

TEXAS INSTRUMENTS INC
Form S-3ASR
February 22, 2019
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As filed with the Securities and Exchange Commission on February 22, 2019

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TEXAS INSTRUMENTS INCORPORATED
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

75-0289970
(I.R.S. Employer
Identification Number)

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12500 TI Boulevard

Dallas, Texas 75243

(214) 479-3773

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Cynthia Hoff Trochu

Senior Vice President, Secretary and General Counsel

Texas Instruments Incorporated

12500 TI Boulevard

Dallas, Texas 75243

(214) 479-3773

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copy to:

Bruce K. Dallas, Esq.

Davis Polk & Wardwell LLP

1600 El Camino Real

Menlo Park, California 94025

(650) 752-2000

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

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If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Amount to be Registered | Proposed Maximum Offering Price | Proposed Maximum Aggregate | Amount of Registration Fee |
|---|--------------------------------|--|-----------------------------------|-----------------------------------|
|---|--------------------------------|--|-----------------------------------|-----------------------------------|

Per Unit (1) Offering Price

Common Stock
Preferred Stock
Debt Securities
Warrants
Units

(1) An indeterminate amount of securities to be offered at indeterminate prices is being registered pursuant to this registration statement. The registrant is deferring payment of the registration fee pursuant to Rule 456(b) and is omitting this information in reliance on Rule 456(b) and Rule 457(r).

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PROSPECTUS

Texas Instruments Incorporated

The following are types of securities that may be offered and sold by Texas Instruments Incorporated or by selling security holders under this prospectus from time to time:

| | |
|-----------------|----------|
| Common stock | Warrants |
| Preferred stock | Units |
| Debt securities | |

The securities may be offered by us or by selling security holders in amounts, at prices and on terms determined at the time of the offering. The securities may be sold directly to you, through agents, or through underwriters and dealers. If agents, underwriters or dealers are used to sell the securities, we will name them and describe their compensation in a prospectus supplement. You should read this prospectus and any prospectus supplement carefully before you invest.

We will describe in a prospectus supplement, which must accompany this prospectus, the securities we are offering and selling, as well as the specific terms of the securities. Those terms may include:

| | | |
|----------------------|--------------------------------|-----------------------|
| Maturity | Redemption terms | Liquidation amount |
| Interest rate | Listing on a security exchange | Subsidiary guarantees |
| Currency of payments | Amount payable at maturity | Sinking fund terms |
| Dividends | Conversion or exchange rights | |

Our common stock is quoted on The Nasdaq Global Select Market under the ticker symbol TXN. On February 21, 2019, the reported last sale price on The Nasdaq Global Select Market for our common stock was \$106.64.

Investing in these securities involves certain risks. See [Item 1A Risk Factors](#) beginning on page 8 of our Annual Report on Form 10-K for the year ended December 31, 2018, which is incorporated by reference herein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 22, 2019

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We are responsible for the information contained in or incorporated by reference into this prospectus and the applicable prospectus supplement and any free writing prospectus we prepare or authorize. We have not, and the underwriters have not, authorized anyone to provide you with different information, and we take no responsibility for any other information others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference into this prospectus or the applicable prospectus supplement is accurate as of any date other than its date. The terms Texas Instruments, TI, we, us and our refer to Texas Instruments Incorporated and its consolidated subsidiaries except where expressly indicated or the context otherwise requires.

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THE COMPANY

We design and make semiconductors that we sell to electronics designers and manufacturers all over the world. We began operations in 1930. We are incorporated in Delaware, headquartered in Dallas, Texas, and have design, manufacturing or sales operations in more than 30 countries.

Our principal executive offices are located at 12500 TI Boulevard, Dallas, Texas 75243, and our telephone number is (214) 479-3773. We maintain a website at www.ti.com where general information about us is available. We are not incorporating the contents of the website into this prospectus.

For a description of our business, financial condition, results of operations and other important information regarding us, see our filings with the Securities and Exchange Commission (the SEC) incorporated by reference into this prospectus. For instructions on how to find copies of these and our other filings incorporated by reference into this prospectus, see [Where You Can Find More Information](#).

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC utilizing a shelf registration process. Under this shelf process, we or selling security holders may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we or selling security holders may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading [Where You Can Find More Information](#).

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public on the SEC's website www.sec.gov.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 22, 2019, the description of our common stock contained in our registration statement on Form 8-A filed on December 15, 2011 under Section 12 of the Exchange Act, including any amendments or reports filed for the purpose of updating such description, and all documents subsequently filed with the SEC pursuant to Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) prior to the termination of the offering under this prospectus.

Any statements contained in a previously filed document incorporated by reference into this prospectus is deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, or in a subsequently filed document also incorporated by reference herein, modifies or supersedes that statement.

You may request a copy of these filings at no cost, by writing or telephoning us at: 12500 TI Boulevard, P.O. Box 660199, Dallas, Texas 75266-0199, Attention: Manager of Investor Relations, (214) 479-3773. Information about us, including our SEC filings, is also available at our website at www.ti.com. However, the information on or accessible through our website is not a part of this prospectus or any prospectus supplement that we file.

NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and documents that are incorporated by reference into this prospectus include forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as we or our management believes, expects, anticipates, foresees, forecasts, estimates or other words or phrases of similar import. Similar statements herein that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements.

We urge you to carefully consider the following important factors that could cause actual results to differ materially from the expectations of our company or our management:

Market demand for semiconductors, particularly in our end markets;

Our ability to compete in products and prices in an intensely competitive industry;

Customer demand that differs from forecasts and the financial impact of inadequate or excess company inventory that results from demand that differs from projections;

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Economic, social and political conditions in the countries in which we, our customers or our suppliers operate, including security risks; global trade policies; political and social instability; health conditions; possible disruptions in transportation, communications and information technology networks; and fluctuations in foreign currency exchange rates;

Evolving cybersecurity threats to our information technology systems or those of our customers or suppliers;

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Natural events such as severe weather, geological events or health epidemics in the locations in which we, our customers or our suppliers operate;

Our ability to develop, manufacture and market innovative products in a rapidly changing technological environment;

Timely implementation of new manufacturing technologies and installation of manufacturing equipment, and the ability to obtain needed third-party foundry and assembly/test subcontract services;

Availability and cost of raw materials, utilities, manufacturing equipment, third-party manufacturing services and manufacturing technology;

Product liability or warranty claims, claims based on epidemic or delivery failure, or other claims relating to our products, manufacturing, services, design or communications, or recalls by our customers for a product containing one of our parts;

Compliance with or changes in the complex laws, rules and regulations to which we are or may become subject, or actions of enforcement authorities, that restrict our ability to manufacture or ship our products or operate our business, or subject us to fines, penalties or other legal liability;

Changes in tax law and accounting standards that can impact the tax rate applicable to us, the jurisdictions in which profits are determined to be earned and taxed, adverse resolution of tax audits, increases in tariff rates, and the ability to realize deferred tax assets;

A loss suffered by one of our customers or distributors with respect to TI-consigned inventory;

Financial difficulties of our distributors or their promotion of competing product lines to our detriment, or the loss of significant distributors;

Losses or curtailments of purchases from key customers or the timing and amount of distributor and other customer inventory adjustments;

Our ability to maintain or improve profit margins, including our ability to utilize our manufacturing facilities at sufficient levels to cover our fixed operating costs, in an intensely competitive and cyclical industry and despite changes in the regulatory environment;

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Our ability to maintain and enforce a strong intellectual property portfolio and maintain freedom of operation in all jurisdictions where we conduct business; or our exposure to infringement claims;

Instability in the global credit and financial markets that affects our ability to fund our daily operations, invest in the business, make strategic acquisitions, or make principal and interest payments on our debt;

Increases in health care and pension benefit costs;

Our ability to recruit and retain skilled engineering, management and technical personnel, and effectively manage key employee succession;

Our ability to successfully integrate and realize opportunities for growth from acquisitions, or our ability to realize our expectations regarding the amount and timing of restructuring charges and associated cost savings; and

Impairments of our non-financial assets.

For a more detailed discussion of these factors, see our periodic filings with the SEC. The forward-looking statements included in this prospectus are made only as of the date hereof, and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

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USE OF PROCEEDS

We intend to use the net proceeds from the sale of the securities for working capital and general corporate purposes including, but not limited to, funding our operations, purchasing capital equipment, funding potential acquisitions, repaying debt, paying dividends and repurchasing shares of our common stock. We may also invest the proceeds in certificates of deposit, United States government securities or certain other interest-bearing securities. If we decide to use the net proceeds from a particular offering of securities for a specific purpose, we will describe that in the related prospectus supplement.

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DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock is based upon our restated certificate of incorporation, as amended (Restated Certificate of Incorporation), our by-laws, as amended (By-Laws), and applicable provisions of law. We have summarized certain portions of the Restated Certificate of Incorporation and By-Laws below. The summary is not complete. The Restated Certificate of Incorporation and By-Laws are incorporated by reference as exhibits to the registration statement of which this prospectus forms a part. You should read the Restated Certificate of Incorporation and By-Laws for the provisions that are important to you.

Certain provisions of the Delaware General Corporation Law (DGCL), the Restated Certificate of Incorporation and By-Laws summarized in the following paragraphs may have an anti-takeover effect. This may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in its best interests, including those attempts that might result in a premium over the market price for the shares held by such stockholder.

Authorized Capital Stock

The Restated Certificate of Incorporation authorizes us to issue 2,400,000,000 shares of common stock, \$1.00 par value per share, and 10,000,000 shares of preferred stock, \$25.00 par value per share.

Common Stock

As of January 31, 2019, there were 940,020,248 shares of common stock outstanding which were held of record by 13,653 stockholders. We are authorized to issue additional shares of common stock without further stockholder approval, except as may be required by applicable law or stock exchange regulations. The holders of shares of our common stock, subject to the preferential rights of the holders of any shares of our preferred stock, are entitled to dividends when and as declared by our board of directors. The holders of our common stock have one vote per share on all matters submitted to a vote of the stockholders, and the right to share pro rata in the net assets of TI in liquidation after payment of any amounts due to creditors and in respect of any preferred stock. Holders of shares of our common stock are not entitled as a matter of right to any preemptive or subscription rights and are not entitled to cumulative voting for directors. All outstanding shares of common stock are, and the shares of common stock issued upon any conversion or exchange of any debt securities or preferred stock providing for such conversion or exchange will be, fully paid and nonassessable. Our common stock is listed on The Nasdaq Global Select Market. The transfer agent and registrar for our common stock is Computershare Trust Company, N.A., 33 N. LaSalle Street, Suite 1100, Chicago, Illinois 60602.

Our By-Laws provide that the annual meeting of stockholders shall be held on the third Thursday in April each year or on such other date as may be fixed by the our board of directors and as stated in a written notice, which must be mailed or delivered to each stockholder at least 10 days prior to any stockholder meeting.

Preferred Stock

As of January 31, 2019, there were no shares of our preferred stock outstanding. We are authorized to issue up to 10,000,000 shares of preferred stock, in one or more series, with such designations and such relative voting, dividend, liquidation, conversion, and other rights, preferences and limitations as are stated in the Restated Certificate of Incorporation, or any certificate of designation establishing such series adopted by our board of directors. The 10,000,000 authorized but unissued shares of preferred stock may be issued pursuant to resolution of our board of directors without the vote of the holders of our capital stock. If preferred stock is offered pursuant to this prospectus, we will describe the restrictions, if any, on the repurchase or redemption of the preferred stock by us in a prospectus

supplement.

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Certain Provisions of Texas Instruments Certificate of Incorporation and By-Laws

Our Restated Certificate of Incorporation states that action may be taken by stockholders only at annual or special meetings of stockholders, and that stockholders may not act by written consent. The By-Laws vest the power to call special meetings of stockholders in our chairman of the board, our president, or a majority of our board of directors.

To be properly brought before an annual meeting of stockholders, any stockholder proposal or nomination for the board of directors must be delivered to or mailed and received at our principal executive offices not less than 90 days prior to the first anniversary of the previous year's annual meeting; provided that in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 70 days, from such anniversary date, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of the meeting is first made.

Certain Anti-Takeover Effects of Delaware Law

We are subject to Section 203 of the DGCL (Section 203). In general, Section 203 prohibits a publicly held Delaware corporation from engaging in various business combination transactions with any interested stockholder for a period of three years following the date of the transactions in which the person became an interested stockholder, unless:

the transaction is approved by the board of directors prior to the date the interested stockholder obtained such status;

upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or

on or subsequent to such date the business combination is approved by the board and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

A business combination is defined to include mergers, asset sales, and other transactions resulting in financial benefit to a stockholder. In general, an interested stockholder is a person who, together with affiliates and associates, owns (or within three years, did own) 15% or more of a corporation's voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts with respect to our company and, accordingly, may discourage attempts to acquire our company even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

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DESCRIPTION OF DEBT SECURITIES

Our debt securities, consisting of notes, debentures or other evidences of indebtedness, may be issued from time to time in one or more series pursuant to an indenture entered into between us and U.S. Bank National Association, as trustee. The terms of our debt securities will include those set forth in the indenture and those made a part of the indenture by the Trust Indenture Act of 1939.

