

Leap Wireless International, Inc.

Morgan Stanley 13th Annual Communications Conference

Doug Hutcheson – President, CEO & Acting CFO



May 13, 2008

Presentation of Financial Information



Historical financial and operating data in this presentation reflects the consolidated results of Leap, its subsidiaries and its non-controlled joint ventures LCW Wireless, LLC and Denali Spectrum, LLC for the periods indicated.

This presentation includes 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. The non-GAAP financial measures in this presentation, which include Cost Per Gross Customer Addition ("CPGA"), Cash Cost per User ("CCU"), Calculated Contribution per User ("CCPU"), Adjusted Operating Income Before Depreciation and Amortization ("OIBDA"), and Existing Market Adjusted OIBDA should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. For definitions of such terms and reconciliations of CPGA, CCU, CCPU, Adjusted OIBDA, and Existing Market Adjusted OIBDA to the most comparable GAAP measure, please see the information under the heading "Financial Reports – Non-GAAP Financial Measures" in the Investor Relations section of the Leap Wireless corporate website (investor.leapwireless.com).

Forward-Looking Statements



This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements reflect management’s current expectations based on currently available operating, financial and competitive information, but are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those anticipated in or implied by the forward-looking statements. Risks, uncertainties and assumptions that could affect our forward-looking statements include, among other things:

- our ability to attract and retain customers in an extremely competitive marketplace;
- changes in economic conditions including interest rates, consumer credit conditions, unemployment and other macro-economic factors that could adversely affect demand for the services we provide;
- the impact of competitors’ initiatives;
- our ability to successfully implement product offerings and execute effectively on our planned coverage expansion, launches of markets we acquired in the Federal Communications Commission’s, or FCC’s, auction for Advanced Wireless Services, or Auction #66, expansion of our mobile broadband product offering and other strategic activities;
- our ability to obtain roaming services from other carriers at cost-effective rates;
- our ability to maintain effective internal control over financial reporting;
- delays in our market expansion plans, including delays resulting from any difficulties in funding such expansion through our existing cash, cash generated from operations or additional capital, or delays by existing U.S. government and other private sector wireless operations in clearing the AWS spectrum, some of which users are permitted to continue using the spectrum for several years;
- our ability to attract, motivate and retain an experienced workforce;
- our ability to comply with the covenants in our senior secured credit facilities, indenture and any future credit agreement, indenture or similar instrument;
- failure of our network or information technology systems to perform according to expectations; and
- other factors detailed in the section entitled “Risk Factors” included in our periodic reports filed with the SEC, including our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, which we expect to file shortly with the SEC, and our Annual Report on Form 10-K for the year ended December 31, 2007.

All forward-looking statements included in this presentation should be considered in the context of these risks. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Investors and prospective investors are cautioned not to place undue reliance on our forward-looking statements.



LEAP



OUR BUSINESS

The Possibilities are "Unlimited"



cricket®

- Unlimited Flat-Rate Wireless Plans
- No Long-Term Service Commitments
- Underserved Customer Demographics
- High-Quality Networks
- Low-Cost Provider
- Proven Business Model
- Attractive Expansion Opportunities



Our Customer Demographics



62% From Ethnic Groups*



62% Younger Than 35*



64% Earn Less Than \$50,000/yr*



Providing Customers Industry Leading Value



>90% Use Cricket as Primary Phone

>65% Use Cricket as Only Phone*

~1,500 minutes/month average*

~90% Use Text Message Each Month*



* Industry Average: 11% use mobile as only phone, 815 minutes/month and 40% use text message each month
Source: Cricket Q4 Customer Survey, Cricket customer database, Yankee Group, M:Metrics



OPERATING PERFORMANCE

Our Progress Continues with Strong Results



(Unaudited; in millions, except ARPU)

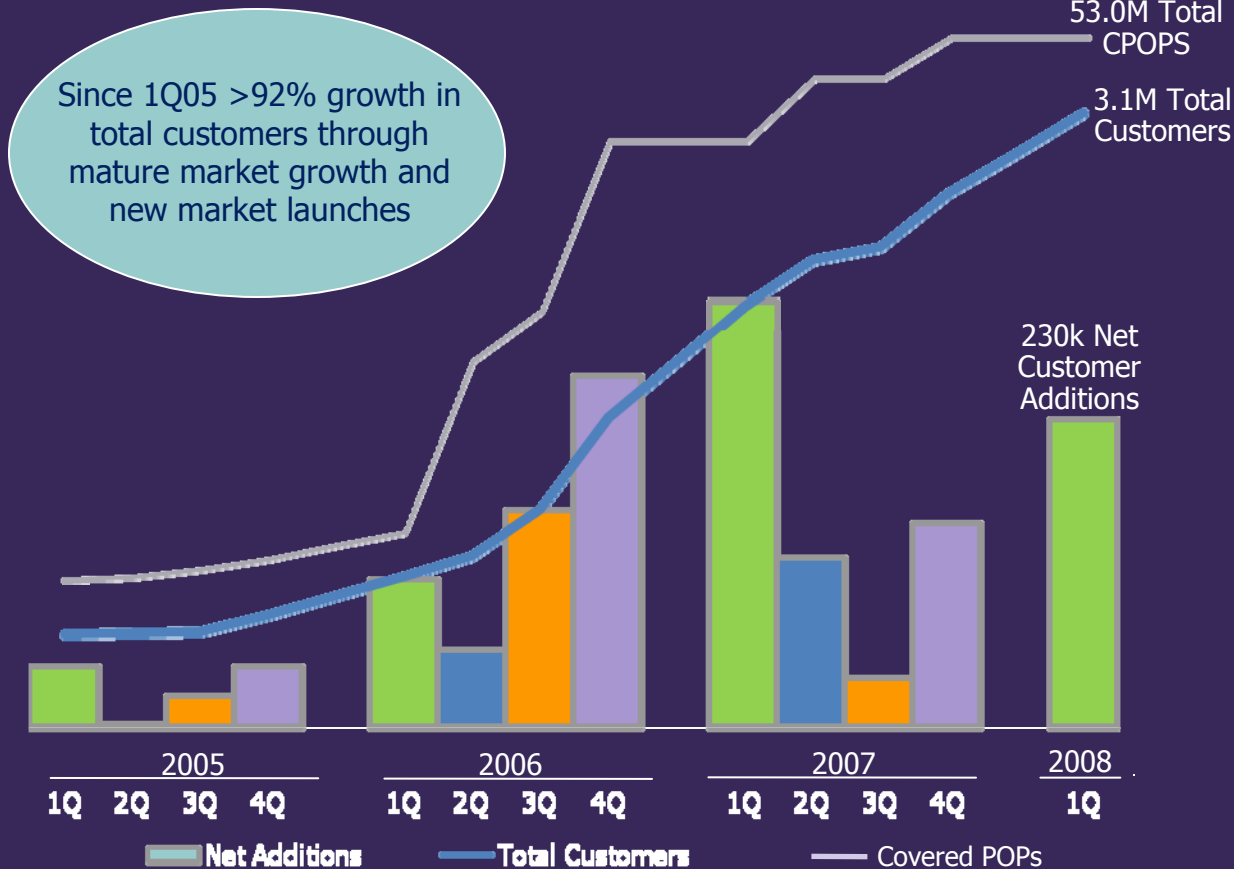
	<u>1Q07</u>	<u>1Q08</u>	<u>% Change</u>
EOP Customers	2.55	3.09	21%
ARPU	\$44.81	\$44.98	0.4%
Service Revenues	\$321.7	\$398.9	24%
Total Revenues	\$393.4	\$468.4	19%
Operating Income (Loss)	(\$1.5)	\$26.1	--
Adjusted OIBDA	\$75.1	\$118.7	58%
Existing Market Adjusted OIBDA	\$75.1	\$135.0*	80%

