
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2015
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File number 1-04721

SPRINT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

46-1170005

(I.R.S. Employer Identification No.)

6200 Sprint Parkway, Overland Park, Kansas

(Address of principal executive offices)

66251

(Zip Code)

Registrant's telephone number, including area code: (855) 848-3280

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐ No ☒

COMMON SHARES OUTSTANDING AT NOVEMBER 2, 2015 :

Sprint Corporation Common Stock	3,969,872,033
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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

SPRINT CORPORATION CONSOLIDATED BALANCE SHEETS

	September 30, 2015	March 31, 2015
<i>(in millions, except share and per share data)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,972	\$ 4,010
Short-term investments	103	166
Accounts and notes receivable, net of allowance for doubtful accounts and deferred interest of \$199 and \$204, respectively	1,980	2,290
Device and accessory inventory	889	1,359
Deferred tax assets	63	62
Prepaid expenses and other current assets	2,089	1,890
Total current assets	7,096	9,777
Property, plant and equipment, net	21,061	19,721
Intangible assets		
Goodwill	6,575	6,575
FCC licenses and other	40,025	39,987
Definite-lived intangible assets, net	5,155	5,893
Other assets	939	1,077
Total assets	\$ 80,851	\$ 83,030
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,527	\$ 4,347
Accrued expenses and other current liabilities	4,333	5,293
Current portion of long-term debt, financing and capital lease obligations	1,395	1,300
Total current liabilities	9,255	10,940
Long-term debt, financing and capital lease obligations	32,570	32,531
Deferred tax liabilities	13,929	13,898
Other liabilities	3,940	3,951
Total liabilities	59,694	61,320
Commitments and contingencies		
Stockholders' equity:		
Common stock, voting, par value \$0.01 per share, 9.0 billion authorized, 3.969 billion and 3.967 billion issued, respectively	40	40
Treasury shares, at cost	—	(7)
Paid-in capital	27,517	27,468
Accumulated deficit	(5,988)	(5,383)
Accumulated other comprehensive loss	(412)	(408)
Total stockholders' equity	21,157	21,710
Total liabilities and stockholders' equity	\$ 80,851	\$ 83,030

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
<i>(in millions, except per share amounts)</i>				
Net operating revenues:				
Service	\$ 6,880	\$ 7,449	\$ 13,917	\$ 15,132
Equipment	1,095	1,039	2,085	2,145
	<u>7,975</u>	<u>8,488</u>	<u>16,002</u>	<u>17,277</u>
Net operating expenses:				
Cost of services (exclusive of depreciation and amortization included below)	2,453	2,429	4,846	4,949
Cost of products (exclusive of depreciation and amortization included below)	1,290	2,372	2,655	4,530
Selling, general and administrative	2,224	2,301	4,411	4,585
Impairments	85	—	85	—
Severance and exit costs	25	284	38	311
Depreciation	1,412	898	2,653	1,766
Amortization	331	396	678	809
Other, net	157	—	137	—
	<u>7,977</u>	<u>8,680</u>	<u>15,503</u>	<u>16,950</u>
Operating (loss) income	<u>(2)</u>	<u>(192)</u>	<u>499</u>	<u>327</u>
Other expense:				
Interest expense	(542)	(510)	(1,084)	(1,022)
Other income, net	5	8	9	9
	<u>(537)</u>	<u>(502)</u>	<u>(1,075)</u>	<u>(1,013)</u>
Loss before income taxes	(539)	(694)	(576)	(686)
Income tax expense	(46)	(71)	(29)	(56)
Net loss	<u>\$ (585)</u>	<u>\$ (765)</u>	<u>\$ (605)</u>	<u>\$ (742)</u>
Basic net loss per common share	<u>\$ (0.15)</u>	<u>\$ (0.19)</u>	<u>\$ (0.15)</u>	<u>\$ (0.19)</u>
Diluted net loss per common share	<u>\$ (0.15)</u>	<u>\$ (0.19)</u>	<u>\$ (0.15)</u>	<u>\$ (0.19)</u>
Basic weighted average common shares outstanding	<u>3,969</u>	<u>3,949</u>	<u>3,968</u>	<u>3,947</u>
Diluted weighted average common shares outstanding	<u>3,969</u>	<u>3,949</u>	<u>3,968</u>	<u>3,947</u>
Other comprehensive (loss) income, net of tax:				
Net unrealized holding (losses) gains on securities and other	\$ (9)	\$ (6)	\$ (7)	\$ (6)
Net unrecognized net periodic pension and other postretirement benefits	1	(1)	3	(1)
Other comprehensive (loss) income	(8)	(7)	(4)	(7)
Comprehensive loss	<u>\$ (593)</u>	<u>\$ (772)</u>	<u>\$ (609)</u>	<u>\$ (749)</u>

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
	September 30,	
	2015	2014
	(in millions)	
Cash flows from operating activities:		
Net loss	\$ (605)	\$ (742)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Impairments	85	—
Depreciation and amortization	3,331	2,575
Provision for losses on accounts receivable	278	493
Share-based and long-term incentive compensation expense	40	65
Deferred income tax expense	28	28
Amortization of long-term debt premiums, net	(157)	(149)
Other changes in assets and liabilities:		
Accounts and notes receivable	(1,357)	(828)
Inventories and other current assets	173	(155)
Accounts payable and other current liabilities	(509)	503
Non-current assets and liabilities, net	125	(146)
Other, net	365	63
Net cash provided by operating activities	1,797	1,707
Cash flows from investing activities:		
Capital expenditures - network and other	(2,964)	(2,389)
Capital expenditures - leased devices	(1,117)	—
Expenditures relating to FCC licenses	(45)	(79)
Reimbursements relating to FCC licenses	—	95
Proceeds from sales and maturities of short-term investments	279	1,842
Purchases of short-term investments	(216)	(1,789)
Proceeds from sales of assets and FCC licenses	4	101
Other, net	(21)	(6)
Net cash used in investing activities	(4,080)	(2,225)
Cash flows from financing activities:		
Proceeds from debt and financings	434	—
Repayments of debt, financing and capital lease obligations	(206)	(363)
Proceeds from issuance of common stock, net	8	46
Other, net	9	—
Net cash provided by (used in) financing activities	245	(317)
Net decrease in cash and cash equivalents	(2,038)	(835)
Cash and cash equivalents, beginning of period	4,010	4,970
Cash and cash equivalents, end of period	\$ 1,972	\$ 4,135

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in millions)

	Common Stock		Paid-in Capital	Treasury Shares		Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount		Shares	Amount			
Balance, March 31, 2015	3,967	\$ 40	\$ 27,468	1	\$ (7)	\$ (5,383)	\$ (408)	\$ 21,710
Net loss						(605)		(605)
Other comprehensive loss, net of tax							(4)	(4)
Issuance of common stock, net	2		1	(1)	7			8
Share-based compensation expense			38					38
Capital contribution by SoftBank			10					10
Balance, September 30, 2015	<u>3,969</u>	<u>\$ 40</u>	<u>\$ 27,517</u>	<u>—</u>	<u>\$ —</u>	<u>\$ (5,988)</u>	<u>\$ (412)</u>	<u>\$ 21,157</u>

See Notes to the Consolidated Financial Statements

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X for interim financial information. All normal recurring adjustments considered necessary for a fair presentation have been included. Certain disclosures normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) have been omitted. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes contained in our annual report on Form 10-K for the year ended March 31, 2015. Unless the context otherwise requires, references to "Sprint," "we," "us," "our" and the "Company" mean Sprint Corporation and its consolidated subsidiaries for all periods presented, and references to "Sprint Communications" are to Sprint Communications, Inc. and its consolidated subsidiaries.

The preparation of the unaudited interim consolidated financial statements requires management of the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities at the date of the unaudited interim consolidated financial statements. These estimates are inherently subject to judgment and actual results could differ.

Certain prior period amounts have been reclassified to conform to the current period presentation.

Note 2. New Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board (FASB) issued authoritative guidance regarding *Reporting of Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which changes the criteria for determining which disposals can be presented as discontinued operations and modifies related disclosure requirements. The updated guidance defines discontinued operations as a disposal of a component or group of components that is disposed of or is classified as held for sale and represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results. Additionally, the disclosure requirements for discontinued operations were expanded and new disclosures for individually significant dispositions that do not qualify as discontinued operations are required. The guidance is effective prospectively for fiscal years and interim reporting periods within those years beginning after December 15, 2014, with early adoption permitted for transactions that have not been reported in financial statements previously issued or available for issuance. The standard was effective for the Company's fiscal year beginning April 1, 2015 and will be applied to relevant transactions.

In May 2014, the FASB issued new authoritative literature, *Revenue from Contracts with Customers*. The issuance is part of a joint effort by the FASB and the International Accounting Standards Board (IASB) to enhance financial reporting by creating common revenue recognition guidance for U.S. GAAP and International Financial Reporting Standards and, thereby, improving the consistency of requirements, comparability of practices and usefulness of disclosures. The new standard will supersede much of the existing authoritative literature for revenue recognition. In July 2015, the FASB deferred the effective date of this standard. As a result, the standard and related amendments will be effective for the Company for its annual reporting period beginning April 1, 2018, including interim periods within that reporting period. Early application is permitted, but not before the original effective date of April 1, 2017. Entities are allowed to transition to the new standard by either retrospective application or recognizing the cumulative effect. The Company is currently evaluating the guidance, including which transition approach will be applied and the estimated impact it will have on our consolidated financial statements.

In June 2014, the FASB issued authoritative guidance regarding *Compensation - Stock Compensation*, which provides guidance on how to treat performance targets that can be achieved after the requisite service period. The updated guidance requires that a performance target that affects vesting and could be achieved after the requisite service period be treated as a performance condition and accounted for under current guidance as opposed to a nonvesting condition that would impact the grant-date fair value of the award. The guidance is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015 with early adoption permitted. Entities may apply the amendments either (i) prospectively to all awards granted or modified after the effective date; or (ii) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter with the cumulative effect as an adjustment to the opening retained earnings.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

balance as of the beginning of the earliest annual period presented. The Company does not expect the adoption of this guidance to have a material effect on our consolidated financial statements.

In August 2014, the FASB issued authoritative guidance regarding *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires management to assess an entity's ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. The updated guidance requires management to perform interim and annual assessments on whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued and to provide related disclosures, if required. The standard will be effective for the Company's fiscal year ending March 31, 2017, although early adoption is permitted. The Company will evaluate the standard, as necessary, upon adoption.

In January 2015, the FASB issued authoritative guidance on *Extraordinary and Unusual Items*, eliminating the concept of extraordinary items. The issuance is part of the FASB's initiative to reduce complexity in accounting standards. Under the current guidance, an entity is required to separately classify, present and disclose events and transactions that meet the criteria for extraordinary classification. Under the new guidance, reporting entities will no longer be required to consider whether an underlying event or transaction is extraordinary, however, presentation and disclosure guidance for items that are unusual in nature or occur infrequently was retained and expanded to include items that are both unusual in nature and infrequently occurring. The amendments are effective for the Company's fiscal year beginning April 1, 2016, although early adoption is permitted if applied from the beginning of a fiscal year. The Company does not expect the adoption of this guidance to have a material effect on our consolidated financial statements.

In February 2015, the FASB issued authoritative guidance regarding *Consolidation*, which provides guidance to management when evaluating whether they should consolidate certain legal entities. The updated guidance modifies evaluation criteria of limited partnerships and similar legal entities, eliminates the presumption that a general partner should consolidate a limited partnership, and affects the consolidation analysis of reporting entities that are involved with variable interest entities, particularly those that have fee arrangements and related party relationships. All legal entities will be subject to reevaluation under the revised consolidation model. The standard will be effective for the Company's fiscal year beginning April 1, 2016, including interim reporting periods within that fiscal year, although early adoption is permitted. The Company is currently evaluating the guidance and assessing the impact it will have on our consolidated financial statements.

In April 2015, the FASB issued authoritative guidance regarding *Interest - Imputation of Interest*, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The guidance is effective for fiscal years and interim reporting periods within those years beginning after December 31, 2015, with early adoption permitted. The standard will be effective for the Company's fiscal year beginning April 1, 2016. In August 2015, the FASB added SEC paragraphs to this guidance which address the presentation and subsequent measurement of debt issuance costs associated with line-of-credit arrangements. The Company does not expect the adoption of this guidance to have a material effect on our consolidated financial statements.

In July 2015, the FASB issued authoritative guidance regarding *Inventory*, which simplifies the subsequent measurement of certain inventories by replacing today's lower of cost or market test with a lower of cost and net realizable value test. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The guidance is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, although early adoption is permitted. The standard will be effective for the Company's fiscal year beginning April 1, 2017. The Company does not expect the adoption of this guidance to have a material effect on our consolidated financial statements.

In September 2015, the FASB issued authoritative guidance amending *Business Combinations*, which requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined, including the cumulative effect of the change in provisional amount as if the accounting had been completed at the acquisition date. The adjustments related to previous reporting periods since the acquisition date must be disclosed by income statement line item either on the face of the income statement or in the notes. The guidance is effective for fiscal years and interim reporting periods within those years beginning after December 15, 2015, with early application permitted for financial statements that have not been issued. The amendments are to be

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

applied prospectively to adjustments that occur after the effective date. The amendments will be effective for the Company for the fiscal year beginning April 1, 2016 and will be applied, as necessary, to future business combinations.

Note 3. Accounts Receivable Facility

Transaction Overview

On May 16, 2014, certain wholly-owned subsidiaries of Sprint entered into a two -year committed facility (Receivables Facility) to sell certain accounts receivable, including our installment and wireless service receivables (the Receivables) on a revolving basis, subject to a maximum funding limit. The Receivables Facility was amended in April 2015, which extended the expiration date to March 31, 2017 and increased the maximum funding limit to \$3.3 billion . The available funding varies based on the amount of eligible receivables (as defined in the Receivables Facility). In connection with the Receivables Facility, Sprint formed wholly-owned subsidiaries that are bankruptcy-remote special purpose entities (SPEs). Pursuant to the Receivables Facility, certain Sprint subsidiaries (Originators) transfer Receivables to the SPEs. Receivables contributed by the Originators to the SPEs and available to be sold to the unaffiliated multi-seller asset-backed commercial paper conduits (Conduits) and other financial institutions (together with the Conduits, "Investors") primarily consisted of installment receivables and wireless service charges due from subscribers. The SPEs then may sell the Receivables to a bank agent on behalf of the Investors or their sponsoring banks. Sales of eligible Receivables by the SPEs, once initiated, generally occur daily and are settled on a monthly basis. Sprint pays a fee for the drawn and undrawn portions of the Receivables Facility. A subsidiary of Sprint services the Receivables in exchange for a monthly servicing fee, and Sprint guarantees the performance of the servicer's and the Originator's obligations under the Receivables Facility. The fees associated with the Receivables Facility are recognized in selling, general and administrative expenses on the consolidated statements of comprehensive loss.

Receivables sold to the Investors are treated as a sale of financial assets. Upon sale, Sprint derecognizes the Receivables, as well as the related allowances, and recognizes the net proceeds received in cash provided by operating activities. The difference between the Receivables sold and the cash received, which represents a financial asset due to Sprint from the Investors, is referred by us as the deferred purchase price (DPP). The DPP is realizable by Sprint contingent upon the cash collections on all of the Receivables sold to the Investors. The DPP is classified as a trading security within "Prepaid expenses and other current assets" on the consolidated balance sheet and is recorded at its estimated fair value. The fair value of the DPP is estimated using a discounted cash flow model, which relies principally on unobservable inputs such as the nature of the sold Receivables and subscriber payment history. Changes in the fair value of the DPP are recognized in operating income on the consolidated statements of comprehensive loss.

On March 31, 2015, we sold approximately \$1.8 billion of service receivables to the Investors in exchange for \$500 million in cash (reflected within the change in accounts and notes receivable on the consolidated statement of cash flows) and a DPP of \$1.3 billion , with an estimated fair value of \$1.2 billion . In accordance with our rights under the Receivables Facility and to facilitate the execution of the April 2015 amendment discussed above, in April 2015 Sprint elected to temporarily suspend sales of receivables by the SPEs to the Investors and remitted payments received to the Investors to reduce the funded amount to zero. In September 2015, we sold net service receivables of approximately \$1.8 billion to the Investors in exchange for \$400 million in cash and \$1.4 billion of DPP. As of September 30, 2015 , the amount of our installment receivables held by the SPEs, which were not sold to the banks, was \$1.1 billion . As of September 30, 2015 , the total amount available under the Receivables Facility was \$944 million .

In October 2015, we sold net installment receivables of approximately \$1.1 billion under the Receivables Facility in exchange for \$100 million in cash and \$1.0 billion of DPP. In addition, we elected to receive \$300 million of cash in respect of the service receivables sold to the Investors, which reduced the amount of DPP due to Sprint. The total amount available under the Receivables Facility and the total amount of the DPP was \$587 million and \$2.1 billion , respectively, immediately after the October 2015 sale of Receivables. In accordance with the Receivable Facility, we will continue to sell all Receivables to the Investors in exchange for a combination of both DPP and cash. The total amount of cash we elect to receive is dependent upon our liquidity requirements and is limited to the total amount available under the Receivables Facility, which fluctuates over time based on the total amount of Receivables generated during the normal course of our business.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Each SPE's sole business consists of the purchase or acceptance through capital contributions of the Receivables from the Originators and the subsequent retransfer of, or granting of a security interest in, such Receivables to the bank agent under the Receivables Facility. In addition, each SPE is a separate legal entity with its own separate creditors who will be entitled, prior to and upon the liquidation of the SPE, to be satisfied out of the SPE's assets prior to any assets or value in the SPE becoming available to the Originators or Sprint. Accordingly, the assets of the SPE are not available to pay creditors of Sprint or any of its affiliates (other than any other SPE), although collections from these receivables in excess of amounts required to pay the investment, yield and fees of the Investors and other creditors of the SPEs may be remitted to the Originators and Sprint during and after the term of the Receivables Facility.

Continuing Involvement

Sprint has continuing involvement in the Receivables sold by the SPEs to the Investors because a subsidiary of Sprint services the Receivables. Additionally, in accordance with the Receivables Facility, Sprint is required to repurchase aged Receivables, or those that will be written off in accordance with Sprint's credit and collection policies, both of which result from subscriber non-payment. Sprint recognizes assets and liabilities, as applicable, with respect to its continuing involvement at fair value. Sprint's continuing involvement did not have a material impact on its financial statements as of September 30, 2015.

Variable Interest Entity

Sprint determined the Conduits are considered variable interest entities because they lack sufficient equity to finance their activities. Sprint's interest in the Receivables purchased by the Conduits, which is comprised of the net receivable due to Sprint, is not considered a variable interest because it is in assets that represent less than 50% of the total activity of the Conduits.

Note 4. Installment Receivables

Certain subscribers have the option to purchase their devices in installments up to a 24 -month period. Short-term installment receivables are recorded in "Accounts and notes receivable, net" and long-term installment receivables are recorded in "Other assets" in the consolidated balance sheets.

The following table summarizes the installment receivables:

	September 30, 2015	March 31, 2015
	<i>(in millions)</i>	
Installment receivables, gross	\$ 1,387	\$ 1,725
Deferred interest	(96)	(139)
Installment receivables, net of deferred interest	1,291	1,586
Allowance for credit losses	(178)	(190)
Installment receivables, net	<u>\$ 1,113</u>	<u>\$ 1,396</u>

Classified on the consolidated balance sheets as:

Accounts and notes receivable, net	\$ 929	\$ 1,035
Other assets	184	361
Installment receivables, net	<u>\$ 1,113</u>	<u>\$ 1,396</u>

The balance and aging of installment receivables on a gross basis by credit category were as follows:

	September 30, 2015			March 31, 2015		
	Prime	Subprime	Total	Prime	Subprime	Total
	<i>(in millions)</i>					
Unbilled	\$ 965	\$ 293	\$ 1,258	\$ 1,243	\$ 359	\$ 1,602
Billed - current	67	22	89	65	22	87
Billed - past due	24	16	40	21	15	36
Installment receivables, gross	<u>\$ 1,056</u>	<u>\$ 331</u>	<u>\$ 1,387</u>	<u>\$ 1,329</u>	<u>\$ 396</u>	<u>\$ 1,725</u>

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Activity in the deferred interest and allowance for credit losses for the installment receivables is as follows:

	Six Months Ended September 30,	Twelve Months Ended March 31,
	2015	2015
	(in millions)	
Deferred interest and allowance for credit losses, beginning of period	\$ 329	\$ 124
Bad debt expense	93	398
Write-offs, net of recoveries	(105)	(255)
Change in deferred interest on short-term and long-term installment receivables	(43)	62
Deferred interest and allowance for credit losses, end of period	\$ 274	\$ 329

Note 5. Financial Instruments

The carrying amount of cash and cash equivalents, accounts and notes receivable, and accounts payable approximates fair value. Short-term investments (consisting primarily of commercial paper), totaling approximately \$103 million and \$166 million as of September 30, 2015 and March 31, 2015, respectively, are recorded at amortized cost, and the respective carrying amounts approximate fair value. The fair value of marketable equity securities totaling \$46 million and \$40 million as of September 30, 2015 and March 31, 2015, respectively, are measured on a recurring basis using quoted prices in active markets. The estimated fair value of the majority of our current and long-term debt, excluding our credit facilities, is determined based on quoted prices in active markets or by using other observable inputs that are derived principally from, or corroborated by, observable market data.

The following table presents carrying amounts and estimated fair values of current and long-term debt:

			Estimated Fair Value Using Input Type			
	Carrying amount at September 30, 2015	Quoted prices in active markets	Observable	Unobservable	Total estimated fair value	
			(in millions)			
Current and long-term debt	\$ 33,616	\$ 22,301	\$ 4,549	\$ 1,689	\$ 28,539	

			Estimated Fair Value Using Input Type			
	Carrying amount at March 31, 2015	Quoted prices in active markets	Observable	Unobservable	Total estimated fair value	
			(in millions)			
Current and long-term debt	\$ 33,434	\$ 27,238	\$ 4,906	\$ 1,410	\$ 33,554	

Note 6. Property, Plant and Equipment

Property, plant and equipment consists primarily of network equipment and other long-lived assets used to provide service to our subscribers. Non-cash accruals included in property, plant and equipment (excluding leased devices) totaled \$854 million and \$2.1 billion as of September 30, 2015 and 2014, respectively. The following table presents the components of property, plant and equipment and the related accumulated depreciation:

	September 30, 2015	March 31, 2015
	(in millions)	
Land	\$ 266	\$ 266
Network equipment, site costs and related software	20,443	18,990
Buildings and improvements	766	754
Non-network internal use software, office equipment, leased devices and other	5,597	2,979
Construction in progress	1,583	2,090
Less: accumulated depreciation	(7,594)	(5,358)
Property, plant and equipment, net	\$ 21,061	\$ 19,721

In September 2014, Sprint introduced a leasing program, whereby qualified subscribers can lease a device for a contractual period of time. At the end of the lease term, the subscriber has the option to turn in their device, continue leasing their device, or purchase the device. As of September 30, 2015, a majority of our device leases were classified as operating leases. At lease inception, the devices leased through Sprint's direct channels are reclassified from inventory to property, plant

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and equipment. For those devices leased through indirect channels, Sprint purchases the device to be leased from the retailer at lease inception. The devices are then depreciated using the straight-line method to their estimated residual value over the estimated useful life, which is based on the lease term.

The following table presents leased devices and the related accumulated depreciation:

	September 30, 2015	March 31, 2015
	(in millions)	
Leased devices	\$ 4,432	\$ 1,974
Less: accumulated depreciation	(823)	(197)
Leased devices, net	\$ 3,609	\$ 1,777

During the six-month periods ended September 30, 2015 and 2014, there were non-cash transfers to leased devices of approximately \$1.6 billion and \$70 million, respectively, along with a corresponding decrease in "Device and accessory inventory." Non-cash accruals included in leased devices totaled approximately \$206 million and \$1 million as of September 30, 2015 and 2014, respectively, for devices purchased from indirect dealers that were leased to our subscribers.

Impairments

During the three-month period ended September 30, 2015, we recorded \$85 million of asset impairments primarily related to cell site construction costs that are no longer recoverable as a result of changes in the Company's network plans.

Note 7. Intangible Assets

Indefinite-Lived Intangible Assets

Our indefinite-lived intangible assets consist of FCC licenses, which were acquired primarily through FCC auctions and business combinations, certain of our trademarks, and goodwill. At September 30, 2015, we held 1.9 GHz, 800 MHz and 2.5 GHz FCC licenses authorizing the use of radio frequency spectrum to deploy our wireless services. As long as the Company acts within the requirements and constraints of the regulatory authorities, the renewal and extension of these licenses is reasonably certain at minimal cost. Accordingly, we have concluded that FCC licenses are indefinite-lived intangible assets. Goodwill represents the excess of consideration paid over the estimated fair value of net tangible and identifiable intangible assets acquired in business combinations.

	March 31, 2015	Net Additions	September 30, 2015
	(in millions)		
FCC licenses	\$ 35,952	\$ 38	\$ 35,990
Trademarks	4,035	—	4,035
Goodwill	6,575	—	6,575
	\$ 46,562	\$ 38	\$ 46,600

Intangible Assets Subject to Amortization

Customer relationships are amortized using the sum-of-the-months' digits method, while all other definite-lived intangible assets are amortized using the straight line method over the estimated useful lives of the respective assets. We reduce the gross carrying value and associated accumulated amortization when specified intangible assets become fully amortized. Amortization expense related to favorable spectrum and tower leases is recognized in cost of services.

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		September 30, 2015			March 31, 2015		
	Useful Lives	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
(in millions)							
Customer relationships	4 to 8 years	\$ 6,923	\$ (3,449)	\$ 3,474	\$ 6,923	\$ (2,791)	\$ 4,132
Other intangible assets:							
Favorable spectrum leases	23 years	884	(91)	793	884	(71)	813
Favorable tower leases	3 to 7 years	589	(242)	347	589	(189)	400
Trademarks	34 years	520	(35)	485	520	(27)	493
Other	4 to 10 years	78	(22)	56	72	(17)	55
Total other intangible assets		2,071	(390)	1,681	2,065	(304)	1,761
Total definite-lived intangible assets		\$ 8,994	\$ (3,839)	\$ 5,155	\$ 8,988	\$ (3,095)	\$ 5,893

Note 8. Accounts Payable

Accounts payable at September 30, 2015 and March 31, 2015 include liabilities in the amounts of \$76 million and \$90 million, respectively, for checks issued in excess of associated bank balances but not yet presented for collection.

Note 9. Long-Term Debt, Financing and Capital Lease Obligations

	Interest Rates			Maturities			September 30, 2015	March 31, 2015
	(in millions)							
Notes								
Senior notes								
Sprint Corporation	7.13	-	7.88%	2021	-	2025	\$ 10,500	\$ 10,500
Sprint Communications, Inc.	6.00	-	11.50%	2016	-	2022	9,280	9,280
Sprint Capital Corporation	6.88	-	8.75%	2019	-	2032	6,204	6,204
Guaranteed notes								
Sprint Communications, Inc.	7.00	-	9.00%	2018	-	2020	4,000	4,000
Secured notes								
Clearwire Communications LLC ⁽¹⁾	14.75%			2016			300	300
Exchangeable notes								
Clearwire Communications LLC ⁽¹⁾	8.25%			2040			629	629
Credit facilities								
Bank credit facility	3.38%			2018			—	—
Export Development Canada (EDC)	3.78	-	4.08%	2015	-	2019	800	800
Secured equipment credit facilities	1.99	-	2.39%	2017	-	2020	889	610
Financing obligation	6.09%			2021			244	275
Capital lease obligations and other	2.35	-	10.52%	2015	-	2023	173	127
Net premiums							946	1,106
							33,965	33,831
Less current portion							(1,395)	(1,300)
Long-term debt, financing and capital lease obligations							\$ 32,570	\$ 32,531

⁽¹⁾ Notes of Clearwire Communications LLC are also direct obligations of Clearwire Finance, Inc. and are guaranteed by certain Clearwire subsidiaries.

As of September 30, 2015, Sprint Corporation, the parent corporation, had \$10.5 billion in aggregate principal amount of senior notes outstanding. In addition, as of September 30, 2015, the outstanding principal amount of senior notes issued by Sprint Communications, Inc. and Sprint Capital Corporation, guaranteed notes issued by Sprint Communications, Inc., exchangeable notes issued by Clearwire Communications LLC, the EDC agreement, and the secured equipment credit facilities, totaling \$21.9 billion in principal amount of our long-term debt issued by 100% owned subsidiaries, was fully and

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unconditionally guaranteed by Sprint Corporation. The indenture governing the secured notes of Clearwire Communications LLC restricts the ability of it and its subsidiaries to distribute cash to its parent. Although certain financing agreements restrict the ability of Sprint Communications, Inc. and its subsidiaries to distribute cash to Sprint Corporation, the ability of the subsidiaries to distribute cash to their respective parents, including to Sprint Communications, Inc. is generally not restricted.

Cash interest payments, net of amounts capitalized of \$29 million and \$25 million, totaled \$1.2 billion during each of the six-month periods ended September 30, 2015 and 2014.

Notes

As of September 30, 2015, our outstanding notes consisted of senior notes, guaranteed notes, and exchangeable notes, all of which are unsecured, as well as secured notes of Clearwire Communications LLC, which are secured solely by assets of Clearwire Communications LLC and certain of its subsidiaries. Cash interest on all of the notes is generally payable semi-annually in arrears. As of September 30, 2015, \$30.1 billion aggregate principal amount of the notes was redeemable at the Company's discretion at the then-applicable redemption prices plus accrued interest.

As of September 30, 2015, approximately \$21.6 billion aggregate principal amount of our senior notes and guaranteed notes provide holders with the right to require us to repurchase the notes if a change of control triggering event (as defined in the applicable indentures and supplemental indentures) occurs. As of September 30, 2015, \$300 million aggregate principal amount of Clearwire Communications LLC notes provide holders with the right to require us to repurchase the notes if a change of control occurs (as defined in the applicable indentures and supplemental indentures). If we are required to make such a change of control offer, we will offer a cash payment equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest.

Upon the close of the acquisition of Clearwire Corporation, the Clearwire Communications, LLC 8.25% Exchangeable Notes due 2040 became exchangeable at any time, at the holder's option, for a fixed amount of cash equal to \$706.21 for each \$1,000 principal amount of notes surrendered. As a result, \$444 million, which is the total cash consideration payable upon an exchange of all \$629 million principal amount of notes outstanding, is now classified as a current debt obligation. The remaining carrying value of these notes is classified as a long-term debt obligation.

Credit Facilities***Bank credit facility***

The Company has a \$3.3 billion unsecured revolving bank credit facility that expires in February 2018. Borrowings under the revolving bank credit facility bear interest at a rate equal to the London Interbank Offered Rate (LIBOR) plus a spread that varies depending on the Company's credit ratings. As of September 30, 2015, approximately \$435 million in letters of credit were outstanding under this credit facility, including the letter of credit required by the Report and Order (see Note 12. *Commitments and Contingencies*). As a result of the outstanding letters of credit, which directly reduce the availability of borrowings, the Company had \$2.9 billion of borrowing capacity available under the revolving bank credit facility as of September 30, 2015. The required ratio (Leverage Ratio) of total indebtedness to trailing four quarters earnings before interest, taxes, depreciation and amortization and other non-recurring items, as defined by the credit facility (adjusted EBITDA), is not to exceed 6.5 to 1.0 through the quarter ending December 31, 2015, 6.25 to 1.0 through the quarter ending December 31, 2016 and 6.0 to 1.0 each fiscal quarter ending thereafter through expiration of the facility. The facility allows us to reduce our total indebtedness for purposes of calculating the Leverage Ratio by subtracting from total indebtedness the amount of any cash contributed into a segregated reserve account, provided that, after such cash contribution, our cash remaining on hand for operations exceeds \$2.0 billion. Upon transfer, the cash contribution will remain restricted until and to the extent it is no longer required for the Leverage Ratio to remain in compliance.

EDC agreement

The unsecured EDC agreement provides for covenant terms similar to those of the revolving bank credit facility. As of September 30, 2015, the EDC agreement was fully drawn totaling \$800 million. Under the terms of the EDC agreement, repayments of outstanding amounts cannot be re-drawn.

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Secured equipment credit facilities*Eksportkreditnamnden (EKN)*

The EKN secured equipment credit facility provides for covenant terms similar to those of the revolving bank credit facility. In 2013, we had fully drawn and began to repay the EKN secured equipment credit facility totaling \$1.0 billion, which was used to finance certain network-related purchases from Ericsson. We made regularly scheduled principal repayments totaling \$127 million during the six -month period ended September 30, 2015. The balance outstanding at September 30, 2015 was \$381 million.

Finnvera plc (Finnvera)

The Finnvera secured equipment credit facility provides us with the ability to borrow up to \$800 million to finance network equipment-related purchases from Nokia. The facility can be divided in up to three consecutive tranches of varying size, with borrowings available through October 2017, contingent upon the amount of equipment-related purchases made by Sprint. During the six -month period ended September 30, 2015, we drew \$208 million on the facility, and we made principal repayments totaling \$28 million, resulting in a total principal amount of \$224 million outstanding at September 30, 2015.

K-sure

The K-sure equipment credit facility provides for the ability to borrow up to \$750 million to finance network equipment-related purchases from Samsung. The facility can be divided in up to three consecutive tranches of varying size with borrowings available until May 2018, contingent upon the amount of equipment-related purchases made by Sprint. During the six -month period ended September 30, 2015, we drew \$226 million on the facility, resulting in a total principal amount of \$284 million outstanding at September 30, 2015.

Delcredere | Ducroire (D/D)

The D/D secured equipment credit facility provides for the ability to borrow up to \$250 million to finance network equipment-related purchases from Alcatel-Lucent. As of September 30, 2015, we had not made any draws on the facility.

Borrowings under the EKN, Finnvera, K-sure and D/D secured equipment credit facilities are each secured by liens on the respective equipment purchased pursuant to each of the facilities and repayments of outstanding amounts cannot be redrawn. Each of these facilities is fully and unconditionally guaranteed by both Sprint Communications, Inc. and Sprint Corporation. The covenants under each of the four secured equipment credit facilities are similar to one another and to the covenants of our revolving bank credit facility and EDC agreement.

Financing, Capital Lease and Other Obligations

We have approximately 3,000 cell sites that we sold and subsequently leased back. Terms extend through 2021, with renewal options for an additional 20 years. These cell sites continue to be reported as part of our property, plant and equipment due to our continued involvement with the property sold and the transaction is accounted for as a financing. Our capital lease and other obligations are primarily related to wireless network equipment and inventory.

Covenants

Certain indentures and other agreements require compliance with various covenants, including covenants that limit the ability of the Company and its subsidiaries to sell all or substantially all of its assets, limit the ability of the Company and its subsidiaries to incur indebtedness and liens, and require that we maintain certain financial ratios, each as defined by the terms of the indentures, supplemental indentures and financing arrangements.

As of September 30, 2015, the Company was in compliance with all restrictive and financial covenants associated with its borrowings. A default under any of our borrowings could trigger defaults under certain of our other debt obligations, which in turn could result in the maturities being accelerated.

Under our revolving bank credit facility and certain other agreements, we are currently restricted from paying cash dividends because our ratio of total indebtedness to adjusted EBITDA (each as defined in the applicable agreements) exceeds 2.5 to 1.0.

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Note 10. Severance and Exit Costs

Severance and exit costs consist of lease exit costs primarily associated with tower and cell sites, access exit costs related to payments that will continue to be made under our backhaul access contracts for which we will no longer be receiving any economic benefit, and severance costs associated with reduction in our work force.

As a result of the United States Cellular (U.S. Cellular) asset acquisition, which closed in May 2013, we recorded a liability related to network shut-down costs, which primarily consisted of lease exit costs, for which we agreed to reimburse U.S. Cellular. During the quarter ended June 30, 2015, we revised our estimate and, as a result, we reduced the reserve, resulting in approximately \$20 million of income included in "Other, net" on the consolidated statements of comprehensive loss.

We continually refine our network strategy and evaluate other potential network initiatives to improve the overall performance of our network. Additionally, we have commenced a major cost cutting initiative, which is expected to include headcount reductions, among other actions, to reduce operating expenses and improve our operating cash flows. As a result of these ongoing activities, we may incur future material charges associated with lease and access exit costs, severance, asset impairments, and accelerated depreciation, among others. To date, we have specifically identified exit costs, which are expected to range between approximately \$100 million to \$225 million, primarily related to ceasing use of WiMAX technology and access exit costs, of which the majority is expected to be incurred by March 31, 2016.

The following provides the activity in the severance and exit costs liability included in "Accounts payable," "Accrued expenses and other current liabilities" and "Other liabilities" within the consolidated balance sheets:

	March 31, 2015	Net (Benefit) Expense	Cash Payments and Other	September 30, 2015
	(in millions)			
Lease exit costs	\$ 291	\$ (2) ⁽¹⁾	\$ (62)	\$ 227
Severance costs	119	18 ⁽²⁾	(103)	34
Access exit costs	44	2 ⁽³⁾	(22)	24
	<u>\$ 454</u>	<u>\$ 18</u>	<u>\$ (187)</u>	<u>\$ 285</u>

(1) In addition to the \$20 million income (Wireless only) related to U.S. Cellular, we recognized costs of \$13 million (Wireless only), and \$18 million (Wireless only) for the three and six-month periods ended September 30, 2015, respectively, included in "Other, net" on the consolidated statements of comprehensive loss.

(2) For the three and six-month periods ended September 30, 2015, we recognized costs of \$11 million (\$10 million Wireless, \$1 million Wireline), and \$18 million (\$16 million Wireless, \$2 million Wireline), respectively, included in "Other, net" on the consolidated statements of comprehensive loss.

(3) For the three and six-month periods ended September 30, 2015, we recognized costs of \$1 million (Wireless only), and \$2 million (Wireless only), respectively, included in "Other, net" on the consolidated statements of comprehensive loss.

Note 11. Income Taxes

The differences that caused our effective income tax rates to vary from the 35% U.S. federal statutory rate for income taxes were as follows:

	Six Months Ended September 30,	
	2015	2014
	(in millions)	
Income tax benefit at the federal statutory rate	\$ 202	\$ 240
Effect of:		
State income taxes, net of federal income tax effect	16	—
State law changes, net of federal income tax effect	25	—
Change in federal and state valuation allowance	(275)	(297)
Other, net	3	1
Income tax expense	<u>\$ (29)</u>	<u>\$ (56)</u>
Effective income tax rate	<u>(5.0)%</u>	<u>(8.2)%</u>

The realization of deferred tax assets, including net operating loss carryforwards, is dependent on the generation of future taxable income sufficient to realize the tax deductions, carryforwards and credits. However, our history of annual

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losses reduces our ability to rely on expectations of future income in evaluating the ability to realize our deferred tax assets. Valuation allowances on deferred tax assets are recognized if it is determined that it is more likely than not that the asset will not be realized. As a result, the Company recognized income tax expense to increase the valuation allowance by \$275 million during the six -month period ended September 30, 2015 on deferred tax assets primarily related to losses incurred during the period that were not currently realizable and expenses recorded during the period that were not currently deductible for income tax purposes. The Company recognized income tax expense to increase the valuation allowance by \$297 million during the six -month period ended September 30, 2014 primarily attributable to the net increase in deferred tax assets related to the federal and state net operating loss carryforwards generated during the period offset by a \$73 million decrease related to the disposition of certain FCC licenses. The disposition of the FCC licenses resulted in the ability to schedule the reversal of the temporary difference to generate future taxable income during the net operating loss carryforward period when evaluating the ability to realize our deferred tax assets. We do not expect to record significant tax benefits on future net operating losses until our circumstances justify the recognition of such benefits.

We believe it is more likely than not that our remaining deferred income tax assets, net of the valuation allowance, will be realized based on current income tax laws and expectations of future taxable income stemming from the reversal of existing deferred tax liabilities. Uncertainties surrounding income tax law changes, shifts in operations between state taxing jurisdictions and future operating income levels may, however, affect the ultimate realization of all or some of these deferred income tax assets.

Income tax expense of \$29 million for the six-month period ended September 30, 2015 was primarily attributable to taxable temporary differences from the tax amortization of FCC licenses partially offset by tax benefits recorded from changes in state income tax laws enacted during the period. Income tax expense of \$56 million for the six-month period ended September 30, 2014 was primarily attributable to taxable temporary differences from the tax amortization of FCC licenses during the period offset by a \$73 million decrease in valuation allowance attributable to the disposition of certain FCC licenses. FCC licenses are amortized over 15 years for income tax purposes but, because these licenses have an indefinite life, they are not amortized for financial statement reporting purposes. These temporary differences result in net deferred income tax expense since they cannot be scheduled to reverse during the loss carryforward period.

