	102	100
General and administrative expenses	103	99	98	104	105
Selling and marketing expenses	27	22	28	30	36
Brazil Segment Earnings (Loss)	(5)	4	24 **	24	**8**

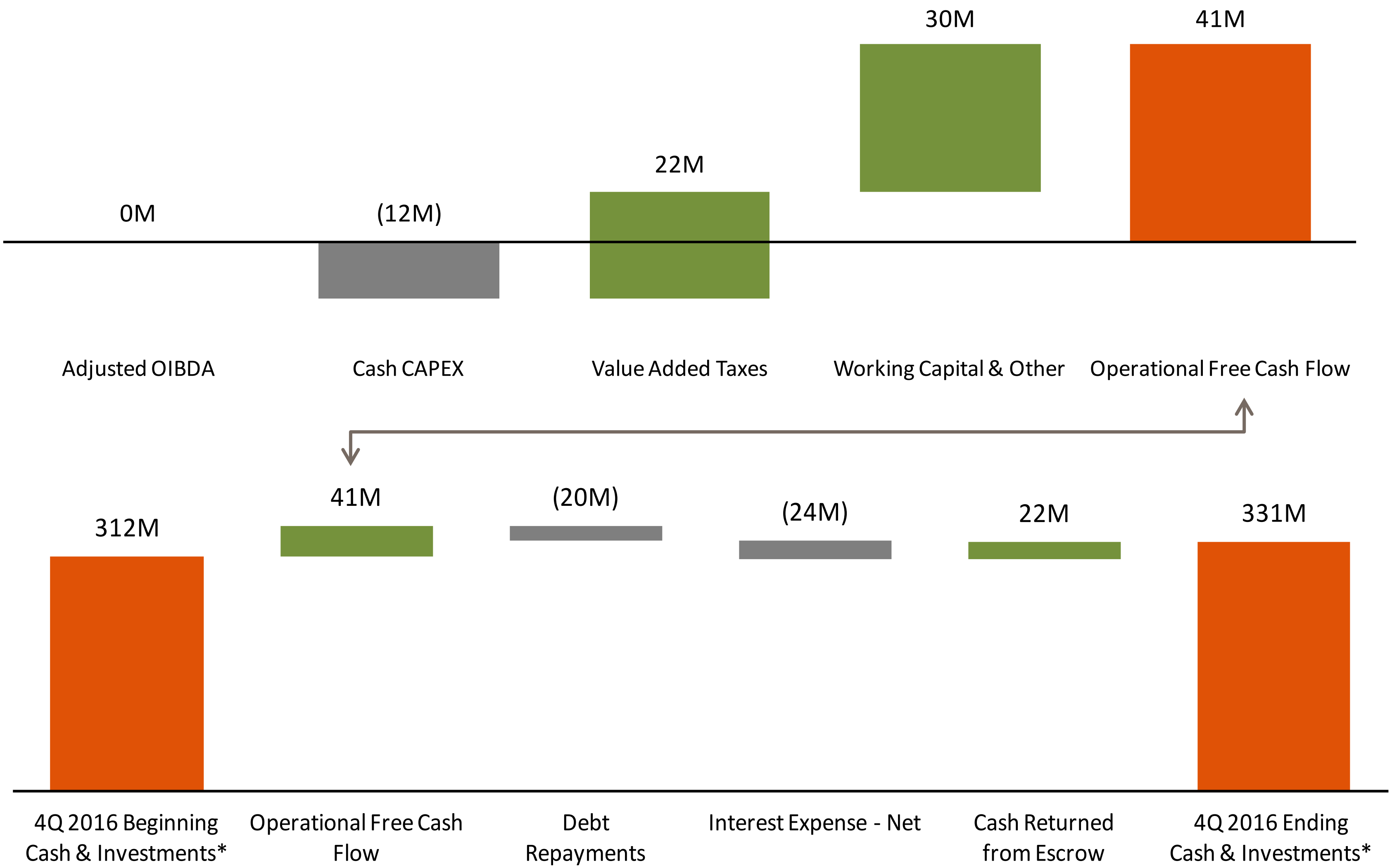
HQ Segment Earnings Trend***
(in millions $)

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Operating Revenue	-	-	-	-	-
Cost of Revenue	-	-	-	-	-
General and administrative expenses	12	12	10	8	7
Selling and marketing expenses	-	-	-	-	-
HQ Segment Loss******	(12)	(12)	(10)	(8)	**(7)**