Existing business achieved 34% Adjusted OIBDA margin

Customer Growth Continues to Reflect Seasonal Patterns and Market Expansion



Quarterly Net Adds, Total Customers and Covered POPs



- 1Q08 results reflect:
 - Customer buying patterns
 - Impact of handset introductions
 - Footprint expansion
- Future customer growth expected:
 - On-going business execution
 - Footprint expansion and acquisitions
 - Potential tax rebate effect
 - Impact of new market launches
 - Expansion of mobile broadband initiative
- Potential growth may be affected by macro economy and higher gas prices

Churn Reflects Seasonality and Improving Customer Tenure



1Q08 Churn performed as expected at 3.6%

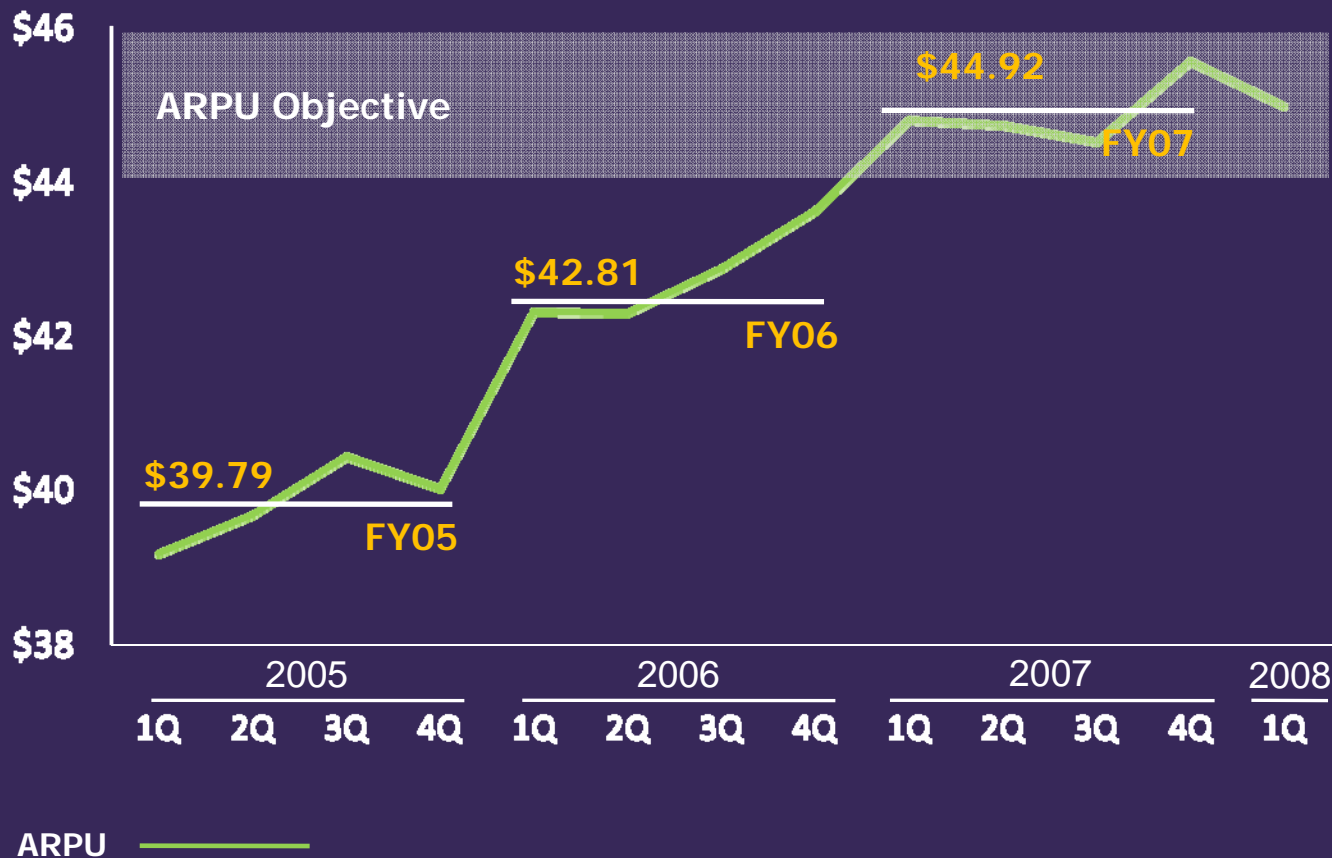


- ❑ Sequential churn is down, as expected, due to seasonality
- ❑ Y-O-Y 1Q08 churn performance improved before upgrades and tenure effect
- ❑ Progress on customer tenure and upgrade activity consistent with expectations
- ❑ Expect to work through tenure effect of pre-2008 launch activity by mid-2008
- ❑ Anticipate that new market launches will follow churn performance similar to experience of A/58 launches