The following is only a summary of selected provisions of the indenture and the debt securities and therefore does not contain all information that may be important to you. This summary is qualified in its entirety by reference to the base indenture and any supplemental indenture thereto or officers' certificate or board resolution related thereto. We urge you to read the indenture because the indenture, not this description, defines the rights of the holders of the debt securities. The indenture is included as an exhibit to the registration statement of which this prospectus is a part.

As used in this section of the prospectus and under the captions "Description of Capital Stock," "Description of Warrants and Description of Units," the terms we, us and our refer only to Texas Instruments Incorporated and not to any existing or future subsidiaries of Texas Instruments Incorporated.

General

The debt securities will constitute unsecured and unsubordinated obligations of ours and will rank pari passu with our other unsecured and unsubordinated obligations.

We conduct some of our operations through subsidiaries. Consequently, our ability to pay our obligations, including our obligation to pay principal or interest on the debt securities, to pay the debt securities at maturity or upon redemption or to buy the debt securities may depend upon our subsidiaries repaying investments and advances we have made to them, and upon our subsidiaries' earnings and their distributing those earnings to us. The debt securities will be effectively subordinated to all obligations (including trade payables and preferred stock obligations) of our subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the debt securities or to make funds available to us to do so. Our subsidiaries' ability to pay dividends or make other payments or advances to us will depend upon their operating results and will be subject to applicable laws and contractual restrictions. The indenture will not limit our subsidiaries' ability to enter into other agreements that prohibit or restrict dividends or other payments or advances to us.

The debt securities will be our unsecured obligations. Our secured debt and other secured obligations will be effectively senior to the debt securities to the extent of the value of the assets securing such debt or other obligations.

You should look in the prospectus supplement for any additional or different terms of the debt securities being offered, including the following terms:

the debt securities' designation;

the aggregate principal amount of the debt securities;

the percentage of their principal amount (i.e., price) at which the debt securities will be issued;

the date or dates on which the debt securities will mature and the right, if any, to extend such date or dates;

the rate or rates, if any, per year, at which the debt securities will bear interest, or the method of determining such rate or rates;

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the date or dates from which such interest will accrue, the interest payment dates on which such interest will be payable or the manner of determination of such interest payment dates and the record dates for the determination of holders to whom interest is payable on any interest payment date;

the right, if any, to extend the interest payment periods and the duration of that extension;

the manner of paying principal and interest and the place or places where principal and interest will be payable;

provisions for a sinking fund purchase or other analogous fund, if any;

the period or periods, if any, within which, the price or prices at which, and the terms and conditions upon which the debt securities may be redeemed, in whole or in part, at our option or at your option;

the form of the debt securities;

any provisions for payment of additional amounts for taxes and any provision for redemption, if we must pay such additional amounts in respect of any debt security;

the terms and conditions, if any, upon which we may have to repay the debt securities early at your option;

the currency, currencies or currency units for which you may purchase the debt securities and the currency, currencies or currency units in which principal and interest, if any, on the debt securities may be payable;

the terms and conditions, if any, pursuant to which the debt securities may be exchanged for the cash value of other securities issued by us or by a third party;

the initial conversion or exchange price or rate and any adjustments thereto, the period or periods within which, and the other terms and conditions upon which conversion or exchange of the debt securities may be effected;

whether and upon what terms the debt securities may be defeased;

any events of default or covenants in addition to or in lieu of those set forth in the indenture;

provisions for electronic issuance of debt securities or for debt securities in uncertificated form; and

any other terms of the debt securities, including any terms which may be required by or advisable under applicable laws or regulations or advisable in connection with the marketing of the debt securities.

We may from time to time, without notice to or the consent of the holders of any series of debt securities, create and issue further debt securities of any such series ranking equally with the debt securities of such series in all respects (or in all respects other than the payment of interest accruing prior to the issue date of such further debt securities or except for the first payment of interest following the issue date of such further debt securities). Such further debt securities may be consolidated and form a single series with the debt securities of such series and have the same terms as to status, redemption or otherwise as the debt securities of such series.

You may present debt securities for exchange and you may present debt securities for transfer in the manner, at the places and subject to the restrictions set forth in the debt securities and the applicable prospectus supplement. We will provide you those services without charge, although you may have to pay any tax or other governmental charge payable in connection with any exchange or transfer, as set forth in the indenture.

Debt securities will bear interest at a fixed rate or a floating rate. Debt securities bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate (original issue discount securities) may be sold at a discount below their stated principal amount. Special U.S. federal income tax considerations applicable to any such discounted debt securities or to certain debt securities issued at par which are treated as having been issued at a discount for U.S. federal income tax purposes will be described in the applicable prospectus supplement.

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We may issue debt securities with the principal amount payable on any principal payment date, or the amount of interest payable on any interest payment date, to be determined by reference to one or more currency exchange rates, securities or baskets of securities, commodity prices or indices. You may receive a payment of principal on any principal payment date, or a payment of interest on any interest payment date, that is greater than or less than the amount of principal or interest otherwise payable on such dates, depending upon the value on such dates of the applicable currency, security or basket of securities, commodity or index. Information as to the methods for determining the amount of principal or interest payable on any date, the currencies, securities or baskets of securities, commodities or indices to which the amount payable on such date is linked and certain additional tax considerations will be set forth in the applicable prospectus supplement.

Certain Terms of the Debt Securities

Certain Covenants

Certain Definitions. The term *attributable debt* in respect of a sale and leaseback transaction means, at the time of determination, the lesser of (1) the fair market value of the assets subject to such transaction, as determined by our board of directors, and (2) the present value (discounted at the interest rate implicit in the lease or, if it is not practicable to determine such rate, then at our incremental borrowing rate determined in accordance with generally accepted accounting principles) of the obligation of the lessee for net rental payments during the remaining term of any lease.

The term *consolidated net tangible assets* means, at any date, the total assets appearing on our most recent consolidated balance sheet, prepared in accordance with generally accepted accounting principles, less all current liabilities as shown on such balance sheet, and intangible assets.

The term *funded debt* means all debt whether incurred, assumed or guaranteed, including purchase money indebtedness, maturing by its terms more than one year from the date of creation thereof or which is renewable or extendable at the sole option of the obligor in such manner that it may become payable more than one year from the date of creation thereof.

The term *intangible assets* means the value (net of applicable reserves), as shown on or reflected in our most recent consolidated balance sheet, of (i) all trade names, trademarks, licenses, patents, copyrights and goodwill; (ii) organizational and development costs; (iii) deferred charges (other than prepaid items such as insurance, taxes, interest, commissions, rents and similar items and tangible assets being amortized); and (iv) unamortized debt discount and expenses, less unamortized premium; but in no event shall the term *intangible assets* include computer programs and related products.

The term *net rental payments* under any lease for any period shall mean the sum of rental and other payments required to be paid by such lessee thereunder, not including, however, amounts payable by the lessee for maintenance and repairs, insurance, taxes, assessments and similar charges and for contingent rents (such as those based on sales).

The term *principal manufacturing property* means each of our manufacturing or processing plants or facilities located in the United States of America (other than territories and possessions of the United States) or Puerto Rico, except any such manufacturing or processing plant or facility that the board of directors by resolution determines not to be of material importance to the total business conducted by us and our consolidated subsidiaries, taken as a whole.

Restrictions on Liens. The indenture provides that, unless as may otherwise be indicated by resolution of our board of directors, officers' certificate, or supplemental indenture, we will not issue or assume any debt for money borrowed

(which, including guarantees of debt for borrowed money, we refer to as debt), if the debt is secured by a mortgage, pledge, lien or other encumbrance (which we refer to as a mortgage) upon any

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principal manufacturing property (whether such principal manufacturing property is now owned or subsequently acquired) without in any such case effectively providing that the debt securities (together with any other debt security ranking equally with the debt securities) shall be secured equally and ratably with the debt until such time as such debt is no longer secured by such mortgage. The foregoing restrictions shall not apply to:

mortgages existing as of the closing date of the offering of the relevant series of debt securities;

mortgages on property existing at the time of or within 120 days after acquisition of the property and certain purchase money mortgages;

mortgages on property of an entity existing at the time that entity is merged into or consolidated with us or substantially all the assets of which are acquired by us;

mortgages in favor of the United States or any political subdivision or any instrumentality thereof, or in favor of any other country or any political subdivision or instrumentality thereof, to secure certain payments pursuant to any contract or statute or to secure any indebtedness incurred or guaranteed for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to the mortgages;

mortgages for taxes, assessments or other governmental charges not yet due or payable or subject to penalties for non-payment or which we are contesting in good faith by appropriate proceedings;

mortgages to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

mortgages imposed by law, such as carrier's, warehousemen's and mechanic's liens and other similar liens, in each case for sums not yet overdue by more than 30 calendar days or being contested in good faith by appropriate proceedings, or other liens arising out of judgments or awards against us with respect to which we shall then be proceeding with an appeal or other proceedings for review and liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; and

any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any mortgage referred to in the bullet points above.

Restrictions on Sale and Leaseback Transactions. The indenture provides that, unless as may otherwise be indicated by resolution of our board of directors, officers' certificate, or supplemental indenture, we will not enter into any lease longer than three years covering any principal manufacturing property that is sold to any person (other than any

then-existing subsidiary) in connection with such lease unless the proceeds from such sale or transfer shall be at least equal to the fair value of such property as determined by resolution by our board of directors and either:

we would be entitled, pursuant to the Restrictions on Liens covenant described above, to incur debt secured by a mortgage on the principal manufacturing property involved in an amount at least equal to the attributable debt in respect of such principal manufacturing property without equally and ratably securing the debt securities, provided, that such attributable debt shall thereupon be deemed to be debt subject to the provisions of such restrictions on liens; or

within a period commencing twelve months prior to the consummation of the sale and leaseback transaction and ending twelve months after consummation of such transaction, we have expended or will expend for principal manufacturing property an amount equal to:

the proceeds of such sale and leaseback transaction and we elect to designate such amount as a credit against such transaction, or

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a part of the proceeds of such sale and leaseback transaction and we elect to designate such amount as a credit against such transaction and treat an amount equal to the remainder of the proceeds as provided in the clause directly below; or

such attributable debt (less any amount elected under the clause directly above) is applied within 120 days after the transaction to the retirement of funded debt, or is considered to be attributable debt for purposes of the calculation of exempted debt and, after giving effect to the exempted debt, the exempted debt does not exceed 15% of consolidated net tangible assets.

Exempted Debt. The indenture provides that, notwithstanding the restrictions on mortgages and sale and leaseback transactions described above, we may, in addition to amounts permitted under such restrictions, create, extend, renew or replace debt secured by mortgages, or enter into sale and leaseback transactions, which would otherwise be subject to the foregoing restrictions, without equally and ratably securing the debt securities and without any obligation to make expenditures for principal manufacturing property or to retire any debt, provided, that after giving effect thereto, the aggregate additional outstanding amount of such debt secured by mortgage plus attributable debt resulting from such sale and leaseback transactions (exempted debt) does not exceed 15% of consolidated net tangible assets.

Consolidation, Merger and Sale or Conveyance. We may not consolidate with, merge with or into, or sell, or convey (including by way of lease) all or substantially all of our assets to any person or permit any person to merge with or into us unless:

we are the continuing person or the person formed by such consolidation or into which we are merged or that acquired or leased our property and assets shall be a corporation or entity organized under the laws of the United States of America or any state thereof (or, any entity not organized under such laws which agrees, in a form satisfactory to the trustee, to submit to the jurisdiction of the United States district court for the Southern District of New York, and to indemnify and hold harmless the holders of the debt securities against certain taxes and expenses) and shall expressly assume, by a supplemental indenture, executed and delivered to the trustee, all of our obligations on all of the debt securities and under the indenture;

immediately after giving effect to such transaction, no default or event of default shall have occurred and be continuing; and

we deliver to the trustee an officers' certificate and opinion of counsel, in each case stating that such consolidation, merger, or conveyance and such supplemental indenture complies with this provision and that all conditions precedent provided for in the indenture and the debt securities relating to such transaction have been complied with.

The restrictions in the bullets above shall not be applicable to:

the merger or consolidation of us with an affiliate of ours if our board of directors determines in good faith that the purpose of such transaction is principally to change our state of incorporation or convert our form of organization to another form; or

the merger of us with or into a single direct or indirect wholly owned subsidiary of ours pursuant to Section 251(g) (or any successor provision) of the General Corporation Law of the State of Delaware. If any consolidation or merger or any sale, assignment, conveyance, lease, transfer or other disposition of all or substantially all of our assets occurs in accordance with the indenture, the successor corporation will succeed to, and be substituted for us and may exercise every right and power under the indenture with the same effect as if such successor corporation had been named in our place in the indenture, and we will (except in the case of a lease) be discharged from all obligations and covenants under the indenture and the debt securities.