**Segment earnings is defined as operating income before depreciation, amortization, impairment, restructuring costs and other*
***Excludes $8M for a one-time benefit resulting from the reversal of a tax contingency reported as a reduction to cost of revenue*
****Includes the impact of intercompany eliminations and discontinued operations*
*****HQ Segment Loss includes the following share-based compensation expense for Q4'15 through Q4'16: $0M, $1M, $1M, $0M and $1M*

Q4’16 Liquidity Results

(in millions $)



*Excludes $163 million related to the Nextel Mexico escrow

Strategic Priorities

Our plan is to operate within our means while remaining competitive in the marketplace

- Focused on high ARPU customers and cost reduction strategies to lower CCPU for improved profitability
- Continuing to utilize our bring your own device (BYOD) strategy to keep CPGA at manageable levels
- Improving working capital by extending payment terms with suppliers
- Continuing to transition activities from our corporate headquarters to Nextel Brazil to reduce costs

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We are also pursuing capital structure and strategic solutions

- We are engaging with our local lenders to negotiate long-term modifications to our loans that fit better with our business
- We are exploring strategic options to sell our business or raise new capital to grow

Our goal is to profitably grow our 3G base and preserve our liquidity while we pursue capital structure and strategic solutions.

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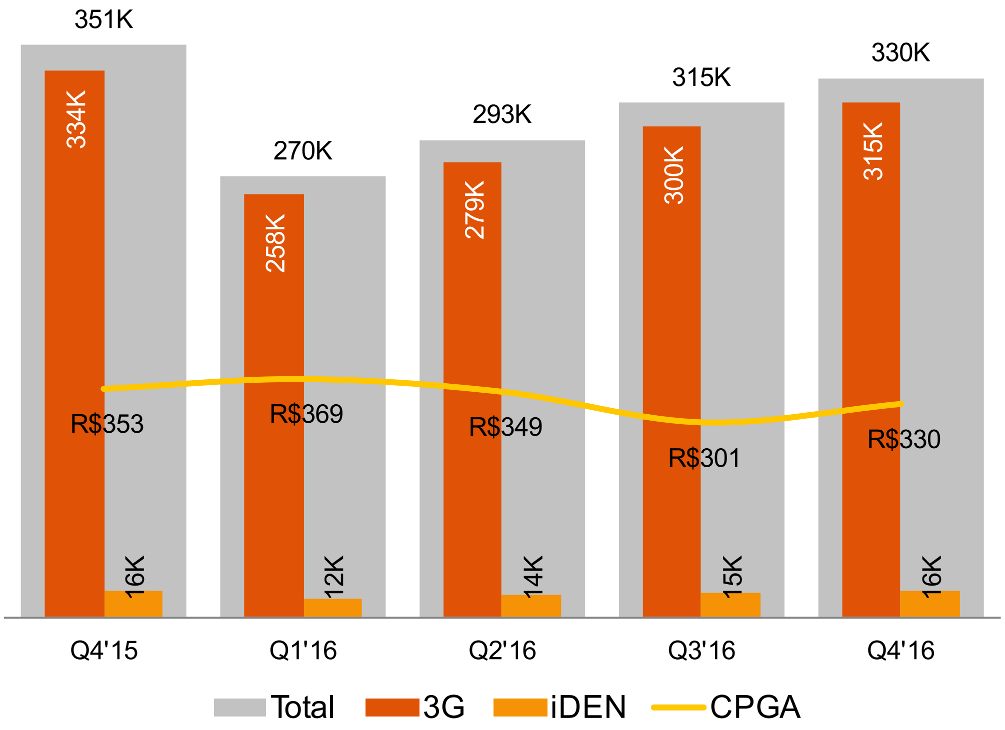
Brazil Gross Add Overview