Demonstrated Ability to Manage ARPU While Growing



1Q08 ARPU consistent with expectations at \$44.98

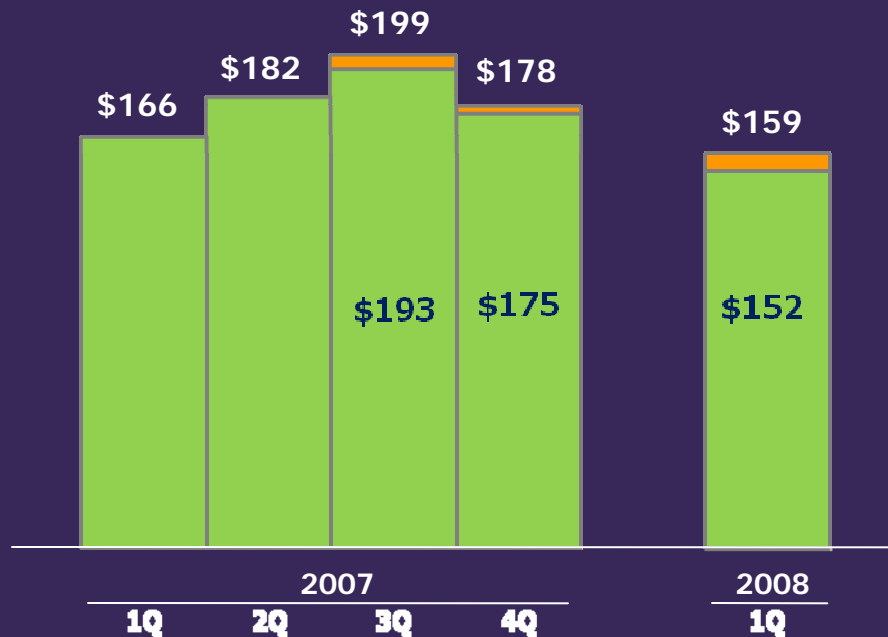


- ARPU has increased \$5.81 since 1Q05 and is flattening as previously disclosed
- Company has built attractive value proposition over a range of price points
 - High value service offerings
 - Targeted offers to address “by the minute” category
- Overall competitive pricing has remained rational
- Expect to balance relationship between ARPU, customer growth and cost

Achieved Attractive CPGA Performance



1Q08 CPGA ahead of expectations at \$159



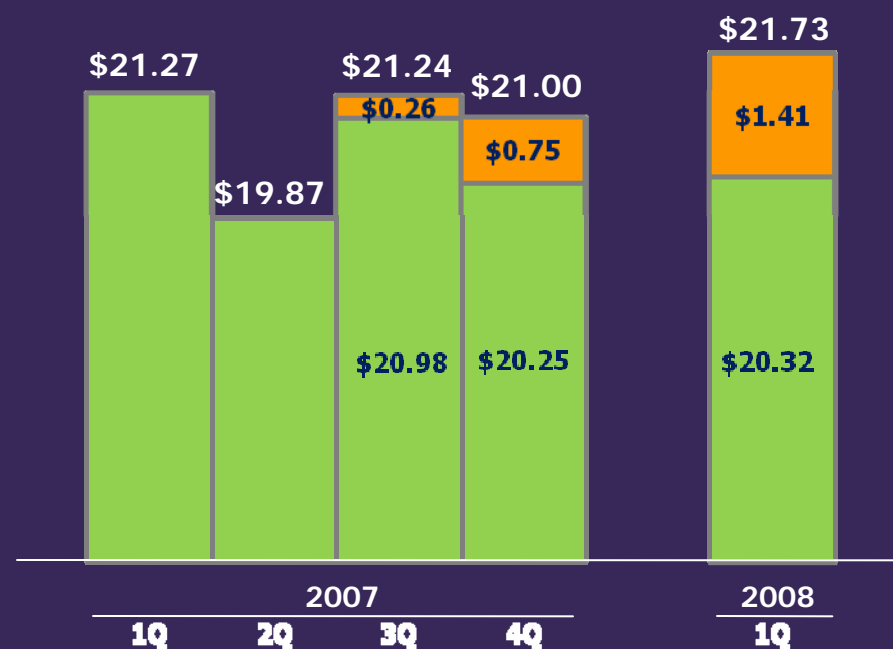
- Existing Business CPGA
- Impact of New Initiatives

- Acquisition costs better than expected with existing business at \$152, before new initiative impact, as a result of lower-than-expected new store launch activity
- New low cost handset supports competitive promotional pricing without increasing subsidy
- New initiative spend of \$7 per gross add in 1Q08 related to new market launches and mobile broadband
- Expect 2008 CPGA to reflect seasonal trends

Delivered CCU Performance



1Q08 CCU consistent with expectations at \$21.73



- Existing Business CCU
- Impact of New Initiatives

- Existing business CCU performed as expected at \$20.32 reflecting:
 - Costs associated with increased footprint – result of change in definition from 4Q07
 - Higher upgrade activity and significant end of life handset purchases
 - Market launch activity
 - Offset by effects of scale
- New initiative spend of \$1.41 per user reflects costs associated with new market launches and mobile broadband
- Expect CCU to remain in low \$20 range through 2008, reflecting declining existing market expenses offset by the new initiatives

Driving Customer Profitability



□ Performance in customer profitability driven by:

- Maintaining ARPU as a result of new product offerings
- CCU performance affected by business expansion offset by benefits of scale
- Continued management of acquisition costs

□ Existing business operating at CCPU of \$19.19

(1) Churn-adjusted CPGA defined as CPGA multiplied by the churn rate

(2) Calculated Contribution Per User defined as ARPU less CCU less churn-adjusted CPGA

(3) Includes costs associated with new market launches and the mobile broadband offering



LEAP



**AHEAD
OF THE
CURVE**

FINANCIAL RESULTS

Continued Y-O-Y Growth in Operating Margins⁽¹⁾



(Unaudited; \$ in millions)	1Q07 As Reported ⁽²⁾	1Q08 As Reported ⁽²⁾	Y-O-Y Margin Improvement	1Q08 Excluding New Initiatives ⁽²⁾⁽³⁾
Service Revenue	\$321.7	\$398.9	-	\$398.7
Operating Income (Loss) <i>% of Service Revenue</i>	(\$1.5) -0.5%	\$26.1 6.5%	7.0%	
Adjusted OIBDA	\$75.1 23.3%	\$118.7 29.8%	6.5%	\$135.0 33.9%
Cost of Service	\$89.8 27.9%	\$110.3 27.7%	-	\$99.3 24.9%
COS - Product	\$21.3 6.6%	\$26.8 6.7%	-0.1%	
COS - Non-Product	\$68.5 21.3%	\$83.5 20.9%	0.4%	
Net Equipment Subsidy	\$50.9 15.8%	\$44.8 11.2%	4.6%	\$44.7 11.2%
Sales & Marketing Expense	\$47.8 14.9%	\$56.7 14.2%	0.7%	\$53.0 13.3%
General & Administrative	\$58.2 18.1%	\$68.5 17.2%	-	\$66.8 16.8%
Customer Care & Billing	\$25.7 8.0%	\$25.7 6.4%	1.6%	
General & Administrative	\$32.5 10.1%	\$42.8 10.7%	-0.6%	

(1) As a percentage of service revenue

(2) Excluding share-based compensation included in cost of service, sales and marketing, customer care and billing and G&A expense

(3) New initiatives include new market launches and broadband initiative

Significant Below the Line Items



(Unaudited; \$ in millions except EPS)