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Events of Default

An event of default for any series of debt securities is defined under the indenture as being:

our default in the payment of principal on the debt securities of such series when due and payable whether at maturity, upon redemption, by declaration or otherwise, but, in the case of technical or administrative difficulties, only if that default continues for a period of two days;

our default in the payment of interest on any debt securities of such series when due and payable, if that default continues for a period of 30 days;

our default in the performance of or breach of any of our other covenants or agreements in the indenture applicable to debt securities of such series, other than a covenant breach of which is specifically dealt with elsewhere in the indenture, and that default or breach continues for a period of 90 days after we receive written notice from the trustee or from the holders of 25% or more in aggregate principal amount of the debt securities of such series then outstanding;

any other event of default provided for in such series of debt securities;

a court having jurisdiction enters a decree or order for:

relief in respect of us in an involuntary case under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect;

appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official of us or for all or substantially all of our property; or

the winding up or liquidation of our affairs

and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

we:

commence a voluntary case under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect;

consent to the entry of an order for relief in an involuntary case under any such law;

consent to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official of us for all or substantially all of our property; or

effect any general assignment for the benefit of creditors.

The default by us under any other debt, including any other series of debt securities, is not a default under the indenture.

If an event of default other than an event of default specified in the last two bullet points above occurs with respect to a series of debt securities and is continuing under the indenture, then, and in each and every such case, either the trustee or the holders of not less than 25% in aggregate principal amount of such series then outstanding under the indenture (each such series voting as a separate class) by written notice to us and to the trustee, if such notice is given by the holders, may, and the trustee at the request of such holders shall, declare the principal amount of and accrued interest, if any, on such debt securities to be immediately due and payable.

If an event of default specified in the last two bullet points above occurs with respect to us and is continuing, then the entire principal amount of the debt securities of all series then outstanding will automatically become due immediately and payable without any declaration or other act on the part of the trustee or any holder.

Upon a declaration of acceleration, the principal amount of and accrued interest, if any, on such debt securities shall be immediately due and payable. Unless otherwise specified in the prospectus supplement

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relating to a series of debt securities originally issued at a discount, the amount due upon acceleration shall include only the original issue price of the debt securities, the amount of original issue discount accrued to the date of acceleration and accrued interest, if any.

Upon certain conditions declarations of acceleration may be rescinded and annulled and past defaults may be waived by the holders of a majority in aggregate principal amount of all the securities of such series affected by the default, each series voting as a separate class (or, of all the debt securities, as the case may be, voting as a single class). Furthermore, subject to various provisions in the indenture, the holders of at least a majority in aggregate principal amount of a series of debt securities by notice to the trustee, may waive an existing default or event of default with respect to such debt securities and its consequences, except a default in the payment of principal of or interest on such debt securities or in respect of a covenant or provision of the indenture which cannot be modified or amended without the consent of the holders of each such debt securities. Upon any such waiver, such default shall cease to exist, and any event of default with respect to such debt securities shall be deemed to have been cured, for every purpose of the indenture; but no such waiver shall extend to any subsequent or other default or event of default or impair any right consequent thereto. For information as to the waiver of defaults, see Modification and Waiver.

The holders of at least a majority in aggregate principal amount of a series of debt securities may direct the time, method, and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to such debt securities. However, the trustee may refuse to follow any direction that conflicts with law or the indenture, that may involve the trustee in personal liability, or that the trustee determines in good faith may be unduly prejudicial to the rights of holders of such issue of debt securities not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from holders of such issue of debt securities. A holder may not pursue any remedy with respect to the indenture or any series of debt securities unless:

the holder gives the trustee written notice of a continuing event of default;

the holders of at least 25% in aggregate principal amount of such series of debt securities make a written request to the trustee to pursue the remedy in respect of such event of default;

the requesting holder or holders offer the trustee indemnity satisfactory to the trustee against any costs, liability, or expense;

the trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

during such 60-day period, the holders of a majority in aggregate principal amount of such series of debt securities do not give the trustee a direction that is inconsistent with the request.

These limitations, however, do not apply to the right of any holder of a debt security to receive payment of the principal of or interest, if any, on such debt security, or to bring suit for the enforcement of any such payment, on or after the due date for the debt securities, which right shall not be impaired or affected without the consent of the holder.

The indenture requires certain of our officers to certify, on or before a fixed date in each year in which any security is outstanding, as to their knowledge of our compliance with all conditions and covenants under the indenture.

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Discharge and Defeasance

The indenture provides that, unless the terms of any series of debt securities provide otherwise, we may discharge our obligations with respect to an issue of debt securities and the indenture with respect to such series of debt securities if:

we pay or cause to be paid, as and when due and payable, the principal of and any interest on all securities of such series outstanding under the indenture, and we also pay all other sums payable by us under the indenture; or

all debt securities of such series previously authenticated and delivered have been delivered to the trustee for cancellation, and we have paid all sums payable by us under the indenture; or

the debt securities of such series mature within one year or all of them are to be called for redemption within one year under arrangements satisfactory to the trustee for giving the notice of redemption, and we irrevocably deposit in trust with the trustee, as trust funds solely for the benefit of the holders of the debt securities of such series, for that purpose, the entire amount in cash or, in the case of any series of debt securities payments on which may only be made in U.S. dollars, U.S. government obligations, maturing as to principal and interest in such amounts and at such times as will insure the availability of cash sufficient to pay principal of and interest on the debt securities of such series to maturity or redemption, as the case may be, and to pay all other sums payable by us under the indenture.

With respect to the first and second bullet points, only our obligations to compensate and indemnify the trustee and our right to recover unclaimed money held by the trustee under the indenture shall survive. With respect to the third bullet point, certain additional rights and obligations under the indenture shall survive until such debt securities are no longer outstanding. Thereafter, only our obligations to compensate and indemnify the trustee and our right to recover unclaimed money held by the trustee shall survive.

Unless the terms of any series of debt securities provide otherwise, on the 121st day after the date of deposit of trust funds with the trustee, we will be deemed to have paid and will be discharged from any and all obligations in respect of the series of debt securities provided for in the funds, and the provisions of the indenture will no longer be in effect with respect to such debt securities (legal defeasance) except as to certain rights and obligations under the indenture; provided that the following conditions shall have been satisfied:

we have irrevocably deposited in trust with the trustee as trust funds solely for the benefit of the holders of the debt securities of such series, for payment of the principal of and interest on the debt securities of such series, cash in an amount or, in the case of any series of debt securities payments on which can only be made in U.S. dollars, U.S. government obligations (maturing as to principal and interest at such times and in such amounts as will insure the availability of cash) or a combination thereof sufficient (in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the trustee), after payment of all federal, state and local taxes or other charges and assessments in respect thereof payable by the trustee, to pay and discharge the principal of and accrued interest on the debt securities of such series to maturity or earlier redemption, as the case may be, and any mandatory sinking fund payments on the day on which such payments are due and payable in accordance with the terms

of the indenture and the debt securities of such series;

such deposit will not result in a breach or violation of, or constitute a default under, the indenture or any other agreement or instrument to which we are a party or by which we are bound;

we shall have delivered to the trustee an officers certificate and an opinion of counsel to the effect that we have received from, or there has been published by, the Internal Revenue Service a ruling to the effect that the holders of the debt securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of our exercising our option under this provision of the indenture and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred; and

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we have delivered to the trustee an officers certificate and an opinion of counsel, in each case stating that all conditions precedent provided for in the indenture relating to the contemplated defeasance of the debt securities of such series have been complied with, and the opinion of counsel shall also state that such deposit does not violate applicable law.

Subsequent to the legal defeasance above, after such debt securities are no longer outstanding, only our obligations to compensate and indemnify the trustee and our right to recover unclaimed money held by the trustee shall survive.

Modification and Waiver

We and the trustee may amend or supplement the indenture or the debt securities without the consent of any holder:

to convey, mortgage or pledge any assets as security for the securities of one or more series;

to evidence the succession of another corporation to us, and the assumption by such successor corporation of our covenants, agreements and obligations under the indenture;

to cure any ambiguity, defect, or inconsistency in the indenture or in any supplemental indenture or to conform the indenture or the debt securities to the description of debt securities of such series set forth in this prospectus or a prospectus supplement;

to comply with the provisions described under Certain Covenants Consolidation, Merger and Sale or Conveyance ;

to evidence and provide for the acceptance of appointment hereunder by a successor trustee, or to make such changes as shall be necessary to provide for or facilitate the administration of the trusts in the indenture by more than one trustee;

to establish the form or forms or terms of the debt securities as permitted by the indenture;

to make any change that is necessary or desirable provided that such change shall not adversely affect the interests of the holders of the debt securities of any series in any material respect;

to add to our covenants such new covenants, restrictions, conditions or provisions for the protection of the holders, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an event of default; or

to make any change to the debt securities of any series so long as no debt securities of such series are outstanding.

Other amendments and modifications of the indenture or the debt securities issued may be made, and our compliance with any provision of the indenture with respect to any series of debt securities may be waived, with the consent of the holders of not less than a majority of the aggregate principal amount of the outstanding debt securities of all series affected by the amendment or modification (voting as one class); provided, however, that each affected holder must consent to any modification, amendment or waiver that,

extends the stated maturity of the principal of, or the time of payment of any installment of interest on, any debt securities of such series;

reduces the principal amount of, or interest on, any debt securities of such series;

changes the place or currency of payment of principal of, or interest on, any debt securities of such series;

impairs the right of holders to institute suit for the enforcement of any payment of any debt securities of such series;

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reduces the above-stated percentage of outstanding debt securities of such series the consent of whose holders is necessary to modify or amend or to waive certain provisions of or defaults under the indenture;

modifies any of the provisions of the preceding bullets, except to increase any required percentage or to provide that certain other provisions cannot be modified or waived without the consent of the holder of each debt security of such series affected by the modification; or

waives a default in respect of a covenant or provision which cannot be modified or amended without the consent of each affected holder.

It shall not be necessary for the consent of the holders under this section to approve the particular form of any proposed amendment, supplement, or waiver, but it shall be sufficient if such consent approves the substance thereof. After an amendment, supplement, or waiver under this section becomes effective, the trustee must give to the holders affected thereby certain notice briefly describing the amendment, supplement, or waiver. We will mail supplemental indentures to holders upon request. Any failure by the trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture or waiver.

No Personal Liability of Incorporators, Stockholders, Officers, Directors

The indenture provides that no recourse shall be had under or upon any obligation, covenant, or agreement of ours in the indenture or any supplemental indenture, or in any of the debt securities or because of any indebtedness represented thereby, against any incorporator, stockholder, officer or director of ours or of any successor person thereof under any law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise. Each holder, by accepting the debt securities, waives and releases all such liability.

Concerning the Trustee

The indenture provides that, except during the continuance of a default, the trustee will not be liable, except for the performance of such duties as are specifically set forth in the indenture. If an event of default has occurred and is continuing, the trustee will exercise such rights and powers vested in it under the indenture and will use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

Governing Law

The indenture and the debt securities will be governed by, and construed in accordance with, the internal laws of the State of New York.

The Trustee

We may have normal banking relationships with the trustee under the indenture in the ordinary course of business.

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DESCRIPTION OF WARRANTS

We may issue warrants to purchase our debt or equity securities or securities of third parties or other rights, including rights to receive payment in cash or securities based on the value, rate or price of one or more specified commodities, currencies, securities or indices, or any combination of the foregoing. Warrants may be issued independently or together with any other securities and may be attached to, or separate from, such securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent. The terms of any warrants to be issued and a description of the material provisions of the applicable warrant agreement will be set forth in the applicable prospectus supplement.

DESCRIPTION OF UNITS

As specified in the applicable prospectus supplement, we may issue units consisting of one or more warrants, debt securities, shares of preferred stock, shares of common stock or any combination of such securities.

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FORMS OF SECURITIES

Each debt security, warrant, and unit will be represented either by a certificate issued in definitive form to a particular investor or by one or more global securities representing the entire issuance of securities. Certificated securities in definitive form and global securities will be issued in registered form. Definitive securities name you or your nominee as the owner of the security, and in order to transfer or exchange these securities or to receive payments other than interest or other interim payments, you or your nominee must physically deliver the securities to the trustee, registrar, paying agent or other agent, as applicable. Global securities name a depository or its nominee as the owner of the debt securities, warrants or units represented by these global securities. The depository maintains a computerized system that will reflect each investor's beneficial ownership of the securities through an account maintained by the investor with its broker/dealer, bank, trust company or other representative, as we explain more fully below.