As of September 30, 2015 and March 31, 2015, we maintained unrecognized tax benefits of \$169 million and \$163 million, respectively. Cash paid for income taxes, net, was \$33 million and \$40 million for the six-month periods ended September 30, 2015 and 2014, respectively.

Note 12. Commitments and Contingencies

Litigation, Claims and Assessments

In March 2009, a stockholder brought suit, *Bennett v. Sprint Nextel Corp.*, in the U.S. District Court for the District of Kansas, alleging that Sprint Communications and three of its former officers violated Section 10(b) of the Exchange Act and Rule 10b-5 by failing adequately to disclose certain alleged operational difficulties subsequent to the Sprint-Nextel merger, and by purportedly issuing false and misleading statements regarding the write-down of goodwill. The plaintiff sought class action status for purchasers of Sprint Communications common stock from October 26, 2006 to February 27, 2008. On January 6, 2011, the Court denied the motion to dismiss. Subsequently, our motion to certify the January 6, 2011 order for an interlocutory appeal was denied. On March 27, 2014, the court certified a class including bondholders as well as stockholders. On April 11, 2014, we filed a petition to appeal that certification order to the Tenth Circuit Court of Appeals. The petition was denied on May 23, 2014. After mediation, the parties reached an agreement to settle the matter, and the settlement amount was substantially paid by the Company's insurers. The district court granted final approval of the settlement in August 2015, and the case is now completed.

In addition, five related stockholder derivative suits were filed against Sprint Communications and certain of its present and/or former officers and directors. The first, *Murphy v. Forsee*, was filed in state court in Kansas on April 8, 2009, was removed to federal court, and was stayed by the court pending resolution of the motion to dismiss the *Bennett* case; the second, *Randolph v. Forsee*, was filed on July 15, 2010 in state court in Kansas, was removed to federal court, and was remanded back to state court; the third, *Ross-Williams v. Bennett, et al.*, was filed in state court in Kansas on February 1, 2011; the fourth, *Price v. Forsee, et al.*, was filed in state court in Kansas on April 15, 2011; and the fifth, *Hartleib v. Forsee, et. al.*, was filed in federal court in Kansas on July 14, 2011. These cases were essentially stayed while the *Bennett* case was

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pending, and the stay has been extended to allow the parties the opportunity to pursue settlement. We do not expect the resolution of these matters to have a material adverse effect on our financial position or results of operations.

On April 19, 2012, the New York Attorney General filed a complaint alleging that Sprint Communications has fraudulently failed to collect and pay more than \$100 million in New York sales taxes on receipts from its sale of wireless telephone services since July 2005. The complaint also seeks recovery of triple damages under the False Claims Act as well as penalties and interest. Sprint Communications moved to dismiss the complaint on June 14, 2012. On July 1, 2013, the court entered an order denying the motion to dismiss in large part, although it did dismiss certain counts or parts of certain counts. Sprint Communications appealed that order and the intermediate appellate court affirmed the order of the trial court. On October 20, 2015, the Court of Appeals of New York affirmed the decision of the appellate court that the tax statute requires us to collect and remit the disputed taxes. We have accrued \$157 million in taxes and interest during the quarter ended September 30, 2015 associated with this matter. We will continue to defend this matter vigorously and we do not expect the resolution to have a material effect on our financial position or results of operations.

Eight related stockholder derivative suits have been filed against Sprint Communications and certain of its current and former officers and directors. Each suit alleges generally that the individual defendants breached their fiduciary duties to Sprint Communications and its stockholders by allegedly permitting, and failing to disclose, the actions alleged in the suit filed by the New York Attorney General. One suit, filed by the Louisiana Municipal Police Employees Retirement System, was dismissed by a federal court. Two suits were filed in state court in Johnson County, Kansas and one of those suits was dismissed as premature; and five suits are pending in federal court in Kansas. The remaining Kansas suits have been stayed. We do not expect the resolution of these matters to have a material adverse effect on our financial position or results of operations.

Sprint Communications, Inc. is also a defendant in a complaint filed by stockholders of Clearwire Corporation asserting claims for breach of fiduciary duty by Sprint Communications, and related claims and otherwise challenging the Clearwire Acquisition. *ACP Master, LTD, et al. v. Sprint Nextel Corp., et al.*, was filed April 26, 2013, in Chancery Court in Delaware. Our motion to dismiss the suit was denied, and discovery is substantially complete. Plaintiffs in the *ACP Master, LTD* suit have also filed suit requesting an appraisal of the fair value of their Clearwire stock. Discovery in that case was consolidated with the breach of fiduciary duty case and is substantially complete. Sprint Communications intends to defend the *ACP Master, LTD* cases vigorously. We do not expect the resolution of these matters to have a material adverse effect on our financial position or results of operations.

Sprint is currently involved in numerous court actions alleging that Sprint is infringing various patents. Most of these cases effectively seek only monetary damages. A small number of these cases are brought by companies that sell products and seek injunctive relief as well. These cases have progressed to various degrees and a small number may go to trial if they are not otherwise resolved. Adverse resolution of these cases could require us to pay significant damages, cease certain activities, or cease selling the relevant products and services. In many circumstances, we would be indemnified for monetary losses that we incur with respect to the actions of our suppliers or service providers. We do not expect the resolution of these cases to have a material adverse effect on our financial position or results of operations.

In October 2013, the FCC Enforcement Bureau began to issue notices of apparent liability (NALs) to other Lifeline providers, imposing fines for intracarrier duplicate accounts identified by the government during its audit function. Those audits also identified a small percentage of potentially duplicative intracarrier accounts related to our Assurance Wireless business. No NAL has yet been issued with respect to Sprint and we do not know if one will be issued. Further, we are not able to reasonably estimate the amount of any claim for penalties that might be asserted. However, based on the information currently available, if a claim is asserted by the FCC, Sprint does not believe that any amount ultimately paid would be material to the Company's results of operations or financial position.

Various other suits, inquiries, proceedings and claims, either asserted or unasserted, including purported class actions typical for a large business enterprise and intellectual property matters, are possible or pending against us or our subsidiaries. If our interpretation of certain laws or regulations, including those related to various federal or state matters such as sales, use or property taxes, or other charges were found to be mistaken, it could result in payments by us. While it is not possible to determine the ultimate disposition of each of these proceedings and whether they will be resolved consistent with our beliefs, we expect that the outcome of such proceedings, individually or in the aggregate, will not have a material adverse effect on our financial position or results of operations.

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Spectrum Reconfiguration Obligations

In 2004, the FCC adopted a Report and Order that included new rules regarding interference in the 800 MHz band and a comprehensive plan to reconfigure the 800 MHz band. The Report and Order provides for the exchange of a portion of our 800 MHz FCC spectrum licenses, and requires us to fund the cost incurred by public safety systems and other incumbent licensees to reconfigure the 800 MHz spectrum band. Also, in exchange, we received licenses for 10 MHz of nationwide spectrum in the 1.9 GHz band.

The minimum cash obligation is \$2.8 billion under the Report and Order. We are, however, obligated to pay the full amount of the costs relating to the reconfiguration plan, even if those costs exceed \$2.8 billion. As required under the terms of the Report and Order, a letter of credit has been secured to provide assurance that funds will be available to pay the relocation costs of the incumbent users of the 800 MHz spectrum. The letter of credit was initially \$2.5 billion, but has been reduced during the course of the proceeding to \$364 million as of September 30, 2015. Since the inception of the program, we have incurred payments of approximately \$3.5 billion directly attributable to our performance under the Report and Order, including approximately \$11 million and \$36 million during the three and six-month periods ended September 30, 2015, respectively. When incurred, substantially all costs are accounted for as additions to FCC licenses with the remainder as property, plant and equipment. Although costs incurred through September 30, 2015 have exceeded \$2.8 billion, not all of those costs have been reviewed and accepted as eligible by the transition administrator. During the three-month period ended June 30, 2014, we received a cash payment of approximately \$95 million, which represented a reimbursement of prior reconfiguration costs incurred by us that also benefited spectrum recently auctioned by the FCC. We do not expect any further reimbursements.

Completion of the 800 MHz band reconfiguration was initially required by June 26, 2008 and public safety reconfiguration is nearly complete across the country with the exception of the States of Washington, Arizona, California, Texas and New Mexico. The FCC continues to grant the remaining 800 MHz public safety licensees additional time to complete their band reconfigurations which, in turn, delays our access to our 800 MHz replacement channels in these areas. In the areas where band reconfiguration is complete, Sprint has received its replacement spectrum in the 800 MHz band and Sprint is deploying 3G CDMA and 4G LTE on this spectrum in combination with its spectrum in the 1.9 GHz and 2.5 GHz bands.

Note 13. Per Share Data

Basic net loss per common share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share adjusts basic net loss per common share, computed using the treasury stock method, for the effects of potentially dilutive common shares, if the effect is not antidilutive. Outstanding options and restricted stock units (exclusive of participating securities) that had no effect on our computation of dilutive weighted average number of shares outstanding as their effect would have been antidilutive were approximately 88 million and 67 million as of the periods ended September 30, 2015 and 2014, respectively, in addition to all 55 million shares issuable under the warrant held by SoftBank. The warrant was issued to SoftBank at the close of the merger with SoftBank and is exercisable at \$5.25 per share at the option of SoftBank, in whole or in part, at any time on or prior to July 10, 2018.

Note 14. Segments

Sprint operates two reportable segments: Wireless and Wireline.

- Wireless primarily includes retail, wholesale, and affiliate revenue from a wide array of wireless voice and data transmission services and equipment revenue from the sale of wireless devices (handsets and tablets) and accessories in the U.S., Puerto Rico and the U.S. Virgin Islands.
- Wireline primarily includes revenue from domestic and international wireline voice and data communication services provided to other communications companies and targeted business subscribers, in addition to our Wireless segment.

We define segment earnings as wireless or wireline operating (loss) income before other segment expenses such as depreciation, amortization, severance, exit costs, goodwill impairments, asset impairments, and other items, if any, solely and directly attributable to the segment representing items of a non-recurring or unusual nature. Expense and income items excluded from segment earnings are managed at the corporate level. Transactions between segments are generally accounted

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for based on market rates, which we believe approximate fair value. The Company generally re-establishes these rates at the beginning of each fiscal year. Over the past several years, there has been an industry-wide trend of lower rates due to increased competition from other wireline and wireless communications companies as well as cable and Internet service providers.

Segment financial information is as follows:

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
	<i>(in millions)</i>			
Three Months Ended September 30, 2015				
Net operating revenues	\$ 7,516	\$ 455	\$ 4	\$ 7,975
Inter-segment revenues ⁽¹⁾	—	154	(154)	—
Total segment operating expenses	(5,537)	(580)	150	(5,967)
Segment earnings	<u>\$ 1,979</u>	<u>\$ 29</u>	<u>\$ —</u>	<u>2,008</u>
Less:				
Depreciation				(1,412)
Amortization				(331)
Impairments ⁽²⁾				(85)
Other, net ⁽³⁾				(182)
Operating loss				(2)
Interest expense				(542)
Other income, net				5
Loss before income taxes				<u>\$ (539)</u>

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
	<i>(in millions)</i>			
Three Months Ended September 30, 2014				
Net operating revenues	\$ 7,929	\$ 555	\$ 4	\$ 8,488
Inter-segment revenues ⁽¹⁾	—	153	(153)	—
Total segment operating expenses	(6,559)	(681)	138	(7,102)
Segment earnings	<u>\$ 1,370</u>	<u>\$ 27</u>	<u>\$ (11)</u>	<u>1,386</u>
Less:				
Depreciation				(898)
Amortization				(396)
Other, net ⁽³⁾				(284)
Operating loss				(192)
Interest expense				(510)
Other income, net				8
Loss before income taxes				<u>\$ (694)</u>

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
	<i>(in millions)</i>			
Six Months Ended September 30, 2015				
Net operating revenues	\$ 15,056	\$ 938	\$ 8	\$ 16,002
Inter-segment revenues ⁽¹⁾	—	301	(301)	—
Total segment operating expenses	(11,003)	(1,201)	292	(11,912)
Segment earnings	<u>\$ 4,053</u>	<u>\$ 38</u>	<u>\$ (1)</u>	<u>4,090</u>
Less:				
Depreciation				(2,653)
Amortization				(678)
Impairments ⁽²⁾				(85)
Other, net ⁽³⁾				(175)
Operating income				<u>499</u>
Interest expense				(1,084)
Other income, net				9
Loss before income taxes				<u>\$ (576)</u>

Statement of Operations Information	Wireless	Wireline	Corporate, Other and Eliminations	Consolidated
	<i>(in millions)</i>			
Six Months Ended September 30, 2014				
Net operating revenues	\$ 16,122	\$ 1,148	\$ 7	\$ 17,277
Inter-segment revenues ⁽¹⁾	—	306	(306)	—
Total segment operating expenses	(12,959)	(1,392)	287	(14,064)
Segment earnings	<u>\$ 3,163</u>	<u>\$ 62</u>	<u>\$ (12)</u>	<u>3,213</u>
Less:				
Depreciation				(1,766)
Amortization				(809)
Other, net ⁽³⁾				(311)
Operating income				<u>327</u>
Interest expense				(1,022)
Other income, net				9
Loss before income taxes				<u>\$ (686)</u>

Other Information	Wireless	Wireline	Corporate and Other	Consolidated
	<i>(in millions)</i>			
Capital expenditures for the six months ended September 30, 2015	\$ 3,759	\$ 131	\$ 191	\$ 4,081
Capital expenditures for the six months ended September 30, 2014	\$ 2,109	\$ 124	\$ 156	\$ 2,389

(1) Inter-segment revenues consist primarily of wireline services provided to the Wireless segment for resale to, or use by, wireless subscribers.

(2) Impairments for the three and six-month periods ended September 30, 2015 are primarily related to cell site construction costs that are no longer recoverable as a result of changes in the Company's network plans.

(3) Other, net for the three and six-month periods ended September 30, 2015 consists of \$25 million and \$38 million, respectively, of severance and exit costs as well as a \$157 million accrual for ongoing legal matters recognized in the three-month period ended September 30, 2015. In addition, the six-month period ended September 30, 2015 includes a \$20 million release of liability reserves associated with the May 2013 U.S. Cellular asset acquisition. Other, net for the three and six-month periods ended September 30, 2014 consists of \$284 million and \$311 million, respectively, of severance and exit costs.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<u>Operating Revenues by Service and Products</u>	Wireless	Wireline	Corporate, Other and Eliminations ⁽¹⁾	Consolidated
<i>(in millions)</i>				
Three Months Ended September 30, 2015				
Wireless services	\$ 6,222	\$ —	\$ —	\$ 6,222
Wireless equipment	1,095	—	—	1,095
Voice	—	212	(85)	127
Data	—	43	(18)	25
Internet	—	323	(48)	275
Other	199	31	1	231
Total net operating revenues	\$ 7,516	\$ 609	\$ (150)	\$ 7,975

<u>Operating Revenues by Service and Products</u>	Wireless	Wireline	Corporate, Other and Eliminations ⁽¹⁾	Consolidated
<i>(in millions)</i>				
Three Months Ended September 30, 2014				
Wireless services	\$ 6,693	\$ —	\$ —	\$ 6,693
Wireless equipment	1,039	—	—	1,039
Voice	—	294	(86)	208
Data	—	53	(22)	31
Internet	—	340	(41)	299
Other	197	21	—	218
Total net operating revenues	\$ 7,929	\$ 708	\$ (149)	\$ 8,488

<u>Operating Revenues by Service and Products</u>	Wireless	Wireline	Corporate, Other and Eliminations ⁽¹⁾	Consolidated
<i>(in millions)</i>				
Six Months Ended September 30, 2015				
Wireless services	\$ 12,573	\$ —	\$ —	\$ 12,573
Wireless equipment	2,085	—	—	2,085
Voice	—	445	(167)	278
Data	—	92	(38)	54
Internet	—	651	(92)	559
Other	398	51	4	453
Total net operating revenues	\$ 15,056	\$ 1,239	\$ (293)	\$ 16,002

<u>Operating Revenues by Service and Products</u>	Wireless	Wireline	Corporate, Other and Eliminations ⁽¹⁾	Consolidated
<i>(in millions)</i>				
Six Months Ended September 30, 2014				
Wireless services	\$ 13,601	\$ —	\$ —	\$ 13,601
Wireless equipment	2,145	—	—	2,145
Voice	—	621	(177)	444
Data	—	109	(46)	63
Internet	—	685	(79)	606
Other	376	39	3	418
Total net operating revenues	\$ 16,122	\$ 1,454	\$ (299)	\$ 17,277

(1) Revenues eliminated in consolidation consist primarily of wireline services provided to the Wireless segment for resale to or use by wireless subscribers.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15. Related-Party Transactions

SoftBank Related-Party Transactions

In addition to agreements arising out of or relating to the merger with SoftBank, Sprint has entered into various other arrangements with SoftBank or its controlled affiliates (SoftBank Parties) or with third parties to which SoftBank Parties are also parties, including for international wireless roaming, wireless and wireline call termination, real estate, logistical management, and other services.

Specifically, we have arrangements with Brightstar US, Inc. (Brightstar), a wholly-owned subsidiary of SoftBank, whereby Brightstar provides supply chain and inventory management services to us in our indirect channels and whereby Sprint may sell new and used devices and new accessories to Brightstar for its own purposes. The supply chain and inventory management arrangement contemplates that Brightstar will purchase inventory from the original equipment manufacturers (OEMs) to sell directly to our indirect dealers. As compensation for these services, we remit per unit fees to Brightstar for each device sold to dealers or retailers in our indirect channels. During the three and six-month periods ended September 30, 2015, we incurred fees under these arrangements totaling \$20 million and \$53 million, respectively. For those OEMs for which Brightstar has not successfully negotiated contracts or does not have sufficient credit under existing contracts, Brightstar will purchase device and accessory inventory from us in order to fulfill orders within our indirect channel. We have provided a \$1.0 billion credit line to Brightstar to facilitate certain of these arrangements. As a result, we shifted our concentration of credit risk away from our indirect channel partners to Brightstar. As Brightstar is a wholly-owned subsidiary of SoftBank, we expect SoftBank will provide the necessary support to ensure that Brightstar will fulfill its obligations to us under these agreements. However, we have no assurance that SoftBank will provide such support.

We may also purchase new and used devices and accessories from Brightstar to be sold in our direct channels or used to fulfill service and repair needs.

Amounts included in our consolidated financial statements associated with these arrangements with Brightstar were as follows:

Consolidated balance sheets:

	September 30, 2015	March 31, 2015
	<i>(in millions)</i>	
Accounts receivable	\$ 264	\$ 430
Accounts payable	\$ 57	\$ 96

Consolidated statements of comprehensive loss:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2015	2014	2015	2014
	<i>(in millions)</i>			
Equipment revenues	\$ 402	\$ 102	\$ 777	\$ 119
Cost of products	\$ 343	\$ 78	\$ 761	\$ 94

All other transactions under agreements with SoftBank Parties, in the aggregate, were immaterial through the period ended September 30, 2015.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Guarantor Financial Information

On September 11, 2013, Sprint Corporation issued \$2.25 billion aggregate principal amount of 7.250% notes due 2021 and \$4.25 billion aggregate principal amount of 7.875% notes due 2023 in a private placement transaction with registration rights. On December 12, 2013, Sprint Corporation issued \$2.5 billion aggregate principal amount of 7.125% notes due 2024 in a private placement transaction with registration rights. Each of these issuances is fully and unconditionally guaranteed by Sprint Communications, Inc. (Subsidiary Guarantor), which is a 100 percent owned subsidiary of Sprint Corporation (Parent/Issuer). In connection with the foregoing, the registration rights agreements with respect to the notes required the Company and Sprint Communications, Inc. to use their reasonable best efforts to cause an offer to exchange the notes for a new issue of substantially identical exchange notes registered under the Securities Act of 1933. Accordingly, in November 2014, we completed an exchange offer for these notes in compliance with our registration obligations. We did not receive any proceeds from this exchange offer. In addition, on February 24, 2015, Sprint Corporation issued \$1.5 billion aggregate principal amount of 7.625% notes due 2025 in a registered transaction, which are fully and unconditionally guaranteed by Sprint Communications, Inc.

Under the Subsidiary Guarantor's revolving bank credit facility and certain other agreements, the Subsidiary Guarantor is currently restricted from paying cash dividends to the Parent/Issuer or any Non-Guarantor Subsidiary because the ratio of total indebtedness to adjusted EBITDA (each as defined in the applicable agreement) exceeds 2.5 to 1.0 .

In May 2014, certain wholly-owned subsidiaries of Sprint entered into a Receivables Facility arrangement to sell certain accounts receivable on a revolving basis, subject to a maximum funding limit. The Receivables Facility was amended in April 2015, which, among other things, extended the expiration date to March 31, 2017 and increased the maximum funding limit to \$3.3 billion . In connection with this arrangement, Sprint formed certain wholly-owned subsidiaries, which are bankruptcy remote SPEs and are included in the Non-Guarantor Subsidiaries condensed consolidated financial information (*see Note 3. Accounts Receivable Facility*) . We have accounted for investments in subsidiaries using the equity method. Presented below is the condensed consolidating financial information.

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEET

As of September 30, 2015					
	<i>Parent/Issuer</i>	<i>Subsidiary Guarantor</i>	<i>Non-Guarantor Subsidiaries</i>	<i>Eliminations</i>	<i>Consolidated</i>
<i>(in millions)</i>					
ASSETS					
Current assets:					
Cash and cash equivalents	\$ —	\$ 1,513	\$ 459	\$ —	\$ 1,972
Short-term investments	—	103	—	—	103
Accounts and notes receivable, net	87	67	1,980	(154)	1,980
Device and accessory inventory	—	—	889	—	889
Deferred tax assets	—	—	63	—	63
Prepaid expenses and other current assets	—	14	2,075	—	2,089
Total current assets	87	1,697	5,466	(154)	7,096
Investments in subsidiaries	21,159	22,442	—	(43,601)	—
Property, plant and equipment, net	—	—	21,061	—	21,061
Due from consolidated affiliate	50	22,226	—	(22,276)	—
Note receivable from consolidated affiliate	10,500	459	—	(10,959)	—
Intangible assets					
Goodwill	—	—	6,575	—	6,575
FCC licenses and other	—	—	40,025	—	40,025
Definite-lived intangible assets, net	—	—	5,155	—	5,155
Other assets	132	1,255	703	(1,151)	939
Total assets	<u>\$ 31,928</u>	<u>\$ 48,079</u>	<u>\$ 78,985</u>	<u>\$ (78,141)</u>	<u>\$ 80,851</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	\$ —	\$ —	\$ 3,527	\$ —	\$ 3,527
Accrued expenses and other current liabilities	139	523	3,825	(154)	4,333
Current portion of long-term debt, financing and capital lease obligations	—	500	895	—	1,395
Total current liabilities	139	1,023	8,247	(154)	9,255
Long-term debt, financing and capital lease obligations	10,500	14,446	8,643	(1,019)	32,570
Deferred tax liabilities	—	—	13,929	—	13,929
Note payable due to consolidated affiliate	—	10,500	459	(10,959)	—
Other liabilities	—	951	2,989	—	3,940
Due to consolidated affiliate	132	—	22,276	(22,408)	—
Total liabilities	10,771	26,920	56,543	(34,540)	59,694
Commitments and contingencies					
Total stockholders' equity	21,157	21,159	22,442	(43,601)	21,157
Total liabilities and stockholders' equity	<u>\$ 31,928</u>	<u>\$ 48,079</u>	<u>\$ 78,985</u>	<u>\$ (78,141)</u>	<u>\$ 80,851</u>

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEET

As of March 31, 2015					
	<i>Parent/Issuer</i>	<i>Subsidiary Guarantor</i>	<i>Non-Guarantor Subsidiaries</i>	<i>Eliminations</i>	<i>Consolidated</i>
<i>(in millions)</i>					
ASSETS					
Current assets:					
Cash and cash equivalents	\$ —	\$ 3,492	\$ 518	\$ —	\$ 4,010
Short-term investments	—	146	20	—	166
Accounts and notes receivable, net	84	157	2,160	(111)	2,290
Device and accessory inventory	—	—	1,359	—	1,359
Deferred tax assets	—	—	62	—	62
Prepaid expenses and other current assets	—	13	1,877	—	1,890
Total current assets	84	3,808	5,996	(111)	9,777
Investments in subsidiaries	21,712	22,413	—	(44,125)	—
Property, plant and equipment, net	—	—	19,721	—	19,721
Due from consolidated affiliate	68	20,934	—	(21,002)	—
Note receivable from consolidated affiliate	10,500	458	—	(10,958)	—
Intangible assets					
Goodwill	—	—	6,575	—	6,575
FCC licenses and other	—	—	39,987	—	39,987
Definite-lived intangible assets, net	—	—	5,893	—	5,893
Other assets	139	1,260	836	(1,158)	1,077
Total assets	\$ 32,503	\$ 48,873	\$ 79,008	\$ (77,354)	\$ 83,030
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	\$ —	\$ —	\$ 4,347	\$ —	\$ 4,347
Accrued expenses and other current liabilities	154	625	4,625	(111)	5,293
Current portion of long-term debt, financing and capital lease obligations	—	500	800	—	1,300
Total current liabilities	154	1,125	9,772	(111)	10,940
Long-term debt, financing and capital lease obligations	10,500	14,576	8,474	(1,019)	32,531
Deferred tax liabilities	—	—	13,898	—	13,898
Note payable due to consolidated affiliate	—	10,500	458	(10,958)	—
Other liabilities	—	960	2,991	—	3,951
Due to consolidated affiliate	139	—	21,002	(21,141)	—
Total liabilities	10,793	27,161	56,595	(33,229)	61,320
Commitments and contingencies					
Total stockholders' equity	21,710	21,712	22,413	(44,125)	21,710
Total liabilities and stockholders' equity	\$ 32,503	\$ 48,873	\$ 79,008	\$ (77,354)	\$ 83,030

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	For the Three Months Ended September 30, 2015				
	Parent/Issuer	Subsidiary Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	<i>(in millions)</i>				
Net operating revenues	\$ —	\$ —	\$ 7,975	\$ —	\$ 7,975
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization included below)	—	—	2,453	—	2,453
Cost of products (exclusive of depreciation and amortization included below)	—	—	1,290	—	1,290
Selling, general and administrative	—	—	2,224	—	2,224
Impairments	—	—	85	—	85
Severance and exit costs	—	—	25	—	25
Depreciation	—	—	1,412	—	1,412
Amortization	—	—	331	—	331
Other, net	—	—	157	—	157
	—	—	7,977	—	7,977
Operating loss	—	—	(2)	—	(2)
Other income (expense):					
Interest income	197	40	—	(236)	1
Interest expense	(197)	(407)	(174)	236	(542)
(Losses) earnings of subsidiaries	(585)	(218)	—	803	—
Other income, net	—	—	4	—	4
	(585)	(585)	(170)	803	(537)
(Loss) income before income taxes	(585)	(585)	(172)	803	(539)
Income tax expense	—	—	(46)	—	(46)
Net (loss) income	(585)	(585)	(218)	803	(585)
Other comprehensive (loss) income	(8)	(8)	(6)	14	(8)
Comprehensive (loss) income	\$ (593)	\$ (593)	\$ (224)	\$ 817	\$ (593)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	For the Three Months Ended September 30, 2014				
	<i>Parent/Issuer</i>	<i>Subsidiary Guarantor</i>	<i>Non-Guarantor Subsidiaries</i>	<i>Eliminations</i>	<i>Consolidated</i>
	<i>(in millions)</i>				
Net operating revenues	\$ —	\$ —	\$ 8,488	\$ —	\$ 8,488
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization included below)	—	—	2,429	—	2,429
Cost of products (exclusive of depreciation and amortization included below)	—	—	2,372	—	2,372
Selling, general and administrative	—	—	2,301	—	2,301
Severance and exit costs	—	—	284	—	284
Depreciation	—	—	898	—	898
Amortization	—	—	396	—	396
	—	—	8,680	—	8,680
Operating loss	—	—	(192)	—	(192)
Other income (expense):					
Interest income	169	23	1	(189)	4
Interest expense	(169)	(364)	(166)	189	(510)
(Losses) earnings of subsidiaries	(765)	(424)	—	1,189	—
Other income, net	—	—	4	—	4
	(765)	(765)	(161)	1,189	(502)
(Loss) income before income taxes	(765)	(765)	(353)	1,189	(694)
Income tax expense	—	—	(71)	—	(71)
Net (loss) income	(765)	(765)	(424)	1,189	(765)
Other comprehensive (loss) income	(7)	(7)	(1)	8	(7)
Comprehensive (loss) income	\$ (772)	\$ (772)	\$ (425)	\$ 1,197	\$ (772)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	For the Six Months Ended September 30, 2015				
	<i>Parent/Issuer</i>	<i>Subsidiary Guarantor</i>	<i>Non-Guarantor Subsidiaries</i> <i>(in millions)</i>	<i>Eliminations</i>	<i>Consolidated</i>
Net operating revenues	\$ —	\$ —	\$ 16,002	\$ —	\$ 16,002
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization included below)	—	—	4,846	—	4,846
Cost of products (exclusive of depreciation and amortization included below)	—	—	2,655	—	2,655
Selling, general and administrative	—	—	4,411	—	4,411
Impairments	—	—	85	—	85
Severance and exit costs	—	—	38	—	38
Depreciation	—	—	2,653	—	2,653
Amortization	—	—	678	—	678
Other, net	—	—	137	—	137
	—	—	15,503	—	15,503
Operating income	—	—	499	—	499
Other income (expense):					
Interest income	395	79	1	(471)	4
Interest expense	(395)	(814)	(346)	471	(1,084)
(Losses) earnings of subsidiaries	(605)	130	—	475	—
Other income, net	—	—	5	—	5
	(605)	(605)	(340)	475	(1,075)
(Loss) income before income taxes	(605)	(605)	159	475	(576)
Income tax expense	—	—	(29)	—	(29)
Net (loss) income	(605)	(605)	130	475	(605)
Other comprehensive (loss) income	(4)	(4)	(2)	6	(4)
Comprehensive (loss) income	\$ (609)	\$ (609)	\$ 128	\$ 481	\$ (609)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	For the Six Months Ended September 30, 2014				
	<i>Parent/Issuer</i>	<i>Subsidiary Guarantor</i>	<i>Non-Guarantor Subsidiaries</i> (in millions)	<i>Eliminations</i>	<i>Consolidated</i>
Net operating revenues	\$ —	\$ —	\$ 17,277	\$ —	\$ 17,277
Net operating expenses:					
Cost of services (exclusive of depreciation and amortization included below)	—	—	4,949	—	4,949
Cost of products (exclusive of depreciation and amortization included below)	—	—	4,530	—	4,530
Selling, general and administrative	—	—	4,585	—	4,585
Severance and exit costs	—	—	311	—	311
Depreciation	—	—	1,766	—	1,766
Amortization	—	—	809	—	809
	—	—	16,950	—	16,950
Operating income	—	—	327	—	327
Other income (expense):					
Interest income	338	46	1	(378)	7
Interest expense	(338)	(732)	(330)	378	(1,022)
(Losses) earnings of subsidiaries	(742)	(56)	—	798	—
Other income, net	—	—	2	—	2
	(742)	(742)	(327)	798	(1,013)
(Loss) income before income taxes	(742)	(742)	—	798	(686)
Income tax expense	—	—	(56)	—	(56)
Net (loss) income	(742)	(742)	(56)	798	(742)
Other comprehensive (loss) income	(7)	(7)	(1)	8	(7)
Comprehensive (loss) income	\$ (749)	\$ (749)	\$ (57)	\$ 806	\$ (749)

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Six Months Ended September 30, 2015					
	Parent/Issuer	Subsidiary Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
(in millions)					
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	\$ —	\$ (759)	\$ 2,670	\$ (114)	\$ 1,797
Cash flows from investing activities:					
Capital expenditures - network and other	—	—	(2,964)	—	(2,964)
Capital expenditures - leased devices	—	—	(1,117)	—	(1,117)
Expenditures relating to FCC licenses	—	—	(45)	—	(45)
Proceeds from sales and maturities of short-term investments	—	219	60	—	279
Purchases of short-term investments	—	(176)	(40)	—	(216)
Change in amounts due from/due to consolidated affiliates	1	(1,270)	—	1,269	—
Proceeds from sales of assets and FCC licenses	—	—	4	—	4
Intercompany note advance to consolidated affiliate	—	(55)	—	55	—
Proceeds from intercompany note advance to consolidated affiliate	—	54	—	(54)	—
Other, net	—	—	(21)	—	(21)
Net cash provided by (used in) investing activities	1	(1,228)	(4,123)	1,270	(4,080)
Cash flows from financing activities:					
Proceeds from debt and financings	—	—	434	—	434
Repayments of debt, financing and capital lease obligations	—	—	(206)	—	(206)
Proceeds from issuance of common stock, net	—	8	—	—	8
Intercompany dividends paid to parent	—	—	(114)	114	—
Change in amounts due from/due to consolidated affiliates	—	—	1,269	(1,269)	—
Intercompany note advance from parent	—	—	55	(55)	—
Repayments of intercompany note advance from parent	—	—	(54)	54	—
Other, net	(1)	—	10	—	9
Net cash (used in) provided by financing activities	(1)	8	1,394	(1,156)	245
Net decrease in cash and cash equivalents	—	(1,979)	(59)	—	(2,038)
Cash and cash equivalents, beginning of period	—	3,492	518	—	4,010
Cash and cash equivalents, end of period	\$ —	\$ 1,513	\$ 459	\$ —	\$ 1,972

SPRINT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Six Months Ended September 30, 2014					
	<i>Parent/Issuer</i>	<i>Subsidiary Guarantor</i>	<i>Non-Guarantor Subsidiaries</i>	<i>Eliminations</i>	<i>Consolidated</i>
	<i>(in millions)</i>				
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	\$ —	\$ (679)	\$ 2,586	\$ (200)	\$ 1,707
Cash flows from investing activities:					
Capital expenditures - network and other	—	—	(2,389)	—	(2,389)
Expenditures relating to FCC licenses	—	—	(79)	—	(79)
Reimbursements relating to FCC licenses	—	—	95	—	95
Proceeds from sales and maturities of short-term investments	—	1,842	—	—	1,842
Purchases of short-term investments	—	(1,754)	(35)	—	(1,789)
Change in amounts due from/due to consolidated affiliates	—	(92)	—	92	—
Proceeds from sales of assets and FCC licenses	—	—	101	—	101
Other, net	—	—	(6)	—	(6)
Net cash (used in) provided by investing activities	—	(4)	(2,313)	92	(2,225)
Cash flows from financing activities:					
Repayments of debt, financing and capital lease obligations	—	—	(363)	—	(363)
Proceeds from issuance of common stock, net	—	46	—	—	46
Intercompany dividends paid to parent	—	—	(200)	200	—
Change in amounts due from/due to consolidated affiliates	—	—	92	(92)	—
Net cash provided by (used in) financing activities	—	46	(471)	108	(317)
Net decrease in cash and cash equivalents	—	(637)	(198)	—	(835)
Cash and cash equivalents, beginning of period	—	4,125	845	—	4,970
Cash and cash equivalents, end of period	\$ —	\$ 3,488	\$ 647	\$ —	\$ 4,135

Note 17. Subsequent Event

In November 2015, we obtained commitments, subject to customary closing conditions, in connection with a proposed amendment to our Receivables Facility to include the sale of future lease receivables, which may allow us to increase the maximum funding limit under the Receivables Facility by \$700 million to a total of \$4.0 billion .

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

OVERVIEW

Sprint Corporation, including its consolidated subsidiaries, is a communications company offering a comprehensive range of wireless and wireline communications products and services that are designed to meet the needs of individual consumers, businesses, government subscribers, and resellers. Unless the context otherwise requires, references to "Sprint," "we," "us," "our" and the "Company" mean Sprint Corporation and its consolidated subsidiaries for all periods presented, and references to "Sprint Communications" are to Sprint Communications, Inc. and its consolidated subsidiaries.

Description of the Company

We are one of the largest wireless communications companies in the U.S., as well as a provider of wireline services. Our services are provided through our ownership of extensive wireless networks, an all-digital global wireline network and a Tier 1 Internet backbone.

We offer wireless and wireline voice and data transmission services to subscribers in all 50 states, Puerto Rico, and the U.S. Virgin Islands under the Sprint corporate brand, which includes our retail brands of Sprint[®], Boost Mobile[®], Virgin Mobile[®], and Assurance Wireless[®] on our wireless networks utilizing various technologies including third generation (3G) code division multiple access (CDMA), fourth generation (4G) services utilizing Long Term Evolution (LTE) and Worldwide Interoperability for Microwave Access (WiMAX) technologies (which we expect to be shut-down by the end of fiscal year 2015). We utilize these networks to offer our wireless and wireline subscribers differentiated products and services whether through the use of a single network or a combination of these networks. We offer wireless services on a postpaid and prepaid payment basis to retail subscribers and also on a wholesale basis, which includes the sale of wireless services that utilize the Sprint network but are sold under the wholesaler's brand.

Wireless

Postpaid

In our postpaid portfolio, we offer several price plans for both consumer and business subscribers. Many of our price plans include unlimited talk, text and data or allow subscribers to purchase monthly data allowances. We also offer family plans that include multiple lines of service under one account. We offer these plans with subsidy, installment billing or leasing programs. The subsidy program primarily requires a two-year service contract and allows for a subscriber to either bring their handset or purchase one at a discount for a new line of service. Our installment billing program does not require a two-year service contract and offers service plans at lower monthly rates compared to subsidy plans, but requires the subscriber to pay full or near full price for the handset over monthly installments. Our leasing program also does not require a two-year service contract, provides for service plans at lower monthly rates compared to subsidy plans and allows qualified subscribers to lease a device and make payments for use of the device over the term of the lease. At the end of the lease term, the subscriber can either turn in the device, continue leasing the device or purchase the device.

Prepaid

Our prepaid portfolio currently includes multiple brands, each designed to appeal to specific subscriber uses and demographics. Sprint Prepaid primarily serves subscribers who want plans that are affordable, simple and flexible without a long-term commitment. Boost Mobile primarily serves subscribers with plans that offer unlimited text and talk with step pricing based on a subscriber's preferred data usage. Virgin Mobile primarily serves subscribers through plans that offer control, flexibility and connectivity through various plan options. Virgin Mobile is also designated as a Lifeline-only Eligible Telecommunications Carrier in certain states and provides service for the Lifeline program under our Assurance Wireless brand. Assurance Wireless provides eligible subscribers, in certain states, who meet income requirements or are receiving government assistance, with a free wireless phone, 250 free local and long-distance voice minutes each month and unlimited free texts under the Lifeline Program. The Lifeline Program requires applicants to meet certain eligibility requirements and existing subscribers must recertify as to those requirements annually.

Wholesale

We have focused our wholesale business on enabling our diverse network of customers to successfully grow their business by providing them with an array of network, product, and device solutions. This allows our customers to customize this full suite of value-added solutions to meet the growing demands of their businesses. As part of these growing demands, some of our wholesale mobile virtual network operators (MVNO) are also selling prepaid services under the Lifeline program.

We continue to support the open development of applications, content, and devices on the Sprint platform. In addition, we enable a variety of business and consumer third-party relationships through our portfolio of machine-to-machine

solutions, which we offer on a retail postpaid and wholesale basis. Our machine-to-machine solutions portfolio provides a secure, real-time and reliable wireless two-way data connection across a broad range of connected devices.

Wireline

We provide wireline services to other communications companies and targeted business subscribers. In addition, our Wireline segment provides services to our Wireless segment.

Business Strategies and Key Priorities

Our business strategy is to be responsive to changing customer mobility demands of existing and potential customers, and to expand our business into new areas of customer value and economic opportunity through innovation and differentiation. To help lay the foundation for these future growth opportunities, our strategy revolves around targeted investment, in the following key priority areas:

- Provide a network that delivers the consistent reliability, capacity and speed that customers demand;
- Achieve a more competitive cost position in the industry through simplification;
- Increase subscriber acquisition;
- Reduce churn and increase subscriber retention;
- Attract and retain the best talent in the industry; and
- Deliver a simplified and improved customer experience.

To achieve these key priorities, we are focusing on the following initiatives. To provide a network that delivers the consistent reliability, capacity and speed that customers demand, we expect to continue to optimize our 3G data network and invest in LTE deployment across all of our spectrum bands. We also expect to deploy new technologies that will help strengthen our competitive position, including the expected use of Voice over LTE, more extensive use of Wi-Fi and the use of small cells to further densify our network.