	1Q07	1Q08	\$ Change
Operating Income (Loss)	\$ (1.5)	\$ 26.1	\$ 27.6
Minority Interests in Consolidated Subsidiaries	1.6	(0.8)	(2.4)
Equity in Net Loss of Investee	-	(1.1)	-
Net Interest Expense	(21.2)	(28.6)	(7.4)
Other Expense	(0.6)	(4.0)	(3.4)
Loss Before Income Tax	(21.8)	(8.4)	(13.4)
Income Tax Expense	(2.4)	(9.7)	(7.3)
Net Loss	\$ (24.2)	\$ (18.1)	\$ 6.1
Net Loss per Share	\$ (0.36)	\$ (0.27)	\$ 0.09

Balance Sheet & Cash Flows



(Unaudited; \$ in millions)	<u>12/31/2007</u>	<u>3/31/2008</u>
<u>Unrestricted Cash & Short-Term Investments</u>⁽¹⁾		
Unrestricted Cash	\$ 433	\$ 437
Short-Term Investments	\$ 179	\$ 72
Total Unrestricted Cash & Short-Term Investments	\$ 612	\$ 509

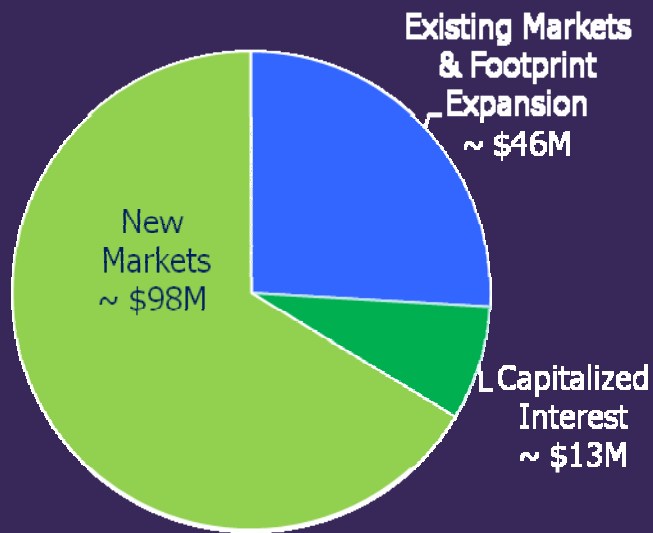
(Unaudited; \$ in thousands)	<u>3 Mths Ended 3/31/2007</u>	<u>3 Mths Ended 3/31/2008</u>
<u>Summary Cash Flow Statement</u>		
Net cash provided by operating activities	\$ 5,122	\$ 135,680
Net cash used in investing activities	\$ 78,847	\$ 127,402
Net cash provided by (used in) financing activities	\$ 1,234	\$ (4,431)
Net increase (decrease) in cash and cash equivalents	\$ (72,491)	\$ 3,847

BOP Cash and cash equivalents	\$ 372,812	\$ 433,337
EOP Cash and cash equivalents	\$ 300,321	\$ 437,184

Capital Expenditures



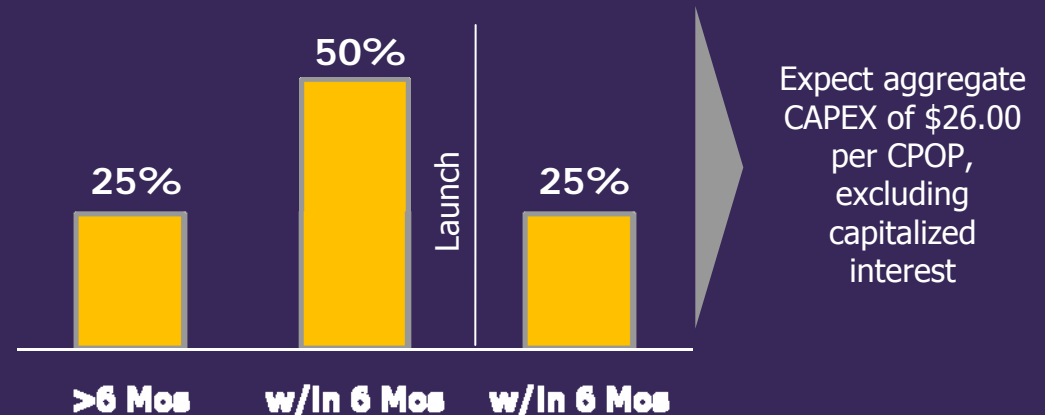
1Q 2008 Results



TOTAL = \$157M

Anticipated Capital Expenditure Profile

□ New Markets:



□ On-Going:

Markets >1 Year

Mid-teens as a percentage of service revenue (1)

(1) Does not include any significant footprint expansion of existing markets



LOOKING TO THE FUTURE

Capturing the Opportunity to Double in Size Again



Company has multiple drivers for additional growth:

- Further penetration in existing markets through:
 - Enhancement of coverage footprint
 - Stronger market presence
 - Improving service offerings
- Expanding role of mobile broadband
 - Planned rollout to additional market clusters
 - Providing initial business outlook
- Launch of new markets with higher relative growth potential



Three year Adjusted OIBDA CAGR Outlook 30% - 40% ^{*(1)}

Improving Our Network and Our Business



□ Initial Results Are Positive

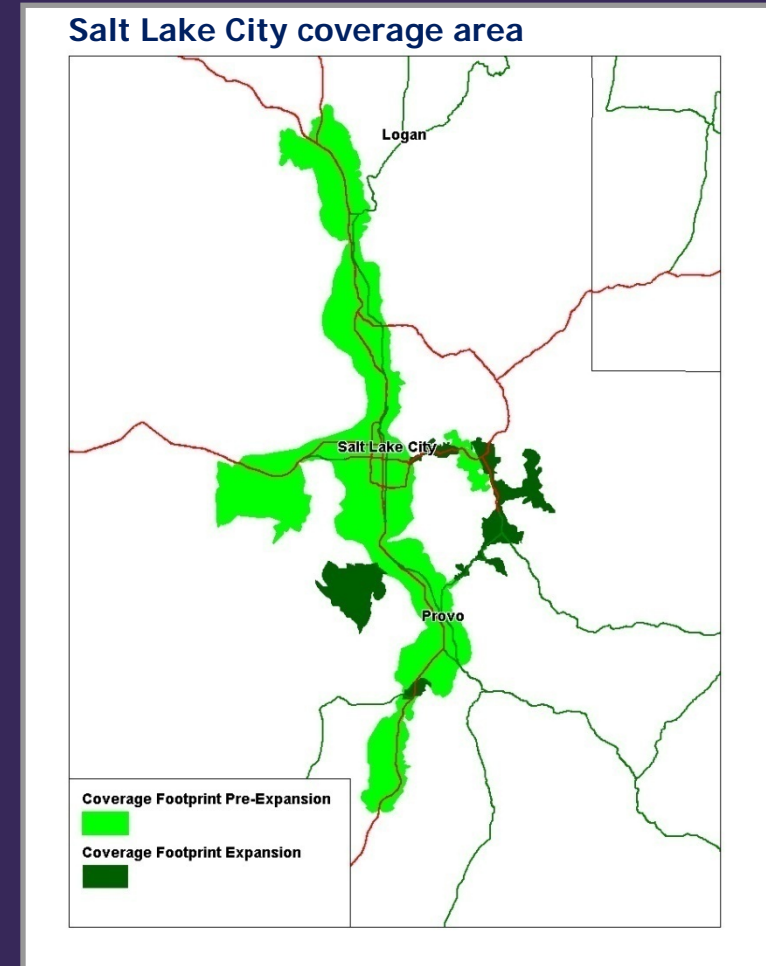
- Through Q108, launched more than 400 of planned expansion of ~600 total sites
- Remaining sites expected to be completed by 1H08
- Early results indicate expansion yielding expected results
 - In most markets increased Y-O-Y sales of 20% or more
 - Improvements in churn being realized