Global Securities

Registered Global Securities. We may issue the registered debt securities, warrants and units in the form of one or more fully registered global securities that will be deposited with a depository or its nominee identified in the applicable prospectus supplement and registered in the name of that depository or nominee. In those cases, one or more registered global securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal or face amount of the securities to be represented by registered global securities. Unless and until it is exchanged in whole for securities in definitive registered form, a registered global security may not be transferred except as a whole by and among the depository for the registered global security, the nominees of the depository or any successors of the depository or those nominees.

If not described below, any specific terms of the depository arrangement with respect to any securities to be represented by a registered global security will be described in the prospectus supplement relating to those securities. We anticipate that the following provisions will apply to all depository arrangements.

Ownership of beneficial interests in a registered global security will be limited to persons, called participants, that have accounts with the depository or persons that may hold interests through participants. Upon the issuance of a registered global security, the depository will credit, on its book-entry registration and transfer system, the participants accounts with the respective principal or face amounts of the securities beneficially owned by the participants. Any dealers, underwriters or agents participating in the distribution of the securities will designate the accounts to be credited. Ownership of beneficial interests in a registered global security will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depository, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants.

So long as the depository, or its nominee, is the registered owner of a registered global security, that depository or its nominee, as the case may be, will be considered the sole owner or holder of the securities represented by the registered global security for all purposes under the applicable indenture, warrant agreement or unit agreement. Except as described below, owners of beneficial interests in a registered global security will not be entitled to have the securities represented by the registered global security registered in their names, will not receive or be entitled to receive physical delivery of the securities in definitive form and will not be considered the owners or holders of the securities under the applicable indenture, warrant agreement or unit agreement. Accordingly, each person owning a beneficial interest in a registered global security must rely on the procedures of the depository for that registered global security and, if that person is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the applicable indenture, warrant agreement or unit agreement. We understand that under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a registered global security desires to give or take any action that a holder is entitled to give or take under the applicable

indenture, warrant agreement or unit agreement, the depositary for the registered global security would authorize the participants

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holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners holding through them.

Principal, premium, if any, and interest payments on debt securities, and any payments to holders with respect to warrants or units, represented by a registered global security registered in the name of a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the registered global security. None of Texas Instruments, the trustee, any warrant agent, unit agent or any other agent of Texas Instruments, agent of the trustee or agent of such warrant agent or unit agent will have any responsibility or liability for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered global security or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

We expect that the depositary for any of the securities represented by a registered global security, upon receipt of any payment of principal, premium, interest or other distribution of underlying securities or other property to holders on that registered global security, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered global security as shown on the records of the depositary. We also expect that payments by participants to owners of beneficial interests in a registered global security held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of those participants.

If the depositary for any of these securities represented by a registered global security is at any time unwilling or unable to continue as depositary or ceases to be a clearing agency registered under the Exchange Act, and a successor depositary registered as a clearing agency under the Exchange Act is not appointed by us within 90 days, we will issue securities in definitive form in exchange for the registered global security that had been held by the depositary. Any securities issued in definitive form in exchange for a registered global security will be registered in the name or names that the depositary gives to the relevant trustee, warrant agent, unit agent or other relevant agent of ours or theirs. It is expected that the depositary's instructions will be based upon directions received by the depositary from participants with respect to ownership of beneficial interests in the registered global security that had been held by the depositary.

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PLAN OF DISTRIBUTION

We or selling security holders may sell the securities being offered hereby in the following manner or any manner specified in a prospectus supplement:

directly to purchasers;

through agents;

through underwriters; and

through dealers.

If any securities are sold pursuant to this prospectus by any persons other than us, we will, in a prospectus supplement, name the selling security holders, indicate the nature of any relationship such holders have had to us or any of our affiliates during the three years preceding such offering, state the amount of securities of the class owned by such security holder prior to the offering and the amount to be offered for the security holder's account, and state the amount and (if one percent or more) the percentage of the class to be owned by such security holder after completion of the offering.

We or any selling security holder may directly solicit offers to purchase securities, or agents may be designated to solicit such offers. We will, in the prospectus supplement relating to such offering, name any agent that could be viewed as an underwriter under the Securities Act of 1933, as amended (the Securities Act), and describe any commissions that we or any selling security holder must pay. Any such agent will be acting on a best efforts basis for the period of its appointment or, if indicated in the applicable prospectus supplement, on a firm commitment basis. Agents, dealers and underwriters may be customers of, engage in transactions with, or perform services for us in the ordinary course of business.

If any underwriters or agents are utilized in the sale of the securities in respect of which this prospectus is delivered, we and, if applicable, any selling security holder will enter into an underwriting agreement or other agreement with them at the time of sale to them, and we will set forth in the prospectus supplement relating to such offering the names of the underwriters or agents and the terms of the related agreement with them.

If a dealer is utilized in the sale of the securities in respect of which the prospectus is delivered, we will sell such securities to the dealer, as principal. The dealer may then resell such securities to the public at varying prices to be determined by such dealer at the time of resale.

Remarketing firms, agents, underwriters and dealers may be entitled under agreements which they may enter into with us to indemnification by us and by any selling security holder against certain civil liabilities, including liabilities under the Securities Act, and may be customers of, engage in transactions with or perform services for us in the ordinary course of business.

In order to facilitate the offering of the securities, any underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the securities or any other securities the prices of which may be used to determine

payments on such securities. Specifically, any underwriters may overallocate in connection with the offering, creating a short position for their own accounts. In addition, to cover overallocations or to stabilize the price of the securities or of any such other securities, the underwriters may bid for, and purchase, the securities or any such other securities in the open market. Finally, in any offering of the securities through a syndicate of underwriters, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the securities in the offering if the syndicate repurchases previously distributed securities in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the securities above independent market levels. Any such underwriters are not required to engage in these activities and may end any of these activities at any time.

Any underwriter, agent or dealer utilized in the initial offering of securities will not confirm sales to accounts over which it exercises discretionary authority without the prior specific written approval of its customer.

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VALIDITY OF SECURITIES

The validity of the securities in respect of which this prospectus is being delivered will be passed on for us by Davis Polk & Wardwell LLP.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018, and the effectiveness of our internal control over financial reporting as of December 31, 2018, as set forth in their reports, which are incorporated by reference into this prospectus and elsewhere in the registration statement. Our financial statements and our management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2018, are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. *Other Expenses of Issuance and Distribution*

The following table sets forth the estimated costs and expenses payable by the Registrant in connection with the sale of the securities being registered hereby.

| | Amount to be Paid |
|---|------------------------------|
| Registration fee | \$ * |
| Printing | ** |
| Legal fees and expenses (including Blue Sky fees) | ** |
| Rating agency fees | ** |
| Accounting fees and expenses | ** |
| Miscellaneous | ** |
| TOTAL | \$ ** |

* Omitted because the registration fee is being deferred pursuant to Rule 456(b).

** These fees and expenses depend on the securities offered and the number of issuances, and accordingly cannot be estimated at this time.

Item 15. *Indemnification of Directors and Officers*

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the Registrant. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. Article VI of the Registrant's By-Laws provides for indemnification by the Registrant of its directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions, or (iv) for any transaction from which the director derived an improper personal benefit. Article Seventh of the Restated Certificate of Incorporation provides that a director shall not be liable to the

Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware.

The Registrant maintains standard policies of insurance under which coverage is provided (a) to its directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act, and (b) to the Registrant with respect to payments which may be made by the Registrant to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

The proposed form of Underwriting Agreement filed as Exhibit 1.1 to this Registration Statement provides for indemnification of directors and officers of the Registrant by the underwriters against certain liabilities.

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Item 16. Exhibits

(a) The following exhibits are filed as part of this Registration Statement:

| Exhibit No. | Document |
|--------------------|---|
| 1.1 | <u>Form of Underwriting Agreement</u> |
| 3.1 | <u>Restated Certificate of Incorporation of the Registrant, dated April 18, 1985, as amended (incorporated by reference to Exhibit 3(a) of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014)</u> |
| 3.2 | <u>By-Laws of the Registrant (incorporated by reference to Exhibit 3 to the Registrant's Current Report on Form 8-K filed December 12, 2016)</u> |
| 4.1 | Specimen Common Stock Certificate* |
| 4.2 | Specimen Preferred Stock Certificate* |
| 4.3 | <u>Indenture dated as of May 23, 2011 between Texas Instruments Incorporated, a Delaware corporation, as Issuer and U.S. Bank National Association, a National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed May 23, 2011)</u> |
| 4.4 | <u>Form of Note (included in Exhibit 4.3)</u> |
| 4.5 | Form of Warrant Agreement* |
| 4.6 | Form of Unit Agreement* |
| 5.1 | <u>Opinion of Davis Polk & Wardwell LLP</u> |
| 23.1 | <u>Consent of Ernst & Young LLP</u> |
| 23.2 | <u>Consent of Davis Polk & Wardwell LLP (included in Exhibit 5.1)</u> |
| 24.1 | <u>Power of Attorney (included on the signature page of the Registration Statement)</u> |
| 25.1 | <u>Statement of Eligibility on Form T-1 of U.S. Bank National Association</u> |

* To be filed by amendment.

Item 17. Undertakings

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made of securities registered hereby, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

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(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (i), (ii) and (iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

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(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, State of Texas, as of February 22, 2019.

TEXAS INSTRUMENTS INCORPORATED

By: /s/ Rafael R. Lizardi
Rafael R. Lizardi

Senior Vice President, Chief Financial
Officer and Chief Accounting Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Richard K. Templeton, Rafael R. Lizardi and Cynthia Hoff Trochu, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and as of the dates indicated.

| Signature | Title | Date |
|--|--|-------------------|
| /s/ Richard K. Templeton Richard K. Templeton | Director, Chairman of the Board, President and Chief Executive Officer | February 22, 2019 |
| /s/ Rafael R. Lizardi Rafael R. Lizardi | Senior Vice President, Chief Financial Officer and Chief Accounting Officer | February 22, 2019 |
| /s/ Ralph W. Babb, Jr. Ralph W. Babb, Jr. | Director | February 22, 2019 |
| /s/ Mark A. Blinn Mark A. Blinn | Director | February 22, 2019 |
| /s/ Todd M. Bluedorn Todd M. Bluedorn | Director | February 22, 2019 |
| /s/ Daniel A. Carp Daniel A. Carp | Director | February 22, 2019 |
| /s/ Janet F. Clark | Director | February 22, 2019 |

Janet F. Clark

/s/ Carrie S. Cox
Carrie S. Cox

Director

February 22, 2019

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| Signature | Title | Date |
|--|--------------|-------------------|
| /s/ Martin S. Craighead Martin S. Craighead | Director | February 22, 2019 |
| /s/ Jean M. Hobby Jean M. Hobby | Director | February 22, 2019 |
| /s/ Ronald Kirk Ronald Kirk | Director | February 22, 2019 |
| /s/ Pamela H. Patsley Pamela H. Patsley | Director | February 22, 2019 |
| /s/ Robert E. Sanchez Robert E. Sanchez | Director | February 22, 2019 |

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Jonathan Chaplin

New York Reporter-Bloomberg News, Bloomberg LP

Analyst, New Street Research LLP (US)

John C. Hodulik

Matthew Niknam

Analyst, UBS Securities LLC

Analyst, Deutsche Bank Securities, Inc.

Mike McCormick

Ric H. Prentiss *Analyst,*

Analyst, Guggenheim Securities

Raymond James & Associates, Inc.

Jennifer Fritzsche

Analyst, Wells Fargo Securities

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning and welcome to the T-Mobile-Sprint Merger Announcement Conference Call. Following opening remarks, the call will be open for questions via the conference line for or via the conference line or Twitter. For those of you on the line, please press the star followed by the one on your phone. Those interested in submitting questions during the call can do so also by sending a tweet to @JohnLegere, @MarceloClaire, @Tmobile, or @Sprint using #5GforAll.

I would now like to turn the conference over to Janice Kapner, Executive Vice President, Communications and Community Engagement. Please go ahead.

Janice V. Kapner

Executive Vice President, Corporate Communications & Community Engagement, T-Mobile US, Inc.

Good afternoon. During this call, the company's forward-looking statements include, but are not limited to statements about the benefits of the proposed transaction, including future financial and operating results, the combined company's plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of the management of the companies and are subject to significant risks and uncertainties outside of our control.

In addition, in connection with the proposed transaction, T-Mobile will file with the SEC a joint consent solicitation statement and perspectives that will contain important information about the companies, the transaction and related matters.

Joining me today on the call are a number of folks you all know very well. From Sprint, we have Marcelo Claire, Michel Combes and John Saw, and from T-Mobile, we have John Legere, Mike Sievert, Braxton Carter and Neville Ray.

Let me now turn it over to John Legere and Marcelo Claire. Go ahead, gentlemen.

John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

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Okay. Hello, everyone. Thank you, all, for joining on such short notice and on a weekend. Today's call is about what has become the worst-kept secret out there. Over the past couple of days, the rumor mill has been on overdrive. Well, a few minutes ago, we announced some very big news. As you've heard, T-Mobile and Sprint have reached the definitive agreement to come together and form a larger, stronger competitor that will deliver for consumers.