Brazil Gross Adds by Technology

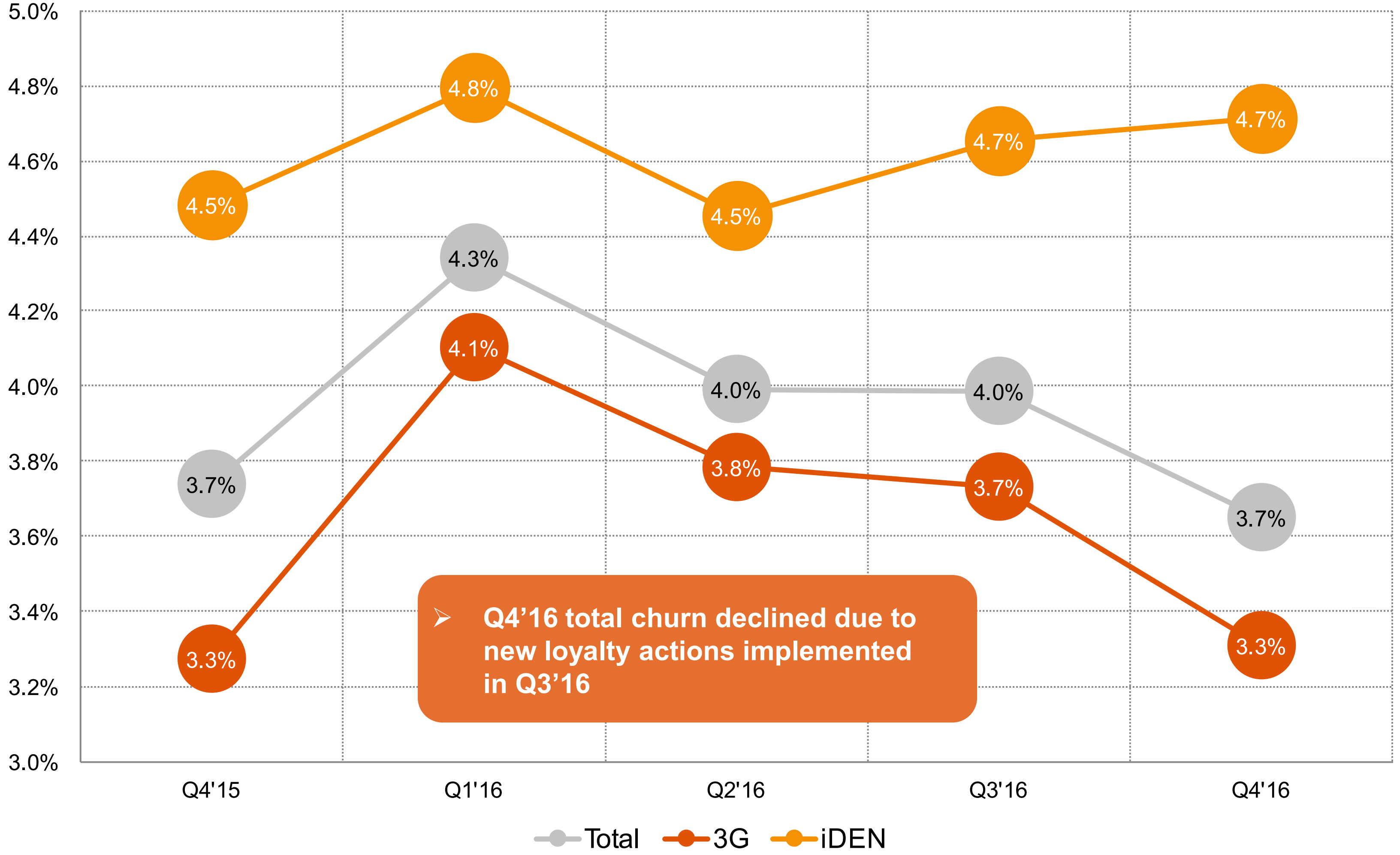
(CPGA in R$)



Q4’16 Key points

- Total gross adds increased primarily due to promotions launched in mid Q4’16
- iDEN gross adds continued to be low as we de-emphasize that platform
- CPGA increased to R$330 due to promotional campaigns in November and December