□ Expected Benefits Over Time

- Sales in affected markets may increase in low double digits percentage
- Churn improvement could be between 0.1 to 0.3% points
- Resulting in greater long-term penetration and reduced off-network costs
- > 30% long-term IRR potential*

□ Potential Future Coverage Improvements

- Considering additional footprint expansion beginning in late 2H08 or 1H09
- May extend unlimited Cricket coverage areas through utilization of roaming partner networks

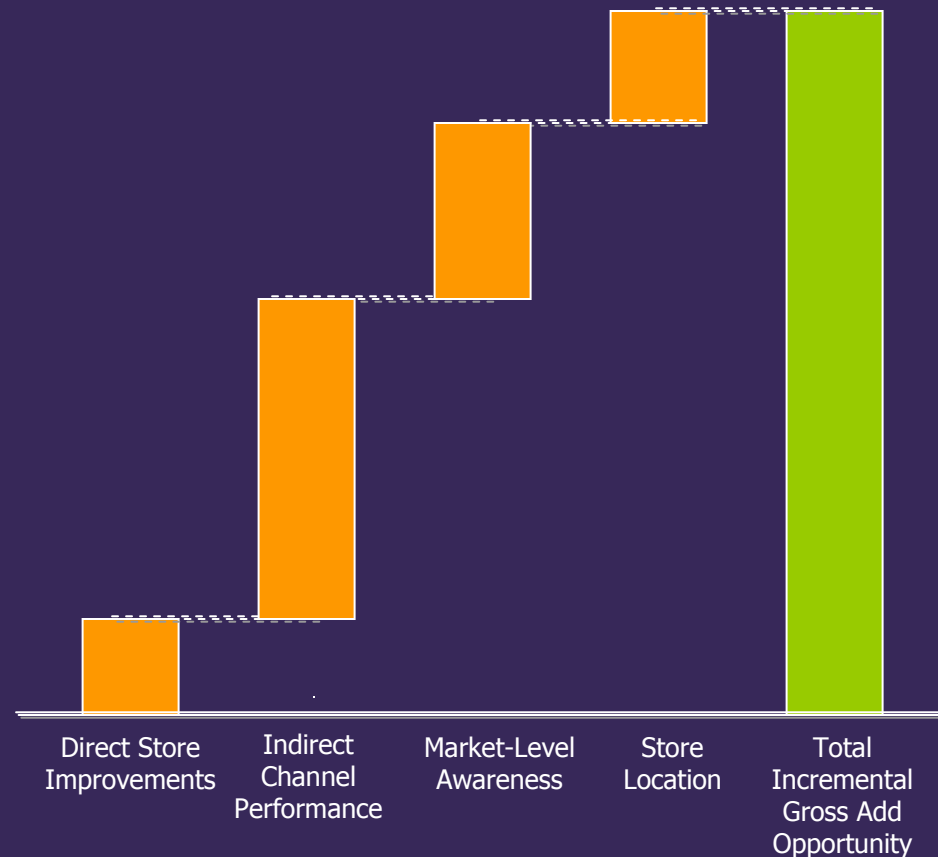


Improvements in Market-Level Presence Expected to Drive Additional Growth



- ❑ Completed a comprehensive analysis across existing markets that identified significant incremental gross add potential
- ❑ Market level gross add drivers
 - Direct store operations improvements
 - Indirect channel performance
 - Market level awareness
 - Store location

Incremental Gross Add Opportunity



New Rate Plan Line-Up Gives More Value To Customers & Offers Strong Entry-Level Pricing



	\$30	\$35	\$40	\$45	\$50	\$60
+ Unlimited Anytime Local Minutes	✓	✓	✓	✓	✓	✓
+ Caller ID	✓	✓	✓	✓	✓	✓
+ Unlimited U.S. Long Distance ⁽¹⁾		✓	✓	✓	✓	✓
+ Unlimited Text, Picture			✓	✓	✓	✓
+ Unlimited Text to Mexico			✓	✓	✓	✓
+ Voice Mail, Caller ID & Call Waiting				✓	✓	✓
+ Unlimited Mobile Web				✓	✓	✓
+ Unlimited Directory Assistance					✓	✓
+ Call Forwarding						✓
+ 30 Nationwide Roaming Minutes					✓	✓
+ 200 Nationwide Roaming Minutes						✓

- ❑ Reflects annual service plan refresh
- ❑ New plans will be available starting today

FEATURE PACKAGES

Nationwide Roaming
\$5, \$10 & \$15 increments/mo

Flex Bucket
\$5 & \$15 increments/mo

Handset Replacement
\$4.95/mo

Unlimited Directory Assistance
\$2.00/mo

Ringback tones
\$5/mo

Family Plans
\$5 off/mo

Unlimited Mobile Web
\$5.00/mo

International Long Distance⁽²⁾
Per minute based on country

⁽¹⁾ U.S. long distance includes Alaska and Puerto Rico






⁽²⁾ International long distance available to over 100 countries



Real Unlimited at the Best Price



Comparison of Select "Unlimited" Service Plans

	Unlimited Plan Price	Talk	Text	Pix	Video	Mobile Web	Global Text	411	Contract	Term Fee	Activation Fee
	\$50	✓	✓	✓	✓	✓	✓	✓	No	No	\$15
	\$99	✓	✓	✓	✓	✓	\$0.20	\$1.79 /call	Min. 2 years	\$200	\$36
	\$99	✓	✓	✓	✓	\$5.99	✓	\$1.25 ea. call	Min. 1 year	\$200	\$35
	\$99	✓	\$0.20	\$0.25	\$0.25	\$15.00	\$0.50	\$1.00 ea. call	Min. 2 years	\$175	\$36
	\$99	✓	\$0.20	\$0.25	\$0.25	\$15.00	\$0.25	\$1.49 ea. call	Min. 1 year	\$175	\$35