Marcelo Claure

Chief Executive Officer, Sprint Corporation

Thank you, John. I'm glad to be here today. We have come to know each other well over the last few months and I have to say that the sheer enthusiasm of our teams has only reaffirmed my belief that this combination will create a truly, unique, consumer-focused company at such an important time.

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As you all know, Sprint and T-Mobile have done an amazing job acquiring a strong portfolio of assets and both combined both companies have led a remarkable turnaround by disrupting the wireless industry. But with a convergent industry and the promise of 5G on the horizon, now is the time to come together to turbocharge the Un-carrier strategy creating increased competition in the new era and lead the way to sparking the 5G economy.

John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

Okay. So, let's start with the basics. These companies just make sense together. Convergence between mobile broadband and cable isn't just a hypothetical; it's a reality of our business on a day-to-day basis. All you have to do is pick up a newspaper or watch the news to see it happening right in front of your eyes every day.

This convergence is happening. It's happening for one reason. Consumers expect now even demand innovation. They are concerned about maintaining traditional industry boundaries. Consumers want their content, when they want it and they want it delivered where they are. As the 5G era takes hold, we're about to undergo a massive change. It will completely change how consumers interact with video, broadband and wireless.

Capturing U.S. leadership in 5G and protecting the economic leadership we gained with 4G is critical for the American economy. This transaction creates robust competition in the 5G era, significant value for our stakeholders, and most of all we will deliver outstanding benefits to U.S. wireless customers, faster speeds, better value and most importantly lower prices.

Through the Un-carrier strategy, we have created an incredible disruptive force for good in our industry. Along with Sprint, we created a new paradigm on how a wireless company should operate. Impeccable customer service, wireless quality and speed, adding more value and lower prices were put at the heart of everything we do.

It is now time that we push that pro-consumer disruptive model into even more areas. We will do all of this while creating thousands of American jobs. We feel confident that this administration and our political leaders across the country understand the potential and the imperative to protect the global leadership established with 4G. It is in this world we fit perfectly, a pro-consumer, strongly disruptive, revved-up competitor.

Put simply the time is perfect to create a new competitor that has the tenacity and customer focus to unleash real change. We're confident that once regulators see the compelling benefits, they'll agree this is the right move at the right time for consumers and for the country.

All right. Let me cover a few details of the transaction, then I'll get right into why this is the absolute right moment in time to complete this transaction. You'll find all the details on the slides and in the supporting materials on our website. Let me highlight a few. This is an all-stock

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transaction with an exchange ratio of 0.10256 of a T-Mobile share for each Sprint share. Or the equivalent of 9.75 Sprint shares for each T-Mobile share. This represents a total implied enterprise value of Sprint for \$59 billion and a \$146 billion for the combined company.

Deutsche Telekom and Softbank will be rolling over their entire economic stakes into the new company. This deal will unlock meaningful synergies with an expected run rate of more than \$6 billion that have a net present value, net of cost to achieve of more than \$43 billion. These synergies, which mostly come from network, will only help fuel our strategy to invest aggressively for growth as well as help fuel robust organic deleveraging over time. Upon completion, T-Mobile's shareholders will own 67% of the combined company while Sprint shareholders will own 33%. About 41.7% of the equity will be owned by Deutsche Telekom and 27.4% by SoftBank, with the

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remaining 30.9% by the public. I'm excited to be leading the new T-Mobile as CEO and even more excited to announce Mike Sievert will be president and COO of the combined company.

The remaining members of the new management team will be selected from both companies during the closing period. DT will designate nine seats on the board and SoftBank will designate four. I will also sit on the board, bringing the total number of directors to 14. This will include independent directors. Tim Hötting, CEO of Deutsche Telekom will be Chairman of the Board, and Marcelo and SoftBank's Chairman and CEO, Masayoshi Son will also be members of the board. DT will have a voting proxy over SoftBank shares in the new company and both DT and SoftBank will be subject to a four-year lockup.

This deal is expected to close no later than the first half of 2019, subject to regulatory approvals and other customary closing conditions.

Marcelo Claure

Chief Executive Officer, Sprint Corporation

Let's get into the benefits this combination creates in more detail. This transaction and the unique combination of resources it brings will allow us to do things that neither T-Mobile or Sprint could do on its own, all for the benefit of the American consumer. The combined network will have an unprecedented capacity speed and response time across our network that will benefit consumers. It will also allow the new company to rapidly build the first and best nationwide 5G five network with unprecedented capacity and skill to truly accelerate innovation and increase competition. Our 5G leadership will drive the United States to reclaim leading the 5G digital economy and spur a massive wave of innovation and disruption, benefiting consumers and businesses across the country. The combination will also supercharge the broad consumer strategy with innovative service offering, lower prices, and increased competition in wireless, broadband, entertainment and beyond. As we said before, this is all happening at a pivotal time of industry convergence.

John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

Now, let's talk about job growth. Let me start by calling out all the skeptics first. We're not a typical company, and this is not a typical transaction. We are truly excited about this point, and I will explain exactly how, but I'll start by saying we are very proud to say that this transaction is a major job creator.

As you can tell, we're ready to get going. We're ready to invest billions of dollars that will create new U.S. jobs on day one, especially in rural America, and we'll never look back from there. As we lead the race for 5G, we will directly spur real competition as a range of new and old competitors race to keep pace; thereby, unlocking tremendous economic value in broad job creation.

Marcelo Claure

Chief Executive Officer, Sprint Corporation

Disruption is embedded in the DNA of both companies, and the combination of T-Mobile and Sprint will give us the ability to put the Un-carrier strategy into overdrive. Both T-Mobile and Sprint have forced the wireless industry to change by listening to consumers and solving their pain points. We changed the communication landscape forever by eliminating confusing rate plans and converging into one rate plan unlimited. Our combined business plan is built on an assumption that we continue to grow and we see lots of opportunity to continue our history of disruption, especially by amping up our abilities to drive competition into rural and underserved areas and deliver

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products and services for businesses of all sizes. Our massive growth and capacity will allow customers to do more for less.

John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

I've been saying for years that all content is going to the Internet and the Internet is going mobile. Wireless, broadband and video have converged across traditional lines and the combined company will actively compete and disrupt traditional thinking in each part of the new world. Did anyone think five years ago that AT&T would be the nation's leading TV provider or that Comcast would have more postpaid phone net additions last year than AT&T and Verizon combined? That's nearly 10% of the total for all of 2017. Or that YouTube would offer live TV.

We thrive on competition. So we are happy to take on these lumbering giants with our consumer first mentality. In fact, we will be able to bring meaningful competition right to their doorstep with innovative new products that deliver mobile services across a variety of platforms and at dramatically faster speeds. Our enhanced network will be a meaningful competitive fixed broadband especially in underserved rural markets. Then there is pay-TV, as you know T-Mobile recently acquired Layer3 TV to enter the pay-TV market.

With the combined company, we will have new scale and a network with unprecedented capacity and speed to accelerate our aspirations in this space. That should worry all the companies converging into this space. We're a consumer-obsessed team and think about it simply one way: customers don't care about industry lines. They care about innovation, ease of use and quality service. That's what we deliver.

Now, as the industry is changing there is a technology boom in 5G on the horizon that the new company will be uniquely able to bring about. We all talk at length about 5G, but let's first take a step back and put that in perspective.

Why do we get so excited on this point? The U.S. was the unquestionable leader in 4G and now 99.7% of the country is covered by 4G LTE. That seems like a dull statistic now, but think back before 4G and how revolutionary it was for our economy. As an industry, we anticipated 4G would bring about music streaming, web browsing and even video streaming. But who saw companies like Snapchat and Uber company? Or how companies like Amazon and Apple and Facebook would adapt their business models and go into overdrive? Not only that, as a result, it was U.S. companies that exported innovation and lead in markets around the world. That is why the U.S. has the lead again.

The early innovation cycle is critical to capturing the long-term economic benefits of 5G. Think about it, 4G gave us the modern mobile technology economy and that accounts for \$3.3 trillion of global economic value. I'm proud to say that the new T-Mobile will be positioned to lead the way and help the United States capture this early lead in the innovation cycle. As you know, Marcelo has spent a great deal of time studying the potential of 5G both in his role at Sprint but also as Chairman of CTIA.

Marcelo Claure

Chief Executive Officer, Sprint Corporation

Thanks John. You're very right. I'm very passionate about the 5G opportunity for our industry. That is why I am so excited that the combined company will be the only player able to quickly bring a broad and deep nationwide 5G network to market. And yes, we will bring all the latest technologies to the often forgotten about rural communities in America, ensuring everyone has access to the amazing benefits of 5G and freeing the consumers from the grip of the traditional uncompetitive in-home broadband providers.

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But what does the future of 5G really mean? This shift from 4G to 5G will be truly revolutionary. Imagine what people felt when TVs went from black and white to color. The shift from 4G to 5G will feel even more transformational. For starters, the speed capacity and response time of 5G are game changers. CTIA estimates the 5G will ultimately deliver 100 times more capacity and 100 times faster speed with 10 times projected reduction response times over the long term. That's what 5G can do over the long term.

In the first few years of delivery of 5G nationwide, we think the new company can create the highest capacity mobile network in U.S. history with 30 times more capacity and 15 times faster speed with 10 times the response times. Think about what that means for all the technology already being worked on right now and the applications we can't even imagine. 5G will unleash new ideas and uses in areas like the Internet of Things, smart cities, smart agriculture, mobile VR and AR, mobile AI, consumer wearables, and things, and we can't even imagine yet. This is why it's even more important the United States leads in 5G.

The projected economic impact, according to the CTIA, is tremendous, up to 3 million new jobs and 500 billion in economic growth. Unfortunately, other countries see this opportunity as well and have taken bold steps that have given them a head start. CTIA ranks the U.S. behind both China, South Korea in 5G preparedness. And I'm sure you will all agree that is unacceptable.

Fortunately, we're in a position to change this. We think we're the only company that went quickly deployed a nationwide 5G network with the breadth and depth to position the United States as the global leader in 5G.

John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

You are 100% right. Together, we will have the right mix of available spectrum. But more importantly, we will have the enhanced financial position, backed by a team of rock stars that knows how to roll out an advancement of this scale quickly. We'll see an immediate benefit with LTE and completely change the game with the first and best nationwide 5G network.

The lifeblood of the wireless industry is spectrum and to build a kick-ass network you need the right mix of low band, mid band and high band. With Sprint's expansive 2.5 gigahertz spectrum, T-Mobile's nationwide 600 megahertz spectrum and other combined assets, the combined company plans to create the highest capacity network in U.S. history and that's before we even consider 5G.

You will all remember that we deployed nationwide LTE twice as fast as Verizon and three times as fast as AT&T. And while those players are yammering about 5G, our competitors will have two options in the near term to truly build a nationwide 5G network. First, they can kick their consumers off their current spectrum assets which, frankly, is not an option and we know that. Second, they can build it on millimeter wave. Well, what would that cost? To be nationwide, you would need around 6 million sites to cover the United States based on the typical reach of millimeter wave. If you do the math at a cost of about \$250,000 to build a site, you're looking at \$1.5 trillion to build out. Never going to happen, even the giants of our space don't have that kind of cash.

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With the talent of both Sprint and T-Mobile and the power of this network, think of what we can do here. All of this will be powered by an unprecedented network. Period. We talked about a converged world and an ever growing array of competitors. When it comes to 5G and competition, this is really about zero to one. No one is doing nationwide 5G anytime soon. Okay. I said this before, but I m really excited to keep hammering this point, this is a job-creating transaction. Put more directly, together, we expect the combined company to have more U.S. employees on the payroll than the sum of each of the standalone companies together.

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How on earth is that possible? Well when you're obsessed with the customer experience, you invest in people and you do so quickly. To start, we plan to invest about \$40 billion over three years to integrate these companies, expand, and capture the 5G opportunity. A huge portion of that investment is jobs. We are going to be investing in jobs to build the new cell towers to build out 5Gs; jobs to expand our U.S. call centers to implement T-Mobile's proven customer-centric, problem-solving approach across Sprint's customer base; and jobs for the hundreds of new stores we intend to open across the country. In fact, nowhere will that growth be more prevalent than in rural America, which is dramatically underserved today.

In addition to the hundreds of stores in rural areas, we will be hiring local communities as we build out 5G. Let's think about this more simply. All told, at close, we will start with more than 200,000 employees coming to work on behalf of the new company every day in the U.S. and nearly 240,000 when you count overseas. When I think about it, there is no reason this company can't be on the same type of growth rates that we've had over the past few years. Think about it. Just last year, T-Mobile alone added 27,000 jobs associated with that growth. As we accelerate our pro-consumer strategy, deliver on the promise of 5G and bring disruption to new industries. I see lots of potential for growth. We will be adding thousands of new jobs early on, and I can easily envision this leading to tens of thousands over time.