To achieve a more competitive cost position, we have established an Office of Cost Management with responsibility for identifying, operationalizing, and monitoring sustained improvements in operating costs and efficiencies. Also, we have deployed new cost management and planning tools across the entire organization to more effectively monitor expenditures. We are focused on attracting and retaining subscribers by improving our sales and marketing initiatives. We have expanded our direct retail store presence through our relationship with RadioShack, as well as our new Direct 2 You service that brings the Sprint store experience to our customers. We have demonstrated our value proposition through our new price plans, promotions, and payment programs and have deployed new local marketing and civic engagement initiatives in key markets. We seek to build a stronger management team through striking a balance of bringing in new outside talent with world class experience and credentials and more fully leveraging the experience within our existing leadership team. To deliver a simplified and improved customer experience, we are focusing on key subscriber touch points, pursuing process improvements and deploying platforms to simplify and enhance the interactions between us and our customers. In addition, we have established a Customer Experience Office to support our focus on net promoter score as our key measure in customer satisfaction.

Network

Our current network improvement efforts include optimizing the use of our 1.9 GHz, 800 megahertz (MHz) and 2.5 GHz spectrum and the deployment and optimization of 4G LTE on our 800 MHz and 2.5 GHz spectrum, as well as significantly densifying our network and deploying carrier aggregation.

We plan to densify our network by increasing the number of sites across all spectrum bands. We also continue to deploy carrier aggregation to create wider channels and produce more capacity and faster speeds across the country. Carrier aggregation allows us to utilize our 2.5 GHz spectrum position to carry increased data at faster speeds for those enabled devices that we currently have available to our subscribers. We expect these efforts to produce more data capacity, faster speeds and improved coverage as our network improvement activities are implemented over the course of the next two years.

We continually refine our network strategy and evaluate other potential network initiatives to improve the overall performance of our network. Additionally, we have commenced a major cost cutting initiative, which is expected to include headcount reductions, among other actions, to reduce operating expenses and improve our operating cash flows. As a result of these ongoing activities, we may incur future material charges associated with lease and access exit costs, severance, asset impairments, and accelerated depreciation, among others. To date, we have specifically identified exit costs, which are expected to range between approximately \$100 million to \$225 million, primarily related to ceasing use of WiMAX technology and access exit costs, of which the majority is expected to be incurred by March 31, 2016.

WiMAX technology was utilized by Clearwire at the time of its acquisition by us in July 2013. We plan to cease using WiMAX technology by the end of fiscal year 2015.

Device Financing Programs

During 2013, wireless carriers introduced device financing plans that allow subscribers to forgo traditional service contracts and handset subsidies in exchange for lower monthly service fees, early upgrade options, or both. In 2013, AT&T, Verizon Wireless and T-Mobile each launched programs that included an option to purchase a handset using an installment billing program. Sprint offers our own device (handset and tablet) installment billing program called Sprint Easy PaySM.

Under the Sprint Easy Pay installment billing program, we recognize a majority of the revenue associated with future expected installment payments at the time of sale of the device. As compared to our subsidized plans, this results in better alignment of the equipment revenue with the cost of the device, which reduces the amount of equipment net subsidy recognized in our operating results.

In September 2014, Sprint introduced a leasing program, whereby qualified subscribers can lease a device for a contractual period of time. At the end of the lease term, the subscriber has the option to turn in their device, continue leasing their device, or purchase the device. As of September 30, 2015, a majority of our device leases were classified as operating leases. As a result, at lease inception, the devices are reclassified from inventory to property, plant and equipment when leased through Sprint's direct channels. For leases in the indirect channel, we purchase the devices at lease inception from the dealer, which is then capitalized to property, plant and equipment. While a majority of the revenue associated with installment sales is recognized at the time of sale along with the related cost of products, lease revenue is recorded over the term of the lease and handset cost is recognized in depreciation expense over the estimated useful life, which is based on the lease term. Because a substantial portion of the cost of a device leased through our direct channel is not recorded as cost of products but rather as depreciation expense, there is a positive impact to Wireless segment earnings. If the mix of leased devices continues to increase, we expect this positive impact on the financial results of Wireless segment earnings to continue and depreciation expense to increase.

Additionally, Sprint is offering lower monthly service fees without a traditional contract as an incentive to attract subscribers to certain of our service plans. These lower rates for service are available whether the subscriber brings their own handset, pays the full or near full retail price of the handset, purchases the handset under our installment billing program, or leases their handset through our leasing program. As the adoption rates of these plans increase throughout our base of subscribers, we expect our postpaid average revenue per user (ARPU) to continue to decline as a result of lower pricing associated with our new service plans as compared to our subsidized plans, which reflect higher service revenue and lower equipment revenue; however, we also expect reduced equipment net subsidy expense due to installment billing and leasing programs to partially offset these declines. Since inception, the combination of lower priced plans, and our installment billing and leasing programs have been accretive to Wireless segment earnings. We expect that trend to continue with the magnitude of the impact being dependent upon the rate of subscriber adoption. We also expect that the installment billing and leasing programs will require a greater use of operating cash flows in the earlier part of the contracts as the subscriber will generally pay less upfront than subsidized plans.

Shentel Transaction

On August 10, 2015 Shenandoah Telecommunications Company (Shentel) entered into a definitive agreement to acquire one of our wholesale partners, NTELOS Holdings Corp (nTelos). In connection with this definitive agreement, we have entered into a series of agreements with Shentel, subject to regulatory approval, to, among other things, acquire certain assets such as spectrum, terminate our existing wholesale arrangement with nTelos, and amend our existing affiliate agreement with Shentel to include, among other things, the subscribers formerly under the wholesale arrangement with nTelos. The agreements will also expand the area in which Shentel provides wireless service to Sprint customers and will provide for more favorable economic terms. The total consideration for this transaction is expected to include approximately \$220 million, on a net present value basis, of notes payable to Shentel. Sprint will satisfy its obligations under the notes payable over an expected term of five to six years. At this time, we expect approximately \$110 million of the total purchase price to be recorded as a loss, which relates to the termination of our pre-existing wholesale arrangement with nTelos, upon the closing of the transaction, which is expected to occur in the first half of calendar year 2016.

RESULTS OF OPERATIONS

Consolidated Results of Operations

The following table provides an overview of the consolidated results of operations.

	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	<i>(in millions)</i>			
Wireless segment earnings	\$ 1,979	\$ 1,370	\$ 4,053	\$ 3,163
Wireline segment earnings	29	27	38	62
Corporate, other and eliminations	—	(11)	(1)	(12)
Consolidated segment earnings	2,008	1,386	4,090	3,213
Depreciation	(1,412)	(898)	(2,653)	(1,766)
Amortization	(331)	(396)	(678)	(809)
Impairments	(85)	—	(85)	—
Other, net	(182)	(284)	(175)	(311)
Operating (loss) income	(2)	(192)	499	327
Interest expense	(542)	(510)	(1,084)	(1,022)
Other income, net	5	8	9	9
Income tax expense	(46)	(71)	(29)	(56)
Net loss	<u>\$ (585)</u>	<u>\$ (765)</u>	<u>\$ (605)</u>	<u>\$ (742)</u>

Depreciation Expense

Depreciation expense increased \$514 million , or 57% , and \$887 million , or 50% , in the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 , primarily due to depreciation on leased handsets as a result of the device leasing program that was introduced in September 2014 and increased depreciation related to network asset additions partially offset by a decrease due to assets being retired or fully depreciated.

Amortization Expense

Amortization expense decreased \$65 million , or 16% , and \$131 million , or 16% , in the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 , primarily due to customer relationship intangible assets that are amortized using the sum-of-the-months'-digits method, which results in higher amortization rates in early periods that will decline over time.

Impairments

During the three-month period ended September 30, 2015, we recorded \$85 million of asset impairments primarily related to cell site construction costs that are no longer recoverable as a result of changes in the Company's network plans.

Other, net

Other, net represented an expense of \$182 million and \$175 million in the three and six-month periods ended September 30, 2015 , respectively. During the three and six-month periods ended September 30, 2015 , we recognized a \$157 million accrual for ongoing legal matters. In addition, we recognized severance and exit costs for the three and six-month periods ended September 30, 2015 , which included \$11 million and \$18 million , respectively, of severance primarily associated with reductions in force and \$14 million and \$20 million, respectively, of lease and access exit costs primarily associated with tower and cell site leases and backhaul access contracts for which we will no longer be receiving any economic benefit. As a result of the May 2013 U.S. Cellular asset acquisition, we recorded a liability related to network shut-down costs, which primarily consisted of lease exit costs, for which we agreed to reimburse U.S. Cellular. During the three month period ended June 30, 2015, we revised our estimate and, as a result, we reduced the reserve, resulting in approximately \$20 million of income.

Other, net represented an expense of \$284 million and \$311 million in the three and six-month periods ended September 30, 2014 , respectively. Severance and exit costs for the three and six-month periods ended September 30, 2014 included \$263 million and \$269 million, respectively, of severance primarily associated with reductions in force and \$10 million and \$13 million, respectively, of lease exit costs primarily associated with call center and retail store closures. In

addition, we recognized \$11 million and \$29 million during the three and six-month periods ended September 30, 2014 , respectively, of costs related to payments that will continue to be made under our backhaul access contracts for which we will no longer be receiving any economic benefit.

Interest Expense

Interest expense increased \$32 million , or 6% , and \$62 million , or 6% , in the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 , primarily due to interest associated with \$1.5 billion aggregate principal amount of notes issued in February 2015. The effective interest rate, which includes capitalized interest, on the weighted average long-term debt balance of \$34.1 billion and \$34.0 billion was 6.5% in each of the three and six-month periods ended September 30, 2015 , respectively. The effective interest rate, which includes capitalized interest, on the weighted average long-term debt balance of \$32.4 billion and \$32.5 billion was 6.4% in each of the three and six-month periods ended September 30, 2014 , respectively. See “Liquidity and Capital Resources” for more information on the Company's financing activities.

Income Taxes

The income tax expense of \$46 million and \$29 million for the three and six-month periods ended September 30, 2015 , respectively, represented consolidated effective tax rates of approximately (9)% and (5)% , respectively. Income tax expense for both periods was primarily attributable to tax expense resulting from taxable temporary differences from amortization of FCC licenses partially offset by tax benefits from changes in state income tax laws enacted during the periods. The income tax expense of \$71 million and \$56 million for the three and six-month periods ended September 30, 2014 , respectively, represented consolidated effective tax rates of approximately (10)% and (8)% , respectively. Income tax expense of \$71 million for the three-month period ended September 30, 2014 was primarily attributable to tax expense resulting from taxable temporary differences from amortization of FCC licenses. Income tax expense of \$56 million for the six-month period ended September 30, 2014 was primarily attributable to an increase in taxable temporary differences from the amortization of FCC licenses for income tax purposes partially offset by a \$73 million decrease in the valuation allowance on deferred tax assets resulting from the disposition of certain FCC licenses.

Segment Earnings - Wireless

Wireless segment earnings are a function of wireless service revenue, the sale of wireless devices (handsets and tablets), broadband devices, connected devices and accessories, leasing wireless devices, in addition to costs to acquire subscribers and network and interconnection costs to serve those subscribers, as well as other Wireless segment operating expenses. The costs to acquire our subscribers include the net cost at which we sell our devices, referred to as equipment net subsidies, as well as the marketing and sales costs incurred to attract those subscribers. Network costs primarily represent switch and cell site costs, backhaul costs, and interconnection costs, which generally consist of per-minute usage fees and roaming fees paid to other carriers. The remaining costs associated with operating the Wireless segment include the costs to operate our customer care organization and administrative support. Wireless service revenue, costs to acquire subscribers, and variable network and interconnection costs fluctuate with the changes in our subscriber base and their related usage, but some cost elements do not fluctuate in the short term with these changes.

As shown by the table above under "Consolidated Results of Operations," Wireless segment earnings represented almost all of our total Consolidated segment earnings for the three and six-month periods ended September 30, 2015 . Within the Wireless segment, postpaid wireless services represent the most significant contributors to earnings, and is driven by the number of postpaid subscribers to our services, as well as ARPU. The wireless industry is subject to competition to retain and acquire subscribers of wireless services. Most markets in which we operate have high rates of penetration for wireless services.

In late 2013, we introduced new postpaid service plans, which include device payment through installment billing, that allow subscribers to forgo traditional service contracts and handset subsidies in exchange for lower monthly service fees, early upgrade options, or both. In late 2014, Sprint introduced a leasing program, whereby qualified subscribers can lease a device for a contractual period of time. As the adoption rates of these plans increase throughout our base of subscribers, we expect Sprint platform postpaid ARPU to continue to decline as a result of lower pricing associated with our new service plans as compared to our subsidized plans, which reflect higher service revenue and lower equipment revenue; however, we also expect reduced equipment net subsidy expense due to Sprint Easy Pay and leasing programs to partially offset these declines. During the three and six-month periods ended September 30, 2015 , we leased devices through our Sprint direct channels totaling approximately \$742 million and \$1.6 billion , respectively, which would have increased cost of products and reduced Wireless segment earnings if they had been purchased under the installment billing or subsidized programs. We

began to experience net losses of postpaid handset subscribers in mid-2013. Since the release of our new price plans, results have shown improvement in trends of handset subscribers; however, there can be no assurance that this trend will continue. We have taken initiatives to provide the best value in wireless service while continuing to enhance our network performance, coverage and capacity in order to attract and retain valuable handset subscribers. In addition, we are evaluating our cost model to operationalize a more effective cost structure that better matches our new service plans, which we believe may help to relieve some of the pressure we expect on earnings.

The following table provides an overview of the results of operations of our Wireless segment.

Wireless Segment Earnings	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	<i>(in millions)</i>			
Postpaid	\$ 4,900	\$ 5,377	\$ 9,864	\$ 10,930
Prepaid	1,252	1,197	2,552	2,418
Other ⁽¹⁾	70	119	157	253
Retail service revenue	6,222	6,693	12,573	13,601
Wholesale, affiliate and other	199	197	398	376
Total service revenue	6,421	6,890	12,971	13,977
Cost of services (exclusive of depreciation and amortization)	(2,111)	(1,988)	(4,116)	(4,037)
Service gross margin	4,310	4,902	8,855	9,940
Service gross margin percentage	67 %	71 %	68 %	71 %
Equipment revenue	1,095	1,039	2,085	2,145
Cost of products	(1,290)	(2,372)	(2,655)	(4,530)
Equipment net subsidy	(195)	(1,333)	(570)	(2,385)
Equipment net subsidy percentage	(18)%	(128)%	(27)%	(111)%
Selling, general and administrative expense	(2,136)	(2,199)	(4,232)	(4,392)
Wireless segment earnings	\$ 1,979	\$ 1,370	\$ 4,053	\$ 3,163

(1) Represents service revenue primarily related to the Clearwire Acquisition on July 9, 2013.

Service Revenue

Our Wireless segment generates service revenue from the sale of wireless services and the sale of wholesale and other services. Service revenue consists of fixed monthly recurring charges, variable usage charges and miscellaneous fees such as activation fees, directory assistance, roaming, equipment protection, late payment and early termination charges, and certain regulatory related fees, net of service credits.

The ability of our Wireless segment to generate service revenue is primarily a function of:

- revenue generated from each subscriber, which in turn is a function of the types and amount of services utilized by each subscriber and the rates charged for those services; and
- the number of subscribers that we serve, which in turn is a function of our ability to retain existing subscribers and acquire new subscribers.

Retail comprises those subscribers to whom Sprint directly provides wireless services, whether those services are provided on a postpaid or a prepaid basis. We also categorize our retail subscribers as prime and subprime based upon subscriber credit profiles. We use proprietary scoring systems that measure the credit quality of our subscribers using several factors, such as credit bureau information, subscriber credit risk scores and service plan characteristics. Payment history is subsequently monitored to further evaluate subscriber credit profiles. Wholesale and affiliates are those subscribers who are served through MVNO and affiliate relationships and other arrangements. Under the MVNO relationships, wireless services are sold by Sprint to other companies that resell those services to subscribers.

Retail service revenue decreased \$471 million, or 7%, and \$1.0 billion, or 8%, for the three and six-month periods ended September 30, 2015, respectively, compared to the same periods in 2014. The decrease was primarily due to growth in tablet sales and postpaid subscribers on our new plans that tend to carry a lower average revenue per subscriber. The decrease was partially offset by an increase in average postpaid subscribers mostly due to improved churn and growth in our prepaid Boost brand that carries a higher average revenue per subscriber compared to our other prepaid brands.

Wholesale, affiliate and other revenues increased \$2 million, or 1%, and \$22 million, or 6%, for the three and six-month periods ended September 30, 2015, respectively, compared to the same periods in 2014 primarily due to imputed

interest associated with installment billing on handsets. Approximately 58% of our total wholesale and affiliate subscribers represent connected devices. These devices generate revenue from usage which varies depending on the solution being utilized.

Average Monthly Service Revenue per Subscriber and Subscriber Trends

The table below summarizes average number of retail subscribers. Additional information about the number of subscribers, net additions (losses) to subscribers, and average rates of monthly postpaid and prepaid subscriber churn for each quarter since the quarter ended June 30, 2014 may be found in the tables on the following pages.

	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	<i>(subscribers in thousands)</i>			
Average postpaid subscribers	30,502	30,079	30,337	30,226
Average prepaid subscribers	15,428	15,117	15,665	15,246
Average retail subscribers	45,930	45,196	46,002	45,472

The table below summarizes ARPU. Additional information about ARPU for each quarter since the quarter ended June 30, 2014 may be found in the tables on the following pages.

	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
ARPU ⁽¹⁾ :				
Postpaid	\$ 53.90	\$ 60.24	\$ 54.60	\$ 60.95
Prepaid	\$ 27.86	\$ 27.73	\$ 28.02	\$ 27.85
Average retail	\$ 45.15	\$ 49.36	\$ 45.55	\$ 49.85

(1) ARPU is calculated by dividing service revenue by the sum of the monthly average number of subscribers in the applicable service category. Changes in average monthly service revenue reflect subscribers for either the postpaid or prepaid service category who change rate plans, the level of voice and data usage, the amount of service credits which are offered to subscribers, plus the net effect of average monthly revenue generated by new subscribers and deactivating subscribers.

Postpaid ARPU for the three and six-month periods ended September 30, 2015 decreased compared to the same periods in 2014 primarily due to the impact of subscriber migration to many of our new service plans, resulting in lower service fees combined with ongoing growth in sales of tablets, which carry a lower revenue per subscriber. We expect Sprint platform postpaid ARPU to continue to decline during fiscal year 2015 as a result of lower service fees associated with many of our new price plans, and a continued increase in tablet mix that carries a lower ARPU; however, as a result of our installment billing and leasing programs, we expect reduced equipment net subsidy expense to partially offset these declines. Prepaid ARPU for the three and six-month periods ended September 30, 2015 increased compared to the same periods in 2014 primarily due to growth in the prepaid Boost brand that carries a higher ARPU as compared to other prepaid brands which are experiencing a decline in subscribers.

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The following table shows (a) net additions (losses) of wireless subscribers, (b) our total subscribers, and (c) end of period connected device subscribers as of the end of each quarterly period beginning with the quarter ended June 30, 2014.

	June 30, 2014	Sept 30, 2014	Dec 31, 2014	March 31, 2015	June 30, 2015	Sept 30, 2015
Net additions (losses) (in thousands) ⁽¹⁾						
Sprint platform ⁽²⁾ :						
Postpaid ⁽³⁾	(181)	(272)	30	211	310	553
Prepaid ⁽³⁾	(542)	35	410	546	(366)	(363)
Wholesale and affiliates	503	827	527	492	731	866
Total Sprint platform	<u>(220)</u>	<u>590</u>	<u>967</u>	<u>1,249</u>	<u>675</u>	<u>1,056</u>
Transactions:						
Postpaid	(64)	(64)	(49)	(41)	(60)	(70)
Prepaid	(77)	(55)	(39)	(18)	(66)	(64)
Wholesale	27	13	13	22	(22)	(12)
Total Transactions	<u>(114)</u>	<u>(106)</u>	<u>(75)</u>	<u>(37)</u>	<u>(148)</u>	<u>(146)</u>
Total retail postpaid	<u>(245)</u>	<u>(336)</u>	<u>(19)</u>	<u>170</u>	<u>250</u>	<u>483</u>
Total retail prepaid	<u>(619)</u>	<u>(20)</u>	<u>371</u>	<u>528</u>	<u>(432)</u>	<u>(427)</u>
Total wholesale and affiliate	<u>530</u>	<u>840</u>	<u>540</u>	<u>514</u>	<u>709</u>	<u>854</u>
Total Wireless	<u>(334)</u>	<u>484</u>	<u>892</u>	<u>1,212</u>	<u>527</u>	<u>910</u>
End of period subscribers (in thousands) ⁽¹⁾						
Sprint platform ⁽²⁾ :						
Postpaid ⁽³⁾⁽⁴⁾	29,737	29,465	29,495	29,706	30,016	30,569
Prepaid ⁽³⁾	14,715	14,750	15,160	15,706	15,340	14,977
Wholesale and affiliates ⁽⁴⁾⁽⁵⁾	8,879	9,706	10,233	10,725	11,456	12,322
Total Sprint platform	<u>53,331</u>	<u>53,921</u>	<u>54,888</u>	<u>56,137</u>	<u>56,812</u>	<u>57,868</u>
Transactions ⁽⁶⁾ :						
Postpaid	522	458	409	368	308	238
Prepaid	473	418	379	361	295	231
Wholesale	227	240	253	275	253	241
Total Transactions	<u>1,222</u>	<u>1,116</u>	<u>1,041</u>	<u>1,004</u>	<u>856</u>	<u>710</u>
Total retail postpaid ⁽³⁾⁽⁴⁾	<u>30,259</u>	<u>29,923</u>	<u>29,904</u>	<u>30,074</u>	<u>30,324</u>	<u>30,807</u>
Total retail prepaid ⁽³⁾	<u>15,188</u>	<u>15,168</u>	<u>15,539</u>	<u>16,067</u>	<u>15,635</u>	<u>15,208</u>
Total wholesale and affiliates ⁽⁴⁾⁽⁵⁾	<u>9,106</u>	<u>9,946</u>	<u>10,486</u>	<u>11,000</u>	<u>11,709</u>	<u>12,563</u>
Total Wireless	<u>54,553</u>	<u>55,037</u>	<u>55,929</u>	<u>57,141</u>	<u>57,668</u>	<u>58,578</u>
Supplemental data - connected devices						
End of period subscribers (in thousands) ⁽⁴⁾						
Retail postpaid.	988	1,039	1,180	1,320	1,439	1,576
Wholesale and affiliates	4,192	4,635	5,175	5,832	6,620	7,338
Total	<u>5,180</u>	<u>5,674</u>	<u>6,355</u>	<u>7,152</u>	<u>8,059</u>	<u>8,914</u>

(1) A subscriber is defined as an individual line of service associated with each device activated by a customer. Subscribers that transfer from their original service category classification to another platform, or another service line within the same platform, are reflected as a net loss to the original service category and a net addition to their new service category. There is no net effect for such subscriber changes to the total wireless net additions (losses) or end of period subscribers.

(2) Sprint platform refers to the Sprint network that supports the wireless service we provide through our multiple brands.

(3) Approximately 175,000 subscribers were transferred out of the prepaid subscriber base and into the postpaid subscriber base as a result of their decision to choose to participate in a program offered to certain tenured prepaid subscribers. See the discussion under "Subscriber Results" for additional details.

(4) End of period connected devices are included in total retail postpaid or wholesale and affiliates end of period subscriber totals for all periods presented.

(5) Subscribers through some of our MVNO relationships have inactivity either in voice usage or primarily as a result of the nature of the device, where activity only occurs when data retrieval is initiated by the end-user and may occur infrequently. Although we continue to provide these subscribers access to our network through our MVNO relationships, approximately 1,837,000 subscribers at September 30, 2015 through these MVNO relationships have been inactive for at least six months, with no associated revenue during the six-month period ended September 30, 2015.

(6) End of period transactions subscribers reflects postpaid, prepaid and wholesale subscribers acquired as a result of the Clearwire Acquisition.

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The following table shows our average rates of monthly postpaid and prepaid subscriber churn as of the end of each quarterly period beginning with the quarter ended June 30, 2014.

	June 30, 2014	Sept 30, 2014	Dec 31, 2014	March 31, 2015	June 30, 2015	Sept 30, 2015
Monthly subscriber churn rate ⁽¹⁾						
Sprint platform:						
Postpaid	2.05%	2.18%	2.30%	1.84%	1.56%	1.54%
Prepaid ⁽²⁾	4.44%	3.76%	3.94%	3.84%	5.08%	5.07%
Transactions ⁽³⁾ :						
Postpaid	4.15%	4.66%	4.09%	3.87%	6.07%	8.55%
Prepaid	6.28%	5.70%	4.95%	3.77%	7.23%	8.51%
Total retail postpaid	2.09%	2.22%	2.33%	1.87%	1.61%	1.61%
Total retail prepaid	4.50%	3.81%	3.97%	3.84%	5.13%	5.13%

- (1) Churn is calculated by dividing net subscriber deactivations for the quarter by the sum of the average number of subscribers for each month in the quarter. For postpaid accounts comprising multiple subscribers, such as family plans and enterprise accounts, net deactivations are defined as deactivations in excess of subscriber activations in a particular account within 30 days. Postpaid and Prepaid churn consist of both voluntary churn, where the subscriber makes his or her own determination to cease being a subscriber, and involuntary churn, where the subscriber's service is terminated due to a lack of payment or other reasons.
- (2) In the quarter ended June 30, 2015, the Company revised its prepaid subscriber reporting to remove one of its rules that matches customers who disconnect and then re-engage within a specified period of time. This enhancement, which we believe represents a more precise churn calculation, had no impact on net additions, but did result in reporting higher deactivations and higher gross additions in the quarter. Without this revision, Sprint platform prepaid churn in the quarter would have been 4.33% and relatively flat compared to the same period in 2014. End of period prepaid subscribers and net prepaid subscriber additions for all periods presented were not impacted by the change.
- (3) Subscriber churn related to the Clearwire Acquisition.

The following table shows our postpaid and prepaid ARPU as of the end of each quarterly period beginning with the quarter ended June 30, 2014.

	June 30, 2014	Sept 30, 2014	Dec 31, 2014	March 31, 2015	June 30, 2015	Sept 30, 2015
ARPU						
Sprint platform:						
Postpaid	\$ 62.07	\$ 60.58	\$ 58.90	\$ 56.94	\$ 55.48	\$ 54.02
Prepaid	\$ 27.38	\$ 27.19	\$ 27.12	\$ 27.50	\$ 27.81	\$ 27.54
Transactions ⁽¹⁾ :						
Postpaid	\$ 39.16	\$ 39.69	\$ 39.85	\$ 40.28	\$ 40.47	\$ 40.62
Prepaid	\$ 45.15	\$ 45.52	\$ 45.80	\$ 46.68	\$ 46.10	\$ 45.82
Total retail postpaid	\$ 61.65	\$ 60.24	\$ 58.63	\$ 56.72	\$ 55.31	\$ 53.90
Total retail prepaid	\$ 27.97	\$ 27.73	\$ 27.61	\$ 27.95	\$ 28.18	\$ 27.86

- (1) Subscriber ARPU related to the Clearwire Acquisition.

Subscriber Results

Sprint Platform Subscribers

Retail Postpaid — During the three-month period ended September 30, 2015, net postpaid subscriber additions were 553,000 compared to net subscriber losses of 272,000 in the same period in 2014, inclusive of 228,000 and 261,000 net additions of tablets, respectively, which generally have a significantly lower ARPU as compared to other wireless subscribers. The primary driver for the net additions in the current quarter was the continued popularity of tablets and our new pricing plan options launched in the second half of fiscal year 2014 in addition to 199,000 subscribers that transferred from prepaid to postpaid due to the specific program offerings as described below, combined with improving churn as subscribers benefit from the improved network quality.

During the three-month period ended September 30, 2015, we introduced a program to provide certain tenured Boost and Virgin Mobile prepaid subscribers with the opportunity to receive an extension of credit for their use of wireless service. Subscribers who opt-in to this program may also qualify for certain device offers and/or service credits. During the three-month period ended September 30, 2015, approximately 175,000 subscribers chose to participate in this program and were migrated from the prepaid subscriber base into the postpaid subscriber base under their respective Boost and Virgin Mobile brands.

In mid-June 2015, we implemented a program targeting our high tenure prepaid subscribers with consistent payment history, providing them the option to become a postpaid subscriber. During the three-month period ended September 30, 2015, approximately 24,000 prepaid subscribers with a consistent payment history switched to a postpaid plan as part of the program.

Retail Prepaid — During the three-month period ended September 30, 2015, we lost 363,000 net prepaid subscribers compared to additions of 35,000 in the same period in 2014. The net losses in the quarter were primarily due to subscriber losses in the Boost and Virgin Mobile prepaid brands primarily due to continued competition as well as subscribers transferring from prepaid to postpaid for specific program offerings described above, partially offset by fewer Assurance Wireless deactivations related to annual recertifications in 2015 compared to 2014. Prepaid subscribers are generally deactivated between 60 and 150 days from the later of the date of initial activation or replenishment; however, prior to account deactivation, targeted retention programs can be offered to qualifying subscribers to maintain ongoing service by providing up to an additional 150 days to make a replenishment.

Wholesale and Affiliate Subscribers — Wholesale and affiliate subscribers represent customers that are served on our networks through companies that resell our wireless services to their subscribers, customers residing in affiliate territories and connected devices that utilize our network. Of the 12.3 million Sprint platform subscribers included in wholesale and affiliates, approximately 60% represent connected devices. Wholesale and affiliate subscriber net additions were 866,000 during the three-month period ended September 30, 2015 compared to 827,000 during the same period in 2014, inclusive of net additions of connected devices totaling 718,000 and 443,000, respectively. The increase in net additions was primarily attributable to growth in connected device subscribers.

Transactions Subscribers

As part of the Clearwire Acquisition in July 2013, we acquired 788,000 postpaid subscribers (exclusive of Sprint platform wholesale subscribers acquired through our MVNO relationship with Clearwire that were transferred to postpaid subscribers within Transactions), 721,000 prepaid subscribers, and 93,000 wholesale subscribers. For the three-month period ended September 30, 2015, we had net postpaid subscriber losses of 70,000, net prepaid subscriber losses of 64,000 and net wholesale subscriber losses of 12,000.

Cost of Services

Cost of services consists primarily of:

- costs to operate and maintain our networks, including direct switch and cell site costs, such as rent, utilities, maintenance, labor costs associated with network employees, and spectrum frequency leasing costs;
- fixed and variable interconnection costs, the fixed component of which consists of monthly flat-rate fees for facilities leased from local exchange carriers and other providers based on the number of cell sites and switches in service in a particular period and the related equipment installed at each site, and the variable component of which generally consists of per-minute use fees charged by wireline providers for calls terminating on their networks, which fluctuate in relation to the level and duration of those terminating calls;
- long distance costs paid to the Wireline segment;
- costs to service and repair devices;

- regulatory fees;
- roaming fees paid to other carriers; and
- fixed and variable costs relating to payments to third parties for the subscriber use of their proprietary data applications, such as messaging, music and cloud services and connected vehicle fees.

Cost of services increased \$123 million , or 6% , and \$79 million , or 2% , for the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 , primarily due to increased service and repair costs as a result of higher costs per unit of new and used devices. These increases were partially offset by decreases in roaming costs primarily due to lower rates.

Equipment Net Subsidy

We recognize equipment revenue and corresponding costs of equipment when title and risk of loss passes to the indirect dealer or end-use subscriber, assuming all other revenue recognition criteria are met. Our devices are sold under the subsidy program, the installment billing program, or leased under the leasing program. Under the subsidy program, we offer certain incentives to retain and acquire subscribers such as new devices at discounted prices. The cost of these incentives is recorded as a reduction to equipment revenue upon activation of the device with a service contract. Under the installment billing program, the device is sold at or near full retail price and we recognize most of the future expected installment payments at the time of sale of the device, which results in the recognition of significantly less equipment net subsidy. Under the leasing program, lease revenue is recorded over the term of the lease, and handset cost is recognized in depreciation expense over the estimated useful life, which is based on the lease term.

Cost of products includes equipment costs (primarily devices and accessories), order fulfillment related expenses, and write-downs of device and accessory inventory related to shrinkage and obsolescence. Additionally, cost of products is reduced by any rebates that are earned from the equipment manufacturers. Cost of products in excess of the net revenue generated from equipment sales is referred to in the industry as equipment net subsidy. We also make incentive payments to certain indirect dealers who purchase handsets directly from original equipment manufacturers (OEMs) or other device distributors. Those payments are recognized as selling, general and administrative expenses when the handset is activated with a Sprint service plan because Sprint does not recognize any equipment revenue or cost of products for those transactions. (See Selling, General and Administrative Expense below.)

Equipment revenue increased \$56 million , or 5% , and decreased \$60 million , or 3% , for the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 . The increase in equipment revenue for the three-month period ended September 30, 2015 was primarily due to higher revenue from the leasing program combined with a higher average sales price per postpaid handset sold, partially offset by a decrease in postpaid and prepaid handsets sold and a lower average sales price per prepaid handset sold. The decrease in equipment revenue for the six-month period ended September 30, 2015 was primarily due to a decrease in postpaid handsets sold combined with lower average sales price per prepaid handset sold, partially offset by higher revenue from the installment billing and leasing programs, a higher average sales price per postpaid handset sold and an increase in prepaid handsets sold. Cost of products decreased \$1.1 billion , or 46% , and \$1.9 billion , or 41% , for the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 primarily due to a decrease in postpaid handsets sold as a result of customers choosing to lease devices instead of purchasing them.

Selling, General and Administrative Expense

Sales and marketing costs primarily consist of subscriber acquisition costs, including commissions paid to our indirect dealers, third-party distributors and retail sales force for new device activations and upgrades, residual payments to our indirect dealers, payments made to OEMs or other device distributors for direct source handsets, payroll and facilities costs associated with our retail sales force, marketing employees, advertising, media programs and sponsorships, including costs related to branding. General and administrative expenses primarily consist of costs for billing, customer care and information technology operations, bad debt expense and administrative support activities, including collections, legal, finance, human resources, corporate communications, strategic planning, and technology and product development.

Sales and marketing expense was relatively flat for the three and six-month periods ended September 30, 2015 compared to the same periods in 2014 .

General and administrative costs decreased \$76 million , or 8% , and \$171 million , or 9% , for the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 primarily due to a decrease in bad debt expense and in customer care costs as a result of lower call volumes and labor-related initiatives partially offset by increases in other general and administrative expenses.

Bad debt expense decreased \$150 million , or 57% , and \$218 million , or 45% , for the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 primarily related to an improved aging as a result of customer credit profile improvement and fewer accounts written off due to improvements in churn, partially offset by a higher average balance of accounts written off. We reassess our allowance for doubtful accounts quarterly. Changes in our allowance for doubtful accounts are largely attributable to the analysis of historical collection experience and changes, if any, in credit policies established for subscribers.

Segment Earnings - Wireline

We provide a broad suite of wireline voice and data communications services to other communications companies and targeted business subscribers. In addition, we provide voice, data and IP communication services to our Wireless segment. We provide long distance services and operate all-digital global long distance and Tier 1 IP networks. Our services and products include domestic and international data communications using various protocols such as multiprotocol label switching technologies (MPLS), IP, managed network services, Voice over Internet Protocol (VoIP), Session Initiated Protocol (SIP), and traditional voice services. Our IP services can also be combined with wireless services. Such services include our Sprint Mobile Integration service, which enables a wireless handset to operate as part of a subscriber's wireline voice network, and our DataLinkSM service, which uses our wireless networks to connect a subscriber location into their primarily wireline wide-area IP/MPLS data network, making it easy for businesses to adapt their network to changing business requirements. In addition to providing services to our business customers, the wireline network is carrying increasing amounts of voice and data traffic for our Wireless segment as a result of growing usage by our wireless subscribers.

We continue to assess the portfolio of services provided by our Wireline business and are focusing our efforts on IP-based data services and de-emphasizing stand-alone voice services and non-IP-based data services. We also continue to provide voice services primarily to business subscribers. Our Wireline segment markets and sells its services primarily through direct sales representatives.

Wireline segment earnings are primarily a function of wireline service revenue, network and interconnection costs, and other Wireline segment operating expenses. Network costs primarily represent special access costs and interconnection costs, which generally consist of domestic and international per-minute usage fees paid to other carriers. The remaining costs associated with operating the Wireline segment include the costs to operate our customer care and billing organizations in addition to administrative support. Wireline service revenue and variable network and interconnection costs fluctuate with the changes in our customer base and their related usage, but some cost elements do not fluctuate in the short term with the changes in our customer usage. Our wireline services provided to our Wireless segment are generally accounted for based on market rates, which we believe approximate fair value. The Company generally re-establishes these rates at the beginning of each fiscal year. Over the past several years, there has been an industry wide trend of lower rates due to increased competition from other wireline and wireless communications companies as well as cable and Internet service providers. For fiscal year 2015, we expect Wireline segment earnings to decline by approximately \$50 million to \$75 million compared to fiscal year 2014 to reflect changes in market prices for services provided by our Wireline segment to our Wireless segment. Declines in Wireline segment earnings related to intercompany pricing rates do not affect our consolidated results of operations as our Wireless segment benefits from an equivalent reduction in cost of service.

The following table provides an overview of the results of operations of our Wireline segment.

Wireline Segment Earnings	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	<i>(in millions)</i>			
Voice	\$ 212	\$ 294	\$ 445	\$ 621
Data	43	53	92	109
Internet	323	340	651	685
Other	31	21	51	39
Total net service revenue	609	708	1,239	1,454
Cost of services (exclusive of depreciation)	(495)	(593)	(1,029)	(1,219)
Service gross margin	114	115	210	235
Service gross margin percentage	19%	16%	17%	16%
Selling, general and administrative expense	(85)	(88)	(172)	(173)
Wireline segment earnings	\$ 29	\$ 27	\$ 38	\$ 62

Wireline Revenue

Voice Revenues

Voice revenues for the three and six-month periods ended September 30, 2015 decreased \$82 million , or 28% , and \$176 million , or 28% , respectively, compared to the same periods in 2014 . The decrease was driven by lower volume and overall rate declines, primarily due to decreases in international hubbing volumes, combined with the decline in prices for the sale of services to our Wireless segment in the three and six-month periods ended September 30, 2015 . Voice revenues generated from the sale of services to our Wireless segment represented 40% and 38% of total voice revenues for the three and six-month periods ended September 30, 2015 , respectively, compared to 29% for each of the same periods in 2014 .

Data Revenues

Data revenues reflect sales of data services, primarily Private Line and managed network services bundled with non-IP-based data access. Data revenues decreased \$10 million , or 19% , and \$17 million , or 16% , for the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 as a result of customer churn, primarily related to Private Line. Data revenues generated from the provision of services to the Wireless segment represented 42% and 41% of total data revenue for the three and six-month periods ended September 30, 2015 , respectively, compared to 42% for each of the same periods in 2014 .

Internet Revenue

IP-based data services revenue reflects sales of Internet services, including MPLS, VoIP, SIP, and managed services bundled with IP-based data access. IP-based data services revenue decreased \$17 million , or 5% and \$34 million , or 5% , for the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 primarily due to fewer IP customers. In addition, revenue was also impacted by a decline in prices for the sale of services to our Wireless segment. Sale of services to our Wireless segment represented 15% and 14% of total Internet revenues for the three and six-month periods ended September 30, 2015 , respectively, compared to 12% for each of the same periods in 2014 .

Other Revenues

Other revenues, which primarily consist of sales of customer premises equipment, increased \$10 million , or 48% , and \$12 million , or 31% , in the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 .

Costs of Services

Costs of services include access costs paid to local phone companies, other domestic service providers and foreign phone companies to complete calls made by our domestic subscribers, costs to operate and maintain our networks, and costs of equipment. Costs of services decreased \$98 million , or 17% , and \$190 million , or 16% , in the three and six-month periods ended September 30, 2015 , respectively, compared to the same periods in 2014 . The decrease was primarily due to lower international voice volume and rates combined with lower access expense as the result of savings initiatives and declining voice and IP rate and volumes. Service gross margin percentage increased from 16% in each of the three and six-month

periods ended September 30, 2014 to 19% and 17% in the three and six-month periods ended September 30, 2015 , respectively, primarily as a result of a decrease in cost of services partially offset by a decrease in net service revenue .

Selling, General and Administrative Expense

Selling, general and administrative expense was relatively flat in both the three and six-month periods ended September 30, 2015 compared to the same periods in 2014 . Total selling, general and administrative expense as a percentage of net services revenue was 14% for each of the three and six-month periods ended September 30, 2015 compared to 12% for each of the same periods in 2014 .