✓ Feature included in unlimited pricing plan

Upgraded Networks Provide Product Portfolio Opportunities



Major New Product Initiatives Expected to Grow Revenue

- ❑ Company utilizes EvDO Rev. A ready or operating networks across entire footprint
 - Existing markets have one full EvDO carrier and connectivity to data superhighway
 - Expect approximately \$6M of fixed costs associated with EvDO per quarter included in new initiative burn rate through 2008
- ❑ Migration path to Rev. A in place
 - Overlaid most markets with 10mhz additional spectrum
 - New AWS markets launching with Rev. A
 - Existing business requires software upgrade only
- ❑ Provides capability to expand mobile data applications
 - Mobile video, music, social networking, e-mail
 - Cricket customers:
 - Heavy users of social networking and mobile email
 - Indicate high interest in mobile video and streaming music
- ❑ Allows capture of wireless broadband opportunity



Cricket Wireless Internet Service Update



- ❑ Unlimited monthly access with speeds comparable to DSL
- ❑ UTStarcom UM100C - the first Rev. A tri-band USB device in the world
- ❑ Universal device - works in desktop and laptop computers
- ❑ Comparable to or better than many other mobile broadband products

\$40*
PER MONTH

**No Contract
No Cable
No Kidding**

**Sign up today
and your first month is free**

***Save an additional \$5 per month when bundled with a Cricket unlimited voice plan.**



DESKTOP?
LAPTOP?
UNLIMITED

CRICKET WIRELESS
INTERNET SERVICE
only
\$35 /MO
when bundled with a
Cricket unlimited voice plan

CITY
STORE
ADDRESS
PHONE

cricket
wireless

Compatible
with any
computer
that has a
USB port

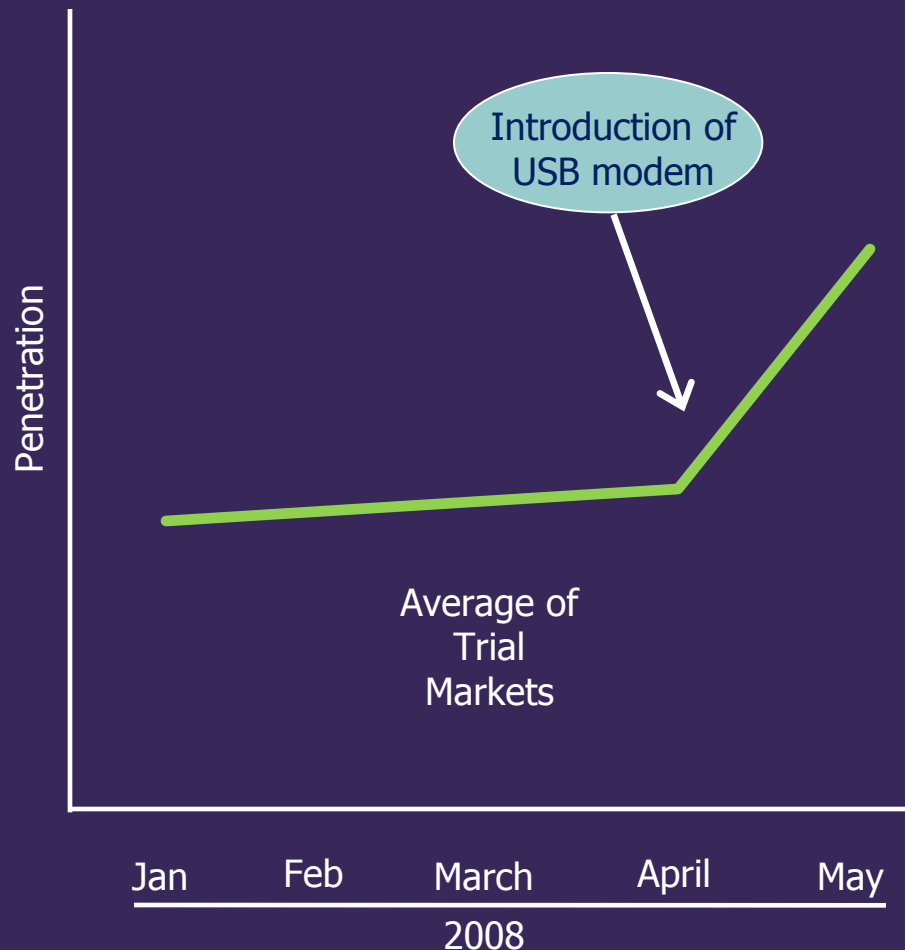
Throughput may be limited if use exceeds 5GB per month.
Internet browsing does not include: hosted computer
applications, continuous web camera or broadcast, automatic
data feeds, machine-to-machine connections, peer-to-peer
(P2P) connections or other applications that degrade network
capacity or functionality.
Requires new activation and up to \$20 activation fee. Taxes and fees extra.
Unlimited coverage not available everywhere; coverage maps at mycricketwireless.com. Terms, conditions and other restrictions apply. See stores for details. © 2008
Cricket Communications, Inc. 119342-4/08

Device Pricing
\$149 MSRP, \$99 with mail-in rebate

USB Modem Changes Trajectory of Wireless Broadband Access Growth



Broadband has moved beyond trial phase



Broadband Business Outlook⁽¹⁾

- ❑ ~10k customers by 2Q08
- ❑ 1st year penetration: ~0.5%
- ❑ Market-Level OIBDA \$/Covered POP:
 - < \$0.50 until break-even
- ❑ Market-Level OIBDA Break-Even Projected:
 - Within three full quarters after launch
- ❑ Total Covered POPs:
 - 7.5M 1Q08
 - ~13.5M 2Q08

⁽¹⁾As disclosed in Leap's 1Q08 earnings conference call on 5/9/08

Improvements to Business Through Acquisition

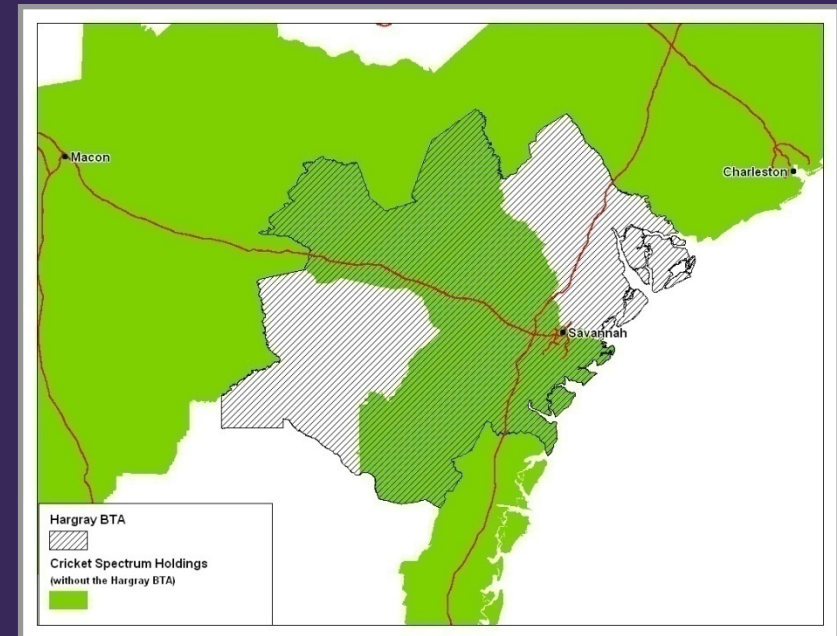


□ Hargray Wireless, LLC

- \$30M acquisition, closed 4/08
- Adjacent to existing licenses adding Savannah & Hilton Head
- Offering mobile voice for bundled offering by ILEC
- Adds ~46K subscribers and ~0.6M CPOPs in 2Q08
- Network upgrade underway