Okay. Let's hand it over to Braxton to talk about the financials.

J. Braxton Carter

Chief Financial Officer & Executive Vice President, T-Mobile US, Inc.

Thanks, John. I am so excited about the financial highlights here. As John said earlier, this deal will create tremendous value, with expected run rate synergies of more than \$6 billion over time. And that repeat that has a net present value, net of cost to achieve of more than \$43 billion and drives rapid free cash flow generation. These synergies are hard cost synergies, driven primarily from the benefit of having to operate only one combined network.

This does not include any revenue synergies from new adjacent businesses that we believe will be significant, such as fixed broadband wireless, IoT in new businesses leveraging 5G. We have an extremely detailed business plan that outlines approximately \$15 billion in cost to achieve these significant benefits.

I know you've all been looking at this potential for some time and this synergy number maybe somewhat higher than some expected. And I have to say this uplift is due, in particular, to the recently passed Trump administration tax reform in the U.S. The tax reform is particularly helpful because these additional post-tax synergies will help position the company to compete very aggressively, resulting in lower prices for consumers.

The combined company will have a compelling financial profile,

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that is well-positioned for a significant margin expansion. We expect to grow wireless service revenues and pro forma reported adjusted EBITDA which will continue to track from approximately \$22 billion to \$23 billion pro forma in 2018.

We're expecting to hit 40% to 42% margin of reported adjusted EBITDA in 2018 and we're projecting in 54% to 57% range longer term as we begin to see the payoff from the realization of the more than \$43 billion in synergies in the combined scale of the new T-Mobile. And we'll do this even while offering prices well below the competition.

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We will be consistent with our financial discipline as a combined company. We are committed over the long term to achieving an investment grade rating and we expect a maximum net leverage of approximately 2.9x. We are not planning dividends or share repurchases at this time. This discipline will give us the flexible capital structure to seize growth opportunities and support the substantial investments we will be making in building out our nationwide 5G.

Anticipated corporate rating of mid to high BB, unsecured notes rating of low to high BB and secured debt rating of low BBB. This will allow us approximately \$43 billion of investment grade secured debt excluding our tower obligations. We're planning on rapidly deleveraging with pro forma net leverage being less than 2 times in three to four years.

Now, this next slide is one of my favorites. It really brings it all together on how our synergies will drive incredible free cash flow generation, enabling rapid organic deleveraging. Now, let me turn it over to Mike for some thoughts on how we're going to make this amazing opportunity a reality.

G. Michael Sievert

Chief Operating Officer, T-Mobile US, Inc.

Thanks, Braxton. We're confident in our targets and in our ability to deliver because we've done this before. We have a proven track record and operational plan. We use the same playbook that we did with MetroPCS to deliver on that synergy target. With MetroPCS, remember we blew away our original plan out of the water - beating synergies by more than 40% and realizing \$9 billion to \$10 billion in synergies. The joint network teams have a detailed network integration plan that anchors on the T-Mobile network. And the combined companies integrated network plan will have 85,000 macro sites and 50,000 additional small cells and we'll work to rapidly migrate all Sprint customers to this network within three years.

It's important to note that on day one, 20 million Sprint customers have handsets that are already compatible with T-Mobile's network. We didn't have this with MetroPCS. We'll aggressively migrate CDMA voice to VoLTE via handset upgrades and maintain the 800 megahertz spectrum on CDMA until customers are migrated to minimize disruptions. We'll then follow by integrating billing systems to minimize disruption to distribution, customer care and operations, and we'll do all this while investing in areas like customer care centers here in the United States as we mentioned earlier on the call.

We completely rewrote the playbook on telecom mergers with MetroPCS by delivering more synergies than expected delivering them faster than expected, and all with a seamless network integration. When we announced the merger with Metro, the big question back then was how many customers can you hold on to? Well, we migrated a base of 8.9 million customers to T-Mobile's network, and today,

the MetroPCS customer base has doubled from the time of the transaction. And let me just note that the network migrations are done city-by-city. And the New York and LA migrations, for example, for MetroPCS had comparable subscriber sizes to key Sprint markets. So, we're confident that our experience will guide us to success. And as you know, the Sprint team successfully integrated Clearwire to create a dynamic spectrum portfolio that will be critical for our 5G plans. Our leadership teams have both delivered over and over, and we're set to do it again.

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Marcelo Claure

Chief Executive Officer, Sprint Corporation

Thanks, Mike. In closing, let us just address the gigantic elephant in the room, which is why do we think this deal, when looked at on the facts merit approval. The answer is obvious. This is good for consumers, it's good for the economy, and it's good for our country. Anyone paying attention to our industry can plainly see this.

In a converged world, we have to build and use supercharged competitor that will bring lower prices and a better network than this world has ever seen before. This customer-obsessed company will be the leader in delivering a nationwide 5G network in the pivotal early years that will unleash a wave of new innovation for American businesses, catapulting us back into a leadership position and ensuring we will be a global economic and innovation leader in the 5G era.

Together, we will build a network with historic capabilities that will have the breadth and depth to reach every person across the country, ushering a new competition for the underserved rural American markets.

John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

That's right, Marcelo. There's [audio gap] 00:27:07-00:28:07

John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

Operator, can we take the first question?

QUESTION AND ANSWER SECTION

Operator: We sure can. [Operator Instructions] And we'll go first to Phil Cusick of JPMorgan.

Philip A. Cusick
Analyst, JPMorgan Securities LLC

Q

Hey, guys, congratulations. It's been a long time coming. First, I wonder if you can help us quantify the employee situation in the U.S. How many employees does both companies have and how many both international and in the U.S.?

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John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

A

Yeah. And so, I'm not sure what you mean it's been a long time coming. We just came up with this idea in the last month or two. Kidding. Your question on jobs is a good one. And let me try to break some of those numbers down and I'll ask Michael and Marcelo to add in.

I believe currently right now if you take all forms of people that go to work in the morning and do something T-Mobile or Sprint, worldwide we have 240,000. We have 200,000 in the U.S. and we have 80,000 full time employees between the two companies, of course, anchored in the two headquarters locations that we will keep.

The job story for the company and if you break it down into several components, to get very specific when the world does detailed econometric modeling over the next several years based upon where we see this company going, we can point specifically to more jobs than the two companies will have on a standalone basis. Think something in the range of 5,000 to 7,000, 9,000 in rural America in and of itself, and that's a conservative modeling so we can put forth the clarity that we know there will be more jobs in the future than in the past.

Now, that's before we look at some of the exciting trends of possible things that we can do and that's why we talk about seeing that expand to tens of thousands of jobs. But I can point with specificity to the fact that the jobs number is positive immediately.

Marcelo Claire

Chief Executive Officer, Sprint Corporation

A

So, I would add the fact that any time that you plan to invest close to \$40 billion over the course over the next three years in building a network, there's going to be a tremendous amount of new jobs in all areas, ranging from engineering to deployment. So, we look forward. This is one of those few mergers that are actually going to be net job positive from the get-go. And this is a growth story, one that we plan to attract many new employees to a new company in the next few years.

Philip A. Cusick

Analyst, JPMorgan Securities LLC

Q

Marcelo, if I can ask you one more. Yeah. If I can follow up. How do you sort of protect Sprint from a regulatory rejection here in the next year given how much network work has to be done without wasting extra capital? Thank you.

Marcelo Claire

Chief Executive Officer, Sprint Corporation

A

So, as you know, in the time of regulatory approvals both companies continue to operate independently and Sprint will continue to deploy its network plan. We'll plan to spend in approved CapEx. We'll continue to do business as usual in the coming time. Obviously, we're looking forward to an expedited approval. We believe that this is one of those few mergers that makes all the merits for approval. And to recap on that, it's one of those few situations where we're going to go build an amazing network that is going to be

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good for the economy, good for consumers, we made a commitment we're going to do it at lower prices and we're going to create jobs. So, we feel quite certain that we want to go at it quite fast, but in the meantime, it's business as usual, build the network, and our employees are very excited to continue to run this business.

A

And Marcelo, if I may add, as we're talking about the company that we're going to create going forward, the companies will operate independently until approved. But it's very important that we both see the significant value of the existing companies of the employees, of the assets and capabilities. I mean, that is a critical part of what we're trying to create. So hopefully, the message to both companies and both organizations is one of a future that they will be part of, that's urgent and critical that they continue to focus on the future as a positive environment as well.

A

And so, I want to say that all those is fully embedded in the cost to achieve and the synergies and the full business plan. And we have a fully-funded business plan going into this very exciting combination.

Philip A. Cusick
Analyst, JPMorgan Securities LLC

Q

Thanks, Guys.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Okay. Operator unless Phil has five more questions, could we take the next one?

Operator: You bet, sir. We will go next to Simon Flannery of Morgan Stanley.

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Simon Flannery

Analyst, Morgan Stanley & Co. LLC

Q

Thanks a lot. Good afternoon, everybody. Congrats on the deal. I think those are reference to a roaming arrangement. Could you just go into some more detail around that? Does that roaming still kick-in immediately? And maybe you can just summarize some of the financial impacts from that.

And then, on the tower count, the 85,000 towers, maybe if you could just update us on where we stand with both companies today and how you see that rationalizing. I know you looked at the synergies over a three-year period, but a lot of those tower leases go out five, six years and more. So, any color around that would be great. Thanks.

Marcelo Claire

Chief Executive Officer, Sprint Corporation

A

I'll start with the roaming and obviously we are we're excited that

Sprint and T-Mobile have signed this roaming agreement that starts right away and that's going to continue after this deal, and that, obviously, gives Sprint customers access to a T-Mobile network, and, therefore, this is going to be extremely positive for Sprint customers. As it relates to towers and all of that, I'll let John or Neville answer the question.

John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

A

All right. Neville?

Neville R. Ray

Chief Technology Officer & Executive VP, T-Mobile US, Inc.

A

I'll take it, John. Yeah. I don't think we're at a point yet, Simon, where we want to go through specifics on tower counts and what's going to happen and what's not. I mean the bottom line is there are massive synergies as both John and Marcelo outlined in this transaction.

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The ending site counts are enormous too. I mean there's going to be 85,000-odd cell sites here. But in the process as we build this network and prepare it for 5G, there's about 35,000 sites that will be decommissioned and that's the major driver of the synergies that you've seen outlined in the financial plan. Obviously, there's an intent there to rationalize our tower portfolios, as well as all of the other sites we have through the network. But those details will come through in time.

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John J. Legere A
President, Chief Executive Officer, T-Mobile US, Inc.

So, Simon, I mean I think Simon, can I just poke on those because I think it's important. As the teams have been talking, network is a significant component of what we're talking about. So, I would say that John Saw and Neville and teams have spent tremendous amounts of time looking at the network possibility which is important because about \$26 billion of NPV of the synergies, out of the \$43 billion is from network. By the way, 93% of the synergies are OpEx and 7% CapEx. So, you see with very little, if any, revenue synergies, so very hard numbers.

So, if you double poke on what Neville said, there will be at the start about 110,000 macro sites. Of which 35,000 will probably not make it to the final network likely. We've got a lot of work to do, and 10,000 new would be created, and then you ultimately have about 85,000 macro sites and 50,000 small sites. So, it's a massive network with a tremendous amount of planning that's gone into it already. And Neville is just so excited to have this amount of toys to think about. He's speechless.

Simon Flannery Q
Analyst, Morgan Stanley & Co. LLC

John, have you had any chance to run this by Chairman Pai yet?

John J. Legere A
President, Chief Executive Officer, T-Mobile US, Inc.

Marcelo and I did call the Chairman right as we pushed the button on the release. We also spoke with all the FCC commissioners briefly.

Simon Flannery Q
Analyst, Morgan Stanley & Co. LLC

Okay. And any feedback initially?

Marcelo Claure A
Chief Executive Officer, Sprint Corporation

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We commend Chairman Pai because he's been from day one, he's been very public in saying that he would look at any transaction with an open set of eyes, which is definitely a refreshing view from the government.

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A

And I think, as Marcelo said, all of the commissioners have expressed a desire to learn more and to judge what we're bringing forth on the merits. I'm sure they were—they clearly saw our enthusiasm. And you see, it's suffice it to say, after announcing the deal and getting it to our employees and to the media tomorrow, Marcelo and I will be on our way to Washington to talk to everybody who would love to hear the details. A lot to do, but every question that we think is in the best interest of policy in America, is the root of what we plan on doing with this transaction. So, we're very excited about it.

Simon Flannery
Analyst, Morgan Stanley & Co. LLC

Q

Right. Thanks a lot.

Operator: And we'll take our next question from Brett Feldman of Goldman Sachs.

Brett Feldman
Analyst, Goldman Sachs & Co. LLC

Q

Thanks for taking the question in terms...

Brett Feldman
Analyst, Goldman Sachs & Co. LLC

Q

Can you guys hear me?

A

We sure can.