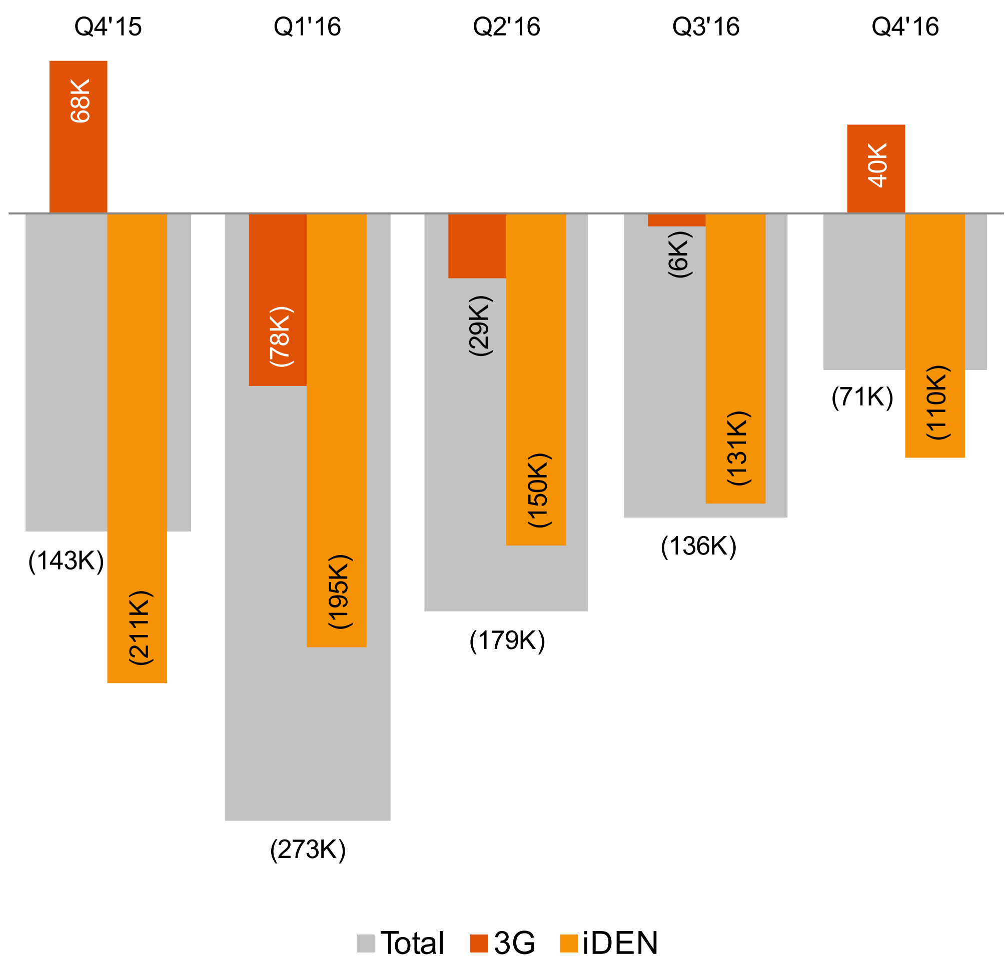
Brazil Churn Overview



- **Q4’16 total churn declined due to new loyalty actions implemented in Q3’16**

Brazil Net Adds Overview

Brazil Net Adds by Technology



Q4'16 Key points

- Improvement in net adds over Q3'16 due to an increase in gross adds and lower churn
- Continuing with a targeted retention approach focused on keeping only the best customers
- Focus remains on high value customers as we aim to fulfill our emphasis of quality over volume
- Q4'16 marks the lowest amount of net subscriber losses since Q3'15

Brazil Yearly Subscriber Overview

In thousands (except churn)	2016	2015	% Change B/(W) vs 2015
3G			
Gross Adds	1,152	1,620	(29%)
Churn	3.7%	3.2%	(56bps)
Net Adds (Losses)	(73)	760	(110%)
Migrations from iDEN	144	312	(54%)
Ending Subscribers	**2,815**	**2,745**	**3%**
iDEN			
Gross Adds	56	156	(64%)
Churn	4.7%	3.7%	(92bps)
Net Losses	(586)	(803)	27%
Migrations to 3G	(144)	(312)	54%
Ending Subscribers	**823**	**1,552**	**(47%)**
Total			
Gross Adds	1,208	1,776	(32%)
Churn	4.0%	3.4%	(56bps)
Net Losses	(659)	(43)	(1430%)
Ending Subscribers	**3,638**	**4,297**	**(15%)**

Brazil Quarterly Subscriber Overview

In thousands (except churn)	Q4'16	Q3'16	Q4'15	% Change B/(W) vs Q3'16	% Change B/(W) vs Q4'15
3G					
Gross Adds	315	300	334	5%	(6%)
Churn	3.3%	3.7%	3.3%	42bps	(4bps)
Net Adds (Losses)	40	(6)	68	794%	(42%)
Migrations from iDEN	29	35	79	(16%)	(63%)
Ending Subscribers	**2,815**	**2,746**	**2,745**	**3%**	**3%**
iDEN					
Gross Adds	16	15	16	3%	(5%)
Churn	4.7%	4.7%	4.5%	(6bps)	(23bps)
Net Losses	(110)	(131)	(211)	16%	48%
Migrations to 3G	(29)	(35)	(79)	16%	63%
Ending Subscribers	**823**	**962**	**1,552**	**(14%)**	**(47%)**
Total					
Gross Adds	330	315	351	5%	(6%)
Churn	3.7%	4.0%	3.7%	34bps	9bps
Net Losses	(71)	(136)	(143)	48%	51%
Ending Subscribers	**3,638**	**3,708**	**4,297**	**(2%)**	**(15%)**