□ Other potential opportunities

- Exploring opportunities to supplement existing spectrum, fill-in gaps, and expand footprint
- Acquisition benefits expected to include improved penetration, reduced churn, and lower costs



Next Phase of New Market Expansion



- Have acquired a significant portfolio of nearly 187M licensed POPs*
 - Spectrum in 35 of top 50 U.S. markets
 - Up to 85M additional potential covered POPs
 - Overlaid majority of footprint with additional spectrum
- Company has been and remains a disciplined, value purchaser of spectrum
 - Average Leap/DE partner acquisition price for Auction #58 was \$1.11/MHz/POP and for Auction #66 was \$.41/MHz/POP
 - No purchases made in Auction #73
 - A spectrum exchange pending
- May increase footprint through an Affiliate Program
 - Expected to be primarily focused on smaller markets
 - Creation of complementary clusters
 - May retain significant interest

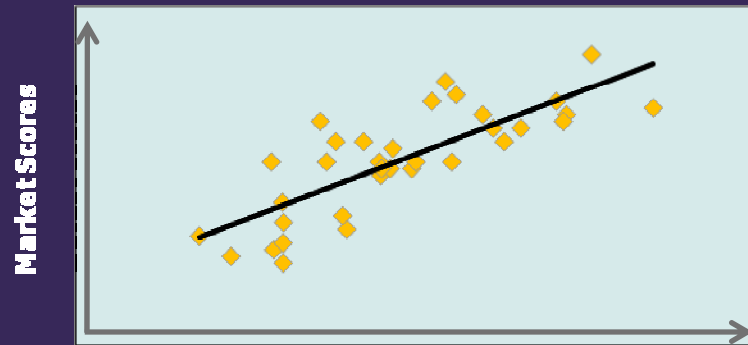
*Company and its DE partners

Market Characteristics and Penetration Performance

Validate Potential Growth Opportunity



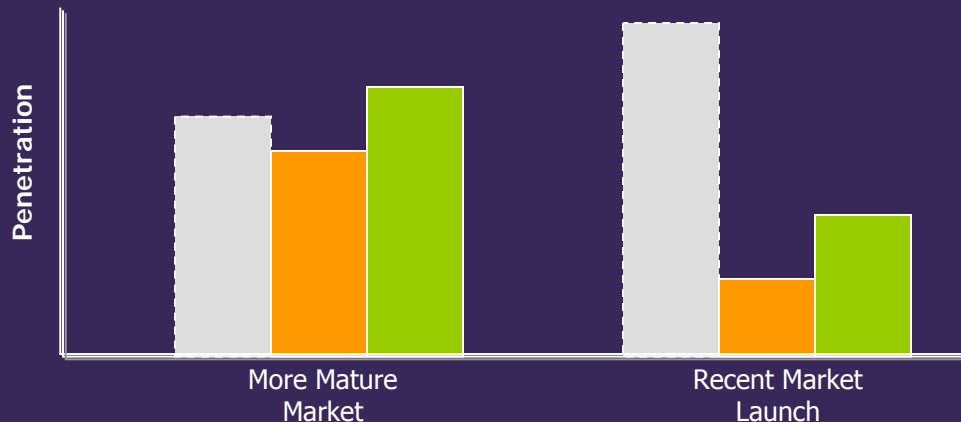
Market Quality Scores



Penetration of Covered Pops

- Penetration strongly correlates to ethnic diversity, income, and relative coverage
 - Enables estimates of penetration potential by market
 - Explains ~60% of variance
 - Indicates return potential

Market Score vs. Actual Penetration



- Enables penetration outlook across markets
 - 30% of markets have surpassed market score penetration level and continue to grow
 - Most markets expected to achieve their market score penetration potential

- Market Score Target Penetration
- Cricket actual Penetration 1Q2007
- Cricket actual Penetration 1Q2008

Improved Market Quality Expected To Support Further Attractive Growth



- Focus on relative market quality and cost drives decisions
 - Reduces risk
 - Increases potential return