Brett Feldman
Analyst, Goldman Sachs & Co. LLC

Q

Oh, great. So, thanks for the color on some of the changes you plan on making to the network.

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I was hoping we can spend a little bit more in terms of what you're going to add. You talked about getting the 50,000 small cells. I don't know if we know how many the two companies have today, any investment you're looking to make in fiber. And then you didn't talk about concessions in the press release. I'm curious whether you expect that you will be required to make meaningful concessions particularly regarding asset divestitures in order to win regulatory approval. Thank you.

A

Well, I'll toss the ball to Neville to—we dare him to go into the details of the network pieces. If he goes too long, we'll hook him, but it is—he certainly knows the details. I'll just say a point up front. Obviously, we're just starting a process and we've got an awful lot to do. We believe that the merits of this transaction when judge will be judged in an entirely different way. This is about taking America's rightful spot in the 5G evolution cycle. It's about supercharging the work that T-Mobile and Sprint have done.

It's about job creation. And I would say going in, it is our expectation to suggest why this transaction should not be thought about on traditional lines and that the spectrum that we have is an important part of what we need to build the highest capacity network that the country has ever seen and desperately needs. So, the combination of the 600 megahertz and other assets that we have along with the [indiscernible] are critical building blocks of what America needs to deploy to take its rightful place and that's what we're thinking about. That's what we'll be proposing. And, Neville, did you want to talk...

Neville R. Ray
Chief Technology Officer & Executive VP, T-Mobile US, Inc.

A

Yeah. Let me just pick it up. I mean if I can just underline a couple of points that are well both John and Marcelo made. I mean the intent here is to create the mother of all networks. This thing is going to be something unlike anybody seen. And so, we need every ounce of spectrum that the combined assets of the company bring to the table here, that's mid-band assets in LTE today, low-band assets, the millimeter wave assets, and of course the incredible 2.5 gigahertz asset that Sprint has. When you put all that together, you get to this vision and picture that Marcelo walked through of massive incredible increases in capacity, capability and performance. And we spent an incredible amount of time looking at the model, John Saw, myself, our teams, making sure that we can back up these statements in terms of performance, capability, and speed on this network. It's incredibly exciting what we can do.

So, the way we get there, we talked about a massive network—massive macro network with a ton of density, 85,000 sites. The two companies combining those assets is an incredible formula. You compound the benefits of an incredibly deep spectrum position. On top of that, you spill off a lot of capacity and capability.

Brett, you asked about small cells. I think it's safe to say if you exclude DAS today, the small cell count between the two companies is less than 10,000. We would reference or look to that going to about 50,000. But that's materially less than the two standalone companies would have had on small cells, probably half of what the two companies would have looked to build over a rationale timeframe. And why, because we have an incredibly dense and strong and powerful macro network that will avoid the build.

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You also asked about fiber. We're already building fiber into the network on both sides that supports a 5G vision. We're very comfortable with that path forward. And so, we can assemble all of the assets we need: the sites, the backhaul, the spectrum, and deliver a truly incredible 5G experience for the U.S.

Brett Feldman
Analyst, Goldman Sachs & Co. LLC

Q

Thanks for the color. Appreciate it.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Hey, Operator, if we go to the next question, I want to make sure people know, we've got live feeds to both the Sprint and the T-Mobile [indiscernible] Marcelo. So we are seeing all your questions. We will take some back and forth as we take the messages on the phone as well.

I just want to point out to you that the benefit of having this reach out to mass audiences is that the benefit of having this reach to large audiences is you see questions of all types. And as we are now announcing the most historic transaction I believe in wireless in the world, one of the questions that came in that shows you the nature of what people are concerned about is. Nick wrote in a question that said, can you comment on what implications this merger will have on Slow Cooker Sunday? And I want to get to that because it is important. I would like to point out that we'll have zero impact as shown by 10:00 this morning. I made Slow Cooker Kansas City barbecue ribs. So I know you're concerned about that, it will go forward as usual. Hopefully Marcelo will be a guest and we'll make something wonderful.

Okay. Operator, with that, we will go to the next question on the phone.

Operator: Yes, sir. We'll go next to Scott Moritz of Bloomberg.

Scott Moritz
New York Reporter-Bloomberg News, Bloomberg LP

Q

Yeah. Hi. This is Scott Moritz. Question for the team there. Maybe you can help it seems people need some convincing on the jobs front. The large synergy number seems to require some removal of redundant positions as mergers usually do and also redundant network equipment. Yet you say your employee totals are going to go up in the thousands day one. Just want to get a better sense of how that happens.

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John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

A

Yeah. Let me ask Mike Sievert to answer that.

And, Scott, obviously people have a long time to sit on their historically prejudiced questions about the potential of this transaction. So, we know that's an anticipated set of questions along with the others. But let me ask Mike to go through that. In fact if, you'd like him to he can name the individuals by a...

G. Michael Sievert

Chief Operating Officer, T-Mobile US, Inc.

A

Hey, Scott, you're right. I mean this is we're saying this is going to create jobs because we have a pretty integrated plan that's detailed. And right now, as John said earlier, we have about 200,000 people domestically that come to work every day working on Sprint or T-Mobile both direct employees, as well as, kind of in our stores and other locations. About 80,000 of those are full-time employees of the two companies themselves. That's going to grow. Both of those figures will grow every single year, right from year one, and there will never be a year in our planning period where it goes lower.

And that's for a few reasons. Number one, we're going to get right out of the gates with expansions to chase growth. We're going to be hiring business salespeople. We're going to be expanding our retail fleet into rural areas. We're going to be transferring over to the T-Mobile approach to customer care, which is much more domestic, and that creates a lot of onshore jobs. We have new businesses that we're going to be chasing because of 5G. And as Marcelo pointed out a few minutes ago, we're going to spend \$40 billion on this network, which creates engineering and construction jobs nationwide especially in rural locations. There's a \$15 billion cost to achieve this. So, you're right.

Eventually, there are synergies. But what happens is by that time, the company is a lot bigger. And so, a lot of the kinds of jobs that scale with revenues will be kicking in by then, and that's why we can confidently say even when those synergies are being realized, the net amount of jobs will be significantly created greater than the two stand-alone companies.

Marcelo Claire

Chief Executive Officer, Sprint Corporation

A

And this is only direct jobs and now I put my hat, my CTIA hat. And then you start looking at jobs that are going to be created because of the 5G network and implications are enormous. I mean, we're talking that once all U.S. carriers have their 5G networks up and running, you are talking about a total of minimum of 3 million new jobs when new use cases are being created. I don't see any other industry that has the capability to deploy 3 million new jobs in a short period of time.

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So, we have direct jobs that we're creating, but at the same time you're talking millions of new jobs that are going to be created because of the deployment of 5G. And one of the things that we feel really good about it is we plan to invest the \$40 billion in the next three years to deploy our 5G networks. And what's that going to cost is

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obviously our competitors never stand still. And that's also going to accelerate their 5G deployment. And when you do that, more jobs are created, more economic stimulus are created and innovation will remain in the U.S. and I'm sure that with this, we're in the U.S., we're going to take the lead on 5G again

A

So, Scott, I apologize if we've seen schizophrenic on this because we know that as this deal gets scrutinized and reviewed, there are very specific detailed modeling that will be done to prove what's going to happen to the consumer, what's going to happen to jobs. So we're airing here on the side of conservatism and pointing out that it's going to be job created.

When you get into what we truly believe we will have the impact on in America which is causing amongst other things, causing AT&T, causing Verizon, causing Comcast, causing others who are under investing in the future of 5G to respond and invest. That's going to have an impact immediately that you can see as a result of this transaction. And then also as Marcelo said that CTIA has done a good job of defining the size of the price for leadership in 5G and it's gigantic and right now, we're behind.

Right now, China has a lead on the United States in moving towards leadership in 5G. Korea has a lead. That can't happen, and this transaction is a major way that Sprint and T-Mobile know we need to respond together in order to provide that for this country. And we think we can drag the rest of the players, kicking and screaming to the price, which is American leadership in 5G as we had in 4G.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Okay. Operator, I hope you have other questions entire screen is full of messages from [indiscernible] that I'm trying to ignore. So, maybe we have somebody else call again.

Operator: Yes, sir. We do have other questions in the queue. We have our next one, from Jennifer Fritzsche of Wells Fargo.

Jennifer Fritzsche
Analyst, Wells Fargo Securities

Q

Great. Thank you. Great. Thank you for taking the question. Two, if I may. Can you talk about what happens with the networks in the next 12 months? Do the plans stay the same that you both individually announced?

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And then secondly, Neville, you mentioned millimeter wave spectrum. If my math is correct, that's between the two companies you really only have a spectrum of that bandwidth in Ohio. Now there is an auction coming up. Does today's news impact either of your participation in that auction? Thanks.

Neville R. Ray
Chief Technology Officer & Executive VP, T-Mobile US, Inc.

A

You want me to take the millimeter wave first? Let me do that.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

You take that and I'll talk about the auction.

Neville R. Ray
Chief Technology Officer & Executive VP, T-Mobile US, Inc.

A

Yeah. So well, we can do both. So, yeah. Jennifer, thanks for the question. I mean, our millimeter wave holdings today, excluding Ohio, are 200 megahertz across 100 million ports. So, that spectrum is in 7 of the top 10 markets across the U.S. So, we do have millimeter wave assets, both in the company today and, of course, we will leverage those fully in the combined company. So, that piece is strong and solid, and we absolutely believe that millimeter wave deployed in the urban environments is a smart and cool strategy, but, as John outlined earlier on, certainly not one that you would look to leverage across the vast expanse of the U.S. and its 3 million square miles.

A

I think either one of us could answer this and it's a bit of a non-answer, because it's kind of territory we need to wade into. Obviously, each company will be operating itself independently until the transaction is approved. Each company has its own opinion on whether they will participate in the millimeter wave auctions. And pretty clearly, you would expect that everybody in our industry would be highly interested.

There may be rules associated with how this transaction could impact that. And obviously, if the rules of the auction have an impact on our ability to do it, we would likely be looking for a waiver to allow what the country, complete participation if possible as well as our individual abilities to participate as you would expect individual companies waiting for approval would want to do. So, it is an intent. Obviously, we won't be able to share those intents or do it together, but we will be working on the rules of that process to see if we'll be allowed to do so. I hope that answers the question complete enough but it's...

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Marcelo Claure A
Chief Executive Officer, Sprint Corporation

Jennifer, from a sprint perspective, I would tell you that our network just got a lot better. The roaming agreement is significantly better, and it's going to help the Sprint customers. So, we love that, or never could be better. While at the same time, we're going to continue spending the same amount of CapEx that we have predicted, and we're going to continue with the rapid deployment of 5G, and we believe that Sprint will be ready to launch a first mobile 5G network in Q1 2019 that we said in the past.

Jennifer Fritzsche Q
Analyst, Wells Fargo Securities

Okay. Thank you.

John J. Legere A
President, Chief Executive Officer, T-Mobile US, Inc.

Okay. As we move to the next dial-in question, I see one here from Bill Hall which I think is a good one, and I think we can talk about and Mike you can talk about as well. John and Marcelo, you talked heavy on consumer benefits. Is the company going to add competition in the SMB or enterprise market? Now that's a fantastic question because, obviously, amongst the areas that we think need potentially are being left behind, rural is a gigantic one.

Rural America just has not had alternatives to the traditional players of AT&T and Verizon. We plan to change that. Broadband, many players, many customers in America have one choice or no competition. And by the way the business market in the enterprise market AT&T and Verizon have four times that market, and it's just something we significantly plan to change as a huge benefit. Mike do you want to talk about that.

G. Michael Sievert A
Chief Operating Officer, T-Mobile US, Inc.

Well, the dominance that AT&T and Verizon having this market is just proof of how many companies and government entities are just paying way too much for wireless. We're going to change all that. And the capacity of this network is going to make the combined company more competitive than we've ever been. And in anticipating that capacity, we're going to get right out of the gates with a massive hiring spree.

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We re going to be adding 1,000 people to our enterprise group after closing the first 18 months in order to seize the opportunity because we know we will finally have a set of network capabilities that are game changing and

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really able to bring real competition to AT&T and Verizon for the first time, so this is a big part of the strategy going forward.

A

And I would say that Sprint has been a big player in that market. This is a set of capabilities and knowledge that are going to greatly enhance our integrated capabilities here.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Okay. Operator?

Operator: All right. We will go next to John Hodulik of UBS.

John C. Hodulik
Analyst, UBS Securities LLC

Q

Thanks, guys. I guess first for Marcelo. I guess the narrative coming out of the talks last time was that SoftBank and Masa wanted to maintain control of the Sprint asset. What's changed over the last six months to the extent that you guys are now comfortable not having control of the assets?

And then, maybe a couple of thoughts for Neville. How soon from the date of close can you start taking down the Sprint Network and could you talk about how much capacity you're going to need to add to start to bring those customers over? I mean will you have to add capacity in every market or is it just the big markets? Some more color on that would be great. Thanks.