Non-GAAP Reconciliations

NII Holdings, Inc.
Reconciliations of Non-GAAP Financial Measures for 2016

The tables below include financial information prepared in accordance with accounting principles generally accepted in the United States, or GAAP, as well as other financial measures referred to as non-GAAP financial measures. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. These reconciliations include "forward-looking statements" within the meaning of the securities laws. The statements regarding the business and economic outlook, future performance, modifications to loan agreements, future funding or possible strategic transactions and guidance, as well as other statements that are not historical facts, are forward-looking statements. Forward-looking statements are estimates and projections reflecting management's judgment based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. With respect to these forward-looking statements, management has made assumptions regarding, among other things, the Company's ability to fund the business and meet its business plans, customer growth and retention, pricing, network usage, operating costs, the timing of various events, the economic and regulatory environment and the foreign currency exchange rates that will prevail during 2017. Future performance cannot be assured and actual results may differ materially from those in the forward-looking statements. Some factors that could cause actual results to differ include the risks and uncertainties relating to: the impact of liquidity constraints, including the ability to access escrowed and pledged funds when expected, our ability to reach agreement with lenders on amendments to the terms of our financing arrangements, the impact of more intense competitive conditions and changes in economic conditions in Brazil, the performance of the Company's networks, the Company's ability to provide services that customers want or need, the ability of the Company to continue as a going concern, the Company's ability to execute its business plan, and the additional risks and uncertainties that are described in NII Holdings' Annual Report on Form 10-K for the year ended December 31, 2016, as well as in other reports filed from time to time by NII Holdings with the Securities and Exchange Commission. The tables below speak only as of their date, and NII Holdings disclaims any duty to update the information herein.

(1) Consolidated operating income before depreciation and amortization, or OIBDA, represents operating income before depreciation and amortization expense. Consolidated adjusted operating income before depreciation and amortization, or adjusted OIBDA, represents consolidated operating income before depreciation expense, amortization expense, material non-cash asset impairments, severance costs associated with publicly announced restructuring plans and other material non-recurring or unusual charges. Consolidated adjusted OIBDA margin represents adjusted OIBDA divided by total operating revenues and consolidated OIBDA margin represents OIBDA divided by total operating revenues. Consolidated OIBDA, consolidated adjusted OIBDA, consolidated OIBDA margin and consolidated adjusted OIBDA margin are not measurements under accounting principles generally accepted in the United States, may not be similar to consolidated OIBDA, consolidated adjusted OIBDA, consolidated OIBDA margin and consolidated adjusted OIBDA margin measures of other companies and should be considered in addition to, but not as substitutes for, the information contained in our statements of operations. We believe that consolidated OIBDA, consolidated adjusted OIBDA, consolidated OIBDA margin and consolidated adjusted OIBDA margin provide useful information to investors because they are indicators of our operating performance, especially in a capital intensive industry such as ours, since they exclude items that are not directly attributable to ongoing business operations. Consolidated OIBDA, consolidated adjusted OIBDA, consolidated OIBDA margin and consolidated adjusted OIBDA margin can be reconciled to our consolidated statements of operations as follows (in thousands, except for margins):

a. Consolidated

	Successor Company	Combined	Successor Company		
	For the Three Months Ended December 31, 2015	For the Year Ended December 31, 2015	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2016
			(US$)		
Consolidated operating loss	$ (82,045)	$ (463,583)	$(1,386,696)	$ (57,318)	$(1,526,829)
Consolidated depreciation	27,755	190,897	66,293	9,366	135,429
Consolidated amortization	9,310	48,345	11,912	3,993	36,954
Consolidated operating (loss) income before depreciation and amortization	(44,980)	(224,341)	(1,308,491)	(43,959)	(1,354,446)
Reversal of accrued tax contingency	-	-	-	-	(8,133)
Asset impairment charges	8,593	43,702	1,317,583	23,648	1,349,453
Restructuring charges	19,000	25,398	6,622	20,486	35,358
Consolidated adjusted operating (loss) income before depreciation and amortization	$ (17,387)	$ (155,241)	$15,714	$ 175	$ 22,232
Consolidated adjusted operating (loss) income before depreciation and amortization margin	(7)%	(13)%	6%	-%	2%

(2) Average monthly revenue per subscriber unit in service, or ARPU, is an industry term that measures service revenues, which we refer to as subscriber revenues, per period from our customers divided by the weighted average number of subscriber units in commercial service during that period. ARPU is not a measurement under accounting principles generally accepted in the United States, may not be similar to ARPU measures of other companies and should be considered in addition, but not as a substitute for, the information contained in our statements of operations. We believe that ARPU provides useful information concerning the appeal of our rate plans and service offerings and our performance in attracting and retaining high value customers. Other revenue includes revenues for such services as roaming, handset maintenance, cancellation fees, analog and other. ARPU can be calculated and reconciled to our consolidated statement of operations as follows (in thousands, except ARPU):