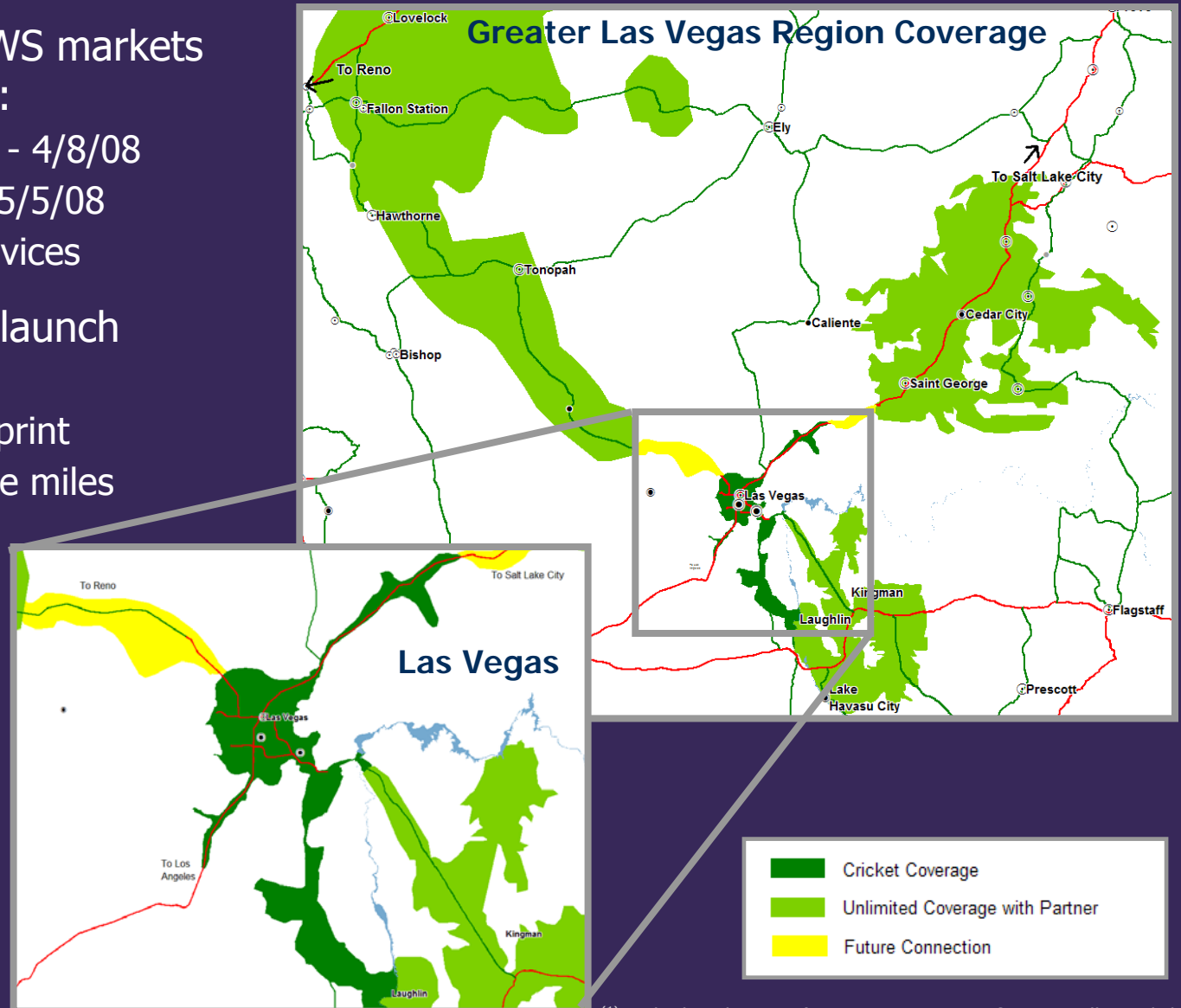
Source: Leap Wireless

Note: Leap's analysis is that market quality score accounts for more than 60% of variability in observed market penetration.

Near Term Market Launches Underway



- ❑ Launched first AWS markets with EvDO Rev.A:
 - Oklahoma City - 4/8/08
 - South Texas - 5/5/08
 - Four Rev. A devices
- ❑ Las Vegas set to launch 5/13/08
 - Expanded footprint
 - ~41,000 square miles
- ❑ Expect to launch 8M covered POPs by end of Q2⁽¹⁾
- ❑ Additional markets under development

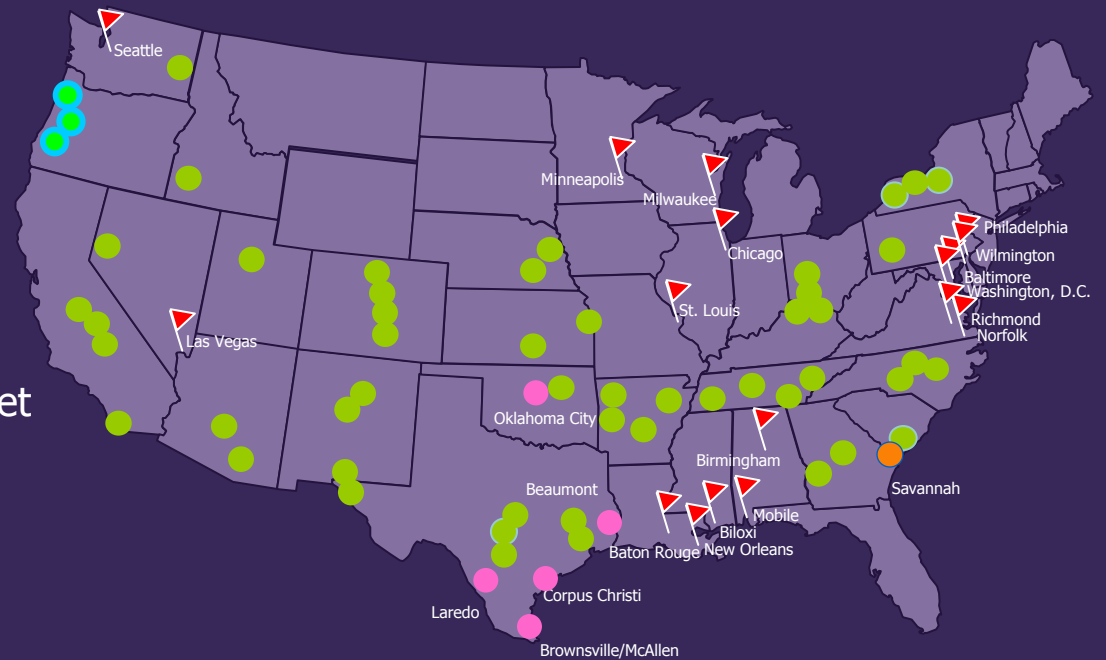


⁽¹⁾As disclosed in Leap's 1Q08 earnings conference call on 5/9/08

Auction #66: New Markets with Improved Quality



- ❑ Market launches began in 2Q08⁽³⁾
 - Up to 36M POPs by 1H09
 - Up to 50M POPs by YE10
- ❑ Additional AWS handsets anticipated
 - Transition to tri-band handset line-up expected by year end
 - Increasing Rev. A ready handset selection
- ❑ Spectrum is available for our planned near term launches



New Market Buildout Expectations⁽³⁾

- ❑ Capex \$/CPOP: ~\$26.00 (thru 1st year)
- ❑ Opex \$/CPOP: ~\$5.00
- ❑ New Market OIBDA Break-Even Projected:
 - Within 4 Full Quarters After Market Launch

Leap

- Markets in Operation
- JV Markets in Operation
- Expansion Markets in Operation⁽¹⁾
- ▲ Potential New Markets in Development including Denali Spectrum License⁽²⁾
- Hargray Wireless (4/1/08)

(1) Expansion markets in operation as of May 8, 2008
 (2) Denali Spectrum License, LLC, is a wholly owned subsidiary of Denali Spectrum, LLC, an entity in which we own an indirect 82.5% non-controlling interest
 (3) As disclosed in Leap's 1Q08 earnings conference call on 5/9/08



LEAP



SUMMARY

Leap: A Continuing Strong Growth Story



- ❑ Results Delivered
 - Continued customer growth
 - Delivered on ARPU objective
 - Y-O-Y growth in financial performance
- ❑ Resilient Business
 - Proven, scalable business model
- ❑ Attractive Future Opportunities
 - Further growth from existing business
 - Expansion of broadband
 - Another doubling of footprint
- ❑ Disciplined Long-Term Approach to Growth and Expansion



Leap Wireless International, Inc.