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

	Six Months Ended	
	September 30,	
	2015	2014
	(in millions)	
Net cash provided by operating activities	\$ 1,797	\$ 1,707
Net cash used in investing activities	\$ (4,080)	\$ (2,225)
Net cash provided by (used in) financing activities	\$ 245	\$ (317)

Operating Activities

Net cash provided by operating activities of \$1.8 billion in the six -month period ended September 30, 2015 increased \$90 million from the same period in 2014 . The increase was primarily due to \$472 million of reduced cash paid to vendors partially offset by reduced cash received from customers of \$332 million, which includes \$100 million of net activity under the Receivables Facility comprised of \$500 million of repayments in the prior quarter and \$400 million of receipts in the current quarter as described below. In addition, we had increased interest payments of \$55 million primarily associated with \$1.5 billion aggregate principal amount of notes issued in February 2015.

Investing Activities

Net cash used in investing activities in the six -month period ended September 30, 2015 increased by approximately \$1.9 billion compared to the same period in 2014 , primarily due to increased capital expenditures of \$575 million and purchases of \$1.1 billion of leased devices from indirect dealers. In addition, in the six-month period ended September 30, 2014, we received \$95 million in reimbursements of our costs of clearing the H Block spectrum as part of the Report and Order obligations and \$101 million of proceeds from the sale of assets and FCC licenses of which \$90 million was related to the sale of certain FCC licenses .

Financing Activities

Net cash provided by financing activities was \$245 million during the six -month period ended September 30, 2015 , which was primarily due to draws of \$208 million and \$226 million on our Finnvera plc (Finnvera) and K-sure secured equipment credit facilities, respectively. These draws were partially offset by repayments related to our secured equipment credit facilities and capital leases. Net cash used in financing activities was \$317 million during the six -month period ended September 30, 2014 , which was primarily due to principal payments on the iPCS, Inc. notes due 2014 of approximately \$181 million and a scheduled principal payment on our secured equipment credit facility of approximately \$127 million .

Working Capital

We had negative working capital of \$2.2 billion and \$1.2 billion as of September 30, 2015 and March 31, 2015 , respectively. The decline in working capital is due to a decrease in cash of \$2.0 billion primarily due to cash paid for capital expenditures, which was partially offset by net cash provided by operating activities and proceeds from draws on our secured equipment credit facilities. In addition, device and accessory inventory decreased \$470 million. These decreases were offset by decreases in accounts payable of \$820 million primarily as a result of invoices with extended payment terms with certain network equipment suppliers coming due and timing of purchases and payments associated with device launches. Additionally, accrued expenses and other current liabilities decreased \$960 million primarily due to decreased employee accruals and decreased accrued capital expenditures for unbilled services. The remaining balance was due to changes to other working capital items.

Long-Term Debt and Other Financing

Receivables Facility

On May 16, 2014, certain wholly-owned subsidiaries of Sprint entered into a two-year committed facility (Receivables Facility) to sell certain accounts receivable, including our installment and wireless service receivables (the Receivables) on a revolving basis, subject to a maximum funding limit. The Receivables Facility was amended in April 2015, which extended the expiration date to March 31, 2017 and increased the maximum funding limit to \$3.3 billion. The available funding varies based on the amount of eligible receivables (as defined in the Receivables Facility). In connection with the Receivables Facility, Sprint formed wholly-owned subsidiaries that are bankruptcy-remote special purpose entities (SPEs). Pursuant to the Receivables Facility, certain Sprint subsidiaries (Originators) transfer Receivables to the SPEs. Receivables contributed by the Originators to the SPEs and available to be sold to the unaffiliated multi-seller asset-backed commercial paper conduits (Conduits) and other financial institutions (together with the Conduits, the "Investors") primarily consisted of installment receivables and wireless service charges due from subscribers. The SPEs then may sell the Receivables to a bank agent on behalf of the Investors or their sponsoring banks. A subsidiary of Sprint services the Receivables in exchange for a monthly servicing fee, and Sprint guarantees the performance of the servicer's and the Originators' obligations under the Receivables Facility. Sales of eligible Receivables by the SPEs, once initiated, generally occur daily and are settled on a monthly basis. Sprint pays a fee for the drawn and undrawn portions of the Receivables Facility. The fees associated with the Receivables Facility are recognized in selling, general and administrative expenses on the consolidated statements of comprehensive loss.

Receivables sold to the Investors are treated as a sale of financial assets. Upon sale, Sprint derecognizes the Receivables, as well as the related allowances, and recognizes the net proceeds received in cash provided by operating activities. The difference between the Receivables sold and the cash received, which represents a financial asset due to Sprint from the Investors, is referred by us as the deferred purchase price (DPP). The DPP is realizable by Sprint contingent upon the cash collections on all of the Receivables sold to the Investors. The DPP is classified as a trading security within "Prepaid expenses and other current assets" on the consolidated balance sheet and is recorded at its estimated fair value. The fair value of the DPP is estimated using a discounted cash flow model, which relies principally on unobservable inputs such as the nature of the sold Receivables and subscriber payment history. Changes in the fair value of the DPP are recognized in operating income on the consolidated statements of comprehensive loss.

On March 31, 2015, we sold approximately \$1.8 billion of service receivables to the Investors in exchange for \$500 million in cash (reflected within the change in accounts and notes receivable on the consolidated statement of cash flows) and a DPP of \$1.3 billion, with an estimated fair value of \$1.2 billion. In accordance with our rights under the Receivables Facility and to facilitate the execution of the April 2015 amendment discussed above, in April 2015 Sprint elected to temporarily suspend sales of receivables by the SPEs to the Investors and remitted payments received to the Investors to reduce the funded amount to zero. In September 2015, we sold net service receivables of approximately \$1.8 billion to the Investors in exchange for \$400 million in cash and \$1.4 billion of DPP. As of September 30, 2015, the amount of our installment receivables held by the SPEs, which were not sold to the banks, was \$1.1 billion. As of September 30, 2015, the total amount available under the Receivables Facility was \$944 million.

In October 2015, we sold net installment receivables of approximately \$1.1 billion under the Receivables Facility in exchange for \$100 million in cash and \$1.0 billion of DPP. In addition, we elected to receive \$300 million of cash in respect of the service receivables sold to the Investors, which reduced the amount of DPP due to Sprint. The total amount available under the Receivables Facility and the total amount of the DPP was \$587 million and \$2.1 billion, respectively, immediately after the October 2015 sale of Receivables. In accordance with the Receivable Facility, we will continue to sell all Receivables to the Investors in exchange for a combination of both DPP and cash. The total amount of cash we elect to receive is dependent upon our liquidity requirements and is limited to the total amount available under the Receivables Facility, which fluctuates over time based on the total amount of Receivables generated during the normal course of our business.

Each SPE's sole business consists of the purchase or acceptance through capital contributions of the Receivables from the Originators and the subsequent retransfer of, or granting of a security interest in, such Receivables to the bank agent under the Receivables Facility. In addition, each SPE is a separate legal entity with its own separate creditors who will be entitled, prior to and upon the liquidation of the SPE, to be satisfied out of the SPE's assets prior to any assets or value in the SPE becoming available to the Originators or Sprint. Accordingly, the assets of the SPE are not available to pay creditors of Sprint or any of its affiliates (other than any other SPE), although collections from these receivables in excess of amounts

required to pay the investment, yield and fees of the Investors and other creditors of the SPEs may be remitted to the Originators and Sprint during and after the term of the Receivables Facility.

Credit Facilities

Bank Credit Facility

Our revolving bank credit facility that expires in February 2018 requires a ratio (Leverage Ratio) of total indebtedness to trailing four quarters earnings before interest, taxes, depreciation and amortization and other non-recurring items, as defined by the credit facility (adjusted EBITDA), not to exceed 6.5 to 1.0 through the quarter ending December 31, 2015, 6.25 to 1.0 through the quarter ending December 31, 2016 and 6.0 to 1.0 each fiscal quarter ending thereafter through expiration of the facility. The facility allows us to reduce our total indebtedness for purposes of calculating the Leverage Ratio by subtracting from total indebtedness the amount of any cash contributed into a segregated reserve account, provided that, after such cash contribution, our cash remaining on hand for operations exceeds \$2.0 billion. Upon transfer, the cash contribution will remain restricted until and to the extent it is no longer required for the Leverage Ratio to remain in compliance.

Export Development Canada (EDC) agreement

The unsecured EDC agreement provides for covenant terms similar to those of the revolving bank credit facility. As of September 30, 2015, the EDC agreement was fully drawn totaling \$800 million. Under the terms of the EDC agreement, repayments of outstanding amounts cannot be re-drawn.

Secured equipment credit facilities

Eksportkreditnamnden (EKN)

The EKN secured equipment credit facility provides for covenant terms similar to those of the revolving bank credit facility. In 2013, we had fully drawn and began to repay the EKN secured equipment credit facility totaling \$1.0 billion, which was used to finance certain network-related purchases from Ericsson. The balance outstanding at September 30, 2015 was \$381 million.

Finnvera plc (Finnvera)

The Finnvera secured equipment credit facility provides for the ability to borrow up to \$800 million to finance network equipment-related purchases from Nokia. The facility can be divided in up to three consecutive tranches of varying size, with borrowings available through October 2017, contingent upon the amount of equipment-related purchases made by Sprint. During the six -month period ended September 30, 2015, we had drawn \$208 million on the facility, and we made principal repayments totaling \$28 million, resulting in a total principal amount of \$224 million outstanding at September 30, 2015.

K-sure

The K-sure secured equipment credit facility provides for the ability to borrow up to \$750 million to finance network equipment-related purchases from Samsung. The facility can be divided in up to three consecutive tranches of varying size with borrowings available until May 2018, contingent upon the amount of equipment-related purchases made by Sprint. During the six -month period ended September 30, 2015, we had drawn \$226 million on the facility, resulting in a total principal amount of \$284 million outstanding at September 30, 2015.

Delcredere | Ducroire (D/D)

The D/D secured equipment credit facility provides for the ability to borrow up to \$250 million to finance network equipment-related purchases from Alcatel-Lucent. As of September 30, 2015, we had not yet made any draws on the facility.

Borrowings under the EKN, Finnvera, K-sure and D/D secured equipment credit facilities are each secured by liens on the respective equipment purchased pursuant to each of the facilities and repayments of outstanding amounts cannot be redrawn. Each of these facilities is fully and unconditionally guaranteed by both Sprint Communications, Inc. and Sprint Corporation. The covenants under each of the four secured equipment credit facilities are similar to one another and to the covenants of our revolving bank credit facility and EDC agreement.

As of September 30, 2015, our Leverage Ratio, as defined by the revolving bank credit facility, EDC Agreement and all other equipment credit facilities was 4.8 to 1.0. Because our Leverage Ratio exceeded 2.5 to 1.0 at period end, we were restricted from paying cash dividends.

Liquidity and Capital Resources

As of September 30, 2015, our liquidity, including cash and cash equivalents, short-term investments, and available borrowing capacity under our revolving bank credit facility and availability under our Receivables Facility was \$5.9 billion. Our cash and cash equivalents and short-term investments totaled \$2.1 billion as of September 30, 2015 compared to \$4.2 billion as of March 31, 2015. As of September 30, 2015, approximately \$435 million in letters of credit were outstanding under our \$3.3 billion revolving bank credit facility. The amount of the letter of credit required pursuant to the Report and Order was reduced to \$364 million as of September 30, 2015. As a result of the outstanding letters of credit, which directly reduce the availability of the revolving bank credit facility, we had \$2.9 billion of borrowing capacity available under the revolving bank credit facility. In addition to the amounts discussed above, as of September 30, 2015, we had available borrowing capacity of up to \$520 million under our Finnvera secured equipment credit facility and a combined total of \$716 million under our K-sure and D/D secured equipment credit facilities. However, utilization of these new facilities is dependent upon the amount and timing of network-related equipment purchases from the applicable suppliers, as well as the period of time remaining to complete any further borrowings available under each facility.

We offer device financing plans, including the Sprint Easy Pay installment billing program and our leasing program, that allow subscribers to forgo traditional service contracts and handset subsidies in exchange for lower monthly service fees, early upgrade options, or both. While a majority of the revenue associated with installment sales is recognized at the time of sale along with the related cost of products, lease revenue and depreciation for devices under operating leases are recorded over the estimated useful life, which is based on the lease term. Because a substantial portion of the cost of a device leased through our direct channel is not recorded as cost of products but rather as depreciation expense, there is a positive impact to Wireless segment earnings. If the mix of devices under operating leases continues to increase, we expect this positive impact on the financial results of Wireless segment earnings to continue and depreciation expense to increase. However, the installment billing and leasing programs will continue to require a greater use of operating cash flows in the earlier part of the contracts as the subscriber will generally pay less upfront than subsidized plans because they are financing the device.

To meet our liquidity requirements, we look to a variety of sources. In addition to our existing cash and cash equivalents, short-term investments, and cash generated from operating activities, which are our primary sources of funding, we raise funds as necessary from external sources. We rely on the ability to issue debt and equity securities, the ability to access other forms of financing, including debt financing, proceeds from the sale of certain accounts receivable under our Receivables Facility and the borrowing capacity available under our credit facilities to support our short- and long-term liquidity requirements.

To maintain an adequate amount of available liquidity and execute our current business plan, which includes, among other things, network deployment and maintenance, subscriber growth, data usage capacity needs and the expected achievement of a cost structure intended to achieve more competitive margins through cost reduction initiatives, we expect to continue to raise additional funds from external sources from time to time as necessary, such as the proposed transaction that involves SoftBank and its partners setting up a leasing company to facilitate the monetization of certain devices currently being leased to our customers. Our ability to meet our funding requirements through the next twelve months is dependent upon our ability to obtain external funding and to successfully execute on our cost reduction initiatives. In November 2015, we obtained commitments, subject to customary closing conditions, in connection with a proposed amendment to our Receivables Facility to include the sale of future lease receivables, which may allow us to increase the maximum funding limit under the Receivables Facility by \$700 million to a total of \$4.0 billion. If we are unable to obtain external funding and execute on our cost reduction initiatives, we would need to modify our existing business plan, which could adversely affect our expectation of long-term benefits from our operations.

In determining our expectation of future funding needs in the next twelve months and beyond, we have made several assumptions regarding:

- projected revenues and expenses relating to our operations, including those related to our installment billing and device lease programs, along with the success of initiatives such as our expectations of achieving a more competitive cost structure through cost reduction initiatives and increasing our postpaid handset subscriber base;
- cash needs related to our installment billing and device leasing programs;
- current availability of \$587 million in funding under the Receivables Facility, which terminates in March 2017;
- continued availability of our revolving bank credit facility, which expires in February 2018, in the amount of \$3.3 billion less outstanding letters of credit;

- remaining availability of \$1.2 billion of our secured equipment credit facilities for eligible capital expenditures, and any corresponding principal, interest, and fee payments;
- raising additional funds from external sources such as the proposed transaction that involves SoftBank and its partners setting up a leasing company to facilitate the monetization of devices being leased to our customers and the proposed amendment to our Receivables Facility to include the sale of future lease receivables;
- the expected use of cash and cash equivalents in the near-term;
- anticipated levels and timing of capital expenditures, including assumptions regarding lower unit costs, the capacity additions and upgrading of our networks and the deployment of new technologies in our networks, FCC license acquisitions, and purchases of leased devices from our indirect dealers;
- any additional contributions we may make to our pension plan;
- any scheduled principal payments on debt, including approximately \$14.3 billion coming due over the next five years plus interest due on all outstanding debt;
- estimated residual values of devices related to our device lease program; and
- other future contractual obligations and general corporate expenditures.

Our ability to fund our needs from external sources is ultimately affected by the overall capacity of, and financing terms available in the banking and securities markets, and the availability of other financing alternatives, as well as our performance and our credit ratings. Given our recent financial performance as well as the volatility in these markets, we continue to monitor them closely and to take steps to maintain financial flexibility at a reasonable cost of capital.

The outlooks and credit ratings from Moody's Investor Service, Standard & Poor's Ratings Services, and Fitch Ratings for certain of Sprint Corporation's outstanding obligations were:

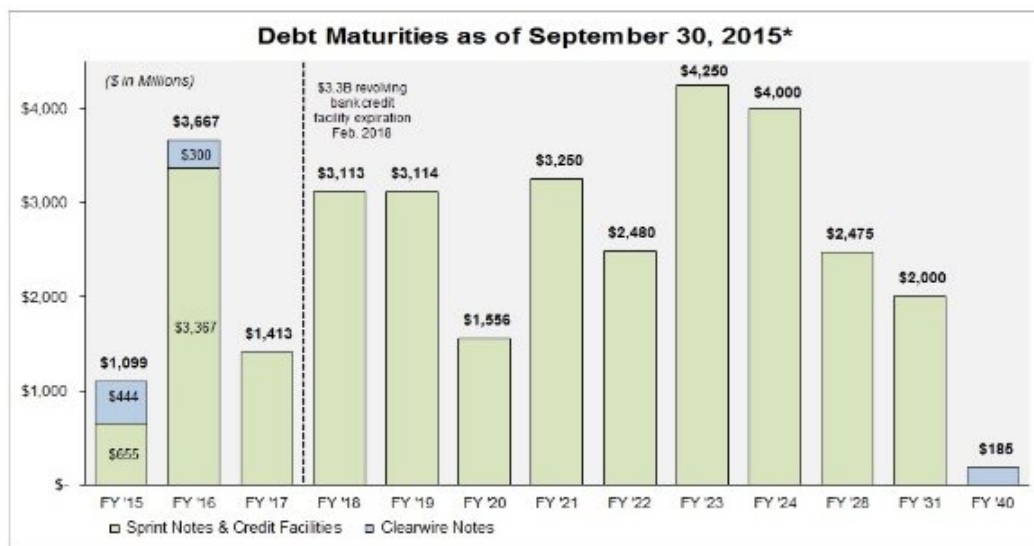
Rating Agency	Rating				
	Issuer Rating	Unsecured Notes	Guaranteed Notes	Bank Credit Facility	Outlook
Moody's	B3	Caa1	B1	Ba3	Negative
Standard and Poor's	B+	B+	BB	BB	Negative
Fitch	B+	B+	BB	BB	Stable

We expect to execute on a number of initiatives to increase our subscriber base, including continuing to improve the quality of our network. However, if those initiatives are not successful in attracting valuable subscribers, such as postpaid handset (versus tablet) subscribers in particular, depending on the amount of any difference in actual results versus what we currently anticipate, it may make it difficult for us to generate sufficient EBITDA to remain in compliance with our financial covenants or be able to meet our debt service obligations, which could result in acceleration of our indebtedness, or adversely impact our ability to raise additional funding through the sources described above, or both. If such events occur, we may engage with our lenders to obtain appropriate waivers or amendments of our credit facilities or refinance borrowings, or seek funding from other external sources, although there is no assurance we would be successful in any of these actions.

A default under certain of our borrowings could trigger defaults under certain of our other debt obligations, which in turn could result in their maturities being accelerated. Certain indentures and other agreements require compliance with various covenants, including covenants that limit the Company's ability to sell all or substantially all of its assets, limit the Company and its subsidiaries' ability to incur indebtedness and liens, and require that we maintain certain financial ratios, each as defined by the terms of the indentures, related supplemental indentures and other agreements.

FUTURE CONTRACTUAL OBLIGATIONS

There have been no significant changes to our future contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended March 31, 2015. Below is a graph depicting our future principal maturities of debt as of September 30, 2015.



OFF-BALANCE SHEET FINANCING

On May 16, 2014, certain wholly-owned subsidiaries of Sprint entered into the Receivables Facility, a two-year committed facility to sell certain accounts receivable, including our installment and wireless service receivables (the Receivables) on a revolving basis, subject to a maximum funding limit. The Receivables Facility was amended in April 2015, which extended the expiration date to March 31, 2017 and increased the maximum funding limit to \$3.3 billion. Sales of eligible receivables, once initiated, generally occur daily and are settled on a monthly basis. Sprint pays a fee for the drawn and undrawn portions of the Receivables Facility. The Receivables primarily consist of installment receivables and wireless service charges due from subscribers. On March 31, 2015, we sold approximately \$1.8 billion of service receivables in exchange for \$500 million in cash and a deferred purchase price (DPP) of \$1.3 billion. In accordance with our rights under the Receivables Facility and to facilitate the execution of the April 2015 amendment discussed above, in April 2015 Sprint elected to temporarily suspend sales of receivables and to remit payments received to reduce the funded amount to zero.

In September 2015, we sold net service receivables of approximately \$1.8 billion in exchange for \$400 million in cash and \$1.4 billion of DPP. As of September 30, 2015, the amount of our installment receivables held by bankruptcy-remote special purpose entities (SPEs), which were not sold to the banks, was \$1.1 billion. As of September 30, 2015, the total amount available under the Receivables Facility was \$944 million.

In October 2015, we sold net installment receivables of approximately \$1.1 billion under the Receivables Facility in exchange for \$100 million in cash and \$1.0 billion of DPP. In addition, we elected to receive \$300 million of cash in respect of the service receivables sold to the Investors, which reduced the amount of DPP due to Sprint. The total amount available under the Receivables Facility and the total amount of the DPP was \$587 million and \$2.1 billion, respectively, immediately after the October 2015 sale of Receivables. In accordance with the Receivable Facility, we will continue to sell all Receivables to the Investors in exchange for a combination of both DPP and cash. The total amount of cash we elect to receive is dependent upon our liquidity requirements and is limited to the total amount available under the Receivables Facility, which fluctuates over time based on the total amount of Receivables generated during the normal course of our business.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company applies those accounting policies that management believes best reflect the underlying business and economic events, consistent with accounting principles generally accepted in the United States. Inherent in such policies are certain key assumptions and estimates made by management. Management regularly updates its estimates used in the preparation of the consolidated financial statements based on its latest assessment of the current and projected business and general economic environment. Additional information regarding the Company's Critical Accounting Policies and Estimates is included in Item 7 of the Company's Annual Report on Form 10-K for the year ended March 31, 2015.

As discussed in Item 7 of the Company's Annual Report on Form 10-K for the period ended March 31, 2015, one of our critical accounting policies is the evaluation of goodwill and indefinite-lived assets for impairment. As a result of the SoftBank Merger in July 2013, we recognized indefinite-lived assets at their acquisition-date estimates of fair value. The estimated fair values were determined based on numerous assumptions and estimates, such as Company forecasts, discount rates, growth rates, among others as well as our then-current stock price. During the quarter ended December 31, 2014, events and changes in circumstances triggered an impairment evaluation, which resulted in an impairment loss on our Sprint trade name of \$1.9 billion. The stock price at September 30, 2015 of \$3.84 was below the net book value per share price of \$5.33. However, the price has increased to \$4.68 at November 5, 2015. The quoted market price of our stock is not the sole consideration of fair value. Other considerations include, but are not limited to, expectations of future results and an estimated control premium.

Sustained declines in the Company's operating results, forecasted future cash flows, growth rates and other assumptions as compared to the estimates utilized for the purposes of evaluating our goodwill and indefinite-lived assets as of December 31, 2014, as well as a significant, sustained decline in the Company's stock price and related market capitalization, could affect the results of future impairment assessments and potentially lead to a future material impairment.

FINANCIAL STRATEGIES

General Risk Management Policies

Our Board of Directors has adopted a financial risk management policy that authorizes us to enter into derivative transactions, and all transactions comply with the policy. We do not purchase or hold any derivative financial instruments for speculative purposes with the exception of equity rights obtained in connection with commercial agreements or strategic investments, usually in the form of warrants to purchase common shares.

Derivative instruments are primarily used for hedging and risk management purposes. Hedging activities may be done for various purposes, including, but not limited to, mitigating the risks associated with an asset, liability, committed transaction or probable forecasted transaction. We seek to minimize counterparty credit risk through credit approval and review processes, credit support agreements, continual review and monitoring of all counterparties, and thorough legal review of contracts. Exposure to market risk is controlled by regularly monitoring changes in hedge positions under normal and stress conditions to ensure they do not exceed established limits.

OTHER INFORMATION

We routinely post important information on our website at www.sprint.com/investors. Information contained on or accessible through our website is not part of this report.

FORWARD-LOOKING STATEMENTS

We include certain estimates, projections and other forward-looking statements in our annual, quarterly and current reports, and in other publicly available material. Statements regarding expectations, including performance assumptions and estimates relating to capital requirements, as well as other statements that are not historical facts, are forward-looking statements.

These statements reflect management's judgments based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. With respect to these forward-looking statements, management has made assumptions regarding, among other things, subscriber and network usage, subscriber growth and retention, technologies, products and services, pricing, operating costs, the timing of various events, and the economic and regulatory environment.

Future performance cannot be assured. Actual results may differ materially from those in the forward-looking statements. Some factors that could cause actual results to differ include:

- our ability to obtain additional financing, or to modify the terms of our existing financing, on terms acceptable to us, or at all;
- our ability to operationalize the expected benefits of the proposed leasing transaction involving SoftBank and its partners;
- our ability to retain and attract subscribers and to manage credit risks associated with our subscribers;
- the ability of our competitors to offer products and services at lower prices due to lower cost structures;
- the effective implementation of our plans to improve the quality of our network, including timing, execution, technologies, costs, and performance of our network;
- failure to improve subscriber churn, bad debt expense, accelerated cash use, costs and write-offs, including with respect to changes in expected residual values related to any of our service plans, including installment billing and leasing programs;
- the ability to generate sufficient cash flow to fully implement our plans to improve and enhance the quality of our network and service plans, improve our operating margins, implement our business strategies and provide competitive new technologies;
- the effects of vigorous competition on a highly penetrated market, including the impact of competition on the prices we are able to charge subscribers for services and devices we provide and on the geographic areas served by our network;
- the impact of equipment net subsidy costs and leasing handsets; the impact of increased purchase commitments; the overall demand for our service plans, including the impact of decisions of new or existing subscribers between our service offerings; and the impact of new, emerging and competing technologies on our business;
- our ability to provide the desired mix of integrated services to our subscribers;
- our ability to continue to access our spectrum and acquire additional spectrum capacity;
- changes in available technology and the effects of such changes, including product substitutions and deployment costs and performance;
- volatility in the trading price of our common stock, weak economic conditions and our ability to access capital, including debt or equity;
- the impact of various parties not meeting our business requirements, including a significant adverse change in the ability or willingness of such parties to provide products, including distribution, or infrastructure equipment for our network;
- the costs and business risks associated with providing new services and entering new geographic markets;
- the effects of any future merger or acquisition involving us, as well as the effect of mergers, acquisitions and consolidations, and new entrants in the communications industry, and unexpected announcements or developments from others in our industry;
- our ability to comply with restrictions imposed by the U.S. Government as a condition to our merger with SoftBank;
- the effects of any material impairment of our goodwill or other indefinite-lived intangible assets;
- unexpected results of litigation filed against us or our suppliers or vendors;
- the costs or potential customer impact of compliance with regulatory mandates including, but not limited to, compliance with the FCC's Report and Order to reconfigure the 800 MHz band and government regulation regarding "net neutrality";
- equipment failure, natural disasters, terrorist acts or breaches of network or information technology security;
- one or more of the markets in which we compete being impacted by changes in political, economic or other factors such as monetary policy, legal and regulatory changes, or other external factors over which we have no control;
- the impact of being a "controlled company" exempt from many corporate governance requirements of the NYSE; and

- other risks referenced from time to time in this report and other filings of ours with the SEC, including Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended March 31, 2015 .

The words "may," "could," "should," "estimate," "project," "forecast," "intend," "expect," "anticipate," "believe," "target," "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are found throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations, and elsewhere in this report. Readers are cautioned that other factors, although not listed above, could also materially affect our future performance and operating results. The reader should not place undue reliance on forward-looking statements, which speak only as of the date of this report. We are not obligated to publicly release any revisions to forward-looking statements to reflect events after the date of this report, including unforeseen events.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

We are primarily exposed to the market risk associated with unfavorable movements in interest rates, foreign currencies, and equity prices. The risk inherent in our market risk sensitive instruments and positions is the potential loss arising from adverse changes in those factors. There have been no material changes to our market risk policies or our market risk sensitive instruments and positions as described in our Annual Report on Form 10-K for the year ended March 31, 2015 .

Item 4. *Controls and Procedures*

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports under the Securities Exchange Act of 1934, such as this Quarterly Report on Form 10-Q, is reported in accordance with the SEC's rules. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

In connection with the preparation of this Quarterly Report on Form 10-Q as of September 30, 2015 , under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of the disclosure controls and procedures were effective as of September 30, 2015 in providing reasonable assurance that information required to be disclosed in reports we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure and in providing reasonable assurance that the information is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

Internal controls over our financial reporting continue to be updated as necessary to accommodate modifications to our business processes and accounting procedures. There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION**Item 1. Legal Proceedings**

In March 2009, a stockholder brought suit, *Bennett v. Sprint Nextel Corp.*, in the U.S. District Court for the District of Kansas, alleging that Sprint Communications and three of its former officers violated Section 10(b) of the Exchange Act and Rule 10b-5 by failing adequately to disclose certain alleged operational difficulties subsequent to the Sprint-Nextel merger, and by purportedly issuing false and misleading statements regarding the write-down of goodwill. The plaintiff sought class action status for purchasers of Sprint Communications common stock from October 26, 2006 to February 27, 2008. On January 6, 2011, the Court denied the motion to dismiss. Subsequently, our motion to certify the January 6, 2011 order for an interlocutory appeal was denied. On March 27, 2014, the court certified a class including bondholders as well as stockholders. On April 11, 2014, we filed a petition to appeal that certification order to the Tenth Circuit Court of Appeals. The petition was denied on May 23, 2014. After mediation, the parties reached an agreement to settle the matter, and the settlement amount was substantially paid by the Company's insurers. The district court granted final approval of the settlement in August, 2015, and the case is now completed.

In addition, five related stockholder derivative suits were filed against Sprint Communications and certain of its present and/or former officers and directors. The first, *Murphy v. Forsee*, was filed in state court in Kansas on April 8, 2009, was removed to federal court, and was stayed by the court pending resolution of the motion to dismiss the *Bennett* case; the second, *Randolph v. Forsee*, was filed on July 15, 2010 in state court in Kansas, was removed to federal court, and was remanded back to state court; the third, *Ross-Williams v. Bennett, et al.*, was filed in state court in Kansas on February 1, 2011; the fourth, *Price v. Forsee, et al.*, was filed in state court in Kansas on April 15, 2011; and the fifth, *Hartleib v. Forsee, et al.*, was filed in federal court in Kansas on July 14, 2011. These cases were essentially stayed while the *Bennett* case was pending, and the stay has been extended to allow the parties the opportunity to pursue settlement. We do not expect the resolution of these matters to have a material adverse effect on our financial position or results of operations.

Sprint Communications, Inc. is also a defendant in a complaint filed by stockholders of Clearwire Corporation asserting claims for breach of fiduciary duty by Sprint Communications, and related claims and otherwise challenging the Clearwire Acquisition. *ACP Master, LTD, et al. v. Sprint Nextel Corp., et al.*, was filed April 26, 2013, in Chancery Court in Delaware. Our motion to dismiss the suit was denied, and discovery is substantially complete. Plaintiffs in the *ACP Master, LTD* suit have also filed suit requesting an appraisal of the fair value of their Clearwire stock. Discovery in that case was consolidated with the breach of fiduciary duty case and is substantially complete. Sprint Communications intends to defend the *ACP Master, LTD* cases vigorously. We do not expect the resolution of these matters to have a material adverse effect on our financial position or results of operations.

Various other suits, inquiries, proceedings and claims, either asserted or unasserted, including purported class actions typical for a large business enterprise and intellectual property matters, are possible or pending against us. If our interpretation of certain laws or regulations, including those related to various federal or state matters such as sales, use or property taxes, or other charges were found to be mistaken, it could result in payments by us. While it is not possible to determine the ultimate disposition of each of these proceedings and whether they will be resolved consistent with our beliefs, we expect that the outcome of such proceedings, individually or in the aggregate, will not have a material adverse effect on our financial position or results of operations. During the quarter ended September 30, 2015, there were no material developments in the status of these legal proceedings.

Item 1A. Risk Factors

There have been no material changes to our risk factors as described in our Annual Report on Form 10-K for the year ended March 31, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. *Mine Safety Disclosures*

None

Item 5. *Other Information*

Disclosure of Iranian Activities under Section 13(r) of the Securities Exchange Act of 1934

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Securities Exchange Act of 1934. Section 13(r) requires an issuer to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, including, among other matters, transactions or dealings relating to the government of Iran. Disclosure is required even where the activities, transactions or dealings are conducted outside the U.S. by non-U.S. affiliates in compliance with applicable law, and whether or not the activities are sanctionable under U.S. law.

After the merger with SoftBank, SoftBank acquired control of Sprint. During the three-month period ended September 30, 2015, SoftBank, through one of its non-U.S. subsidiaries, provided roaming services in Iran through Telecommunications Services Company (MTN Irancell), which is or may be a government-controlled entity. During such period, SoftBank had no gross revenues from such services and no net profit was generated. This subsidiary also provided telecommunications services in the ordinary course of business to accounts affiliated with the Embassy of Iran in Japan. During the three-month period ended September 30, 2015, SoftBank estimates that gross revenues and net profit generated by such services were both under \$1,000. Sprint was not involved in, and did not receive any revenue from, any of these activities. These activities have been conducted in accordance with applicable laws and regulations, and they are not sanctionable under U.S. or Japanese law. Accordingly, with respect to Telecommunications Services Company (MTN Irancell), the relevant SoftBank subsidiary intends to continue such activities. With respect to services provided to accounts affiliated with the Embassy of Iran in Japan, the relevant SoftBank subsidiary is obligated under contract to continue such services.

Item 6. *Exhibits*

The Exhibit Index attached to this Quarterly Report on Form 10-Q is hereby incorporated by reference.

SIGNATURE

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.

SPRINT CORPORATION
(Registrant)

By: /s/ P AUL W. S CHIEBER, J R.

Paul W. Schieber, Jr.
Vice President and Controller
(Principal Accounting Officer)

Date: November 9, 2015

Exhibit Index

Exhibit No.	Exhibit Description	Form	Incorporated by Reference			Filed/Furnished Herewith
			SEC File No.	Exhibit	Filing Date	
(3) Articles of Incorporation and Bylaws						
3.1	Amended and Restated Certificate of Incorporation	8-K	001-04721	3.1	7/11/2013	
3.2	Amended and Restated Bylaws	8-K	001-04721	3.2	8/7/2013	
(10) Material Contracts						
10.1	Second Amendment to Employment Agreement, effective July 27, 2015, by and between Sprint Corporation and John C. Saw					*
10.2	Employment Agreement, effective August 3, 2015, by and between Sprint Corporation and Guenther Ottendorfer					*
10.3	Amended and Restated Employment Agreement, effective as of August 11, 2015, by and between Sprint Corporation and Raul Marcelo Clause	8-K	001-04721	10.1	8/11/2015	
10.4	Sprint Corporation 2015 Omnibus Incentive Plan					*
10.5	Form of Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan for non-employee directors					*
10.6	Form of Turnaround Incentive Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan for certain executive officers in exchange for reduced long-term incentive opportunities					*
10.7	Form of Turnaround Incentive Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan for certain other executive officers					*
10.8	Form of Award Agreement (awarding stock options) under the 2015 Omnibus Incentive Plan to executive officers other than those with Sprint employment agreements and Robert L. Johnson					*
10.9	Form of Award Agreement (awarding restricted stock units) under the 2015 Omnibus Incentive Plan to executive officers other than Robert L. Johnson					*
10.10	Form of Award Agreement (awarding performance-based restricted stock units) under the 2015 Omnibus Incentive Plan to executive officers other than Robert L. Johnson					*
(12) Statement re Computation of Ratios						
12	Computation of Ratio of Earnings to Fixed Charges					*
(31) and (32) Officer Certifications						
31.1	Certification of Chief Executive Officer Pursuant to Securities Exchange Act of 1934 Rule 13a-14(a)					*
31.2	Certification of Chief Financial Officer Pursuant to Securities Exchange Act of 1934 Rule 13a-14(a)					*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002					*

Exhibit No.	Exhibit Description	Form	Incorporated by Reference			Filed/Furnished Herewith
			SEC File No.	Exhibit	Filing Date	
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002					*
(101) Formatted in XBRL (Extensible Business Reporting Language)						
101.INS	XBRL Instance Document					*
101.SCH	XBRL Taxonomy Extension Schema Document					*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					*
* Filed or furnished, as required.						

**SECOND AMENDMENT
TO EMPLOYMENT AGREEMENT**

This Second Amendment (the “Amendment”) to that certain Employment Agreement made and entered into effective as of May 20, 2014, and amended October 20, 2014, by and between Sprint Corporation, a Delaware corporation, on behalf of itself and any of its subsidiaries, affiliates and related entities, and John C. Saw (the “Agreement”) is entered into and effective as of July 27, 2015. Certain capitalized terms shall have the meaning ascribed to them in the Agreement.

WITNESSETH:

WHEREAS, the Executive and the Company desire to amend the Agreement as provided herein.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements set forth herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Company and the Executive hereby agree Section 8 of the Agreement shall be amended as shown below:

8. Place of Performance. In connection with his employment by the Company, the Executive shall be based at the principal executive offices of the Company in the vicinity of Overland Park, Kansas, San Carlos, California, or Bellevue, Washington (the “Place of Performance”), except for travel reasonably required for Company business. Subject to mutual agreement by the Parties, the Executive will relocate the Executive’s residence to the area surrounding the Executive’s specifically-assigned Place of Performance (if not that of Executive’s current residence in Washington state) in accordance with the Company’s relocation policy applicable to senior executives, except that, solely with respect to Executive’s initial relocation to the Overland Park vicinity, the interim living amount and the round-trip return visits to Executive’s former location described in such program shall be replaced with a monthly stipend of \$5,420 until the earlier of ~~12~~ 36 months and the date Executive’s interim living arrangement ends. If the Company relocates the Executive’s Place of Performance more than 50 miles from his Place of Performance prior to such relocation, the Executive shall relocate to a residence within the greater of (a) 50 miles of such relocated Place of Performance or (b) such total miles that do not exceed the total number of miles the Executive commuted to his Place of Performance prior to relocation of the Executive’s Place of Performance. To the extent the Executive relocates his residence as provided in this Section 8, the Company will pay or reimburse the Executive’s relocation expenses in accordance with the Company’s relocation policy applicable to senior executives.

In all other respects, the terms, conditions and provisions of the Agreement shall remain the same.

IN WITNESS WHEREOF, the Company has caused this Amendment to be signed by an officer pursuant to the authority of its Board, and the Executive has executed this Amendment, as of the day and year first written above.

SPRINT CORPORATION

/s/ Sandra Price

By: Sandra J. Price,
Senior Vice President - Human Resources

EXECUTIVE

/s/ John C. Saw

John C. Saw

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into on July 27, 2015, effective as of August 3, 2015 (the "Effective Date"), by and between Sprint Corporation, a Delaware corporation (the "Company") on behalf of itself and any of its subsidiaries, affiliates and related entities, and Guenther Ottendorfer (the "Executive") (the Company and the Executive, collectively, the "Parties," and each, a "Party"). Certain capitalized terms are defined in Section 29.

WITNESSETH:

WHEREAS, the Company desires to employ the Executive as Chief Operating Officer, Technology and the Executive desires to accept such employment; and

WHEREAS, the Executive and the Company desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements set forth herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Company and the Executive agree as follows:

1. Employment.

(a) The Company will employ the Executive and the Executive will be employed by the Company upon the terms and conditions set forth herein.

(b) The employment relationship between the Company and the Executive shall be governed by the general employment policies and practices of the Company, including without limitation, those relating to the Company's Code of Conduct, confidential information and avoidance of conflicts, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. Term. Subject to termination under Section 9, the Executive's employment shall be for an initial term of 24 months commencing on the Effective Date and shall continue through the second anniversary of the Effective Date (the "Initial Employment Term"). At the end of the Initial Employment Term and on each succeeding anniversary of the Effective Date, the Employment Term will be automatically extended by an additional 12 months (each, a "Renewal Term"), unless, not less than 12 months prior to the end of the Initial Employment Term or any Renewal Term, either the Executive or the Company has given the other written notice (in accordance with Section 20) of nonrenewal. The Executive shall provide the Company with written notice of his intent to terminate employment with the Company at least 30 days prior to the effective date of such termination.