a. Consolidated

	Successor Company	Combined	Successor Company		
	For the Three Months Ended December 31, 2015	For the Year Ended December 31, 2015	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2016
			(US$)		
Digital service and other revenues	$ 234,643	$ 1,145,034	$ 255,663	243,822	963,209
Less: other revenues	(21,832)	(126,074)	(22,914)	(20,759)	(89,288)
Total subscriber revenues	$ 212,811	$ 1,018,960	$ 232,749	$ 223,063	$ 873,921
ARPU calculated with subscriber revenues	$ 16	$ 19	$ 21	$ 20	$ 19
ARPU calculated with digital service and other revenues	$ 18	$ 22	$ 21	$ 22	$ 21

b. Nextel Brazil

	Successor Company	Combined	Successor Company		
	For the Three Months Ended December 31, 2015	For the Year Ended December 31, 2015	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2016
			(US$)		
Digital service and other revenues	$ 234,587	$ 1,144,832	$ 255,625	243,791	963,041
Less: other revenues	(21,827)	(126,151)	(22,914)	(20,759)	(89,289)
Total subscriber revenues	$ 212,760	$ 1,018,681	$ 232,711	$ 223,032	$ 873,752
ARPU calculated with subscriber revenues	$ 16	$ 19	$ 21	$ 20	$ 19
ARPU calculated with digital service and other revenues	$ 18	$ 22	$ 23	$ 22	$ 21

	Successor Company	Combined	Successor Company		
	For the Three Months Ended December 31, 2015	For the Year Ended December 31, 2015	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2016
			(BR R$)		
Digital service and other revenues	R$ 901,299	R$ 3,741,339	R$ 829,967	R$ 802,504	R$ 3,347,586
Less: other revenues	(83,896)	(409,648)	(74,380)	(68,368)	(312,262)
Total subscriber revenues	R$ 817,403	R$ 3,331,691	R$ 755,587	R$ 734,136	R$ 3,035,324
ARPU calculated with subscriber revenues	R$ 62	R$ 63	R$ 67	R$ 67	R$ 65
ARPU calculated with digital service and other revenues	R$ 68	R$ 71	R$ 73	R$ 73	R$ 72

(3) Cost per gross add, or CPGA, is an industry term that is calculated by dividing our selling, marketing and handset and accessory subsidy costs, excluding costs unrelated to initial customer acquisition, by our new subscribers during the period, or gross adds. CPGA is not a measurement under accounting principles generally accepted in the United States, may not be similar to CPGA measures of other companies and should be considered in addition, but not as a substitute for, the information contained in our statements of operations. We believe CPGA is a measure of the relative cost of customer acquisition. CPGA can be calculated and reconciled to our consolidated statements of operations as follows (in thousands, except CPGA):

a. Consolidated

	Successor Company	Combined	Successor Company		
	For the Three Months Ended December 31, 2015	For the Year Ended December 31, 2015	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2016
			(US$)		
Handset and accessory revenues	$ 10,138	$ 68,111	$ 5,173	$ 4,618	$ 21,837
Uninsured handset replacement revenue	(30)	(642)	(73)	(44)	(283)
Handset and accessory revenues, net	10,108	67,469	5,100	4,574	21,554
Less: cost of handsets and accessories	18,597	168,047	5,780	3,466	29,273
Handset subsidy costs	8,489	100,578	680	(1,108)	7,719
Selling and marketing	27,363	177,132	30,439	36,047	116,599
Costs per statement of operations	35,852	277,710	31,119	34,939	124,318
Less: costs unrelated to initial customer acquisition	(3,648)	(20,483)	(1,918)	(2,042)	(7,265)
Customer acquisition costs	$ 32,204	$ 257,227	$ 29,201	$ 32,897	$ 117,053
Cost per Gross Add	$ 92	$ 145	$ 93	$ 100	$ 97

b. Nextel Brazil

	Successor Company	Combined	Successor Company		
	For the Three Months Ended December 31, 2015	For the Year Ended December 31, 2015	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2016
			(US$)		
Handset and accessory revenues	$ 10,138	$ 68,111	$ 5,173	$ 4,618	$ 21,837
Uninsured handset replacement revenue	(30)	(642)	(73)	(44)	(283)
Handset and accessory revenues, net	10,108	67,469	5,100	4,574	21,554
Less: cost of handsets and accessories	18,597	168,047	5,780	3,466	29,273
Handset subsidy costs	8,489	100,578	680	(1,108)	7,719
Selling and marketing	27,318	176,884	30,439	36,047	116,538
Costs per statement of operations	35,807	277,462	31,119	34,939	124,257
Less: costs unrelated to initial customer acquisition	(3,648)	(20,483)	(1,918)	(2,042)	(7,265)
Customer acquisition costs	$ 32,159	$ 256,979	$ 29,201	$ 32,897	$ 116,992
Cost per Gross Add	$ 92	$ 145	$ 93	$ 100	$ 97