3. Position and Duties of the Executive.

(a) The Executive shall serve as Chief Operating Officer, Technology of the Company, and agrees to serve as an officer of any enterprise and/or agrees to be an employee of any Subsidiary as may be requested from time to time by the Board of

Directors of the Company (the “Board”), any committee or person delegated by the Board or the Chief Executive Officer of the Company (the “Chief Executive Officer”). In such capacity, the Executive shall report directly to the Chief Executive Officer of the Company or such other officer of the Company as may be designated by the Chief Executive Officer. The Executive shall have such duties, responsibility and authority as may be assigned to the Executive from time to time by the Chief Executive Officer, the Board or such other officer of the Company as may be designated by the Chief Executive Officer or the Board.

(b) During the Employment Term, the Executive shall, except as may from time to time be otherwise agreed to in writing by the Company, during reasonable vacations (as set forth in Section 7 hereof) and authorized leave and except as may from time to time otherwise be permitted pursuant to Section 3(c), devote his best efforts, full attention and energies during his normal working time to the business of the Company, to any duties as may be delineated in the Company’s Bylaws for the Executive’s position and title and such other related duties and responsibilities as may from time to time be reasonably prescribed by the Board, any committee or person designated by the Board, or the Chief Executive Officer, in each case, within the framework of the Company’s policies and objectives.

(c) During the Employment Term, and provided that such activities do not contravene the provisions of Section 3(a) or (b) or Sections 10, 11, 12 or 13 hereof and, provided further, the Executive does not engage in any other substantial business activity for gain, profit or other pecuniary advantage which materially interferes with the performance of his duties hereunder, the Executive may participate in any governmental, educational, charitable or other community affairs and, subject to the prior approval of the Chief Executive Officer serve as a member of the governing board of any such organization or any private or public for-profit company. The Executive may retain all fees and other compensation from any such service, and the Company shall not reduce his compensation by the amount of such fees.

4. Compensation.

(a) Base Salary. During the Employment Term, the Company shall pay to the Executive an annual base salary of \$525,000 (the “Base Salary”), which Base Salary shall be payable at the times and in the manner consistent with the Company’s general policies regarding compensation of the Company’s senior executives. The Base Salary will be reviewed periodically by the Compensation Committee and may be increased (but not decreased, except for across-the-board reductions generally applicable to the Company’s senior executives) from time to time in the Compensation Committee’s sole discretion.

(b) Incentive Compensation. The Executive will be eligible to participate in any short-term and long-term incentive compensation plans, annual bonus plans and such other management incentive programs or arrangements of the Company approved by the Board that are generally available to the Company’s senior executives, including, but not limited to, the STIP and the LTSIP. Incentive compensation shall be

paid in accordance with the terms and conditions of the applicable plans, programs and arrangements.

(i) Annual Performance Bonus. During the Employment Term, the Executive shall be entitled to participate in the STIP, with such opportunities as may be determined by the Compensation Committee in its sole discretion ("Target Bonuses"); provided, however, that for the Company's fiscal year ending March 31, 2016 ("FY 2015"), the Executive will participate on a prorated basis for the period of FY 2015 in which he is employed by the Company, at an annual Target Bonus opportunity equal to 75 percent of his base salary. The Executive's Target Bonus may be increased (but not decreased, except for across-the-board reductions generally applicable to the Company's senior executives) from time to time, and the Executive shall be entitled to receive full payment of any award under the STIP, determined pursuant to the STIP (a "Bonus Award").

(ii) Long-Term Performance Bonus. During the Employment Term, the Executive shall be entitled to participate in the LTSIP with such opportunities, if any, as may be determined by the Compensation Committee ("LTSIP Target Award Opportunities"); provided, however, that the Executive's LTSIP Target Award Opportunity for FY 2015, and for the Company's fiscal year ending March 31, 2017, shall be equal to \$725,000, and the Executive's LTSIP Target Award Opportunity shall be equal to \$800,000 for the Company's fiscal year ending March 31, 2018.

(iii) Incentive bonuses, if earned, shall be paid when incentive compensation is customarily paid to the Company's senior executives in accordance with the terms of the applicable plans, programs or arrangements.

(iv) Pursuant to the Company's applicable incentive or bonus plans as in effect from time to time, the Executive's incentive compensation during the term of this Agreement may be determined according to criteria intended to qualify as performance-based compensation under Section 162(m) of the Code.

(c) Equity Compensation. The Executive shall be eligible to participate in such equity incentive compensation plans and programs as the Company generally provides to its senior executives, including, but not limited to, the LTSIP. During the Employment Term, the Compensation Committee may, in its sole discretion, grant equity awards to the Executive, which would be subject to the terms of the respective award agreements evidencing such grants and the applicable plan or program.

(d) Sign-on Compensation.

(i) The Executive shall receive a sign-on bonus of \$300,000 (the "Sign-on Bonus"), less applicable tax withholdings and other authorized deductions, \$50,000 payable as soon as administratively practicable after the Effective Date, \$100,000 payable as soon as administratively practicable after the

six month and 12-month anniversaries of the Effective Date, and \$50,000 as soon as practicable after the 18-month anniversary of the Effective Date. Executive agrees to repay the Sign-on Bonus in full if he is no longer employed by the Company (unless Executive's employment is terminated by the Company without Cause or the Executive terminates for Good Reason, or is due to Executive's death or Disability) through the 18-month anniversary of the Effective Date.

(ii) On or before September 1, 2015, but not before the Effective Date, the Executive shall receive 625,000 restricted stock units subject to the terms and conditions specified in the form of Evidence of Award attached as Exhibit A.

5. Benefits.

(a) During the Employment Term, the Company shall make available to the Executive, subject to the terms and conditions of the applicable plans, participation for the Executive and his eligible dependents in: (i) Company-sponsored group health, major medical, dental, vision, pension and profit sharing, 401(k) and employee welfare benefit plans, programs and arrangements (the "Employee Plans") and such other usual and customary benefits in which senior executives of the Company participate from time to time, and (ii) such fringe benefits and perquisites as may be made available to senior executives of the Company as a group.

(b) The Executive acknowledges that the Company may change its benefit programs from time to time, which may result in certain benefit programs being amended or terminated for its senior executives generally.

6. Expenses. The Company shall pay or reimburse the Executive for reasonable and necessary business expenses incurred by the Executive in connection with his duties on behalf of the Company in accordance with the Company's Enterprise Financial Services-Employee Travel and Expense Policy, as may be amended from time to time, or any successor policy, plan, program or arrangement thereto and any other of its expense policies applicable to senior executives of the Company, following submission by the Executive of reimbursement expense forms in a form consistent with such expense policies.

7. Vacation. In addition to such holidays, sick leave, personal leave and other paid leave as is allowed under the Company's policies applicable to senior executives generally, the Executive shall be entitled to participate in the Company's vacation policy in accordance with the Company's policy generally applicable to senior executives; provided, however, that the Executive will be provided an additional two weeks of vacation to be available for use during the first 18 months of employment. The duration of such vacations and the time or times when they shall be taken will be determined by the Executive in consultation with the Company.

8. Place of Performance. In connection with his employment by the Company, the Executive shall be based at the principal executive offices of the Company in the vicinity of Overland Park, Kansas (the "Place of Performance"), except for travel reasonably required for Company business. The Executive will relocate his residence to the area surrounding the Executive's initial Place of Performance on or before September 30, 2015. If the Company

relocates the Executive's Place of Performance more than 50 miles from his Place of Performance prior to such relocation, the Executive shall relocate to a residence within the greater of (a) 50 miles of such relocated Place of Performance or (b) such total miles that do not exceed the total number of miles the Executive commuted to his Place of Performance prior to relocation of the Executive's Place of Performance. To the extent the Executive relocates his residence as provided in this Section 8, the Company will pay or reimburse the Executive's relocation expenses in accordance with the Company's relocation program applicable to senior executives, except that, except that relocation eligibility will be extended from 12 months to 18 months.

9. Termination.

(a) Termination by the Company for Cause or Resignation by the Executive Without Good Reason. If, during the Employment Term, the Executive's employment is terminated by the Company for Cause, or if the Executive resigns without Good Reason, the Executive shall not be eligible to receive Base Salary or to participate in any Employee Plans with respect to future periods after the date of such termination or resignation except for the right to receive accrued but unpaid cash compensation and vested benefits under any Employee Plan in accordance with the terms of such Employee Plan and applicable law.

(b) Termination by the Company Without Cause or Resignation by the Executive for Good Reason outside of the CIC Severance Protection Period. If, during the Employment Term, the Executive's employment is terminated by the Company without Cause or the Executive terminates for Good Reason prior to, or following expiration of, the CIC Severance Protection Period and such termination constitutes a Separation from Service or the Executive is entitled to severance compensation and benefits under this Section 9(b) pursuant to the provisions of Section 9(c), the Executive shall be entitled to receive from the Company: (1) the Executive's accrued, but unpaid, Base Salary through the date of termination of employment, payable in accordance with the Company's normal payroll practices and any vested benefits under any Employee Plan in accordance with the terms of such Employee Plan and applicable law, and (2) conditioned upon the Executive executing a Release within the Release Consideration Period and delivering it to the Company with the Release Revocation Period expired without revocation, and in full satisfaction of the Executive's rights and any benefits the Executive might be entitled to under the Separation Plan and this Agreement and any requirements of the Worker Adjustment and Retraining Notification Act or similar law, unless otherwise specified herein:

(i) periodic payments equal to his Base Salary in effect prior to the termination of his employment, which payments shall be paid to the Executive in equal installments on the regular payroll dates under the Company's payroll practices applicable to the Executive on the date of this Agreement for the Payment Period, except that if the Executive is a Specified Employee, with respect to any amount payable by reason of the Separation from Service that constitutes deferred compensation within the meaning of Code Section 409A, such installments shall not commence until after the end of the six continuous

month period following the date of the Executive's Separation from Service, in which case, the Executive shall be paid a lump-sum cash payment equal to the aggregate amount of missed installments during such period on the first day of the seventh month following the date of the Executive's Separation from Service;

(ii) (A) receive a pro rata payment of the Bonus Award for the portion of the Company's current fiscal year prior to the date of termination of his employment; (B) receive a pro rata payment of the Capped Bonus Award for the portion of the Company's current fiscal year following the date of termination of his employment; (C) receive for the next fiscal year following the fiscal year during which his termination of employment occurs, the Capped Bonus Award, or if his Payment Period ends during such fiscal year, a pro rata portion of the Capped Bonus Award; and (D) if his Payment Period ends in the second year following the fiscal year during which the Executive's termination of employment occurs, receive payment of a pro rata portion of the Capped Bonus Award for such fiscal year; provided, however, that to the extent the Executive's employment is terminated for Good Reason due to a reduction of the Executive's Target Bonus, in accordance with Section 29(x)(ii), the Executive's Target Bonus for the purposes of this Section 9(b)(ii) shall be the Executive's Target Bonus immediately prior to such reduction; and provided, further, that any pro rata payment shall be determined based on the methodology for determining pro rated awards under the STIP and each such payment shall be payable in accordance with the provisions of the STIP in the calendar year in which the Bonus Award or each Capped Bonus Award, as applicable, is determined, and in all events, not later than December 31st of the year in which each such award is determined;

(iii) continue from the date of Separation from Service for the number of months equal to the period of continuation coverage the Executive would be entitled to pursuant to Section 4980B of the Code participation in the Company's group health plans at then-existing participation and coverage levels comparable to the terms in effect from time to time for the Company's senior executives, including any co-payment and premium payment requirements, for which the Company shall deduct from each payment payable to the Executive pursuant to Section 9(b)(i) the amount of any employee contributions necessary to maintain such coverage for such period, except that (A) following such period, the Executive shall retain any rights to continue coverage under the Company's group health plans under the benefits continuation provisions pursuant to Section 4980B of the Code by paying the applicable premiums of such plans; and (B) the Executive shall no longer be eligible to receive the benefits otherwise receivable pursuant to this Section 9(b)(iii) as of the date that the Executive becomes eligible to receive comparable benefits from a new employer;

(iv) continue for the Payment Period participation in the Company's employee life insurance plans at then-existing participation and coverage levels, comparable to the terms in effect from time to time for the Company's senior executives, including any premium payment requirements, for which the Company shall deduct from each payment payable to the Executive pursuant to

Section 9(b)(i) the amount of any employee contributions necessary to maintain such coverage for such period, except that the Executive shall no longer be eligible to receive the benefits otherwise receivable pursuant to this Section 9(b) (iv) as of the date that the Executive becomes eligible to receive comparable benefits from a new employer; and

(v) receive outplacement services by a firm selected by the Company at its expense in an amount not to exceed \$35,000; provided, however, that all such outplacement services must be completed, and all payments by the Company must be made, by December 31st of the second calendar year following the calendar year in which the Executive's Separation from Service occurs.

Notwithstanding anything in this Section 9(b) to the contrary, to the extent the Executive has not executed the Release within the Release Consideration Period and delivered it to the Company, or has revoked the executed Release within the Release Revocation Period, as determined at the end of such Release Revocation Period, the Executive will forfeit any right to receive the payments and benefits specified in this Section 9(b) (other than any accrued but unpaid payments and benefits through the date of termination of employment).

(c) Termination by the Company Without Cause or Resignation by the Executive for Good Reason During the CIC Severance Protection Period. Subject to (i)-(iv) below, if the Executive's employment is terminated by the Company without Cause, or the Executive terminates employment for Good Reason, before the Employment Term expires and during the CIC Severance Protection Period, and the termination constitutes a Separation from Service, subject to the terms of the CIC Severance Plan, the Executive will become entitled to severance compensation and benefits under the CIC Severance Plan as of (x) the date the Separation from Service occurs, or (y) in the event of a Pre-CIC Termination, the date the Change in Control occurs, as of which date all rights to severance benefits under this Agreement will cease.

(i) The CIC Severance Plan will not apply and the Executive will be entitled to severance compensation and benefits under Section 9(b) of this Agreement if the Executive (x) as of his Separation from Service is not a Participant in, or (y) is otherwise not entitled to severance compensation and benefits under, the CIC Severance Plan.

(ii) If the Executive is entitled to severance benefits under the CIC Severance Plan as a result of a Pre-CIC Termination, any benefits payable before the Change in Control will be paid under this Agreement and any additional benefits payable after the Change in Control will be paid under the CIC Severance Plan.

(ii) In no event may there be duplication of benefits under this Agreement and the CIC Severance Plan.

(iv) The terms "Change in Control" and "Pre-CIC Termination" are defined in the CIC Severance Plan.

(d) Termination by Death. If the Executive dies during the Employment Term, the Executive's employment will terminate and the Executive's beneficiary or if none, the Executive's estate, shall be entitled to receive from the Company, the Executive's accrued, but unpaid, Base Salary through the date of termination of employment and any vested benefits under any Employee Plan in accordance with the terms of such Employee Plan and applicable law.

(e) Termination by Disability. If the Executive becomes Disabled prior to the expiration of the Employment Term, the Executive's employment will terminate, and provided that such termination constitutes a Separation from Service, the Executive shall be entitled to:

(i) receive from the Company periodic payments equal to his Base Salary in effect prior to the termination of his employment (reduced by any amounts paid on a monthly basis under any long-term disability plan (the "LTD Plan") now or hereafter sponsored by the Company), which payments shall be paid to the Executive commencing on the Separation from Service date for 12 months in equal installments on the regular payroll dates under the Company's payroll practices applicable to the Executive on the date of this Agreement; provided, however, that in the event that the Executive is a Specified Employee, with respect to any amount payable by reason of the Executive's Separation from Service that constitutes deferred compensation within the meaning of Code Section 409A, such installments shall not commence until the earlier to occur of (A) the first business day of the seventh month following the date of the Executive's Separation from Service and (B) death, in which case the Executive (or the Executive's estate in the event of Executive's death) shall be paid on the earlier of (1) the first day of the seventh month following the date of the Executive's Separation from Service and (2) the Executive's death a lump-sum cash payment equal to the aggregate amount of any such payments that constitutes deferred compensation within the meaning of Code Section 409A that the Executive would have been entitled to receive during such period following the Executive's Separation from Service; and

(ii) continue participation in the Company's group health plans at then-existing participation and coverage levels for 12 months (measured from the Executive's Separation from Service), comparable to the terms in effect from time to time for the Company's senior executives, including any co-payment and premium payment requirements, and the Company shall deduct from each payment payable to the Executive pursuant to Section 9(e)(i), the amount of any employee contributions necessary to maintain such coverage for such period; except that following such period, the Executive shall retain any rights to continue coverage under the Company's group health plans under the benefits continuation provisions pursuant to Code Section 4980B by paying the applicable premiums of such plans.

(f) No Mitigation Obligation. No amounts paid under Section 9 will be reduced by any earnings that the Executive may receive from any other source. The

Executive's coverage under the Company's medical, dental, vision and employee life insurance plans will terminate as of the date that the Executive is eligible for comparable benefits from a new employer. The Executive shall notify the Company within 30 days after becoming eligible for coverage of any such benefits.

(g) Forfeiture. Notwithstanding the foregoing, any right of the Executive to receive termination payments and benefits hereunder shall be forfeited to the extent of any amounts payable after any breach of Section 10, 11, 12, 13 or 15 by the Executive.

10. Confidential Information; Statements to Third Parties.

(a) During the Employment Term and on a permanent basis upon and following termination of the Executive's employment, the Executive acknowledges that:

(i) all information, whether or not reduced to writing (or in a form from which information can be obtained, translated, or derived into reasonably usable form) or maintained in the mind or memory of the Executive and whether compiled or created by the Company, any of its Subsidiaries or any affiliates of the Company or its Subsidiaries (collectively, the "Company Group"), which derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from the disclosure or use of such information, of a proprietary, private, secret or confidential (including, without exception, inventions, products, processes, methods, techniques, formulas, compositions, compounds, projects, developments, sales strategies, plans, research data, clinical data, financial data, personnel data, computer programs, customer and supplier lists, trademarks, service marks, copyrights (whether registered or unregistered), artwork, and contacts at or knowledge of customers or prospective customers) nature concerning the Company Group's business, business relationships or financial affairs (collectively, "Proprietary Information") shall be the exclusive property of the Company Group;

(ii) the Proprietary Information of the Company Group gained by the Executive during the Executive's association with the Company Group was or will be developed by and/or for the Company Group through substantial expenditure of time, effort and money and constitutes valuable and unique property of the Company Group;

(iii) reasonable efforts have been put forth by the Company Group to maintain the secrecy of its Proprietary Information;

(iv) such Proprietary Information is and will remain the sole property of the Company Group; and

(v) any retention or use by the Executive of Proprietary Information after the termination of the Executive's services for the Company Group will constitute a misappropriation of the Company Group's Proprietary Information.

(b) The Executive further acknowledges and agrees that he will take all affirmative steps reasonably necessary or required by the Company to protect the Proprietary Information from inappropriate disclosure during and after his employment with the Company.

(c) The Executive further agrees that all files, letters, memoranda, reports, records, data, sketches, drawings, laboratory notebooks, program listings, or other written, photographic, electronic, or other tangible material containing or constituting Proprietary Information, whether created by the Executive or others, which shall come into his custody or possession, regardless of medium, shall be and are the exclusive property of the Company to be used by him only in the performance of his duties for the Company. All such materials or copies thereof and all tangible things and other property of the Company Group in the Executive's custody or possession shall be delivered to the Company (to the extent the Executive has not already returned) in good condition, on or before five business days subsequent to the earlier of: (i) a request by the Company or (ii) the Executive's termination of employment for any reason or Cause, including for nonrenewal of this Agreement, Disability, termination by the Company or termination by the Executive. After such delivery, the Executive shall not retain any such materials or portions or copies thereof or any such tangible things and other property and shall execute any statements or affirmations of compliance under oath that the Company may require.

(d) The Executive further agrees that his obligation not to disclose or to use information and materials of the types set forth in Sections 10(a), 10(b) and 10(c) above, and his obligation to return materials and tangible property, set forth in Section 10(c) above, also extends to such types of information, materials and tangible property of customers of the Company Group, consultants for the Company Group, suppliers to the Company Group, or other third parties who may have disclosed or entrusted the same to the Company Group or to the Executive.

(e) The Executive further acknowledges and agrees that he will continue to keep in strict confidence, and will not, directly or indirectly, at any time, disclose, furnish, disseminate, make available, use or suffer to be used in any manner any Proprietary Information of the Company Group without limitation as to when or how the Executive may have acquired such Proprietary Information and that he will not disclose any Proprietary Information to any person or entity other than appropriate employees of the Company or use the same for any purposes (other than in the performance of his duties as an employee of the Company) without written approval of the Board, either during or after his employment with the Company.

(f) Further the Executive acknowledges that his obligation of confidentiality will survive, regardless of any other breach of this Agreement or any other agreement, by any party hereto, until and unless such Proprietary Information of the Company Group has become, through no fault of the Executive, generally known to the public. In the event that the Executive is required by law, regulation, or court order to disclose any of the Company Group's Proprietary Information, the Executive will promptly notify the Company prior to making any such disclosure to facilitate the

Company seeking a protective order or other appropriate remedy from the proper authority. The Executive further agrees to cooperate with the Company in seeking such order or other remedy and that, if the Company is not successful in precluding the requesting legal body from requiring the disclosure of the Proprietary Information, the Executive will furnish only that portion of the Proprietary Information that is legally required, and the Executive will exercise all legal efforts to obtain reliable assurances that confidential treatment will be accorded to the Proprietary Information.

(g) The Executive's obligations under this Section 10 are in addition to, and not in limitation of, all other obligations of confidentiality under the Company's policies, general legal or equitable principles or statutes.

(h) During the Employment Term and following his termination of employment:

(i) the Executive shall not, directly or indirectly, make or cause to be made any statements, including but not limited to, comments in books or printed media, to any third parties criticizing or disparaging the Company Group or commenting on the character or business reputation of the Company Group. Without the prior written consent of the Board, unless otherwise required by law, the Executive shall not (A) publicly comment in a manner adverse to the Company Group concerning the status, plans or prospects of the business of the Company Group or (B) publicly comment in a manner adverse to the Company Group concerning the status, plans or prospects of any existing, threatened or potential claims or litigation involving the Company Group;

(ii) the Company shall comply with its policies regarding public statements with respect to the Executive and any such statements shall be deemed to be made by the Company only if made or authorized by a member of the Board or a senior executive officer of the Company; and

(iii) nothing herein precludes honest and good faith reporting by the Executive to appropriate Company or legal enforcement authorities.

(i) The Executive acknowledges and agrees that a violation of the foregoing provisions of this Section 10 would cause irreparable harm to the Company Group, and that the Company's remedy at law for any such violation would be inadequate. In recognition of the foregoing, the Executive agrees that, in addition to any other relief afforded by law or this Agreement, including damages sustained by a breach of this Agreement and any forfeitures under Section 9(g), and without the necessity or proof of actual damages, the Company shall have the right to enforce this Agreement by specific remedies, which shall include, among other things, temporary and permanent injunctions, it being the understanding of the undersigned parties hereto that damages, the forfeitures described above and injunctions shall all be proper modes of relief and are not to be considered as alternative remedies.

11. Non-Competition. In consideration of the Company entering into this Agreement,

for a period commencing on the Effective Date and ending on the expiration of the Restricted Period:

(a) The Executive covenants and agrees that the Executive will not, directly or indirectly, engage in any activities on behalf of or have an interest in any Competitor of the Company Group, whether as an owner, investor, executive, manager, employee, independent consultant, contractor, advisor, or otherwise. The Executive's ownership of less than one percent (1%) of any class of stock in a publicly traded corporation shall not be a breach of this paragraph.

(b) A "Competitor" is any entity doing business directly or indirectly (e.g., as an owner, investor, provider of capital or otherwise) in the United States including any territory of the United States (the "Territory") that provides wireless products and/or services that are the same or similar to the wireless products and/or services that are currently being provided at the time of Executive's termination or that were provided by the Company Group during the two-year period prior to the Executive's separation from service with the Company Group.

(c) The Executive acknowledges and agrees that due to the continually evolving nature of the Company Group's industry, the scope of its business and/or the identities of Competitors may change over time. The Executive further acknowledges and agrees that the Company Group markets its products and services on a nationwide basis, encompassing the Territory and that the restrictions imposed by this covenant, including the geographic scope, are reasonably necessary to protect the Company Group's legitimate interests.

(d) The Executive covenants and agrees that should a court at any time determine that any restriction or limitation in this Section 11 is unreasonable or unenforceable, it will be deemed amended so as to provide the maximum protection to the Company Group and be deemed reasonable and enforceable by the court.

12. Non-Solicitation. In consideration of the Company entering into this Agreement, for a period commencing on the Effective Date and ending on the expiration of the Restricted Period, the Executive hereby covenants and agrees that he shall not, directly or indirectly, individually or on behalf of any other person or entity do or suffer any of the following:

(a) hire or employ or assist in hiring or employing any person who was at any time during the last 18 months of the Executive's employment an employee, representative or agent of any member of the Company Group or solicit, aid, induce or attempt to solicit, aid, induce or persuade, directly or indirectly, any person who is an employee, representative, or agent of any member of the Company Group to leave his or her employment with any member of the Company Group to accept employment with any other person or entity;

(b) induce any person who is an employee, officer or agent of the Company Group, or any of its affiliated, related or subsidiary entities to terminate such relationship;

(c) solicit any customer of the Company Group, or any person or entity whose business the Company Group had solicited during the 180-day period prior to termination of the Executive's employment for purposes of business which is competitive to the Company Group within the Territory; or

(d) solicit, aid, induce, persuade or attempt to solicit, aid, induce or persuade any person or entity to take any action that would result in a Change in Control of the Company or to seek to control the Board in a material manner.

(e) For purposes of this Section 12, the term "solicit or persuade" includes, but is not limited to, (i) initiating communications with an employee of the Company Group relating to possible employment, (ii) offering bonuses or additional compensation to encourage an employee of the Company Group to terminate his employment, (iii) referring employees of the Company Group to personnel or agents employed by competitors, suppliers or customers of the Company Group, and (iv) initiating communications with any person or entity relating to a possible Change in Control.

13. Developments.

(a) The Executive acknowledges and agrees that he will make full and prompt disclosure to the Company of all inventions, improvements, discoveries, methods, developments, software, mask works, and works of authorship, whether patentable or copyrightable or not, (i) which relate to the Company's business and have heretofore been created, made, conceived or reduced to practice by the Executive or under his direction or jointly with others, and not assigned to prior employers, or (ii) which have utility in or relate to the Company's business and are created, made, conceived or reduced to practice by the Executive or under his direction or jointly with others during his employment with the Company, whether or not during normal working hours or on the premises of the Company (all of the foregoing of which are collectively referred to in this Agreement as "Developments").

(b) The Executive further agrees to assign and does hereby assign to the Company (or any person or entity designated by the Company) all of the Executive's rights, title and interest worldwide in and to all Developments and all related patents, patent applications, copyrights and copyright applications, and any other applications for registration of a proprietary right. This Section 13(b) shall not apply to Developments that the Executive developed entirely on his own time without using the Company's equipment, supplies, facilities, or Proprietary Information and that does not, at the time of conception or reduction to practice, have utility in or relate to the Company's business, or actual or demonstrably anticipated research or development. The Executive understands that, to the extent this Agreement shall be construed in accordance with the laws of any Territory which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 13(b) shall be interpreted not to apply to any invention which a court rules or the Company agrees falls within such classes.

(c) The Executive further agrees to cooperate fully with the Company, both during and after his employment with the Company, with respect to the procurement, maintenance and enforcement of copyrights, patents and other intellectual property rights (both in the United States and other countries) relating to Developments. The Executive shall not be required to incur or pay any costs or expenses in connection with the rendering of such cooperation. The Executive will sign all papers, including, without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney, and do all things that the Company may reasonably deem necessary or desirable in order to protect its rights and interests in any Development.

(d) The Executive further acknowledges and agrees that if the Company is unable, after reasonable effort, to secure the Executive's signature on any such papers, any executive officer of the Company shall be entitled to execute any such papers as the Executive's agent and attorney-in-fact, and the Executive hereby irrevocably designates and appoints each executive officer of the Company as his agent and attorney-in-fact to execute any such papers on the Executive's behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Development, under the conditions described in this sentence.

14. Remedies. The Executive and the Company agree that the covenants contained in Sections 10, 11, 12 and 13 are reasonable under the circumstances, and further agree that if in the opinion of any court of competent jurisdiction any such covenant is not reasonable in any respect, such court will have the right, power and authority to sever or modify any provision or provisions of such covenants as to the court will appear not reasonable and to enforce the remainder of the covenants as so amended. The Executive acknowledges and agrees that the remedy at law available to the Company for breach of any of the Executive's obligations under Sections 10, 11, 12 and 13 would be inadequate and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms. Accordingly, the Executive acknowledges, consents and agrees that, in addition to any other rights or remedies that the Company may have at law, in equity or under this Agreement, upon adequate proof of the Executive's violation of any such provision of this Agreement, the Company will be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach, without the necessity of proof of actual damage. Without limiting the applicability of this Section 14 or in any way affecting the right of the Company to seek equitable remedies hereunder, in the event that the Executive breaches any of the provisions of Sections 10, 11, 12 or 13 or engages in any activity that would constitute a breach save for the Executive's action being in a state where any of the provisions of Sections 10, 11, 12, 13 or this Section 14 is not enforceable as a matter of law, then the Company's obligation to pay any remaining severance compensation and benefits that has not already been paid to Executive pursuant to Section 9 shall be terminated and within ten days of notice of such termination of payment, the Executive shall return all severance compensation and the value of such benefits, or profits derived or received from such benefits.

15. Continued Availability and Cooperation.

(a) Following termination of the Executive's employment, the Executive shall cooperate fully with the Company and with the Company's counsel in connection with any present and future actual or threatened litigation, administrative proceeding or investigation involving the Company that relates to events, occurrences or conduct occurring (or claimed to have occurred) during the period of the Executive's employment by the Company. Cooperation will include, but is not limited to:

(i) Making himself reasonably available for interviews and discussions with the Company's counsel as well as for depositions and trial testimony;

(ii) if depositions or trial testimony are to occur, making himself reasonably available and cooperating in the preparation therefore, as and to the extent that the Company or the Company's counsel reasonably requests;

(iii) refraining from impeding in any way the Company's prosecution or defense of such litigation or administrative proceeding; and

(iv) cooperating fully in the development and presentation of the Company's prosecution or defense of such litigation or administrative proceeding.

(b) The Company will reimburse the Executive for reasonable travel, lodging, telephone and similar expenses, as well as reasonable attorneys' fees (if independent legal counsel is necessary), incurred in connection with any cooperation, consultation and advice rendered under this Agreement after the Executive's termination of employment.

16. Dispute Resolution.

(a) In the event that the Parties are unable to resolve any controversy or claim arising out of or in connection with this Agreement or breach thereof, either Party shall refer the dispute to binding arbitration, which shall be the exclusive forum for resolving such claims. Such arbitration will be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Employment Arbitration Rules and Procedures and governed by Kansas law. The arbitration shall be conducted by a single arbitrator selected by the Parties according to the rules of JAMS. In the event that the Parties fail to agree on the selection of the arbitrator within 30 days after either Party's request for arbitration, the arbitrator will be chosen by JAMS. The arbitration proceeding shall commence on a mutually agreeable date within 90 days after the request for arbitration, unless otherwise agreed by the Parties, and in the location where the Executive worked during the six months immediately prior to the request for arbitration if that location is in Kansas or Virginia, and if not, the location will be Kansas, unless the Parties agree otherwise.

(b) The Parties agree that each will bear their own costs and attorneys' fees. The arbitrator shall not have authority to award attorneys' fees or costs to any Party.

(c) The arbitrator shall have no power or authority to make awards or orders granting relief that would not be available to a Party in a court of law. The arbitrator's award is limited by and must comply with this Agreement and applicable federal, state, and local laws. The decision of the arbitrator shall be final and binding on the Parties.

(d) Notwithstanding the foregoing, no claim or controversy for injunctive or equitable relief contemplated by or allowed under applicable law pursuant to Sections 10, 11, 12 and 13 of this Agreement will be subject to arbitration under this Section 16, but will instead be subject to determination in a court of competent jurisdiction in Kansas, which court shall apply Kansas law consistent with Section 21 of this Agreement, where either Party may seek injunctive or equitable relief.

17. Other Agreements. No agreements (other than the agreements evidencing any grants of equity awards) or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or other agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, pertaining to the subject matter hereof, which are not embodied herein, and that no prior and/or contemporaneous agreement, statement or promise pertaining to the subject matter hereof that is not contained in this Agreement shall be valid or binding on either party.

18. Withholding of Taxes. The Company will withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any law or government regulation or ruling.

19. Successors and Binding Agreement.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company, except that the Company may assign and transfer this Agreement and delegate its duties thereunder to a wholly owned Subsidiary.

(b) This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 19(a) and 19(b). Without limiting the generality or effect of the foregoing, the Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by the Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 19(c), the Company shall have no liability to pay any amount so attempted to be assigned, transferred or delegated.

20. Notices. All communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as Federal Express or UPS, addressed to the Company (to the attention of the General Counsel of the Company) at its principal executive offices and to the Executive at his principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address shall be effective only upon receipt.

21. Governing Law and Choice of Forum.

(a) This Agreement will be construed and enforced according to the laws of the State of Kansas, without giving effect to the conflict of laws principles thereof.

(b) To the extent not otherwise provided for by Section 16 of this Agreement, the Executive and the Company consent to the jurisdiction of all state and federal courts located in Overland Park, Johnson County, Kansas, as well as to the jurisdiction of all courts of which an appeal may be taken from such courts, for the purpose of any suit, action, or other proceeding arising out of, or in connection with, this Agreement or that otherwise arise out of the employment relationship. Each Party hereby expressly waives any and all rights to bring any suit, action, or other proceeding in or before any court or tribunal other than the courts described above and covenants that it shall not seek in any manner to resolve any dispute other than as set forth in this paragraph. Further, the Executive and the Company hereby expressly waive any and all objections either may have to venue, including, without limitation, the inconvenience of such forum, in any of such courts. In addition, each of the Parties consents to the service of process by personal service or any manner in which notices may be delivered hereunder in accordance with this Agreement.

22. Validity/Severability. If any provision of this Agreement or the application of

any provision is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal. To the extent any provisions held to be invalid, unenforceable or otherwise illegal cannot be reformed, such provisions are to be stricken herefrom and the remainder of this Agreement will be binding on the parties and their successors and assigns as if such invalid or illegal provisions were never included in this Agreement from the first instance.

23. Survival of Provisions. Notwithstanding any other provision of this Agreement, the parties' respective rights and obligations under Sections 10, 11, 12, 13, 14, 15, 16, 18, 22 and 26 will survive any termination or expiration of this Agreement or the termination of the Executive's employment.

24. Representations and Acknowledgements.

(a) The Executive hereby represents that he is not subject to any restriction of any nature whatsoever on his ability to enter into this Agreement or to perform his duties and responsibilities hereunder, including, but not limited to, any covenant not to compete with any former employer, any covenant not to disclose or use any non-public information acquired during the course of any former employment or any covenant not to solicit any customer of any former employer.

(b) The Executive hereby represents that, except as he has disclosed in writing to the Company, he is not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of the Executive's employment with the Company or to refrain from competing, directly or indirectly, with the business of such previous employer or any other party.

(c) The Executive further represents that, to the best of his knowledge, his performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement with another party, including without limitation any agreement to keep in confidence proprietary information, knowledge or data the Executive acquired in confidence or in trust prior to his employment with the Company, and that he will not knowingly disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

(d) The Executive acknowledges that he will not be entitled to any consideration or reimbursement of legal fees in connection with execution of this Agreement.

(e) The Executive hereby represents and agrees that, during the Restricted Period, if the Executive is offered employment or the opportunity to enter into any business activity, whether as owner, investor, executive, manager, employee, independent consultant, contractor, advisor or otherwise, the Executive will inform the

offeror of the existence of Sections 10, 11, 12 and 13 of this Agreement and provide the offeror a copy thereof. The Executive authorizes the Company to provide a copy of the relevant provisions of this Agreement to any of the persons or entities described in this Section 24(e) and to make such persons aware of the Executive's obligations under this Agreement.

25. Compliance with Code Section 409A. With respect to reimbursements or in-kind benefits provided under this Agreement: (a) the Company will not provide for cash in lieu of a right to reimbursement or in-kind benefits to which the Executive has a right under this Agreement, (b) any reimbursement or provision of in-kind benefits made during the Executive's lifetime (or such shorter period prescribed by a specific provision of this Agreement) shall be made not later than December 31st of the year following the year in which the Executive incurs the expense, and (c) in no event will the amount of expenses so reimbursed, or in-kind benefits provided, by the Company in one year affect the amount of expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. Each payment, reimbursement or in-kind benefit made pursuant to the provisions of this Agreement shall be regarded as a separate payment and not one of a series of payments for purposes of Section 409A of the Code. It is intended that any amounts payable under this Agreement and the Company's and the Executive's exercise of authority or discretion hereunder shall comply with the provisions of Section 409A of the Code and the Treasury regulations relating thereto so as not to subject the Executive to the payment of the additional tax, interest and any tax penalty which may be imposed under Section 409A of the Code. In furtherance of this interest, to the extent that any provision hereof would result in the Executive being subject to payment of the additional tax, interest and tax penalty under Section 409A of the Code, the parties agree to amend this Agreement in order to bring this Agreement into compliance with Section 409A of the Code; and thereafter interpret its provisions in a manner that complies with Section 409A of the Code. Reference to Section 409A of the Code is to Section 409A of the Internal Revenue Code of 1986, as amended, and will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of Treasury or the Internal Revenue Service. Notwithstanding the foregoing, no particular tax result for the Executive with respect to any income recognized by the Executive in connection with the Agreement is guaranteed, and the Executive shall be responsible for any taxes, penalties and interest imposed on him under or as a result of Section 409A of the Code in connection with the Agreement.

26. Amendment; Waiver. Except as otherwise provided herein, this Agreement may not be modified, amended or waived in any manner except by an instrument in writing signed by both Parties hereto. No waiver by either Party at any time of any breach by the other Party hereto or compliance with any condition or provision of this Agreement to be performed by such other Party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

27. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

28. Headings. Unless otherwise noted, the headings of sections herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of

the provisions of this Agreement.

29. Defined Terms.

- (a) "Agreement" has the meaning set forth in the preamble.
- (b) "Base Salary" has the meaning set forth in Section 4(a).
- (c) "Board" has the meaning set forth in Section 3(a).
- (d) "Bonus Award" has the meaning set forth in Section 4(b)(i).
- (e) "Bylaws" means the Amended and Restated Sprint Corporation Bylaws, as may be amended from time to time.
- (f) "Capped Bonus Award" shall mean the lesser of the annual Target Bonus or actual performance for such fiscal year in accordance with the then existing terms of the STIP, which shall not be payable until the Compensation Committee has determined that any incentive targets have been achieved and the subsequent designated payout date has arrived.
- (g) "Cause" shall mean:
 - (i) any act or omission constituting a material breach by the Executive of any provisions of this Agreement; provided however, that, for avoidance of doubt, the failure of the Executive to relocate his residence to the area surrounding the Executive's initial Place of Performance on or before September 30, 2015 as required under Section 8 shall constitute "Cause";
 - (ii) the willful failure by the Executive to perform his duties hereunder (other than any such failure resulting from the Executive's Disability), after demand for performance is delivered by the Company that identifies the manner in which the Company believes the Executive has not performed his duties, if, within 30 days of such demand, the Executive fails to cure any such failure capable of being cured;
 - (iii) any intentional act or misconduct materially injurious to the Company or any Subsidiary, financial or otherwise, or including, but not limited to, misappropriation, fraud including with respect to the Company's accounting and financial statements, embezzlement or conversion by the Executive of the Company's or any of its Subsidiary's property in connection with the Executive's duties or in the course of the Executive's employment with the Company;
 - (iv) the conviction (or plea of no contest) of the Executive for any felony or the indictment of the Executive for any felony including, but not limited to, any felony involving fraud, moral turpitude, embezzlement or theft in connection with the Executive's duties or in the course of the Executive's employment with the Company;

(v) the commission of any intentional or knowing violation of any antifraud provision of the federal or state securities laws;

(vi) the Board reasonably believes in its good faith judgment that the Executive has committed any of the acts referred to in this Section 29(g)(v);

(vii) a final, non-appealable order in a proceeding before a court of competent jurisdiction or a final order in an administrative proceeding finding that the Executive committed any willful misconduct or criminal activity (excluding minor traffic violations or other minor offenses) which commission is materially inimical to the interests of the Company or any Subsidiary, whether for his personal benefit or in connection with his duties for the Company or any Subsidiary;

(viii) current alcohol or prescription drug abuse affecting work performance;

(ix) current illegal use of drugs; or

(x) violation of the Company's Code of Conduct, with written notice of termination by the Company for Cause in each case provided under this Section 29(g).

For purposes of this Agreement, no act or failure to act on the part of the Executive shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Company.

(h) "Change in Control" has the meaning set forth in the CIC Severance Plan.

(i) "Chief Executive Officer" has the meaning set forth in Section 3(a).

(j) "CIC Severance Plan" means the Company's Change in Control Severance Plan, as may be amended from time to time, or any successor plan, program or arrangement thereto.

(k) "CIC Severance Protection Period" has the meaning set forth in the CIC Severance Plan.

(l) "Certificate of Incorporation" means the Amended and Restated Articles of Incorporation of Sprint Corporation, as may be amended from time to time.

(m) "Code" means the Internal Revenue Code of 1986, as amended from time to time, including any rules and regulations promulgated thereunder, along with Treasury and IRS Interpretations thereof. Reference to any section or subsection of

the Code includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

- (n) “Company” has the meaning set forth in the preamble.
- (o) “Company Group” has the meaning set forth in Section 10(a)(i).
- (p) “Compensation Committee” means the Compensation Committee of the Board.
- (q) “Competitor” has the meaning set forth in Section 11(b).
- (r) “Developments” has the meaning set forth in Section 13(a).
- (s) “Disability” or “Disabled” shall mean:

- (i) the Executive’s incapacity due to physical or mental illness to substantially perform his duties and the essential functions of his position, with or without reasonable accommodation, on a full-time basis for six months as determined by the Board in its reasonable discretion, and within 30 days after a notice of termination is thereafter given by the Company, the Executive shall not have returned to the full-time performance of the Executive’s duties; and, further,

- (ii) the Executive becomes eligible to receive benefits under the LTD Plan; provided, however, if the Executive shall not agree with a determination to terminate his employment because of Disability, the question of the Executive’s disability shall be subject to the certification of a qualified medical doctor agreed to by the Company and the Executive. The costs of such qualified medical doctor shall be paid for by the Company.

- (t) “Effective Date” has the meaning set forth in the preamble.
 - (u) “Employee Plans” has the meaning set forth in Section 5(a).
 - (v) “Employment Term” means the Initial Employment Term and any Renewal Term.
 - (w) “Executive” has the meaning set forth in the preamble.

- (x) “Good Reason” means the occurrence of any of the following without the Executive’s written consent, unless within 30 days of the Executive’s written notice of termination of employment for Good Reason, the Company cures any such occurrence:

- (i) the Company’s material breach of this Agreement;

(ii) a material reduction in the Executive's Base Salary or Target Bonus (that is not agreed to by the Executive), as compared to the corresponding circumstances in place on the Effective Date as may be increased pursuant to Section 4, except for across-the-board reductions generally applicable to all senior executives; or

(iii) relocation of the Executive's Place of Performance more than 50 miles without the Executive's consent.

Any occurrence of Good Reason shall be deemed to be waived by the Executive unless the Executive provides the Company written notice of termination of employment for Good Reason within 60 days of the event giving rise to Good Reason.

(y) "Initial Employment Term" has the meaning set forth in Section 2.

(z) "JAMS" has the meaning set forth in Section 16.

(aa) "LTD Plan" has the meaning set forth in Section 9(e).

(bb) "LTSIP" means the Company's 2007 Omnibus Incentive Plan, effective May 8, 2007, as may be amended from time to time, or any successor plan, program or arrangement thereto.

(cc) "LTSIP Target Award Opportunities" has the meaning set forth in Section 4(b)(ii).

(dd) "Participant" has the meaning set forth in the CIC Severance Plan.

(ee) "Parties" has the meaning set forth in the preamble.

(ff) "Party" has the meaning set forth in the preamble.

(gg) "Payment Period" means the period of 18 continuous months, as measured from the Executive's Separation from Service.

(hh) "Place of Performance" has the meaning set forth in Section 8.

(ii) "Proprietary Information" has the meaning set forth in Section 10(a)(i).

(jj) "Release" means a release of claims in a form provided to the Executive by the Company in connection with the payment of benefits under this Agreement.

(kk) "Release Consideration Period" means the period of time pursuant to the terms of the Release afforded the Executive to consider whether to sign it.

(ll) "Release Revocation Period" means the period pursuant to the terms of an executed Release in which it may be revoked by the Executive.

(mm) “Renewal Term” has the meaning set forth in Section 2.

(nn) “Restricted Period” means the 18-month period following the Executive’s date of termination of employment with the Company for any reason or Cause, including for nonrenewal of this Agreement, Disability, termination by the Company or termination by the Executive.

(oo) “Separation from Service” means “separation from service” from the Company and its subsidiaries as described under Code Section 409A and the guidance and Treasury regulations issued thereunder. Separation from Service will occur on the date on which the Executive’s level of services to the Company decreases to 21 percent or less of the average level of services performed by the Executive over the immediately preceding 36-month period (or if providing services for less than 36 months, such lesser period) after taking into account any services that the Executive provided prior to such date or that the Company and the Executive reasonably anticipate the Executive may provide (whether as an employee or as an independent contractor) after such date. For purposes of the determination of whether the Executive has had a Separation from Service, the term “Company” shall mean the Company and any affiliate with which the Company would be considered a single employer under Code Section 414(b) or 414(c), provided that in applying Code Sections 1563(a)(1), (2), and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language “at least 50 percent” is used instead of “at least 80 percent” each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), “at least 50 percent” is used instead of “at least 80 percent” each place it appears in Treasury Regulation Section 1.414(c)-2. In addition, where the use of such definition of “Company” for purposes of determining a Separation from Service is based upon legitimate business criteria, in applying Code Sections 1563(a)(1), (2), and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language “at least 20 percent” is used instead of “at least 80 percent” at each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), “at least 20 percent” is used instead of “at least 80 percent” at each place it appears in Treasury Regulation Section 1.414(c)-2.

(pp) “Separation Plan” means the Company’s Separation Plan, as may be amended from time to time, or any successor plan, program, arrangement or agreement thereto.

(qq) “Specified Employee” shall mean an Executive who is a “specified employee” for purposes of Code Section 409A, as administratively determined by the Board in accordance with the guidance and Treasury regulations issued under Code Section 409A.

(rr) “STIP” means the Company’s short-term incentive plan under Section 8 of the Company’s 2007 Omnibus Incentive Plan, effective May 8, 2007, as may be amended from time to time, or any successor plan, program or arrangement thereto.

(ss) “Subsidiary” shall mean any entity, corporation, partnership (general or limited), limited liability company, entity, firm, business organization, enterprise, association or joint venture in which the Company directly or indirectly controls ten percent (10%) or more of the voting interest. Notwithstanding the foregoing, for purposes of Section 3(a), “Subsidiary” shall mean any affiliate with which the Company would be considered a single employer as described in the definition of Separation from Service.

(tt) “Target Bonuses” has the meaning set forth in Section 4(b)(i).

(uu) “Territory” has the meaning set forth in Section 11(b).

Signature Page Follows

IN WITNESS WHEREOF, the Company has caused this Agreement to be signed by an officer pursuant to the authority of its Board, and the Executive has executed this Agreement, as of the day and year first written above.

SPRINT CORPORATION

By: _____
Sandra J. Price
Senior Vice President - Human Resources

EXECUTIVE

Guenther Ottendorfer

EXHIBIT A to Employment Agreement
Evidence of Award
Turnaround Incentive Award
Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us,” and we refer to Guenther Ottendorfer as “you.”

1. Award of Restricted Stock Units

On or before September 1, 2015 (the “Date of Grant”), the Section 16 Sub-Committee of the Compensation Committee of the Corporation will have granted you 625,000 Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2007 Omnibus Incentive Plan (the “Plan”) or such replacement or amendment to the Plan as may be in effect at that time (the “New Plan”). Subject to the terms and conditions of the Plan or New Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock of the Corporation. This award is intended to be a Qualified Performance-Based Award as defined in the Plan or New Plan.

2. Determination of Earned Shares

Your RSUs will be earned (the “Earned Shares”) upon the achievement of specified volume-weighted average prices of Common Stock during regular trading on the NYSE over any 150-calendar day period during a four-year period from June 1, 2015 through May 31, 2019 (the “Performance Period”). The volume-weighted average prices associated with the Earned Shares are as set forth on Schedule I.

3. Vesting and Forfeiture

If the price targets specified in paragraph 2 are not achieved by the conclusion of the Performance Period, the remaining opportunity is forfeited. Once shares are earned - that is, the price target has been attained during the Performance Period - they are subject to forfeiture if you are not continuously serving as our employee through the Vesting Date (subject to the exceptions in Paragraphs 4 and 5 below), but they are not subject to forfeiture based on subsequent share price performance. The Earned Shares vest 50 percent on the fourth anniversary of the Date of Grant and 50 percent on the fifth anniversary of the Date of Grant (each date is referred to as a “Vesting Date”).

4. Treatment of Certain Terminations before a Vesting Date

If, before the date of Grant or a Vesting Date, your employment is terminated by the Company without Cause, or you have a Termination by Death, or Termination by Disability (in each case as defined in your Employment Agreement), you will receive on the Vesting Date a pro-rata number of the Earned Shares you would have otherwise received without such termination on the Vesting Date, based on the number of days you were employed during the Performance Period over the entire Performance Period; provided, however, that if you have a termination of employment for one of the reasons described in this sentence before completing 365 days of service, your pro-rata Earned Shares will be calculated using 365 days in the numerator rather than the number of days you were employed during the Performance Period.

5. Treatment of Change in Control during the Performance Period

If a Change in Control, as defined in this Evidence of Award, occurs during the Performance Period, Earned Shares (if any) will be the greater of the achievement based on (1) volume-weighted average prices of Common Stock over any 150-calendar day period as specified in Paragraph 2 as of the date of the Change in Control, or (2) the consideration per share of Common Stock in connection with the Change in Control using the prices specified in Paragraph 2. Any Earned Shares under the previous sentence will vest on the Vesting Date as specified in Paragraph 3, unless the continuing entity fails to assume the RSUs, in which case vesting will accelerate without proration as of the date of the Change in Control. In addition, if during the CIC Severance Protection Period, your employment is terminated by the Company without Cause, or you terminate employment for Good Reason, any Earned Shares will immediately vest and become payable without proration. Change in Control for this award is as defined in the Plan or such New Plan in effect, except that acquisition by SoftBank CORP. or its subsidiaries of 100% of the Company's shares (such that the Company ceases to have any class of equity securities listed on a national securities exchange) will not constitute a Change in Control. CIC Severance Protection Period is also defined in the Plan. It means the time period commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death.

6. Dividends

Your RSUs are not eligible for dividends.

7. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your Vested RSUs) is the Vesting Date, or the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock underlying your Vested RSUs as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a "specified employee" of amounts subject to Section 409A of the Internal Revenue Code (the "Code") that are paid upon Separation from Service.

8. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, any Earned Shares prorated as described in Paragraph 4 will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are

hereby incorporated by this reference. The Plan is available online at <http://www.sec.gov/Archives/edgar/data/101830/000119312513372950/d598884dex102.htm>.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, extraordinary cash dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved either before or after the Date of Grant, without your written consent. Subject to the above restriction, you acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive any other grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants (other than as contained herein), if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law

This Evidence of Award will be governed by the laws of the State of Kansas. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs.

We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

16. Clawback

We may recover any compensation related to this award to the extent the Board of Directors of the Corporation determines that the value of that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate, or as may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

17. Entire Understanding

You hereby acknowledge that you have read the 2007 Omnibus Incentive Plan Information Statement dated August, 2014 (the "Information Statement") available at https://doc-share.corp.sprint.com/livelink/lisapi.dll/67990670/2007_Plan_Prospectus_-_Employee_7-29-13.pdf?func=doc.Fetch&nodeid=67990670. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan or such New Plan that may then be in effect as of the Date of Grant, contain the entire understanding of the parties.

Sprint Corporation

Guenther Ottendorfer

By: _____

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

SPRINT CORPORATION
2015 OMNIBUS INCENTIVE PLAN
(EFFECTIVE AUGUST 7, 2015)

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SPRINT CORPORATION
2015 OMNIBUS INCENTIVE PLAN

1. **Purpose** . The purpose of this 2015 Omnibus Incentive Plan is to attract and retain directors, officers, other employees and consultants of Sprint Corporation and its Subsidiaries and to motivate and provide to such persons incentives and rewards for superior performance.

2. **Definitions** . As used in this Plan:

(a) “Appreciation Right” means a right granted pursuant to Section 5 of this Plan and will include both Free-Standing Appreciation Rights and Tandem Appreciation Rights.

(b) “Authorized Officer” has the meaning specified in Section 11(d) of the Plan.

(c) “Award” means a grant of Option Rights, Appreciation Rights, Performance Shares or Performance Units, or a grant or sale of Restricted Stock, Restricted Stock Units or other awards contemplated by Section 10 of the Plan.

(d) “Base Price” means the price to be used as the basis for determining the Spread upon the exercise of a Free-Standing Appreciation Right or a Tandem Appreciation Right.

(e) “Board” means the Board of Directors of the Corporation and, to the extent of any delegation by the Board to a committee (or subcommittee thereof) pursuant to Section 11 of this Plan, such committee (or subcommittee).

(f) “Business Transaction” has the meaning set forth in Section 2(h)(ii).

(g) “Cause” as a reason for a Participant’s termination of employment shall have the meaning assigned such term in (i) the employment agreement, if any, between the Participant and an Employer, or (ii) during the CIC Severance Protection Period (as defined in the CIC Severance Plan), the CIC Severance Plan, if the Participant is a participant in such plan. If the Participant is not a party to an employment agreement with an Employer in which such term is defined, or if during the CIC Severance Protection Period, the Participant is not a participant in the CIC Severance Plan, then unless otherwise defined in the applicable Evidence of Award, “Cause” shall mean:

(i) the intentional engagement in any acts or omissions constituting dishonesty, breach of a fiduciary obligation, wrongdoing or misfeasance, in each case, in connection with a Participant’s duties or otherwise during the course of a Participant’s employment with an Employer;

(ii) the commission of a felony or the indictment for any felony, including, but not limited to, any felony involving fraud, embezzlement, moral turpitude or theft;

(iii) the intentional and wrongful damaging of property, contractual interests or business relationships of an Employer;

(iv) the intentional and wrongful disclosure of secret processes or confidential information of an Employer in violation of an agreement with or a policy of an Employer;

(v) the continued failure to substantially perform the Participant's duties for an Employer;

(vi) current alcohol or prescription drug abuse affecting work performance;

(vii) current illegal use of drugs; or

(viii) any intentional conduct contrary to an Employer's announced policies or practices (including, but not limited to, those contained in the Corporation's Code of Conduct).

(h) For purposes of this Plan, except as may be otherwise prescribed by the Compensation Committee in an Evidence of Award, a "Change in Control" of the Corporation shall be deemed to have occurred upon the happening of any of the following events:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person"), except SOFTBANK CORP. or any other entity that "controls," is "controlled by" or is "under common control" with the Corporation or SOFTBANK CORP. within the meaning of Rule 405 of Regulation C under the Securities Act, becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of the combined voting power of the then-outstanding Voting Stock of the Corporation; except, that:

(A) for purposes of this clause (i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition of Voting Stock of the Corporation directly from the Corporation that is approved by a majority of the Incumbent Directors, (2) any acquisition of Voting Stock of the Corporation by the Corporation or any Subsidiary, (3) any acquisition of Voting Stock of the Corporation by the trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Subsidiary, and (4) any acquisition of Voting Stock of the Corporation by any Person pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of clause (ii) below;

- (B) if any Person becomes the beneficial owner of thirty percent (30%) or more of combined voting power of the then-outstanding Voting Stock of the Corporation as a result of a transaction or series of transactions described in sub-clause (1) of clause (i)(A) above and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock of the Corporation representing one percent (1%) or more of the then-outstanding Voting Stock of the Corporation, other than as a result of (x) a transaction described in sub-clause (1) of clause (i)(A) above, or (y) a stock dividend, stock split or similar transaction effected by the Corporation in which all holders of Voting Stock are treated equally, then such subsequent acquisition shall be treated as a Change in Control;
- (C) a Change in Control will not be deemed to have occurred if a Person becomes the beneficial owner of thirty percent (30%) or more of the Voting Stock of the Corporation as a result of a reduction in the number of shares of Voting Stock of the Corporation outstanding pursuant to a transaction or series of transactions that is approved by a majority of the Incumbent Directors unless and until such Person thereafter becomes the beneficial owner of additional shares of Voting Stock of the Corporation representing one percent (1%) or more of the then-outstanding Voting Stock of the Corporation, other than as a result of a stock dividend, stock split or similar transaction effected by the Corporation in which all holders of Voting Stock are treated equally; and
- (D) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of thirty percent (30%) or more of the Voting Stock of the Corporation inadvertently, and such Person divests as promptly as practicable, but no later than the date, if any, set by the Incumbent Directors, a sufficient number of shares so that such Person beneficially owns less than thirty percent (30%) of the Voting Stock of the Corporation, then no Change in Control shall have occurred as a result of such Person's acquisition; or
- (ii) the consummation of a reorganization, merger or consolidation of the Corporation with, or the acquisition of the stock or assets of the Corporation by, another Person, or similar transaction (each, a "Business Transaction"), unless, in each case, immediately following such Business Transaction (A) the Voting Stock of the Corporation outstanding immediately prior to such Business Transaction continues to represent, directly or indirectly, (either by remaining outstanding or by being converted into Voting Stock of the surviving entity or any parent thereof), more than fifty percent (50%) of the combined voting power of the then outstanding shares of Voting Stock or comparable equity interests of the entity resulting from such Business Transaction (including, without limitation, an entity which as a result of such transaction owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries), (B) no Person (other than the Corporation or SOFTBANK CORP. or any other entity that "controls," is "controlled

by” or is “under common control” with the Corporation or SOFTBANK CORP. within the meaning of Rule 405 of Regulation C under the Securities Act, such entity resulting from such Business Transaction, or any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Transaction, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Transaction; or

(iii) during any consecutive 18-month period, more than thirty percent (30%) of the Board ceases to be comprised of Incumbent Directors; or

(iv) consummation of a transaction that implements in whole or in part a resolution of the stockholders of the Corporation authorizing a sale of all or substantially all of Corporation’s assets or a complete liquidation or dissolution of the Corporation, except pursuant to a Business Transaction that complies with sub-clauses (A), (B) and (C) of clause (ii) above; or

(v) the cessation of the listing of, or the cessation of the requirement to list, all classes of the Corporation’s equity securities on a national securities exchange.

(i) “CIC Severance Plan” means the Sprint Corporation Change in Control Severance Plan, as it may be amended from time to time or any successor plan, program, agreement or arrangement.

(j) “CIC Severance Protection Period” means, except as otherwise provided in a Participant’s Evidence of Award, the time period commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of: (i) the 18-month anniversary of such date, and (ii) the Participant’s death. To the extent provided in a Participant’s Evidence of Award, a CIC Severance Protection Period also shall include the time period before the occurrence of a Change in Control for a Participant who is subject to a Pre-CIC Termination.

(k) “Code” means the Internal Revenue Code of 1986, as amended from time to time, including any rules and regulations promulgated thereunder, along with Treasury and IRS interpretations thereof. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

(l) “Common Stock” means the common stock, par value \$0.01 per share, of the Corporation or any security into which such shares of Common Stock may be changed by reason of any transaction or event of the type referred to in Section 12 of this Plan.

(m) “Compensation Committee” means the Compensation Committee of the Board, or any other committee of the Board or subcommittee thereof authorized to administer this Plan in accordance with Section 11 of the Plan.

(n) “Corporation” means Sprint Corporation, a Delaware corporation, and its successors.

(o) “Covered Employee” means a Participant who is determined by the Compensation Committee to be likely to become a “covered employee” within the meaning of Section 162(m) if the Code (or any successor provision).

(p) “Date of Grant” means the date as of which an Award is determined to be effective and designated in a resolution by the Compensation Committee or an Authorized Officer and is granted pursuant to the Plan. The Date of Grant shall not be earlier than the date of the resolution and action therein by the Compensation Committee or an Authorized Officer. In no event shall the Date of Grant be earlier than the Effective Date.

(q) “Detrimental Activity,” except as may be otherwise specified in a Participant’s Evidence of Award, means:

(i) engaging in any activity of competition, as specified in any covenant not to compete set forth in any agreement between a Participant and the Corporation or a Subsidiary, including, but not limited to, the Participant’s Evidence of Award, during the period of restriction specified in the agreement prohibiting the Participant from engaging in such activity;

(ii) engaging in any activity of solicitation, as specified in any covenant not to solicit set forth in any agreement between a Participant and the Corporation or a Subsidiary, including, but not limited to, the Participant’s Evidence of Award, during the period of restriction specified in the agreement prohibiting the Participant from engaging in such activity;

(iii) the disclosure to anyone outside the Corporation or a Subsidiary, or the use in other than the Corporation’s or a Subsidiary’s business, (A) without prior written authorization from the Corporation, of any confidential, proprietary or trade secret information or material relating to the business of the Corporation and its Subsidiaries, acquired by the Participant during his or her service with the Corporation or any of its Subsidiaries, or (B) in violation of any covenant not to disclose set forth in any agreement between a Participant and the Corporation or a Subsidiary, including, but

not limited to, the Participant's Evidence of Award, during the period of restriction specified in the agreement prohibiting the Participant from engaging in such activity;

(iv) the (A) failure or refusal to disclose promptly and to assign to the Corporation or a Subsidiary upon request all right, title and interest in any invention or idea, patentable or not, made or conceived by the Participant during his or her service with the Corporation or any of its Subsidiaries, relating in any manner to the actual or anticipated business, research or development work of the Corporation or any Subsidiary or the failure or refusal to do anything reasonably necessary to enable the Corporation or any Subsidiary to secure a patent where appropriate in the United States and in other countries, or (B) violation of any development and inventions provision set forth in any agreement between a Participant and the Corporation or a Subsidiary, including, but not limited to, the Participant's Evidence of Award;

(v) if the Participant is or was an officer, activity that the Board determines entitles the Corporation to seek recovery from an officer under any policy promulgated by the Board as in effect when an Award was made or vested under this Plan; or

(vi) activity that results in termination of the Participant's employment for Cause.

(r) "Director" means a member of the Board.

(s) "Disability" except as may be otherwise specified in a Participant's Evidence of Award, shall mean, in the case of an Employee, termination of employment under circumstances that would make the Employee eligible to receive benefits under the Sprint Basic Long-Term Disability Plan, as it may be amended from time to time, or any successor plan, program, agreement or arrangement, and in the case of a Participant who is a Non-Employee Director, termination of service as a Non-Employee Director under circumstances that would make the Non-Employee Director eligible to receive Social Security disability benefits. For purposes of paying an amount that is subject to Section 409A of the Code at a time that references Disability, Disability shall mean Separation from Service under these circumstances.

(t) "Effective Date" means the date that this Plan is approved by the stockholders of the Corporation.

(u) "Employee" means any employee of the Corporation or of any Subsidiary.

(v) "Employer" means the Corporation or any successor thereto or a Subsidiary.

(w) "Evidence of Award" means an agreement, certificate, resolution or other written evidence, whether or not in electronic form, that sets forth the terms and conditions of an Award. Each Evidence of Award shall be subject to this Plan and shall contain such terms and

provisions, consistent with this Plan, as the Compensation Committee or an Authorized Officer may approve. An Evidence of Award may be in an electronic medium, may be limited to notation on the books and records of the Corporation and, unless determined otherwise by the Compensation Committee, need not be signed by a representative of the Corporation or a Participant. If an Evidence of Award is limited to notation on the books and records of the Corporation, in the event of any inconsistency between a Participant's records and the records of the Corporation, the records of the Corporation will control.

(x) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder. Reference to any section or subsection of the Exchange Act includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

(y) "Executive Officer" means an officer of the Corporation that is subject to the liability provisions of Section 16 of the Exchange Act.

(z) "Free-Standing Appreciation Right" means an Appreciation Right granted pursuant to Section 5 of this Plan that is not granted in tandem with an Option Right.

(aa) "Good Reason," except as may be otherwise specified in a Participant's Evidence of Award, shall have the meaning assigned such term in (i) the employment agreement, if any, between a Participant and an Employer, or (ii) during the CIC Severance Protection Period (as defined in the CIC Severance Plan), the CIC Severance Plan, if a Participant is a participant in such plan.

(bb) "Incentive Stock Options" means Option Rights that are intended to qualify as "incentive stock options" under Section 422 of the Code.

(cc) "Incumbent Directors" means the individuals who, as of the Effective Date, are Directors of the Corporation, and any individual becoming a Director after the Effective Date whose election, nomination for election by the Corporation's stockholders, or appointment, was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Corporation in which such person is named as a nominee for director, without objection to such nomination); provided, however, that an individual shall not be an Incumbent Director if the individual's election or appointment to the Board occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(dd) "Management Objectives" means the measurable performance objective or objectives established pursuant to this Plan for Participants who have received grants of Performance Shares or Performance Units or, when so determined by the Compensation

Committee or an Authorized Officer, Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, other awards contemplated by Section 10 of this Plan or dividend credits pursuant to this Plan. Management Objectives may be described in terms of Corporation-wide objectives or objectives that are related to the performance of one or more joint ventures, Subsidiaries, business units, divisions, departments, business segments, regions or functions and/or that are related to the performance of the individual Participant. The Management Objectives may be made relative to the performance of other companies or subsidiaries, divisions, departments, regions, functions, or other organizational units within such other companies, or an index covering multiple companies. The Compensation Committee may grant Awards to Covered Employees subject to Management Objectives that are either Qualified Performance-Based Awards or are not Qualified Performance-Based Awards. The Management Objectives applicable to any Qualified Performance-Based Award will be based on one or more, or a combination of the following criteria:

- (i) net sales;
- (ii) revenue;
- (iii) revenue growth or product revenue growth;
- (iv) operating income (before or after taxes, including operating income before depreciation and amortization);
- (v) income (before or after taxes and before or after allocation of corporate overhead and bonus);
- (vi) net earnings;
- (vii) earnings per share;
- (viii) net income (before or after taxes);
- (ix) return on equity;
- (x) total stockholder return;
- (xi) return on assets or net assets;
- (xii) appreciation in and/or maintenance of share price;
- (xiii) market share;
- (xiv) gross profits;

(xv) earnings (including earnings before taxes, earnings before interest and taxes or earnings before interest, taxes, depreciation and amortization);

(xvi) economic value-added models or equivalent metrics;

(xvii) reductions in costs;

(xviii) cash flow or cash flow per share (before or after dividends);

(xix) return on capital (including return on total capital or return on invested capital);

(xx) cash flow return on investment;

(xxi) improvement in or attainment of expense levels or working capital levels;

(xxii) operating, gross, or cash margins;

(xxiii) year-end cash;

(xxiv) debt reductions;

(xxv) stockholder equity;

(xxvi) regulatory achievements;

(xxvii) operating performance;

(xxviii) market expansion;

(xxix) customer acquisition;

(xxx) customer satisfaction;

(xxxi) employee satisfaction;

(xxxii) implementation, completion, or attainment of measurable objectives with respect to research, development, products or projects and recruiting and maintaining personnel; or

(xxxiii) a published or a special index deemed applicable by the Compensation Committee or any of the above criteria as compared to the performance of any such index, including, but not limited to, the Dow Jones U.S. Telecom Index.

Any Management Objectives that are financial metrics may be determined in accordance with United States Generally Accepted Accounting Principles (“GAAP”) or may be adjusted when established to include or exclude any items otherwise includable or excludable under GAAP. In the case of Qualified Performance-Based Awards, each Management Objective will be objectively determined to the extent required under Section 162(m) of the Code.

In connection with the establishment of Management Objectives, or with respect to the measurement of achievement with respect to a Management Objective, the Compensation Committee may exclude the impact on performance of extraordinary, unusual, or infrequently occurring items, including charges for restructurings; other non-operating items; acquisitions, divestitures, discontinued operations; and other unusual or non-recurring items and the cumulative effects of changes in tax law or accounting principles, as such are defined by generally accepted accounting principles or the Securities and Exchange Commission and as identified in the Corporation’s audited financial statements, notes to such financial statements or management’s discussion and analysis in the Corporation’s annual report or other filings with the Securities and Exchange Commission. With respect to any grant under the Plan, if the Compensation Committee determines that a change in the business, operations, corporate structure or capital structure of the Corporation, or the manner in which it conducts its business, or other events or circumstances render the Management Objectives unsuitable, the Compensation Committee may in its discretion modify such Management Objectives or the related minimum acceptable level or levels of achievement, in whole or in part, as the Compensation Committee deems appropriate and equitable, except in the case of a Qualified Performance-Based Award when such action would result in the loss of the otherwise available exemption of such Award under Section 162(m) of the Code. In such case, the Compensation Committee will not make any modification of the Management Objectives or the minimum acceptable level or levels of achievement with respect to such Qualified Performance-Based Award. In addition, unless otherwise specified in the Evidence of Award, the Compensation Committee may, in its discretion, increase, reduce or eliminate the amount payable to any Participant with respect to an Award, based on such factors as the Compensation Committee may deem relevant. For purpose of clarity, (i) the amount payable pursuant to performance measures based on qualification of an Award as “qualified performance-based compensation” under Section 162(m) of the Code for any Qualified Performance-Based Award may not be increased when such action would result in the loss of the otherwise available exemption of such Award under Section 162(m) of the Code as described above, and (ii) the Compensation Committee may exercise the discretion in the foregoing sentence in a non-uniform manner among Participants.

(ee) “Market Value Per Share” means, as of any particular date the closing sale price of the Common Stock as reported on the New York Stock Exchange Composite Tape or, if not listed on such exchange, on any other national securities exchange on which the Common Stock is listed. If the Common Stock is not traded as of any given date, the Market Value Per Share means the closing price for the Common Stock on the principal exchange on which the

Common Stock is traded for the immediately preceding date on which the Common Stock was traded. If there is no regular public trading market for such Common Stock, the Market Value Per Share of the Common Stock shall be the fair market value of the Common Stock as determined in good faith by the Board. The Board is authorized to adopt another fair market value pricing method, provided such method is stated in the Evidence of Award, and is in compliance with the fair market value pricing rules set forth in Section 409A of the Code.

(ff) “Non-Employee Director” means a member of the Board who is not an Employee.

(gg) “Non-Qualified Options” means Option Rights that are not intended to qualify as “incentive stock options” under Section 422 of the Code.

(hh) “Normal Retirement” except as may be otherwise specified in a Participant’s Evidence of Award, means, with respect to any Employee, termination of employment (other than termination for Cause or due to death or Disability) at or after age 65. For purposes of paying an amount that is subject to Section 409A of the Code at a time that references Normal Retirement, Normal Retirement shall mean Separation from Service at or after age 65.

(ii) “Optionee” means the Participant named in an Evidence of Award evidencing an outstanding Option Right.

(jj) “Option Price” means the purchase price payable on exercise of an Option Right.

(kk) “Option Right” means the right to purchase shares of Common Stock upon exercise of a Non-Qualified Option or an Incentive Stock Option granted pursuant to Section 4 of this Plan.

(ll) “Participant” means a person who is selected by the Board, the Compensation Committee or an Authorized Officer to receive benefits under this Plan and who is at the time (i) an Employee or a Non-Employee Director, or (ii) providing services to the Corporation or a Subsidiary, including but not limited to, a consultant, an advisor, independent contractor, or other non-Employee of the Corporation or any one or more of its Subsidiaries (provided that such person satisfies the Form S-8 definition of an “employee”).

(mm) “Performance Period” means, in respect of a Performance Share or Performance Unit, a period of time established pursuant to Section 8 of this Plan within which the Management Objectives relating to such Performance Share or Performance Unit are to be achieved.

(nn) “Performance Share” means a bookkeeping entry that records the equivalent of one share of Common Stock awarded pursuant to Section 8 of this Plan.

(oo) “Performance Unit” means a bookkeeping entry awarded pursuant to Section 8 of this Plan that records a unit equivalent to \$1.00 or such other value as is determined by the Compensation Committee.

(pp) “Person” has the meaning set forth in Section 2(h)(i).

(qq) “Plan” means this Sprint Corporation 2015 Omnibus Incentive Plan, as it may be amended from time to time.

(rr) “Plan Year” has the meaning set forth in Section 9(g) and (h).

(ss) “Pre-CIC Termination” means the termination of a Participant’s employment without Cause, provided that both (i) the termination was made in the six (6) month period prior to a Change in Control at the request of a third party in contemplation of a Change in Control, and (ii) the Change in Control occurs. For purposes of paying an amount that is subject to Section 409A of the Code at a time that references a Pre-CIC Termination, Pre-CIC Termination shall mean Separation from Service under these circumstances

(tt) “Predecessor Plans” means (i) the Sprint 2007 Plan, and (ii) the Sprint 1997 Plan.

(uu) “Qualified Performance-Based Award” means any Award or portion of an Award that is intended to satisfy the requirements for “qualified performance-based compensation” under Section 162(m) of the Code.

(vv) “Restricted Stock” means shares of Common Stock granted or sold pursuant to Section 6 of this Plan as to which neither the substantial risk of forfeiture nor the prohibition on transfer has expired.

(ww) “Restricted Stock Unit” means an award granted or sold pursuant to Section 7 of this Plan of the right to receive shares of Common Stock or cash at the end of the Restriction Period.

(xx) “Restriction Period” means the period of time during which Restricted Stock Units are subject to restrictions, as provided in Section 7 of this Plan.

(yy) “Separation From Service” means a “separation from service” as such term is defined under Code Section 409A and the Treasury regulations issued thereunder. Except as otherwise required to comply with Code Section 409A, an Employee shall be considered not to have had a Separation From Service where the level of bona fide services performed continues at a level that is at least 21 percent or more of the average level of service performed by the Employee during the immediately preceding 36-month period (or if providing services for less than 36 months, such lesser period) after taking into account any services that the Employee provided prior to such date or that the Corporation and the Employee reasonably anticipate the Employee may provide (whether as an Employee or independent contractor) after such date.

For purposes of the determination of whether a Participant has had a “separation from service” as described under Code Section 409A and the guidance and Treasury regulations issued thereunder, the terms “Sprint,” “employer” and “service recipient”

mean Sprint Corporation and any affiliate with which Sprint Corporation would be considered a single employer under Code Section 414(b) or 414(c), provided that in applying Code Sections 1563(a)(1), (2), and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language “at least 50 percent” is used instead of “at least 80 percent”, each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), “at least 50 percent” is used instead of “at least 80 percent” each place it appears in Treasury Regulation Section 1.414(c)-2.

(zz) “Six-Month Payment Delay” means the required delay in payment to a Participant who is a “specified employee” of amounts subject to Section 409A that are paid upon Separation from Service, pursuant to Section 409A(a)(2)(B)(i) of the Code. When a Six-Month Delay is required, the payment date shall be not before the date which is six months after the date of Separation from Service or, if earlier, the date of the Participant’s death. The term specified employee shall have the meaning ascribed to this term under Section 409A of the Code.

(aaa) “Spread” means the excess of the Market Value Per Share on the date when an (i) Option Right is exercised over the Option Price, or (ii) Appreciation Right is exercised over the Option Price or Base Price provided for in the related Option Right or Free-Standing Appreciation Right, respectively.

(bbb) “Sprint 1997 Plan” means the 1997 Long-Term Stock Incentive Program, effective April 15, 1997.

(ccc) “Sprint 2007 Plan” means the 2007 Omnibus Incentive Plan, effective May 8, 2007.

(ddd) “Subsidiary” means (i) any individual, corporation, partnership, association, joint-stock company, trust, incorporated organization or government or political subdivision thereof, that directly, or through one or more intermediaries, controls, or is controlled by, or is under common control with, the Corporation, or (ii) any entity in which the Corporation has a significant equity interest, as determined by the Compensation Committee except that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, “Subsidiary” means any corporation in which the Corporation owns or controls, directly or indirectly, more than 50% of the total combined voting power represented by all classes of stock issued by such corporation at the time of grant.

(eee) “Substitute Awards” means Awards that are granted in assumption of, or in substitution or exchange for, outstanding awards previously granted by an entity acquired directly or indirectly by the Corporation or with which the Corporation directly or indirectly combines.

(fff) “Tandem Appreciation Right” means an Appreciation Right granted pursuant to Section 5 of this Plan that is granted in tandem with an Option Right.

(ggg) “Ten Percent Stockholder” shall mean any Participant who owns more than 10% of the combined voting power of all classes of stock of the Corporation, within the meaning of Section 422 of the Code.

(hhh) “Termination Date,” for purposes of this Plan, except as may be otherwise prescribed by the Compensation Committee or an Authorized Officer in an Evidence of Award, shall mean (i) with respect to any Employee, the date on which the Employee ceases to be employed by an Employer, or (ii) with respect to any Participant who is not an Employee, the date on which such Participant’s provision of services to the Corporation or any one or more of its Subsidiaries ends.

(iii) “Voting Stock” means securities entitled to vote generally in the election of Directors.

3. Shares Subject to this Plan .

(a) Maximum Shares Available Under Plan.

(i) Subject to adjustment as provided in Section 12 of this Plan, the maximum aggregate number of shares of Common Stock that may be issued or delivered under the Plan is the shares of Common Stock available for grant under the Predecessor Plans as of May 31, 2015. Common Stock to be issued or delivered pursuant to the Plan may be authorized and unissued shares of Common Stock, treasury shares or a combination of the foregoing.

(ii) In addition to the shares of Common Stock authorized in Section 3(a)(i):

(A) any Award (other than an Award that can only be paid in cash) granted pursuant to this Plan (1) that terminates, is forfeited, or expires without having been exercised in full, or (2) is settled in cash, then the underlying shares of Common Stock, to the extent of any such forfeiture, termination, expiration, or cash settlement, again shall be available for grant under this Plan and credited toward the Plan limit as set forth in Section 3(a)(i).

(B) any option, stock appreciation right, restricted stock, restricted stock unit, or other award (other than an award that can only be paid in cash) granted pursuant to the Predecessor Plans that terminates, is forfeited, or expires without having been exercised in full or is settled in cash, then the underlying shares of Common Stock, to the extent of any such forfeiture, termination or cash settlement, shall be available for grant under this Plan and credited

toward the Plan limit as one share of Common Stock for every one share of Common Stock allocable to any such award.

(iii) Shares of Common Stock that are tendered, whether by physical delivery or by attestation, to the Corporation by a Participant or withheld from the Award by the Corporation as full or partial payment of the exercise or purchase price of any Award or in payment of any applicable withholding for Federal, state, city, local or foreign taxes incurred in connection with the exercise, vesting or earning of any Award under the Plan or under the Predecessor Plans will not become available for future grants under the Plan. With respect to an Appreciation Right, when such Appreciation Right is exercised and settled in shares of Common Stock, the shares of Common Stock subject to such Appreciation Right shall be counted against the shares of Common Stock available for issuance under the Plan as one share of Common Stock for every one share of Common Stock subject thereto, regardless of the number of shares of Common Stock used to settle the Appreciation Right upon exercise.

(b) Life-of-Plan Limits. Notwithstanding anything in this Section 3, or elsewhere in this Plan, to the contrary and subject to adjustment pursuant to Section 12 of this Plan, the aggregate number of shares of Common Stock actually issued or transferred by the Corporation upon the exercise of Incentive Stock Options shall not exceed 150,000,000.

(c) Individual Participant Limits. Notwithstanding anything in this Section 3, or elsewhere in this Plan, to the contrary and subject to adjustment pursuant to Section 12 of this Plan:

(i) No Participant shall be granted Option Rights or Appreciation Rights or other awards granted pursuant to Section 10 of this Plan with rights which are substantially similar to Option Rights or Appreciation Rights, in the aggregate, for more than 5,000,000 shares of Common Stock during any fiscal year.

(ii) For grants of Qualified Performance-Based Awards, no Participant shall be granted Restricted Stock, Restricted Stock Units, Performance Shares or other awards granted pursuant to Section 10 of this Plan with rights which are substantially similar to Performance Shares, in the aggregate, for more than 10,000,000 shares of Common Stock during any fiscal year.

(iii) For grants of Qualified Performance-Based Awards, no Participant shall be granted Performance Units or other awards granted pursuant to Section 10 of this Plan with rights which are substantially similar to Performance Units, in the aggregate, for more than \$20,000,000 during any fiscal year.

(d) Limits on Awards to Non-Employee Directors. Notwithstanding any other provision of the Plan to the contrary, the aggregate grant date fair value (computed as of the date of grant in accordance with applicable financial accounting rules) of all Awards granted to

any Non-Employee Director during any single fiscal year (excluding Awards made at the election of the Director in lieu of all or a portion of annual and committee cash retainers pursuant to Section 9(g) or Section 9(h)) shall not exceed \$500,000 (\$1,000,000 for the Chairman or Vice-Chairman).