	Successor Company	Combined	Successor Company		
	For the Three Months Ended December 31, 2015	For the Year Ended December 31, 2015	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2016
			(BR R$)		
Handset and accessory revenues	R$ 39,005	R$ 219,595	R$ 16,792	R$ 15,149	R$ 76,611
Uninsured handset replacement revenue	(115)	(1,873)	(237)	(144)	(1,018)
Handset and accessory revenues, net	38,890	217,722	16,555	15,005	75,593
Less: cost of handsets and accessories	71,749	534,170	18,785	11,459	104,721
Handset subsidy costs	32,859	316,448	2,230	(3,546)	29,128
Selling and marketing	105,173	571,880	98,806	119,194	401,388
Costs per statement of operations	138,032	888,328	101,036	115,648	430,516
Less: costs unrelated to initial customer acquisition	(14,106)	(66,755)	(6,224)	(6,723)	(25,126)
Customer acquisition costs	R$ 123,926	R$ 821,573	R$ 94,812	R$ 108,925	R$ 405,390
Cost per Gross Add	R$ 353	R$ 463	R$ 301	R$ 330	R$ 335

(4) Cash cost per handset/user, or CCPU, represents the sum of cost of service, general and administrative expenses and customer retention and other costs divided by average handsets in service during the period and divided by the number of months in the period. CCPU is not a measurement under accounting principles generally accepted in the United States, may not be similar to CCPU measures of other companies and should not be considered in addition to, but not as a substitute for, the information contained in our statements of operations. We believe CCPU is a measure of the recurring costs we incur on a monthly basis to provide service to our subscribers. Consolidated CCPU can be reconciled to our consolidated statements of operations as follows (in thousands, except CCPU):

a. Consolidated

	Successor Company	Combined	Successor Company		
	For the Three Months Ended December 31, 2015	For the Year Ended December 31, 2015	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2016
			(US$)		
Selling, general and administrative expenses	$ 142,899	$ 731,394	$ 142,815	$ 148,612	$ 560,760
Less: selling and marketing expenses	(27,362)	(177,132)	(30,439)	(36,047)	(116,599)
General and administrative expenses	115,537	554,262	112,376	112,565	444,161
Cost of service	100,673	468,937	96,526	96,188	364,648
Customer retention costs and other	3,648	20,483	1,918	2,042	7,265
Total	$ 219,858	$ 1,043,682	$ 210,820	$ 210,795	$ 816,074
Cash Cost per User	$ 17	$ 20	$ 19	$ 19	$ 18

b. Brazil

	Successor Company	Combined	Successor Company		
	For the Three Months Ended December 31, 2015	For the Year Ended December 31, 2015	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2016
			(US$)		
Selling, general and administrative expenses	$ 130,573	$ 667,028	$ 134,855	$ 141,221	$ 523,771
Less: selling and marketing expenses	(27,318)	(176,884)	(30,439)	(36,047)	(116,538)
General and administrative expenses	103,255	490,144	104,416	105,174	407,233
Cost of service	100,673	469,019	96,526	96,188	364,648
Customer retention costs and other	3,648	20,483	1,918	2,042	7,265
Total	$ 207,576	$ 979,646	$ 202,860	$ 203,404	$ 779,146
Cash Cost per User	$ 16	$ 18	$ 18	$ 19	$ 17

	Successor Company	Combined	Successor Company		
	For the Three Months Ended December 31, 2015	For the Year Ended December 31, 2015	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016	For the Year Ended December 31, 2016
			(BR R$)		
Selling, general and administrative expenses	R$ 501,954	R$ 2,183,804	R$ 437,988	R$ 465,066	R$ 1,817,940
Less: selling and marketing expenses	(105,173)	(571,880)	(98,806)	(119,194)	(401,388)
General and administrative expenses	396,781	1,611,924	339,182	345,872	1,416,552
Cost of service	386,818	1,538,293	313,370	316,586	1,297,428
Customer retention costs and other	14,106	66,755	6,224	6,723	25,127
Total	R$ 797,705	R$ 3,216,972	R$ 658,776	R$ 669,181	R$ 2,739,107
Cash Cost per User	R$ 60	R$ 61	R$ 58	R$ 61	R$ 59