(e) Substitute Awards. Any Substitute Awards granted by the Corporation shall not reduce the shares of Common Stock available for Awards under the Plan and will not count against the limits specified in Sections 3(c) or (d) above.

4. **Option Rights** . The Compensation Committee or, in accordance with Section 11(d), an Authorized Officer may, from time to time and upon such terms and conditions as it or the Authorized Officer may determine, grant Option Rights to Participants. Each such grant will utilize any or all of the authorizations as specified in the following provisions:

(a) Each grant will specify the number of shares of Common Stock to which it pertains, subject to the limitations set forth in Section 3 of this Plan.

(b) Each Option Right will specify an Option Price per share of Common Stock, which (except with respect to Substitute Awards) may not be less than the Market Value Per Share on the Date of Grant. In the case of an Incentive Stock Option granted to a Ten Percent Stockholder, the Option Price per share of Common Stock shall not be less than one hundred ten percent (110%) of the Market Value Per Share on the Date of Grant.

(c) Each Option Right will specify whether the Option Price will be payable (i) in cash or by check or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Corporation of shares of Common Stock owned by the Optionee for at least 6 months (or other consideration authorized pursuant to Section 4(d)) having a value at the time of exercise equal to the total Option Price, (iii) by a combination of such methods of payment and may either grant to the Participant or retain in the Compensation Committee the right to elect among the foregoing alternatives, or (iv) by such other methods as may be approved by the Compensation Committee. No fractional shares of Common Stock will be issued or accepted.

(d) To the extent permitted by law, any grant may permit deferred payment of the Option Price from the proceeds of sale through a bank or broker designated by, and on a date satisfactory to, the Corporation of some or all of the shares of Common Stock to which such exercise relates.

(e) Successive grants may be made to the same Participant whether or not any Option Rights previously granted to such Participant remain unexercised.

(f) Each grant will specify the period or periods of continuous service by the Optionee with the Corporation or any Subsidiary that is necessary before the Option Rights or

installments thereof will become exercisable.

(g) Any grant of Option Rights may specify Management Objectives that must be achieved as a condition to the exercise of such rights. Each grant may specify in respect of such Management Objectives a minimum acceptable level or levels of achievement and may set forth a formula for determining the number of Option Rights that will become exercisable if performance is at or above the minimum level(s), but falls short of full achievement of the specified Management Objectives. The grant will specify that, before the exercise of such Option Rights become exercisable, the Compensation Committee must certify that the Management Objectives have been satisfied.

(h) Any grant of Option Rights may provide for the earlier exercise of such Option Rights or other modifications, including in the event of termination without Cause, resignation for Good Reason, Normal Retirement, termination due to death or Disability of the Participant, a Change in Control, or the grant of a Substitute Award.

(i) Option Rights granted under this Plan may be (i) options, including, without limitation, Incentive Stock Options, (ii) Non-Qualified Options, or (iii) combinations of the foregoing. Incentive Stock Options may be granted only to Participants who meet the definition of “employee” under Section 3401(c) of the Code.

(j) The exercise of an Option Right will result in the cancellation on a share-for-share basis of any related Tandem Appreciation Right authorized under Section 5 of this Plan.

(k) No Option Right will be exercisable more than ten (10) years from the Date of Grant. In the case of an Incentive Stock Option granted to an Employee who is a Ten Percent Stockholder, the Incentive Stock Option will not be exercisable more than five (5) years from the Date of Grant.

(l) An Option Right granted hereunder may be exercisable, in whole or in part, by written notice delivered in person, by mail or by approved electronic medium to the Treasurer of the Corporation at its principal office, or by such other means as the Treasurer or other authorized representative of the Corporation shall designate, specifying the number of shares of Common Stock to be purchased and accompanied by payment thereof and otherwise in accordance with the Evidence of Award pursuant to which the Option Right was granted.

(m) No grant of Option Rights will authorize the payment of dividend equivalents on the Option Right.

(n) Each grant of Option Rights will be evidenced by an Evidence of Award, which Evidence of Award will describe such Option Rights, and contain such other terms as the Compensation Committee or Authorized Officer may approve.

(o) Except as provided in an Evidence of Award, in the event of an Optionee's termination of employment or service, any Option Rights that have not vested as of the Optionee's Termination Date will be cancelled and immediately forfeited, without further action on the part of the Corporation or the Compensation Committee, and the Optionee will have no further rights in respect of such Option Rights.

5. Appreciation Rights .

(a) The Compensation Committee or, in accordance with Section 11(d), an Authorized Officer may grant (i) to any Optionee, Tandem Appreciation Rights in respect of Option Rights granted hereunder, and (ii) to any Participant, Free-Standing Appreciation Rights. All grants of Appreciation Rights will specify the number of shares of Common Stock to which the grant pertains, subject to the limitations set forth in Section 3 of this Plan.

(b) A Tandem Appreciation Right will be a right of the Optionee, exercisable by surrender of the related Option Right, to receive from the Corporation an amount determined by the Compensation Committee or an Authorized Officer, which will be expressed as a percentage of the Spread on the related Option Right (not exceeding 100%) at the time of exercise. Tandem Appreciation Rights must be granted concurrently with the related Option Right.

(c) A Free-Standing Appreciation Right will be a right of the Participant to receive from the Corporation an amount determined by the Compensation Committee or an Authorized Officer, which will be expressed as a percentage of the Spread (not exceeding one hundred percent (100%)) at the time of exercise.

(d) No grant of Appreciation Rights will authorize the payment of dividend equivalents on the Appreciation Right.

(e) Each grant of Appreciation Rights will utilize any or all of the authorizations as specified in the following provisions:

(i) Any grant may specify that the amount payable on exercise of an Appreciation Right may be paid by the Corporation in cash, in shares of Common Stock or in any combination thereof and may either grant to the Participant or retain in the Compensation Committee the right to elect among those alternatives.

(ii) Any grant may specify that the amount payable on exercise of an Appreciation Right may not exceed a maximum specified by the Compensation Committee or an Authorized Officer at the Date of Grant.

(iii) Any grant may specify waiting periods before exercise and permissible exercise dates or periods.

(iv) Any grant of Appreciation Rights may specify Management Objectives that must be achieved as a condition of the exercise of such Appreciation Rights. Each grant may specify in respect of such Management Objectives a minimum acceptable level or levels of achievement and may set forth a formula for determining the number of Appreciation Rights that will become exercisable if performance is at or above the minimum level(s), but falls short of full achievement of the specified Management Objectives. The grant of such Appreciation Rights will specify that, before the exercise of such Appreciation Rights, the Compensation Committee must certify that the Management Objectives have been satisfied.

(v) Any grant of Appreciation Rights may provide for the earlier exercise of such Appreciation Rights or other modifications, including in the event of termination without Cause, resignation for Good Reason, Normal Retirement, termination due to death or Disability of the Participant, a Change in Control, or the grant of a Substitute Award.

(vi) Each grant of Appreciation Rights will be evidenced by an Evidence of Award, which Evidence of Award will describe such Appreciation Rights, identify the related Option Rights (if applicable), and contain such other terms and provisions, consistent with this Plan, as the Compensation Committee or an Authorized Officer may approve.

(vii) Except as provided in an Evidence of Award, in the event of a Participant's termination of employment or service, any of the Participant's Appreciation Rights that have not vested as of the Participant's Termination Date will be cancelled and immediately forfeited, without further action on the part of the Corporation or the Compensation Committee, and the Participant will have no further rights in respect of such Appreciation Rights.

(f) Any grant of Tandem Appreciation Rights will provide that such Tandem Appreciation Rights may be exercised only at a time when the related Option Right is also exercisable (and will expire when the related Option Right would have expired) and at a time when the Spread is positive, and by surrender of the related Option Right for cancellation. Successive grants of Tandem Appreciation Rights may be made to the same Participant regardless of whether any Tandem Appreciation Rights previously granted to the Participant remain unexercised. In the case of a Tandem Appreciation Right granted in relation to an Incentive Stock Option to an Employee who is a Ten Percent Stockholder on the Date of Grant, the amount payable with respect to each Tandem Appreciation Right shall be equal in value to the applicable percentage of the excess, if any, of the Market Value Per Share on the exercise date over the Base Price of the Tandem Appreciation Right, which Base Price shall not be less

than 110 percent of the Market Value Per Share on the date the Tandem Appreciation Right is granted, and the Incentive Stock Option and related Tandem Appreciation Right shall not be exercisable more than five (5) years from the Date of Grant.

(g) Regarding Free-Standing Appreciation Rights only:

(i) Each grant will specify in respect of each Free-Standing Appreciation Right a Base Price, which (except with respect to Substitute Awards) may not be less than the Market Value Per Share on the Date of Grant;

(ii) Successive grants may be made to the same Participant regardless of whether any Free-Standing Appreciation Rights previously granted to the Participant remain unexercised; and

(iii) No Free-Standing Appreciation Right granted under this Plan may be exercised more than ten (10) years from the Date of Grant.

6. **Restricted Stock** . The Compensation Committee or, in accordance with Section 11(d), an Authorized Officer may grant or sell Restricted Stock to Participants. Each such grant or sale will utilize any or all of the authorizations as specified in the following provisions:

(a) Each such grant or sale will constitute an immediate transfer of the ownership of shares of Common Stock to the Participant in consideration of the performance of services, entitling such Participant to voting, dividend and other ownership rights, but subject to the substantial risk of forfeiture and restrictions on transfer hereinafter referred to.

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant, as determined by the Compensation Committee or an Authorized Officer at the Date of Grant.

(c) Each such grant or sale will provide that the Restricted Stock covered by such grant or sale that vests upon the passage of time will be subject to a “substantial risk of forfeiture” within the meaning of Section 83 of the Code, as determined by the Compensation Committee or an Authorized Officer at the Date of Grant and may provide for the earlier lapse of such substantial risk of forfeiture as provided in Section 6(e) below. In the case of grants that are a form of payment for earned Performance Shares or Performance Units or other awards, such grant may provide for no minimum vesting period.

(d) Each such grant or sale will provide that during the period for which such substantial risk of forfeiture is to continue, the transferability of the Restricted Stock will be prohibited or restricted in the manner set forth in this Plan, and to the extent prescribed by the Compensation Committee at the Date of Grant (which restrictions may include, without limitation, rights of repurchase or first refusal in the Corporation or provisions subjecting the

Restricted Stock to a continuing substantial risk of forfeiture in the hands of any transferee).

(e) Any grant of Restricted Stock may specify Management Objectives that, if achieved, will result in termination or early termination of the restrictions applicable to such Restricted Stock. Each grant may specify in respect of such Management Objectives a minimum acceptable level or levels of achievement and may set forth a formula for determining the number of shares of Restricted Stock on which restrictions will terminate if performance is at or above the minimum level(s), but falls short of full achievement of the specified Management Objectives. The grant or sale of Restricted Stock will specify that, before the termination or early termination of the restrictions applicable to such Restricted Stock, the Compensation Committee must certify that the Management Objectives have been satisfied.

(f) Any grant of Restricted Stock may provide for the earlier lapse or other modification, including in the event of termination without Cause, resignation for Good Reason, Normal Retirement, termination due to death or Disability of the Participant, Change in Control, or the grant of a Substitute Award.

(g) Any such grant or sale of Restricted Stock may require that any or all dividends or other distributions paid thereon during the period of such restrictions be automatically deferred and/or reinvested in additional shares of Restricted Stock (which may be subject to the same restrictions as the underlying Award) or be paid in cash on a deferred or contingent basis.

(h) Each grant or sale of Restricted Stock will be evidenced by an Evidence of Award and will contain such terms and provisions, consistent with this Plan, as the Compensation Committee or an Authorized Officer may approve. Unless otherwise directed by the Compensation Committee, (i) all certificates representing shares of Restricted Stock will be held in custody by the Corporation until all restrictions thereon have lapsed, together with a stock power or powers executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such shares of Common Stock, or (ii) all uncertificated shares of Restricted Stock will be held at the Corporation's transfer agent in book entry form with appropriate restrictions relating to the transfer of such shares of Restricted Stock.

7. **Restricted Stock Units** . The Compensation Committee or, in accordance with Section 11(d), an Authorized Officer may grant or sell Restricted Stock Units to Participants. Each such grant or sale will utilize any or all of the authorizations as specified in the following provisions:

(a) Each such grant or sale of Restricted Stock Units will constitute the agreement by the Corporation to deliver shares of Common Stock or cash to the Participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions (which may include the achievement of Management Objectives) during the Restriction Period as the Compensation Committee or an Authorized Officer may specify. Each grant may specify in respect of such Management Objectives a minimum acceptable level or levels of

achievement and may set forth a formula for determining the number of shares of Restricted Stock Units on which restrictions will terminate if performance is at or above the minimum level(s), but falls short of full achievement of the specified Management Objectives. The grant or sale of such Restricted Stock Units will specify that, before the termination or early termination of the restrictions applicable to such Restricted Stock Units, the Compensation Committee must certify that the Management Objectives have been satisfied.

(b) Each such grant or sale of Restricted Stock Units may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value Per Share at the Date of Grant.

(c) If the Restriction Period lapses only by the passage of time, each such grant or sale will be subject to a Restriction Period (which may include pro-rata, graded or cliff vesting over such period), as determined by the Compensation Committee or an Authorized Officer at the Date of Grant. In the case of grants that are a form of payment for earned Performance Shares or Performance Units or other awards, such grant may provide for no Restriction Period.

(d) Each such grant or sale of Restricted Stock Units may provide for the earlier lapse or other modification of such Restriction Period, including in the event of termination without Cause, resignation for Good Reason, Normal Retirement, termination due to death or Disability of the Participant, a Change in Control, or the grant of a Substitute Award and, to the extent that any grant, sale, or Substitute Award is subject to, or determined to be subject to Section 409A of the Code, the time and form of payment shall be indicated in the Evidence of Award as upon one or more of the permissible payment events under Section 409A of the Code and as subject to the Six-Month Payment Delay, if required.

(e) During the Restriction Period, the Participant will have none of the rights of a stockholder of any shares of Common Stock with respect to such Restricted Stock Units, but the Compensation Committee may, at the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units on either a current, deferred or contingent basis, either in cash or in additional shares of Common Stock and, the Evidence of Award shall specify the time of payment of such dividend equivalents and indicate that such payment is subject to the Six-Month Payment Delay, if required.

(f) Each grant or sale of Restricted Stock Units will specify the time and manner of payment of Restricted Stock Units that have been earned and, that such payment is subject to the Six-Month Payment Delay, if required. Any grant or sale may specify that the amount payable with respect thereto may be paid by the Corporation in cash, in shares of Common Stock or in any combination thereof and may either grant to the Participant or retain in the Compensation Committee the right to elect among those alternatives.

(g) Each such grant or sale of Restricted Stock Units will provide that during the period for which such Restriction Period is to continue, the transferability of the Restricted Stock

Units will be prohibited or restricted in the manner and to the extent prescribed by the Compensation Committee at the Date of Grant (which restrictions may include, without limitation, rights of repurchase or first refusal in the Corporation or provisions subjecting the Restricted Stock Units to a continuing substantial risk of forfeiture in the hands of any transferee).

(h) Each grant or sale of Restricted Stock Units will be evidenced by an Evidence of Award and will contain such terms and provisions, consistent with this Plan, as the Compensation Committee or an Authorized Officer may approve.

(i) Except as provided in an Evidence of Award, in the event of a Participant's termination of employment or service, any of the Participant's Restricted Stock Units that remain subject to the Restriction Period on the Participant's Termination Date will be cancelled and immediately forfeited without further action on the part of the Corporation or the Compensation Committee, and the Participant will have no further rights in respect of such Restricted Stock Units.

8. **Performance Shares and Performance Units** . The Compensation Committee or, in accordance with Section 11(d), an Authorized Officer may grant Performance Shares and Performance Units that will become payable to a Participant upon achievement of specified Management Objectives during the Performance Period. Each such grant will utilize any or all of the authorizations as specified in the following provisions:

(a) Each grant will specify the number of Performance Shares or Performance Units to which it pertains, which number may be subject to adjustment to reflect changes in compensation or other factors; provided, however, that no such adjustment will be made in the case of a Qualified Performance-Based Award where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code.

(b) The Performance Period with respect to each Performance Share or Performance Unit will be such period of time, as determined by the Compensation Committee or an Authorized Officer at the Date of Grant.

(c) Any grant of Performance Shares or Performance Units will specify Management Objectives, which, if achieved, will result in payment of the Award, and each grant may specify in respect of such specified Management Objectives a minimum acceptable level or levels of achievement and will set forth a formula for determining the number of Performance Shares or Performance Units that will be earned if performance is at or above the level(s), but falls short of full achievement of the specified Management Objectives. The grant of Performance Shares or Performance Units will specify that, before the Performance Shares or Performance Units will be earned and paid, the Compensation Committee must certify that the Management Objectives have been satisfied.

(d) Any grant of Performance Shares or Performance Units may provide for the earlier lapse or other modification, including in the event of termination without Cause, resignation for Good Reason, Normal Retirement, termination due to death or Disability of the Participant, a Change in Control, or the grant of a Substitute Award and to the extent that any grant or Substitute Award is subject to, or determined to be subject to, Section 409A of the Code, the time and form of payment shall be indicated in the Evidence of Award as upon one or more of the permissible payment events under Section 409A of the Code and, as subject to the Six-Month Payment Delay, if required.

(e) Each grant will specify the time and manner of payment of Performance Shares or Performance Units that have been earned and, that such payment is subject to the Six-Month Delay, if required. Any grant may specify that the amount payable with respect thereto may be paid by the Corporation in cash, in shares of Common Stock, in Restricted Stock or Restricted Stock Units or in any combination thereof and may either grant to the Participant or retain in the Compensation Committee the right to elect among those alternatives; provided, however, that as applicable, the amount payable may not exceed the maximum amount payable, as may be specified by the Compensation Committee or an Authorized Officer on the Date of Grant.

(f) The Compensation Committee may provide for the payment of dividend equivalents to the holder thereof on either a current, deferred or contingent basis, either in cash or in additional shares of Common Stock. In this case, the Evidence of Award will specify, the time of payment of such dividend equivalents and, that such payment is subject to the Six-Month Delay, if required.

(g) Each grant of Performance Shares or Performance Units will be evidenced by an Evidence of Award and will contain such other terms and provisions, consistent with this Plan, as the Compensation Committee or an Authorized Officer may approve.

(h) Except as provided in an Evidence of Award, in the event of a Participant's termination of employment or service, any of the Participant's Performance Shares and Performance Units that remain subject to a Performance Period on the Participant's Termination Date will be cancelled and immediately forfeited, without further action on the part of the Corporation or the Compensation Committee, and the Participant will have no further rights in respect of such Performance Shares or Performance Units.

9. **Awards to Non-Employee Directors** . The Board may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Non-Employee Directors, Option Rights, Appreciation Rights or other awards contemplated by Section 10 of this Plan and may also authorize the grant or sale of shares of Common Stock, Restricted Stock or Restricted Stock Units to Non- Employee Directors.

(a) Each grant of Option Rights awarded pursuant to this Section 9 will be upon terms and conditions consistent with Section 4 of this Plan.

(b) Each grant of Appreciation Rights pursuant to this Section 9 will be upon terms and conditions consistent with Section 5 of this Plan.

(c) Each grant or sale of Restricted Stock pursuant to this Section 9 will be upon terms and conditions consistent with Section 6 of this Plan.

(d) Each grant or sale of Restricted Stock Units pursuant to this Section 9 will be upon terms and conditions consistent with Section 7 of this Plan.

(e) Non-Employee Directors may be granted, sold, or awarded other awards contemplated by Section 10 of this Plan.

(f) If a Non-Employee Director subsequently becomes an employee of the Corporation or a Subsidiary while remaining a member of the Board, any Award held under this Plan by such individual at the time of such commencement of employment will not be affected thereby.

(g) Non-Employee Directors, pursuant to this Section 9, may be awarded, or may be permitted to elect to receive, pursuant to procedures established by the Board or a committee of the Board, all or any portion of their annual retainer, meeting fees or other fees in shares of Common Stock, Restricted Stock, Restricted Stock Units or other Awards contemplated by Section 10 of this Plan in lieu of cash. Any such election shall comply with Section 409A of the Code, if applicable. The election, if subject to Section 409A of the Code, (i) shall apply to the annual retainer, meeting fees, or other fees earned during the period to which it pertains (the "Plan Year"), (ii) must be received in writing by the administrator of the Plan by the established enrollment deadline of any Plan Year, which must be no later than the last business day of the calendar year immediately preceding the calendar year in which that Plan Year commences, in order to cause that Plan Year's annual retainer, meeting fees, or other fees to be subject to the provision of this Plan, and (iii) must specify the form of distribution (in shares of Common Stock, Restricted Stock, Restricted Stock Units, or other Awards contemplated by Section 10 of the Plan in lieu of cash) to the Non-Employee Director. Any such election is irrevocable on the last day set by the administrator for making elections.

(h) Non-Employee Directors may under policies approved from time to time by the Board or a committee of the Board, elect to defer their annual retainer, meeting fees or other fees and, in which case, the shares of Common Stock purchased under Section 9(g) will be payable to a trust. The election: (i) shall apply to the annual retainer and fees earned during the period to which it pertains (the "Plan Year") and shall specify the applicable percentage of such annual retainer and fees that such Non-Employee Director wishes to direct to the trust, (ii) must be received in writing by the administrator of the Plan by the established enrollment deadline of

any Plan Year which must be no later than the last business day of the calendar year immediately preceding the calendar year in which that Plan Year commences, in order to cause that Plan Year's annual retainer and fees to be subject to the provisions of this Plan, and (iii) must specify the time and manner of the distribution of the shares of Common Stock to the Non-Employee Director. Any such election is irrevocable on the last day set by the administrator for making elections. The shares of Common Stock covered by this election will be issued in the name of the trustee of the trust for the benefit of the Non-Employee Director; provided, however, that each Non-Employee Director shall be entitled to vote the shares of Common Stock. The trustee shall retain all dividends (which shall be reinvested in shares of Common Stock) and other distributions paid or made with respect thereto in the trust, and all dividends and other distributions will be paid in accordance with the election applicable to the underlying annual retainer and fees. The shares of Common Stock credited to the account of an Non-Employee Director shall remain subject to the claims of the Corporation's creditors, and the interests of the Non-Employee Director in the trust may not be sold, hypothecated or transferred (including, without limitation, transferred by gift or donation) while such shares of Common Stock are held in the trust.

(i) Notwithstanding anything in Section 5, 6 or 7 to the contrary, each grant pursuant to this Section 9 may specify the period or periods of continuous service, if any, by the Non-Employee Director with the Corporation that are necessary before such awards or installments thereof shall become fully exercisable or restrictions thereon will lapse, which shall be determined on the Date of Grant.

10. Other Awards .

(a) The Compensation Committee or an Authorized Officer may, subject to limitations under applicable law, authorize grants or sales to any Participant other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, (i) shares of Common Stock or factors that may influence the value of such shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into shares of Common Stock, purchase rights for shares of Common Stock, awards with value and payment contingent upon performance of the Corporation or specified Subsidiaries, affiliates or other business units thereof or any other factors designated by the Compensation Committee, and awards valued by reference to the book value of shares of Common Stock or the value of securities of, or the performance of specified Subsidiaries or affiliates or other business units of, the Corporation, (ii) cash, or (iii) any combination of the foregoing. The Compensation Committee or an Authorized Officer shall determine the terms and conditions of such awards, which may include the achievement of Management Objectives, which may specify in respect of such Management Objectives a minimum acceptable level or levels of achievement and may set forth a formula for determining the portion or all of the award on which restrictions will terminate if performance is at or above the minimum level(s), but falls short of full achievement of the specified Management Objectives. The grant or sale of such award will specify that, before the termination or early

termination of the restrictions applicable to such award, the Compensation Committee must certify that the Management Objectives have been satisfied. Shares of Common Stock delivered pursuant to an award in the nature of a purchase right granted under this Section 10 shall be purchased for such consideration, paid for at such time, by such methods, and in such forms, including, without limitation, cash, shares of Common Stock, other awards, notes or other property, as the Compensation Committee shall determine.

(b) Each grant may specify the period or periods of continuous service, if any, by the Participant with the Corporation or any Subsidiary that are necessary before such awards or installments thereof shall become fully transferable, which shall be determined by the Compensation Committee or an Authorized Officer on the Date of Grant.

(c) Each grant may provide for the earlier termination of the period or periods of continuous service or other modifications, including in the event of termination without Cause, resignation for Good Reason, Normal Retirement, termination due to death or Disability of the Participant, a Change in Control, or the grant of a Substitute Award and, to the extent that any grant or Substitute Award is subject to, or determined to be subject to, Section 409A of the Code, the time and form of payment shall be indicated in the Evidence of Award as upon one or more of the permissible payment events under Section 409A of the Code and, as subject to the Six-Month Payment Delay, if required.

(d) The Compensation Committee may authorize grants or sales of shares of Common Stock as a bonus, or may grant other awards in lieu of obligations of the Corporation or a Subsidiary to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, subject to such terms as shall be determined by the Compensation Committee.

(e) Each grant or sale pursuant to this Section 10 may be made without additional consideration from the Participant or in consideration of a payment by the Participant that is less than the Market Value Per Share on the Date of Grant; provided, however, that with respect to a payment of an award that is substantially similar to an Option Right, no such payment shall be less than Market Value Per Share on the Date of Grant.

11. Administration of this Plan .

(a) This Plan will be administered by the Compensation Committee. The Board or the Compensation Committee, as applicable, may from time to time delegate all or any part of its authority under this Plan to any other committee of the Board or subcommittee thereof consisting exclusively of not less than two or more members of the Board, each of whom shall be a “non-employee director” within the meaning of Rule 16b-3 of the Securities and Exchange Commission promulgated under the Exchange Act, an “outside director” within the meaning of Section 162(m) of the Code and an “independent director” within the meaning of the rules of the New York Stock Exchange, as constituted from time to time. To the extent of

any such delegation, references in this Plan to the Board or the Compensation Committee, as applicable, will be deemed to be references to such committee or subcommittee.

(b) The interpretation and construction by the Compensation Committee of any provision of this Plan or of any agreement, notification or document evidencing the grant of an Award, and any determination by the Compensation Committee pursuant to any provision of this Plan or of any such agreement, notification or document will be final and conclusive.

(c) To the extent permitted by applicable law, the Board or the Compensation Committee, as applicable, may, from time to time, delegate to one or more of its members or to one or more officers of the Corporation, or to one or more agents or advisors, such administrative duties or powers as it may deem advisable, and the Board, the Compensation Committee, the committee, or any person to whom duties or powers have been delegated as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Board or the Compensation Committee, the committee or such person may have under this Plan.

(d) To the extent permitted by applicable law, the Compensation Committee may, by resolution, authorize one or more Executive Officers of the Corporation (each, an "Authorized Officer"), including the Chief Executive Officer of the Corporation, to do one or both of the following on the same basis as the Compensation Committee: (i) designate Participants to be recipients of Awards under this Plan, (ii) determine the size of any such Awards; provided, however, that (A) the Compensation Committee shall not delegate such responsibilities to any Executive Officer for Awards granted to a Participant who is an Executive Officer, a Director, or a more than 10% beneficial owner of any class of the Corporation's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Board in accordance with Section 16 of the Exchange Act, and (B) the resolution providing for such authorization sets forth the total number of shares of Common Stock the Authorized Officer(s) may grant, and (iii) the Authorized Officer(s) shall report periodically to the Compensation Committee, as the case may be, regarding the nature and scope of the Awards granted pursuant to the authority delegated. In no event shall any such delegation of authority be permitted with respect to Awards to any Executive Officer or any person subject to Section 162(m) of the Code.

12. **Adjustments** . The Board shall make or provide for such adjustments in the numbers of shares of Common Stock covered by outstanding Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and, if applicable, in the number of shares of Common Stock covered by other awards granted pursuant to Section 10 hereof, in the Option Price and Base Price provided in outstanding Option Rights and Appreciation Rights, and in the kind of shares covered thereby, and in other Award terms, as is equitably required to prevent dilution or enlargement of the rights of Participants or Optionees that otherwise would result from (i) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the

Corporation, or (ii) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (iii) any other corporate transaction or event having an effect similar to any of the foregoing; however, in the event of any such transaction or event, any adjustments shall be in compliance with or maintain exemption from Section 409A of the Code. Such adjustments shall be made automatically, without the necessity of Board action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in shares of Common Stock; however, any adjustment shall be in compliance with or maintain exemption from Section 409A of the Code. Moreover, in the event of any such transaction or event specified in this Section 12, the Board, in its discretion, and subject to ensuring compliance with or exemption from Section 409A of the Code, may provide in substitution for any or all outstanding Awards under this Plan such alternative consideration (including cash), if any, as it may determine, in good faith, to be equitable in the circumstances and may require in connection therewith the surrender of all Awards so replaced. In addition, for each Option Right or Appreciation Right with an Option Price or Base Price greater than the consideration offered in connection with any such transaction or event, the Compensation Committee may in its discretion elect to cancel such Option Right or Appreciation Right without any payment to the person holding such Option Right or Appreciation Right. The Board also shall make or provide for such adjustments in the numbers of shares specified in Section 3 of this Plan as is appropriate to reflect any transaction or event described in this Section 12; provided, however, that any such adjustment to the number specified in Section 3(b) will be made only if and to the extent that such adjustment would not cause any Option Right intended to qualify as an Incentive Stock Option to fail so to qualify.

13. Change in Control .

(a) Except as otherwise provided in an Evidence of Award or by the Compensation Committee at the Date of Grant, to the extent outstanding Awards granted under this Plan are not assumed, converted or replaced by the resulting entity in the event of a Change in Control, all outstanding Awards that may be exercised shall become fully exercisable, all restrictions with respect to outstanding Awards shall lapse and become vested and non-forfeitable, and any specified Management Objectives with respect to outstanding Awards shall be deemed to be satisfied at target. If the Award is considered a “deferral of compensation” (as such term is defined under Code Section 409A), and if the failure of the Award to be assumed, converted or replaced by the resulting entity following the Change in Control would result in a payment of deferred compensation upon the closing of such Change in Control, except as otherwise provided in an Evidence of Award, the payment will occur within 30 days after the Change in Control, provided that such Change in Control may be treated as a change in ownership of the Corporation, a change in the effective control of the Corporation or a change in the effective ownership of a substantial portion of the Corporation’s assets as described in Treasury regulations issued under Code Section 409A (each a “Code Section 409A Change in Control”).

(b) Except as otherwise provided in an Evidence of Award or by the Compensation Committee, to the extent outstanding Awards granted under this Plan are assumed, converted or replaced by the resulting entity in the event of a Change in Control, any outstanding Awards that are subject to Management Objectives shall be converted by the resulting entity, as if target performance had been achieved as of the date of the Change in Control, and each award of: (i) Performance Shares or Performance Units shall continue to vest during the remaining Performance Period, (ii) Restricted Stock shall continue to be subject to a “substantial risk of forfeiture” for the remaining applicable period, (iii) Restricted Stock Units shall continue to vest during the Restriction Period, and (iv) all other Awards shall continue to vest during the applicable vesting period, if any.

(c) Except as otherwise provided in an Evidence of Award or by the Compensation Committee, to the extent outstanding Awards granted under this Plan are either assumed, converted or replaced by the resulting entity in the event of a Change in Control, if a Participant’s service is terminated without Cause by the Corporation, any of its Subsidiaries or the resulting entity or a Participant resigns his or her employment with an Employer for Good Reason, in either case, during the CIC Severance Protection Period, all outstanding Awards held by the Participant that may be exercised shall become fully exercisable and all restrictions with respect to outstanding Awards shall lapse and become vested and non-forfeitable.

(d) Notwithstanding any other provision of the Plan, in the event of a Change in Control, the Board in its discretion, may provide for the cancellation of each outstanding and unexercised Option Right or Appreciation Right in exchange for a cash payment to be made within 60 days of the Change in Control in an amount equal to the amount by which the highest price per share of Common Stock paid for a share of Common Stock in the Change in Control exceeds the Option Price or Base Price, as applicable, multiplied by the number of shares of Common Stock granted under the Option Right or Appreciation Right.

(e) Notwithstanding any provision of this Plan to the contrary, to the extent an Award shall be deemed to be vested or restrictions lapse, expire or terminate upon the occurrence of a Change in Control and such Change in Control is not a Code Section 409A Change in Control, then even though such Award may be deemed to be vested or restrictions lapse, expire or terminate upon the occurrence of the Change in Control or any other provision of this Plan, payment will be made, to the extent necessary to comply with the provisions of Section 409A of the Code, to the Participant on the earliest of: (i) the Participant’s Separation from Service with the Corporation; provided, however, that if the Participant is a “specified employee” (within the meaning of Section 409A of the Code), the payment date shall be the date that is six (6) months after the date of the Participant’s Separation from Service with the Employer, (ii) the date payment otherwise would have been made in the absence of any provisions in this Plan to the contrary (provided such date is permissible under Section 409A of the Code), or (iii) the Participant’s death.

(f) Unless otherwise provided in a Participant's employment agreement, if any, between the Participant and an Employer or any other arrangement with the Corporation or any of its Subsidiaries to which the Participant is a party or participant, if the acceleration of exercisability under this Section 13, together with all other payments or benefits contingent on the Change in Control within the meaning of Section 280G of the Code, results in any portion of such payments or benefits not being deductible by the Corporation as a result of the application of Section 280G of the Code, the payments or benefits shall be reduced until the entire amount of the payments or benefits is deductible. The reduction shall be effected from Awards made under this Plan by the exclusion, first, of Awards, or portions thereof, that are not permitted to be valued under Treasury Regulation section 1.280G-1, Q&A 24(c), or any successor provision, and, second, of Awards, or portions thereof, that are permitted to be valued under Treasury Regulation section 1.280G-1, Q&A 24(c).

14. **Detrimental Activity** .

(a) Any Evidence of Award may provide that if the Board or the Compensation Committee determines a Participant has engaged in any Detrimental Activity, either during service with the Corporation or a Subsidiary or within a specified period after termination of such service, then, promptly upon receiving notice of the Board's finding, the Participant shall:

(i) forfeit that Award to the extent then held by the Participant;

(ii) in exchange for payment by the Corporation or the Subsidiary of any amount actually paid therefor by the Participant, return to the Corporation or the Subsidiary, all shares of Common Stock that the Participant has not disposed of that had been acquired pursuant to that Award;

(iii) with respect to any shares of Common Stock acquired pursuant to that Award that were disposed of, pay to the Corporation or the Subsidiary, in cash, the difference between:

(A) any amount actually paid by the Participant, and

(B) the Market Value Per Share of the shares of Common Stock on the date acquired; and

(iv) pay to the Corporation or the Subsidiary in cash the Spread, with respect to any Option Rights or Appreciation Rights exercised where no shares of Common Stock were retained by the Participant upon such exercise.

(b) To the extent that such amounts are not paid to the Corporation or the Subsidiary, the Corporation may seek other remedies, including a set off of the amounts so payable to it against any amounts that may be owing from time to time by the Corporation or a Subsidiary to

the Participant for any reason, including, without limitation, wages, deferred compensation or vacation pay. To the extent that any set off under this section of the Plan causes the Participant to become subject to taxes under Section 409A of the Code, the responsibility for payment of such taxes lies solely with the Participant.

15. **Non-U.S. Participants** . In order to facilitate the making of any grant or combination of grants under this Plan, the Board or the Compensation Committee may provide for such special terms for awards to Participants who are foreign nationals or who are employed by the Corporation or any Subsidiary outside of the United States of America or who provide services to the Corporation or any Subsidiary under an agreement with a foreign nation or agency, as the Board or the Compensation Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Compensation Committee may approve such supplements to or amendments, restatements or alternative versions of this Plan (including, without limitation, sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary of the Board or other appropriate officer of the Corporation may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Corporation.

16. **Transferability** .

(a) Except as otherwise determined by the Board or the Compensation Committee pursuant to the provisions of Section 16(c), no Award or dividend equivalents paid with respect to Awards made under this Plan shall be transferable by the Participant except by will or the laws of descent and distribution, and may be otherwise transferred in a manner that protects the interest of the Corporation as the Board or the Compensation Committee may determine; provided, that if so determined by the Compensation Committee, each Participant may, in a manner established by the Board or the Compensation Committee, designate a beneficiary to exercise the rights of the Participant with respect to any Award upon the death of the Participant and to receive shares of Common Stock or other property issued upon such exercise.

(b) The Compensation Committee or an Authorized Officer may specify at the Date of Grant that part or all of the shares of Common Stock that are (i) to be issued or transferred by the Corporation upon the exercise of Option Rights or Appreciation Rights, upon the termination of the Restriction Period applicable to Restricted Stock Units or upon payment under any grant of Performance Shares or Performance Units or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in Section 6 of this Plan, will be subject to further restrictions on transfer.

(c) Notwithstanding Section 16(a), the Board or the Compensation Committee may determine that Awards (other than Incentive Stock Options) may be transferable by a Participant, without payment of consideration therefor by the transferee, only to any one or more family members (as defined in the General Instructions to Form S-8 under the Securities Act of 1933) of the Participant; provided, however, that (i) no such transfer shall be effective unless reasonable prior notice thereof is delivered to the Corporation and such transfer is thereafter effected in accordance with any terms and conditions that shall have been made applicable thereto by the Board or the Compensation Committee, and (ii) any such transferee shall be subject to the same terms and conditions hereunder as the Participant.

17. **Withholding Taxes** . To the extent that the Corporation is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Corporation for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Corporation for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of the Compensation Committee) may include relinquishment of a portion of such benefit. If a Participant's benefit is to be received in the form of shares of Common Stock, and such Participant fails to make arrangements for the payment of tax, the Corporation shall withhold such shares of Common Stock having a value equal to the amount required to be withheld. Notwithstanding the foregoing, when a Participant is required to pay the Corporation an amount required to be withheld under applicable income and employment tax laws, the Participant may elect to satisfy the obligation, in whole or in part, by electing to have withheld, from the shares required to be delivered to the Participant, shares of Common Stock having a value equal to the amount required to be withheld (except in the case of Restricted Stock where an election under Section 83(b) of the Code has been made), or by delivering to the Corporation other shares of Common Stock held by such Participant. In no event shall the Market Value Per Share of the shares of Common Stock to be withheld pursuant to this section to satisfy applicable withholding taxes in connection with the benefit exceed the minimum amount of taxes required to be withheld or such other amount that will not result in a negative accounting impact. Participants shall also make such arrangements as the Corporation may require for the payment of any withholding tax obligation that may arise in connection with the disposition of shares of Common Stock acquired upon the exercise of Option Rights.

18. **Compliance with Section 409A of the Code.**

(a) To the extent applicable, it is intended that this Plan and any grants made hereunder are exempt from Section 409A of the Code or are structured in a manner that would not cause a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. This Plan and any grants made hereunder shall be administrated in a manner consistent with this intent, and any provision that would cause this Plan or any grant made hereunder to become subject to taxation under Section 409A of the Code shall have no force and effect until amended

to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Corporation without the consent of Participants).

(b) In order to determine for purposes of Section 409A of the Code whether a Participant is employed by a member of the Corporation's controlled group of corporations under Section 414(b) of the Code (or by a member of a group of trades or businesses under common control with the Corporation under Section 414(c) of the Code) and, therefore, whether the shares of Common Stock that are or have been purchased by or awarded under this Plan to the Participant are shares of "service recipient" stock within the meaning of Section 409A of the Code:

(i) In applying Code Section 1563(a)(1), (2) and (3) for purposes of determining the Corporation's controlled group under Section 414(b) of the Code, the language "at least 50 percent" is to be used instead of "at least 80 percent" each place it appears in Code Section 1563(a)(1), (2) and (3); and

(ii) In applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses under common control with the Corporation for purposes of Section 414(c) of the Code, the language "at least 50 percent" is to be used instead of "at least 80 percent" each place it appears in Treasury Regulation Section 1.414(c)-2.

19. Effective Date and Term of Plan .

(a) This Plan will be effective as of the Effective Date. No grant will be made under this Plan more than ten (10) years after the date on which this Plan is first approved by the stockholders of the Corporation, but all grants made on or prior to such date will continue in effect thereafter subject to the terms thereof and of this Plan.

(b) Upon the Effective Date, no further grants of awards are permitted under the Predecessor Plans. All awards under the Predecessor Plans that remain outstanding shall be administered and paid in accordance with the provisions of the applicable Predecessor Plan and award agreement.