(5) The following table shows the impact of changes in foreign currency exchange rates on certain financial measures for the three and combined twelve months ended December 31, 2015 compared to the same periods in 2016 by (i) adjusting the relevant measures for the three and combined twelve months ended December 31, 2015 to levels that would have resulted if the average foreign currency exchange rates for the three and combined twelve months ended December 31, 2015 were the same as the average foreign currency exchange rates that were in effect for the three and twelve months ended December 31, 2016; and (ii) comparing the actual and adjusted financial measures for the three and combined twelve months ended December 31, 2015 to the similar financial measures for the three and twelve months ended December 31, 2016 to show the percentage change in those measures before and after taking those adjustments into account. The amounts reflected in the following table for operating income before depreciation and amortization on a consolidated basis and segment earnings for Nextel Brazil, before the adjustments for changes in foreign currency exchange rates, are based on the calculations contained elsewhere in these non-GAAP reconciliations for the three and combined twelve months ended December 31, 2016 and 2015. The average foreign currency exchange rates for each of the relevant currencies during each of the three and twelve months ended December 31, 2016 and the three and combined twelve months ended December 31, 2015 are included in the notes to the table below. The information reflected in the following table is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our statements of operations. We believe that these calculations provide useful information concerning our relative performance for the three and twelve months ended December 31, 2016 compared to the three and combined twelve months ended December 31, 2015 by removing the impact of the significant difference in the average foreign currency exchange rates in effect for those periods.

	Three Months Ended December 31,					
	Successor Company					
	4Q 2015 Actual	4Q 2015 Adjustment (1)	4Q 2015 Normalized (1)	4Q 2016 Actual	4Q 2015 to 4Q 2016 Actual B(W) Growth (2)	4Q 2015 to 4Q 2016 Normalized B(W) Growth (3)
			(dollars in thousands)			
Consolidated:						
Operating revenues	$244,782	$40,912	$285,694	$248,440	1%	(13)%
Adjusted operating (loss) income before depreciation and amortization	(17,387)	(855)	(18,242)	175	101%	101%
Nextel Brazil:						
Operating revenues	$244,726	$40,912	$285,638	$248,409	2%	(13)%
Adjusted operating (loss) income before depreciation and amortization	(5,117)	(855)	(5,972)	7,534	247%	226%

	Year Months Ended December 31,					
	Combined Predecessor and Successor Company			Successor Company		
	YTD 2015 Actual	YTD 2015 Adjustment (1)	YTD 2015 Normalized (1)	YTD 2016 Actual	YTD 2015 to YTD 2016 B(W) Growth (2)	YTD 2015 to YTD 2016 Normalized B(W) Growth (3)
			(dollars in thousands)			
Consolidated:						
Operating revenues	$1,213,145	$(55,608)	$1,157,537	$985,046	(19)%	(15)%
Adjusted operating (loss) income before depreciation and amortization	(155,241)	4,179	(151,062)	22,232	114%	115%
Nextel Brazil:						
Operating revenues	$1,212,943	$(55,608)	$1,157,335	$984,878	(19)%	(15)%
Adjusted operating (loss) income before depreciation and amortization	(91,159)	4,179	(86,980)	59,053	165%	168%

(1) The "4Q 2015 Normalized" and "YTD 2015 Normalized" amounts reflect the impact of applying the average foreign currency exchange rates for the three and twelve months ended December 31, 2016 to the operating revenues earned in foreign currencies and to the other components of each of the actual financial measures shown above for the three and combined twelve months ended December 31, 2015, other than certain components of those measures consisting of U.S. dollar-based operating expenses, which were not adjusted. The amounts included under the columns "4Q 2015 Adjustment" and "YTD 2015 Adjustment" reflect the amount determined by subtracting the "4Q 2015 Normalized" and "YTD 2015 Normalized" amounts calculated as described in the preceding sentence from the "4Q 2015 Actual" and "YTD 2015 Actual" amounts and reflect the impact of the year-over-year change in the average foreign currency exchange rates on each of the financial measures for the three and twelve months ended December 31, 2016. The average foreign currency exchange rates for each of the relevant currencies during the three and twelve months ended December 31, 2016 and three and combined twelve months ended December 31, 2015 for purposes of these calculations were as follows:

	Successor Company			Combined
	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Brazilian real	3.29	3.84	3.49	3.33

(2) The percentage amounts in these columns reflect the better, or B, or worse, or W, growth rates for each of the financial measures comparing the amounts in the "4Q 2016 Actual" and "YTD 2016 Actual" columns with those in the "4Q 2015 Actual" and "YTD 2015 Actual" columns.

(3) The percentage amounts in these columns reflect the better, or B, or worse, or W, growth rates for each of the financial measures comparing the amounts in the "4Q 2016 Actual" and "YTD 2016 Actual" columns with those in the "4Q 2015 Normalized" and "YTD 2015 Normalized" columns.