20. Amendments and Termination .

(a) The Board may at any time and from time to time, to the extent permitted by Section 409A of the Code, amend, suspend or terminate this Plan in whole or in part; provided, however, that if an amendment to this Plan (i) would materially increase the benefits accruing to Participants under this Plan, (ii) would materially increase the number of securities which may be issued under this Plan, (iii) would materially modify the requirements for participation in this Plan, or (iv) must otherwise be approved by the stockholders of the Corporation in order to comply with applicable law or the rules of the New York Stock Exchange or, if the shares of Common Stock are not traded on the New York Stock Exchange, the principal national

securities exchange upon which the shares of Common Stock are traded or quoted, then, such amendment will be subject to stockholder approval and will not be effective unless and until such approval has been obtained.

(b) Termination of this Plan will not affect the rights of Participants or their successors under any Awards outstanding hereunder and not exercised in full on the date of termination.

(c) Except in connection with a corporate transaction or event described in Section 12, the Board or the Compensation Committee will not, without the further approval of the stockholders of the Corporation, authorize the amendment of any outstanding Option Right or Appreciation Right to reduce the Option Price or Base Price, respectively. No Option Right or Appreciation Right will be cancelled and replaced with awards having a lower Option Price or Base Price, respectively, or for another award, or for cash without further approval of the stockholders of the Corporation, except in connection with a corporate transaction or event described in Section 12. Furthermore, no Option Right or Appreciation Right will provide for the payment, at the time of exercise, of a cash bonus or grant of Option Rights, Appreciation Rights, Performance Shares, Performance Units, or grant or sale of Restricted Stock, Restricted Stock Units or other awards pursuant to Section 10 of this Plan, without further approval of the stockholders of the Corporation. This Section 20(c) is intended to prohibit the repricing of “underwater” Option Rights or Appreciation Rights without stockholder approval and will not be construed to prohibit the adjustments provided for in Section 12 of this Plan.

(d) If permitted by Section 409A of the Code, in case of termination of service by reason of death, Disability or Normal Retirement, or in the case of unforeseeable emergency or other special circumstances, of a Participant who holds an Option Right or Appreciation Right not immediately exercisable in full, or any shares of Restricted Stock as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Restricted Stock Units as to which the Restriction Period has not been completed, or any Performance Shares or Performance Units which have not been fully earned, or any other awards made pursuant to Section 10 subject to any vesting schedule or transfer restriction, or who holds shares of Common Stock subject to any transfer restriction imposed pursuant to Section 16 of this Plan, the Compensation Committee may, in its sole discretion, accelerate the time at which such Option Right, Appreciation Right or other award may be exercised or the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse or the time when such Restriction Period will end or the time at which such Performance Shares or Performance Units will be deemed to have been fully earned or the time when such transfer restriction will terminate or may waive any other limitation or requirement under any such award, except in the case of a Qualified Performance-Based Award where such action would result in the loss of the otherwise available exemption of the Award under Section 162(m) of the Code.

(e) Subject to Section 20(c) hereof, the Compensation Committee may amend the terms of any Award theretofore granted under this Plan prospectively or retroactively, except in the case of a Qualified Performance-Based Award where such action would result in the loss of the otherwise available exemption of such Award under Section 162(m) of the Code. In such case, the Compensation Committee will not make any modification of the Management Objectives or the level or levels of achievement with respect to such Qualified Performance-Based Award. Subject to Section 12 above, no amendment shall materially impair the rights of any Participant without his or her consent.

21. **Substitute Awards for Awards Granted by Other Entities** . Substitute Awards may be granted under this Plan for grants or awards held by Employees of a company or entity who become Employees of the Corporation or a Subsidiary as a result of the acquisition, merger or consolidation of the employer company by or with the Corporation or a Subsidiary. Except as otherwise provided by applicable law and notwithstanding anything in the Plan to the contrary, the terms, provisions and benefits of the Substitute Awards so granted may vary from those set forth in or required or authorized by this Plan to such extent as the Compensation Committee at the time of the grant may deem appropriate to conform, in whole or part, to the terms, provisions and benefits of grants or awards in substitution for which they are granted.

22. **Governing Law** . This Plan and all grants and Awards and actions taken thereunder shall be governed by and construed in accordance with the internal substantive laws of the State of Delaware.

23. **Miscellaneous Provisions** .

(a) The Corporation will not be required to issue any fractional shares of Common Stock pursuant to this Plan. The Board or the Compensation Committee may provide for the elimination of fractions or for the settlement of fractions in cash.

(b) This Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Corporation or any Subsidiary, nor will it interfere in any way with any right the Corporation or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time.

(c) To the extent that any provision of this Plan would prevent any Option Right that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision will be null and void with respect to such Option Right. Such provision, however, will remain in effect for other Option Rights and there will be no further effect on any provision of this Plan.

(d) The Compensation Committee or an Authorized Officer may provide for termination of an Award in the case of termination of employment or service of a Participant or any other reason; provided, however, that all Awards of a Participant will be immediately

forfeited and cancelled to the extent the Participant's employment or service has been terminated for Cause, and the Participant will have no further rights in respect of such Awards.

(e) No Award under this Plan may be exercised by the holder thereof if such exercise, and the receipt of cash or stock thereunder, would be, in the opinion of counsel selected by the Compensation Committee, contrary to law or the regulations of any duly constituted authority having jurisdiction over this Plan.

(f) Except as required by Section 409A of the Code in connection with a Separation from Service, absence on leave approved by a duly constituted officer of the Corporation or any of its Subsidiaries shall not be considered interruption or termination of service of any Employee for any purposes of this Plan or Awards granted hereunder, except that no Awards may be granted to an Employee while he or she is absent on leave.

(g) Except as specifically provided in Section 9(h), no Participant shall have any rights as a stockholder with respect to any shares of Common Stock subject to Awards granted to him or her under this Plan prior to the date as of which he or she is actually recorded as the holder of such shares upon the stock records of the Corporation.

(h) The Compensation Committee may condition the grant of any Award or combination of Awards authorized under this Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Corporation or a Subsidiary to the Participant.

(i) Except with respect to Option Rights and Appreciation Rights, the Compensation Committee may permit Participants to elect to defer the issuance of shares of Common Stock or the settlement of Awards in cash under this Plan pursuant to such rules, procedures or programs as it may establish for purposes of this Plan. The Compensation Committee also may provide that deferred issuances and settlements include the payment or crediting of dividend equivalents or interest on the deferral amounts. All elections and deferrals permitted under this provision shall comply with Section 409A of the Code, including setting forth the time and manner of the election (including a compliant time and form of payment), the date on which the election is irrevocable, and whether the election can be changed until the date it is irrevocable.

(j) Any Award granted under the terms of this Plan may specify in the Evidence of Award that the Participant is subject to restrictive covenants including, but not limited to, covenants not to compete and covenants not to solicit, unless otherwise determined by the Compensation Committee.

(k) Participants shall provide the Corporation with a completed, written election form setting forth the name and contact information of the person who will have beneficial

ownership rights of Awards made to the Participant under this Plan upon the death of the Participant.

(l) If any provision of this Plan is or becomes invalid, illegal or unenforceable in any jurisdiction, or would disqualify this Plan or any Award under any law deemed applicable by the Board or the Compensation Committee, such provision shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Board or the Compensation Committee, it shall be stricken and the remainder of this Plan shall remain in full force and effect.

(m) **Clawback/Recoupment of Awards** . All Awards granted under the Plan will be subject to deduction, forfeiture, recoupment or similar requirement in accordance with any clawback policy that may be implemented by the Company from time to time, including such policies that may be implemented after the date an Award is granted, pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law, or other agreement or arrangement with a Participant.

Restricted Stock Unit Award Agreement
Non-Employee Director Award

Throughout this Award Agreement we sometimes refer to Sprint Corporation as “we” or “us” and to participants as “you.”

1. Award of Restricted Stock Units

The Board of Directors of Sprint Corporation has granted you an Award of _____ Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the “Plan”) as of _____ (the “Date of Grant”). Subject to the restrictions and conditions of the Plan and this Award Agreement, each RSU represents the right for you to receive from us one share of our Common Stock on the Vesting Date and gives you the right to dividend equivalents as described in paragraph 5 below. Your right to receive shares of Common Stock under the RSUs is a contractual right between you and us and does not give you a preferred claim to any particular assets or shares of Sprint.

2. Restriction Period

Your RSUs vest 100 percent on (1) the earlier of the first Annual Meeting of Shareholders after the Date of Grant or the first anniversary of the Date of Grant, or (2) the date described in paragraph 4 below, conditioned upon you continuously serving on our Board of Directors through such date (the “Vesting Date”). RSUs that are subject to forfeiture on your termination of service as a Director are called “unvested RSUs,” and RSUs no longer subject to forfeiture or restrictions on transfer are called “vested RSUs.”

3. Forfeiture of RSUs

You will forfeit unvested RSUs as of the date your Board service with Sprint ends for any reason (unless vesting of your RSUs accelerates under paragraph 4).

4. Acceleration of Vesting

Unvested RSUs may become vested RSUs before the time at which they would normally become vested by the passage of time - that is, the vesting of RSUs may accelerate. Accelerated vesting of your RSUs will occur on your Separation from Service with the Board because of your death, Disability; or involuntary Separation from Service with the Board following a Change in Control of the Corporation.

5. Dividend Equivalents

If cash dividends are paid on the Common Stock underlying your RSUs, and you hold the RSUs on the dividend record date, the RSUs will accrue additional RSUs equal to the number of whole shares of the underlying Common Stock the dividend would buy at the Market Value Per Share of the Common Stock on the dividend payment date. These additional RSUs are subject to the vesting provisions with respect to, and delivery at the same time as the shares underlying, the original RSUs.

If non-cash dividends are paid on the Common Stock underlying your RSUs, and you hold the RSUs on the dividend record date, the Compensation Committee, in its sole discretion, may (1) adjust your RSUs as described in paragraph 9 of this Award Agreement, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions with respect to, and delivery at the same time as the shares underlying, the original RSUs.

6. Delivery

We will distribute the Common Stock underlying the RSUs to you as of the Vesting Date or such later date as you elected in accordance with rules of the Compensation Committee and in compliance with Section 409A of the Internal Revenue Code (“Delivery Date”). We will distribute the Common Stock underlying the RSUs, and cash from prior dividend equivalents not used to accrue additional RSUs, as soon as practicable after the Delivery Date, but in no event later than 60 days after the Delivery Date.

7. Transfer of RSUs and Designation of Beneficiaries

Your RSUs represent a contract between Sprint and you, and your rights under the contract are not assignable to any other party during your lifetime. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

8. Plan Terms

All capitalized terms used in this Award Agreement have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. A copy of the Plan will be furnished upon request.

9. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Internal Revenue Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding awards and any other adjustments as the Board deems appropriate.

10. Amendment

This Award Agreement is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Award Agreement may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent.

11. Data Privacy

By entering into this agreement, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us or our subsidiaries such information and data as we or our subsidiaries request in order to facilitate the grant of RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

12. Governing Law

This Award Agreement will be governed by the laws of the State of Delaware. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless counsel for the Company is satisfied that such delivery will be in compliance with all applicable laws.

13. Severability

The various provisions of this Award Agreement are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

14. Entire Agreement

This Award Agreement contains the entire understanding of the parties. This Award Agreement may not be modified or amended except in writing duly signed by the parties, except that we may adopt a modification or amendment to the Award Agreement that is not materially adverse to you. Any waiver or any right or failure to perform under this Award Agreement must be in writing signed by the party granting the waiver and will not be deemed a waiver of any subsequent failure to perform.

Sprint Corporation

By: _____

[Director]

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
Turnaround Incentive Award
Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us,” and we refer to <Executive Name> as “you.”

1. Award of Restricted Stock Units; Agreement to Reduce Long-Term Incentive Plan Target Award Opportunity

On <____>, (the “Date of Grant”), the Section 16 Sub-Committee of the Compensation Committee of the Corporation granted you <____> Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the “Plan”), conditioned upon your agreement to a <____> percent reduction in your long-term incentive plan target award opportunity for the <____> plan years. Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock of the Corporation. This award is intended to be a Qualified Performance-Based Award as defined in the Plan.

2. Determination of Earned Shares

Your RSUs will be earned (the “Earned Shares”) upon the achievement of specified volume-weighted average prices of Common Stock during regular trading on the NYSE over any 150-calendar day period during a four-year period from <____> through <____> (the “Performance Period”). The volume-weighted average prices associated with the Earned Shares are as set forth on Schedule I.

3. Vesting and Forfeiture

If the price targets specified in paragraph 2 are not achieved by the conclusion of the Performance Period, the remaining opportunity is forfeited. Once shares are earned - that is, the price target has been attained during the Performance Period - they are subject to forfeiture if you are not continuously serving as our employee through the Vesting Date (subject to the exceptions in Paragraphs 4 and 5 below), but they are not subject to forfeiture based on subsequent share price performance. The Earned Shares vest 50 percent on the fourth anniversary of the Date of Grant and 50 percent on the fifth anniversary of the Date of Grant (each date is referred to as a “Vesting Date”).

4. Treatment of Certain Terminations before a Vesting Date

If, before the date of Grant or a Vesting Date, your employment is terminated by the Company without Cause, or you have a Termination by Death, or Termination by Disability (in each case as defined in your Employment Agreement), you will receive on the Vesting Date a pro-rata number of the Earned Shares you would have otherwise received without such termination on the Vesting Date, based on the number of days you were employed during the Performance Period over the entire Performance Period; provided, however, that if you have a termination of employment for one of the reasons described in this sentence before completing 365 days of service, your pro-rata Earned Shares will be calculated using 365 days in the numerator rather than the number of days you were employed during the Performance Period.

5. Treatment of Change in Control during the Performance Period

If a Change in Control, as defined in this Evidence of Award, occurs during the Performance Period, Earned Shares (if any) will be the greater of the achievement based on (1) volume-weighted average prices of Common Stock over any 150-calendar day period as specified in Paragraph 2 as of the date of the Change in Control, or (2) the consideration per share of Common Stock in connection with the Change in Control using the prices specified in Paragraph 2. Any Earned Shares under the previous sentence will vest on the Vesting Date as specified in Paragraph 3, unless the continuing entity fails to assume the RSUs, in which case vesting will accelerate without proration as of the date of the Change in Control. In addition, if during the CIC Severance Protection Period, your employment is terminated by the Company without Cause, or you terminate employment for Good Reason, any Earned Shares will immediately vest and become payable without proration. Change in Control for this award is as defined in the Plan, except that acquisition by SoftBank Group Corp. or its subsidiaries of 100% of the Company's shares (such that the Company ceases to have any class of equity securities listed on a national securities exchange) will not constitute a Change in Control. CIC Severance Protection Period is also defined in the Plan. It means the time period commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death.

6. Dividends

Your RSUs are not eligible for dividends.

7. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your Vested RSUs) is the Vesting Date, or the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock underlying your Vested RSUs as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a "specified employee" of amounts subject to Section 409A of the Internal Revenue Code (the "Code") that are paid upon Separation from Service.

8. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, any Earned Shares prorated as described in Paragraph 4 will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available online on Sprint's intranet.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, extraordinary cash dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved either before or after the Date of Grant, without your written consent. Subject to the above restriction, you acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive any other grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants (other than as contained herein), if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law

This Evidence of Award will be governed by the laws of the State of Delaware. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number

of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA (Social Security or Medicare tax), but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA from other income payable to you.

16. Clawback

We may recover any compensation related to this award to the extent the Board of Directors of the Corporation determines that the value of that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate, or as may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

17. Entire Understanding

You hereby acknowledge that you have read the 2015 Omnibus Incentive Plan Information Statement dated <_____> (the “Information Statement”) available at <link>. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan that may then be in effect as of the Date of Grant, contain the entire understanding of the parties.

Sprint Corporation <Executive Name>

By: _____

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
Turnaround Incentive Award
Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us,” and we refer to <Executive Name> as “you.”

1. Award of Restricted Stock Units

On <____>, (the “Date of Grant”), the Section 16 Sub-Committee of the Compensation Committee of the Corporation granted you <____> Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the “Plan”). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock of the Corporation. This award is intended to be a Qualified Performance-Based Award as defined in the Plan.

2. Determination of Earned Shares

Your RSUs will be earned (the “Earned Shares”) upon the achievement of specified volume-weighted average prices of Common Stock during regular trading on the NYSE over any 150-calendar day period during a four-year period from <____> through <____> (the “Performance Period”). The volume-weighted average prices associated with the Earned Shares are as set forth on Schedule I.

3. Vesting and Forfeiture

If the price targets specified in paragraph 2 are not achieved by the conclusion of the Performance Period, the remaining opportunity is forfeited. Once shares are earned - that is, the price target has been attained during the Performance Period - they are subject to forfeiture if you are not continuously serving as our employee through the Vesting Date (subject to the exceptions in Paragraphs 4 and 5 below), but they are not subject to forfeiture based on subsequent share price performance. The Earned Shares vest 50 percent on the fourth anniversary of the Date of Grant and 50 percent on the fifth anniversary of the Date of Grant (each date is referred to as a “Vesting Date”).

4. Treatment of Certain Terminations before a Vesting Date

If, before the date of Grant or a Vesting Date, your employment is terminated by the Company without Cause, or you have a Termination by Death, or Termination by Disability (in each case as defined in your Employment Agreement), you will receive on the Vesting Date a pro-rata number of the Earned Shares you would have otherwise received without such termination on the Vesting Date, based on the number of days you were employed during the Performance Period over the entire Performance Period; provided, however, that if you have a termination of employment for one of the reasons described in this sentence before completing 365 days of service, your pro-rata Earned Shares will be calculated using 365 days in the numerator rather than the number of days you were employed during the Performance Period.

5. Treatment of Change in Control during the Performance Period

If a Change in Control, as defined in this Evidence of Award, occurs during the Performance Period, Earned Shares (if any) will be the greater of the achievement based on (1)

volume-weighted average prices of Common Stock over any 150-calendar day period as specified in Paragraph 2 as of the date of the Change in Control, or (2) the consideration per share of Common Stock in connection with the Change in Control using the prices specified in Paragraph 2. Any Earned Shares under the previous sentence will vest on the Vesting Date as specified in Paragraph 3, unless the continuing entity fails to assume the RSUs, in which case vesting will accelerate without proration as of the date of the Change in Control. In addition, if during the CIC Severance Protection Period, your employment is terminated by the Company without Cause, or you terminate employment for Good Reason, any Earned Shares will immediately vest and become payable without proration. Change in Control for this award is as defined in the Plan, except that acquisition by SoftBank Group Corp. or its subsidiaries of 100% of the Company's shares (such that the Company ceases to have any class of equity securities listed on a national securities exchange) will not constitute a Change in Control. CIC Severance Protection Period is also defined in the Plan. It means the time period commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death.

6. Dividends

Your RSUs are not eligible for dividends.

7. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your Vested RSUs) is the Vesting Date, or the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock underlying your Vested RSUs as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a "specified employee" of amounts subject to Section 409A of the Internal Revenue Code (the "Code") that are paid upon Separation from Service.

8. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, any Earned Shares prorated as described in Paragraph 4 will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available online at <link>.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, extraordinary cash dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved either before or after the Date of Grant, without your written consent. Subject to the above restriction, you acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive any other grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants (other than as contained herein), if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law

This Evidence of Award will be governed by the laws of the State of Delaware. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA or Medicare

tax, but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA or Medicare tax from other income payable to you.

16. Clawback

We may recover any compensation related to this award to the extent the Board of Directors of the Corporation determines that the value of that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate, or as may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

17. Entire Understanding

You hereby acknowledge that you have read the 2015 Omnibus Incentive Plan Information Statement dated <_____> (the “Information Statement”) available at <link>. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan or such New Plan that may then be in effect as of the Date of Grant, contain the entire understanding of the parties.

Sprint Corporation <Executive Name>

By: _____

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
Long-term Incentive Plan
Stock Options

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Option Right

On <____>, (the “Date of Grant”), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors granted you an Option Right to purchase from us <____> number of shares of common stock, par value \$0.01 per share of Sprint (the “Common Stock”) at an Option Price of \$ <____> per share. The Option Right is governed by the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the “Plan”) and is subject to the terms and conditions described in this Evidence of Award. The Option Right is not intended to qualify as an “incentive stock option” within the meaning of Section 422 of the Internal Revenue Code of 1986 (the “Code”).

2. When the Option Right Becomes Exercisable

Your Option Right becomes exercisable (or “vested”) at a rate of 1/3rd of the total number of shares subject to purchase on each of the first three anniversaries of the Date of Grant, conditioned upon you continuously serving as our employee through each applicable vesting date. The portion of your Option Right that has not yet vested as of your Termination Date will be forfeited immediately after such date, except to the extent vesting accelerates as described in paragraph 3. Termination Date means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

3. Acceleration of Vesting

The unvested portion of your Option Right may become vested before the time at which it would normally become vested by the passage of time - that is, the vesting may accelerate. Your unvested portion of your Option Right will vest fully on your Termination Date under the following circumstances:

<i>Event</i>	<i>Condition for Vesting Acceleration</i>
Death	Your death.
Disability	Your Termination Date is under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.
Change in Control Involuntary Termination	Your Termination Date is during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).
Normal Retirement	Your Termination Date (for any other reason except for Cause) is on or after the later of your 65 th birthday and the first anniversary of the Date of Grant.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. Generally, it means the time period commencing on the date of the first occurrence of a “Change in Control” and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant’s death. For purposes of the Option Rights under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

4. Exercise of Option Right

To the extent it has vested, you may exercise your Option Right under this Award in whole or in part at the time or times as permitted by the Plan if the Option Right has not otherwise expired, been forfeited or terminated. To exercise you must:

- deliver a written election under procedures we establish (including by approved electronic medium) and
- pay the Option Price.

You may pay the Option Price by

- check or by wire transfer of immediately available funds,
- actual or constructive transfer of shares of Common Stock you have owned for at least six months having a market value on the Exercise Date equal to the total Option Price, or
- any combination of cash, shares of Common Stock and other consideration as the Compensation Committee of the Board of Directors of the Corporation may permit.

If you pay the Option Price by delivery of funds or shares of Common Stock, the value per share for purposes of determining your taxable income from such an exercise will be the Market Value Per Share of the Common Stock on the immediately preceding day before the exercise except that we will use the average of the high and low prices on that date in lieu of the closing price.

To the extent permitted by law, you may pay the Option Price from the proceeds of a sale through a broker we designate. The Market Value Per Share for purposes of determining your taxable income from such an exercise will be the actual price at which the broker sold the shares.

5. Expiration of Option Right

Unless terminated earlier in accordance with the terms of this Evidence of Award or the Plan, the Option Right granted herein will expire at 4:00 P.M., U.S. Eastern Time, on the tenth anniversary of the Grant Date (the “Expiration Date”). If the tenth anniversary of the Grant Date, however, is a Saturday, Sunday or any other day on which the market on which our Common Stock trades is closed (a “Non-Business Day”), then the Expiration Date will occur at 4:00 P.M., U.S. Eastern Time, on the first business day before the tenth anniversary of the Grant Date.

6. Effect of your Termination of Employment

The length of time you have to exercise your vested Option Right after your termination of employment with us depends on the reason for your termination. The table below describes the post-termination exercise period for the various termination reasons. The Option Right will

expire as of the end of the applicable period. In no event, however, may you exercise your Option Right after the Expiration Date.

<i>Event (as Defined Above)</i>	<i>Time to Exercise Vested Options</i>
Death	Up through the 12 th month after your Termination Date
Disability	Up through 60 months after your Termination Date
Normal Retirement, or Early Retirement (i.e., your Termination Date (for any other reason except for Cause) is on or after the later you would be eligible to commence early or special early retirement benefits under the Sprint Retirement Pension Plan, whether or not you are a participant in that plan)	Up through 60 months after your Termination Date
Any other Termination of Employment not for Cause	Up through the 90 th day after your Termination Date
For Cause	Forfeited as of Termination Date

If the last day to exercise under the schedule described in the table above is a Non-Business Day, then you must exercise no later than the previous business day. You are solely responsible for managing the exercise of your Option Award in order to avoid inadvertent expiration.

7. Transfer of your Option Right and Designation of Beneficiaries

Your Option Right represents a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime. Upon your death, your Option Right may be exercised in accordance with the terms of the Award by any beneficiary you name in a beneficiary designation or, if you make no designation, by your estate.

8. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available on the Sprint intranet.

9. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

10. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Corporation, in its sole discretion, at any time. The grant of the Option Award under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Option Awards, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of shares underlying the Option Award granted, and vesting provisions.

11. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us or our subsidiaries such information and data as we or our subsidiaries request in order to facilitate the grant of the Option Right and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

12. Governing Law

This Evidence of Award will be governed by the laws of the State of Delaware. No shares of Common Stock will be delivered upon the exercise of the Option Right unless counsel for the Corporation is satisfied that such delivery will be in compliance with all applicable laws.

13. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

14. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that the value of that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

15. Entire Understanding

You hereby acknowledge that you have read the Sprint Corporation 2015 Omnibus Incentive Plan Information Statement dated <_____> (the "Information Statement") available on line on Sprint's intranet. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
Long-term Incentive Plan
Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Restricted Stock Units

On <_____, (the “Date of Grant”), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors granted you an Award of <_____] Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the “Plan”). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock.

2. Restriction Period

Subject to the terms and conditions of this Award, your RSUs will vest on the earlier of (a) the third anniversary of the Date of Grant and (b) the date vesting is accelerated as described in paragraph 3 below (the “Vested RSUs”), conditioned on you continuously serving as our employee to such date (the “Vesting Date”).

3. Acceleration of Vesting

Unvested RSUs may vest before the time at which they would normally become vested - that is, the vesting of RSUs may accelerate. Your RSUs will vest fully, except as noted below, on your Separation from Service under the following circumstances:

<i>Event</i>	<i>Condition for Vesting Acceleration</i>
Death	Your death.
Disability	You have a termination of employment that constitutes a Separation from Service under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.
Change in Control Involuntary Termination	You have a termination of employment that constitutes a Separation from Service during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).
Non-Change in Control Involuntary Termination*	You have a termination of employment that constitutes a Separation from Service other than during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan or your employment agreement (if applicable).*
Normal Retirement*	You have any other termination of employment without Cause that constitutes a Separation from Service on or after the later of your 65 th birthday and the second anniversary of the Date of Grant.*

*The number of your RSUs that vests is your RSUs times the factor based on the period of your employment from the Date of Grant, inclusive, through your Separation from Service in relation to the period of the Date of Grant, inclusive, through the third anniversary of the Date of Grant, with the remainder of your RSUs forfeited as of your Separation from Service.

Separation from Service is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. Generally, it means the time period commencing on the date of the first occurrence of a "Change in Control" and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant's death. For purposes of the RSUs under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

4. Forfeiture of RSUs

You will forfeit as of your Separation from Service RSUs that are not vested pursuant to the foregoing paragraphs.

5. Dividends

If cash dividends are paid on the Common Stock underlying RSUs, which you hold on the dividend record date, you will receive a cash payment equal to the amount of the dividend that would be paid on such Common Stock, subject to the vesting provisions (including any applicable proration) with respect to, and delivery at the same time as the shares underlying, your RSUs.

If non-cash dividends are paid on the Common Stock underlying your RSUs, and you hold the RSUs on the dividend record date, the Board of Directors of the Corporation, or a sub-committee thereof, in its sole discretion, may (1) adjust your RSUs as described in paragraph 9 of this Evidence of Award, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions (including any applicable proration) with respect to, and delivery at the same time as the shares underlying, the original RSUs.

6. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your Vested RSUs) is the Vesting Date, or the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock underlying your Vested RSUs as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a

“specified employee” of amounts subject to Section 409A of the Internal Revenue Code (the “Code”) that are paid upon Separation from Service.

7. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

8. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available online on Sprint’s intranet.

9. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

10. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

11. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

12. Governing Law

This Evidence of Award will be governed by the laws of the State of Delaware. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

13. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

14. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA (Social Security or Medicare tax), but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA from other income payable to you.

15. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that the value of that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

16. Entire Understanding

You hereby acknowledge that you have read the 2015 Omnibus Incentive Plan Information Statement dated <_____> (the "Information Statement") available on Sprint's intranet. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Evidence of Award
Long-term Incentive Plan
Performance-Based Restricted Stock Units

Throughout this Evidence of Award, we sometimes refer to Sprint Corporation (the “Corporation”) and its subsidiaries as “we” or “us.”

1. Award of Restricted Stock Units

On <_____, (the “Date of Grant”), the Section 16 Sub-Committee of the Compensation Committee of the Board of Directors of the Corporation granted you an Award of <_____] Restricted Stock Units (the “RSUs”) under the terms of the Sprint Corporation 2015 Omnibus Incentive Plan (the “Plan”). Subject to the terms and conditions of the Plan and this Evidence of Award, an RSU represents the right for you to receive from us one share of Common Stock.

2. Performance Adjustment

Your RSUs are allocated equally among three annual performance periods <_____] for which annual financial objective(s) are determined by the Compensation Committee of the Board of Directors of the Corporation, or a sub-committee thereof, at the beginning of each applicable performance period. Subject to the discretion of the Board of Directors of the Corporation, or a sub-committee thereof (excluding upward discretion with respect to the Section 162(m) objective results, if applicable), the number of RSUs allocable to an annual performance period will be adjusted as soon as reasonably practicable following such annual performance period (the “Adjustment Date”) by multiplying that number by a payout percentage (0% up through 200%) based on achievement of that annual performance period’s objective(s, as weighted) (the “Performance Adjustment”), with the remainder of RSUs allocated to that performance period being forfeited.

3. Restriction Period

Subject to the terms and conditions of this Award, including the Performance Adjustment, your RSUs will vest on the earlier of (a) the third anniversary of the Date of Grant and (b) the date vesting is accelerated as described in paragraph 4 below, conditioned on you continuously serving as our employee to such date (the “Vesting Date”).

4. Acceleration of Vesting

Unvested RSUs may vest before the time at which they would normally become vested - that is, the vesting of RSUs may accelerate. Your RSUs will vest, fully and with the Performance Adjustment applied only to RSUs allocated to performance periods ending on or before your Separation from Service except as noted below, on your Separation from Service under the following circumstances:

<i>Event</i>	<i>Condition for Vesting Acceleration</i>
Death	Your death.
Disability	You have a termination of employment that constitutes a Separation from Service under circumstances that make you eligible for benefits under the Sprint Long-Term Disability Plan.
Change in Control Involuntary Termination	You have a termination of employment that constitutes a Separation from Service during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor), the CIC Severance Plan, or your employment agreement (if applicable).

Non-Change in Control Involuntary Termination*	You have a termination of employment that constitutes a Separation from Service other than during the CIC Severance Protection Period under circumstances that you receive severance benefits under the Sprint Separation Plan (or its successor) or your employment agreement (if applicable).*
Normal Retirement*	You have any other termination of employment without Cause that constitutes a Separation from Service on or after the later of your 65 th birthday and the second anniversary of the Date of Grant.*

*The number of your RSUs that vests is determined by (i) applying a percentage equal to the ratio of (a) the portion of each annual period from < _____ > (each, a “Service Period”) that you did not incur a Separation from Service, over (b) the number of days in each such Service Period, to the number of RSUs originally allocated to the performance period ending during each respective Service Period (each, the “Vesting Performance Period,” with the resulting number of RSUs for each Vesting Performance Period being the “Applicable Vesting RSU Allocation”), and then (ii) applying the Performance Adjustment for the applicable Vesting Performance Period to the Applicable Vesting RSU Allocation, with the remainder of your RSUs forfeited as of your Separation from Service.

Separation from Service is defined in the Plan. Generally, it means the last day of your relationship with us as a common-law employee as reflected on our payroll records.

CIC Severance Plan means the Sprint Change in Control Severance Plan, as it may be amended from time to time, or any successor plan.

CIC Severance Protection Period is defined in the Plan. Generally, it means the time period commencing on the date of the first occurrence of a “Change in Control” and continuing until the earlier of (i) the 18-month anniversary of such date or (ii) the Participant’s death. For purposes of the RSUs under this Award, the CIC Severance Protection Period applies only with respect to a Change in Control occurring after the Date of Grant.

5. Forfeiture of RSUs

You will forfeit as of your Separation from Service RSUs that are not vested pursuant to the foregoing paragraphs.

6. Dividends

If cash dividends are paid on the Common Stock underlying your RSUs (as adjusted under paragraph 2 if applicable and determined retrospectively), which you hold on the dividend record date (the “Dividend RSUs”), you will receive a cash payment equal to the amount of the dividend that would be paid on such Common Stock, subject to the vesting provisions (including any applicable proration) with respect to, and delivery at the same time as the shares underlying, your RSUs.

If non-cash dividends are paid on the Common Stock underlying your Dividend RSUs, the Board of Directors of the Corporation, or a sub-committee thereof, in its sole discretion, may (1) adjust your RSUs as described in paragraph 10 of this Evidence of Award, or (2) provide for distribution of the property distributed in the non-cash dividend. The additional RSUs or property distributed is subject to vesting provisions(including any applicable proration) with respect to, and delivery at the same time as the shares underlying, the original RSUs.

7. Delivery Date; Market Value Per Share

The Delivery Date (the date as of which we distribute to you the Common Stock underlying your RSUs, as adjusted if applicable) is the latest of the Vesting Date, any applicable Adjustment Date(s), and the day after the Six-Month Payment Delay if that delay applies to your RSUs. We calculate your taxable income on the Delivery Date using the Market Value Per Share on the immediately preceding trading day, but we use the average of the high and low reported prices of our Common Stock instead of the closing price. We will distribute the Common Stock as soon as practicable after the Delivery Date, but in no event later than 45 days after the Delivery Date. Six-Month Payment Delay is defined in the Plan to mean the required delay in payment to a Participant who is a “specified employee” of amounts subject to Section 409A of the Internal Revenue Code (the “Code”) that are paid upon Separation from Service.

8. Transfer of your RSUs and Designation of Beneficiaries

Your RSUs represent a contract between the Corporation and you, and your rights under the contract are not assignable to any other party during your lifetime nor do they give you a preferred claim to any particular assets or shares of the Corporation. Upon your death, shares of Common Stock underlying your RSUs will be delivered in accordance with the terms of the Award to any beneficiaries you name in a beneficiary designation or, if you make no designation, to your estate.

9. Plan Terms

All capitalized terms used in this Evidence of Award that are not defined in this Evidence of Award have the same meaning as those terms have in the Plan. The terms of the Plan are hereby incorporated by this reference. The Plan is available online on Sprint’s intranet.

10. Adjustment

In the event of any change in the number or kind of outstanding shares of our Common Stock by reason of a recapitalization, merger, consolidation, spin-off, reorganization, separation, liquidation, stock split, stock dividend, combination of shares or any other change in our corporate structure or shares of our Common Stock, an appropriate adjustment will be made consistent with applicable provisions of the Code and applicable Treasury Department rulings and regulations in the number and kind of shares subject to outstanding Awards and any other adjustments as the Board deems appropriate.

11. Amendment; Discretionary Nature of Plan

This Evidence of Award is subject to the terms of the Plan, as may be amended from time to time, except that the Award which is the subject of this Evidence of Award may not be materially impaired by any amendment or termination of the Plan approved after the Date of Grant without your written consent. You acknowledge and agree that the Plan is discretionary in nature and may be amended, cancelled, or terminated by us, in our sole discretion, at any time. The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs, other types of grants under the Plan, or benefits in lieu of such grants in the future. Future grants, if any, will be at the sole discretion of the Corporation, including, but not limited to, the timing of any grant, the number of RSUs granted, the payment of dividend equivalents, and vesting provisions.

12. Data Privacy

By accepting this Award, you (i) authorize us, and any agent of ours administering the Plan or providing Plan recordkeeping services, to disclose to us such information and data as we request in order to facilitate the grant of the RSUs and the administration of the Plan; (ii) waive

any data privacy rights you may have with respect to such information; and (iii) authorize us to store and transmit such information in electronic form.

13. Governing Law

This Evidence of Award will be governed by the laws of the State of Delaware. No shares of Common Stock will be delivered to you upon the vesting of the RSUs unless our counsel is satisfied that such delivery will be in compliance with all applicable laws.

14. Severability

The various provisions of this Evidence of Award are severable, and any determination of invalidity or unenforceability of any one provision shall have no effect on the remaining provisions.

15. Taxes

You are liable for any and all taxes, including withholding taxes, arising out of this grant or the issuance of the Common Stock on vesting of RSUs. We are authorized to deduct the amount of the tax withholding from the amount payable to you upon settlement of the RSUs. We will withhold from the total number of shares of Common Stock you are to receive a number of shares the value of which is sufficient to satisfy any such withholding obligation at the minimum applicable withholding rate. In addition, if you become subject to FICA (Social Security or Medicare tax), but you are not yet entitled to delivery of the shares of Common Stock underlying the RSUs, you hereby authorize us to withhold the resulting FICA from other income payable to you.

16. Clawback

We may recover any compensation related to this Long-Term Incentive Plan award to the extent the Board of Directors of the Corporation determines that the value of that compensation is based on financial results or operating objectives impacted by your knowing or intentional fraudulent or illegal conduct and that such forfeiture or recovery is appropriate.

17. Entire Understanding

You hereby acknowledge that you have read the 2015 Omnibus Incentive Plan Information Statement dated <_____> (the "Information Statement") available on Sprint's intranet. To the extent not inconsistent with the provisions of this Evidence of Award, the terms of the Information Statement and the Plan are hereby incorporated by reference. This Evidence of Award, along with the Information Statement and the Plan, contain the entire understanding of the parties.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933

Computation of Ratio of Earnings to Fixed Charges

	Successor						Predecessor			
	Six Months Ended September 30,	Six Months Ended September 30,	Year Ended March 31,	Three Months Ended March 31,	Year Ended December 31,	87 Days Ended December 31,	191 Days Ended July 10,	Years Ended December 31,		
	2015	2014	2015	2014	2013	2012	2013	2012	2011	2010
<i>(in millions)</i>										
Earnings (loss):										
(Loss) income from continuing operations before income taxes	\$ (576)	\$ (686)	\$ (3,919)	\$ (95)	\$ (1,815)	\$ (23)	\$ 443	\$ (4,172)	\$ (2,636)	\$ (3,299)
Equity in losses of unconsolidated investments, net	—	—	—	—	—	—	482	1,114	1,730	1,286
Fixed charges	1,555	1,478	2,969	747	1,367	—	1,501	2,365	2,068	2,081
Interest capitalized	(29)	(25)	(56)	(13)	(30)	—	(29)	(278)	(413)	(13)
Amortization of interest capitalized	67	66	133	33	56	—	71	81	48	85
Earnings (loss), as adjusted	1,017	833	(873)	672	(422)	(23)	2,468	(890)	797	140
Fixed charges:										
Interest expense	1,084	1,022	2,051	516	918	—	1,135	1,428	1,011	1,464
Interest capitalized	29	25	56	13	30	—	29	278	413	13
Portion of rentals representative of interest	442	431	862	218	419	—	337	659	644	604
Fixed charges	1,555	1,478	2,969	747	1,367	—	1,501	2,365	2,068	2,081
Ratio of earnings to fixed charges	___ (1)	___ (2)	___ (3)	___ (4)	___ (5)	___ (6)	1.6 (7)	___ (8)	___ (9)	___ (10)

(1) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by \$538 million for the six months ended September 30, 2015.

(2) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by \$645 million for the six months ended September 30, 2014.

(3) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by \$3.8 billion in the year ended March 31, 2015.

(4) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by \$75 million for the three months ended March 31, 2014.

(5) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by \$1.8 billion in the year ended 2013.

(6) Successor earnings (loss), as adjusted were inadequate to cover fixed charges by \$23 million for the 87 days period ended December 31, 2012.

(7) The income from continuing operations before income taxes for 191 days period ended July 10, 2013 included a pretax gain of \$2.9 billion as a result of acquisition of our previously-held equity interest in Clearwire.

(8) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by \$3.3 billion in the year ended 2012.

(9) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by \$1.3 billion in the year ended 2011.

(10) Predecessor earnings (loss), as adjusted were inadequate to cover fixed charges by \$1.9 billion in the year ended 2010.

CERTIFICATION

I, Marcelo Claure, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sprint Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2015

/s/ Marcelo Claure

Marcelo Claure

Chief Executive Officer

CERTIFICATION

I, Tarek Robbiati, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sprint Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2015

/s/ Tarek Robbiati

Tarek Robbiati

Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Sprint Corporation (the "Company") on Form 10-Q for the period ended September 30, 2015, as filed with the Securities and Exchange Commission (the "Report"), I, Marcelo Claure, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2015

/s/ Marcelo Claure

Marcelo Claure

Chief Executive Officer

**Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Sprint Corporation (the "Company") on Form 10-Q for the period ended September 30, 2015 , as filed with the Securities and Exchange Commission (the "Report"), I, Tarek Robbiati, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2015

/s/ Tarek Robbiati

Tarek Robbiati

Chief Financial Officer