Marcelo Claure
Chief Executive Officer, Sprint Corporation

A

Great. So, it's fair to say that this is Masa's vision back to 2012. I mean when Masa bought the Sprint in 2012, and when at that point in time we tried to do a transaction to merge with T-Mobile that has been in the works since 2013, the combination of these two companies. A lot of people talked about what happened last year. Well, the simple answer is last year we never had a deal. We never come to an agreement, and this has changed.

And I think that the big change of why we were able to do this so fast because this happened real fast from the time John and I engaged and started talking about 5G. It's a very simple rule of business is both companies need each other. The reason why this is going to work is T-Mobile cannot do the 5G strategy without Sprint and the

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Sprint cannot do it without T-Mobile. And those are the best partnership or best mergers ever made is when two parties need each other, and this is why we're here together because neither AT&T nor Verizon have the spectrum or the money in order for us to go build the type of 5G network that we're going to build.

So this was reinitiated by John and myself just having informal discussions and talking about what's the art of the possible, what could this network be. And then, the next question is imagine the products and services that we could bring to our combined customer base and to the new customers are dying for the type of services we want to bring. And then, creating a merger which is going to be job positive.

And lastly, the desire from the government that you hear every time that we want to continue to be the leading country in tech. And when we look at the recent publishing from CTIA that says that the U.S. is leading it's losing its lead to China and to Korea, we decided it was the right time to do it. This was done in record time, it was incredibly friendly, and it's between two management teams that shared a common vision including our owners both SoftBank and DT.

So, we're very happy. We're excited of the rationale. But we're more excited in terms of that I think this is the merger that the regulators are looking for because it meets the criteria of jobs, more competition and a better product for consumers.

A

Thanks Marcelo. John, let me follow up on your pieces on integration and migration. So, I mean job one on these networks is to make sure that we deliver a flawless customer experience for both the Sprint migrating customers and the T-Mobile base. And so, I'll answer your two questions in one go here. So the first job is to really build the capacity on the anchor network to support the migration.

So, what does that mean? On many of the T-Mobile sites, we will obviously be building out the 2.5 gigahertz spectrum. On the sites that will be retained from the Sprint network in the combination, we'll be adding the wealth of mid band in AWS and PCS and so on, and 600 and 700 on to those sites. So, there's a lot of radio work that needs to happen to support the eventual migration path.

Now, if you think about the capability to migrate, there are a large number of customers already in the Sprint network that have compatible handsets with the T-Mobile network. We broadcast to MNCs off the T-Mobile network. The Sprint customers can move very quickly. Time frames, it takes two to three years to complete migration and integration.

But I would point back to Mike's comments and what happened with MetroPCS, there were markets where we commenced migration within two weeks of the close of the transaction. There were others it took us two years. So, it all depends on the size of the migrating base and the pace at which you can drive the integration CapEx into the network.

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We're very, very confident on our track record, on the size and scale of the site decom and so on that's in play here that we can attack this and break the back of it in site three years, if not before. So, we're very confident in the path. In terms of when we would start to decom sites, you start to move into the decommissioning as the final phase, because the last thing that you want to do is obviously drive disruption in the migration customer experience.

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John J. Legere A
President, Chief Executive Officer, T-Mobile US, Inc.

And Neville, I just want to use this opportunity to amplify. Neville clearly has been a very prominent figure in driving our company and part of the definition of where we're heading in the future. But watching Dr. John Saw and Neville together has been something fantastic. The combined knowledge of these two and the cooperative spirit that is looking ahead, I've never seen two such capable people get so excited about the possibilities of what they could do together. And I want to acknowledge John and his leadership and what he's done with Sprint's network capability and how important that knowledge is to what we're going to build together.

Okay. Operator, I fear the next question but go ahead.

Operator: We will take our next question from Walter Piecyk of BTIG. Go ahead, sir.

Walter Piecyk Q
Analyst, BTIG LLC

Good morning or good afternoon, John. How are you doing? And Marcelo. Good to be on a call with Marcelo. Finally.

Marcelo Claure A
Chief Executive Officer, Sprint Corporation

You probably cut in front of the line.

Walter Piecyk Q
Analyst, BTIG LLC

Yeah. You finally let me on, Marcelo. It takes a merger to make it happen. The expectation for the deal to close in the first half of 2019, does that assume or does that include the risk of a suit from the DOJ or would that obviously push the timing out further?

John J. Legere A
President, Chief Executive Officer, T-Mobile US, Inc.

Now I see why you never got to ask questions from Marcelo. No. Obviously well, I did say you know the process. There's many groups, Washington, and DOJ, and state POCs, et cetera, that we can't prejudge. We certainly have complete sets of timelines. We could have been optimistic and say from Q1 to Q2 but we have a

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timeline. But clearly we are not the driver in that. And whatever the process is that's required, we're hoping for a rapid approval process.

We're extremely confident on every piece of how this is going to be judged and the answers that we have. So we certainly are going to accelerate the use of our time to making sure we work through that process. But we're not prejudging any individual group who's going to opine on the deal, what's important to them, and the amount of time that they're going to take.

Walter Piecyk
Analyst, BTIG LLC

Q

Okay. So then going back to Jennifer's question, if this deal does take a year or whatever it is

I think you said you're going to continue to invest in the network. So, if it's a year, year-and-a-half, we're not going to hear anything from SBA or Crown saying like, oh no, Sprint pulling back from the MLA data sign. You're going to invest full-speed ahead and that's not going to impact the synergy number that you've cited.

A

Yeah. We fully taken into account all aspects - yeah, we fully take into account all aspects of the developments in both of our businesses in finalizing the business plan and sizing the synergies, and I think it's been very clear. It's business as usual for both companies until close of the transaction.

Walter Piecyk
Analyst, BTIG LLC

Q

And Braxton, the \$6 billion synergies, you said that was - there was taxes involved. So, what's the EBITDA synergy?

J. Braxton Carter
Chief Financial Officer & Executive Vice President, T-Mobile US, Inc.

A

So, if you go to the slide deck that we posted, 93% of the \$6 billion plus in run-rate synergies is OpEx, 7% is CapEx and the \$43 billion plus is discounted at a rate of 8%. And is tax affected using the new tax reform rates.

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Walter Piecyk
Analyst, BTIG LLC

Q

Okay. Got it. Thank you, and congrats. Good luck with the approval process.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Yeah. And these great questions, and it's certainly that there's two stories here that are important. One is what's important in the country and why this answers the questions associated with the U.S. leadership, competitive threat from China? How the deal has been impacted by the positive nature of tax reform? I mean there's a layer of this from the Trump-led tax reform that has increased the value of this and it will increase our ability to invest as we go forward. There's story about jobs. There's story about competition.

On the other hand, the shareholder impacts, the economics associated with this deal, the size of the synergy, the ability to significantly delever because of the size of the cash flow is a tremendous, a tremendous shareholder story at the same time. And they're not impacted by, as we would say, a period of time that both companies will aggressively run their individual businesses going forward, we've taken all that into account.

So, it's really from all sides, an amazing transaction, which has brought us here together. But thanks for your questions, Walt, and welcome back to calls that involve Sprint.

Operator: And our next question comes from...

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Excuse me, operator.

Operator: Go ahead, sir.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Because, again, there are number of questions coming in and Roger Cheng, if you just roll this one up a little bit, I think he s that way. Okay. Roger, who we ll be talking to later today, hey, John Legere, Mike Sievert, Neville Ray. He sort of reached out to everybody, figuring one of us would take it. I just want to point out, Roger, it was me of that group that listened to you.

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How do you plan on getting the U.S. to that 5G leadership position, when you'll be dealing with the network integration and getting approvals with that deal? Will the merger process slow the move to 5G? Neville?

Neville R. Ray
Chief Technology Officer & Executive VP, T-Mobile US, Inc.

A

Yeah. Let me kick this off and I'll ask John Saw to say a few words, too. I mean, one thing is kind of buried in the discussion here. So, we move forward and we drive this major investment into this combined network. Think about every dollar here is going to be a 5G dollar, Roger, right? So, we're blessed in terms of timing on this transaction, whereby we can now deploy and we are deploying 5G capable equipment.

So, that's where the money is, it's in the hardware, it's in the placement of that hardware on the site. So, you think about timing on this transaction.

And if we're into 2019 and we're rapidly deploying integration—deploying integration of the two companies, we will be deploying 5G-capable gear with software by that time at a pretty furious pace. And so, the integration presents an incredible opportunity for the combined business to drive accelerated investment of the pace that neither of us could do on our own, as Marcelo mentioned, into the 5G opportunity. You look at handsets and capabilities, we've both got strong plans on that front. And so, 5G is coming in 2019 in a material way as standalone businesses, but when you think about what we can do from a combined perspective it's even more exciting. John, you want to say a few words on it?

A

Yeah. So to build on that point, one of the ways to move fast in 5G that we are already working on is a technology called Massive MIMO. And with Massive MIMO, we are able to actually upgrade existing towers so you don't need to look for new sites and new towers. Saves you a lot of time in acquisition and zoning. And with Massive MIMO, we're upgrading existing 2.5 sites and using Sprint now in able to basically simultaneously broadcast LTE and 5G at the same time.

So, you kill two birds with one stone. There's cost efficiency. And more importantly, that's also time efficiency as well. We can move really, really fast. So, that technology will be used in the combined company, and that's one of the ways that we can move fast by upgrading the combined towers. And many of the 5,000 towers will have Massive MIMO capability that will allow us to cover big territories with 5G.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Okay. All right operator next one.

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Operator: Our next question comes from Mike Rollins of Citi. Go ahead, sir.

Michael I. Rollins
Analyst, Citigroup Global Markets, Inc.

Q

Hi. Thanks for taking the questions. What are each of you experiencing within your results from the bundling of over-the-top video services? I realized you've only been doing that for some time. And how do you view the importance of these types of bundles as you look at the prospects for the pro forma company?

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Well, first of all, I'll say what we're experiencing in our results we'll both report next week and not today, hopefully. And, Marcelo, you start.

Marcelo Claure
Chief Executive Officer, Sprint Corporation

A

I think we both entered this merger with great momentum, I mean I think if you follow with Sprint, we've been quarter after quarter delivering record financial results. So, it's nice to go into transaction at this having positive momentum. We're looking forward to having our earnings at the later part of this week and been able to share with all of you. But definitely, the momentum continues and we expect this strength to continue. And when you look at between these two companies, we've pretty much taken a big part of the growth over the last few years.

A

Just to add on to the question of OTTs specifically. The fact that both of us each independently chase this opportunity should tell you something. That was a key part of John's remarks a few minutes ago. These markets are converging. All content in communications of all kinds are moving to the Internet. The Internet's moving mobile. People are consuming more and more and more media on mobile devices and the question is will mobile networks reach a place where they can truly bring real competition to wire line broadband especially in rural markets. And that's one of the things we're so excited about with this combination because we finally can.

This network has the capability and not just to be a wireless network but to carry your video signals wherever you may go including rural markets and right into your house and be a true alternative in the long run to a market that's been left behind for too long by companies that just wouldn't serve those areas in rural markets. So, that's an exciting aspect of this. And the fact that we're bundling these things in, it just shows how ready consumers are

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to consume media using mobile connections and eventually to consume media in their house using mobile connections.

Michael I. Rollins
Analyst, Citigroup Global Markets, Inc.

Q

Thanks very much.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Operator?

Operator: We'll take our next question from Amir Rozwadowski of Barclays. Go ahead.

Amir Rozwadowski
Analyst, Barclays Capital, Inc.

Q

Thank you very much and good afternoon, folks. Two questions if I may. First, we talked a bit about sort of no change to the spending strategies for either company. But how should we think about our potential change in the go-to-market strategies by the companies at the moment? If we think about opportunity to continue to gain share and things along those lines, that would be helpful.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

So in the short run, we got to remind everybody that we continue to be independent companies, even though right now we're here together or employees out there competing and trying to bring T-Mobile customers into the Sprint network, and I imagine vice versa. So, nothing is going to change. Now when you move forward in the new company, I'm going to let Mike Sievert take the answer of how would the new company going to operate. And I think I just think he's going to have a remarkable set of assets to put together, a remarkable set of brands in order for us to continue to take on the competition.

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G. Michael Sievert

A

Chief Operating Officer, T-Mobile US, Inc.

As John said a few minutes ago, I mean everything about this operational plan hinges on the network. And what's interesting is one of the big questions everybody will have of all of us is will this combination result in more competition or less competition. Will it result in lower prices or higher prices? And I'll tell you, we have a detailed operational plan and we intend to bring it to AT&T, Verizon, Comcast and others.

This network has an unprecedented explosion of capacity and what capacity allows you to do is compete. And so, this competition is going to result in lower prices for Americans. And by the way, probably not just for this new company. It will probably result in lower prices for customers of Verizon, AT&T, Comcast and others as well. And we've fully anticipated all of that effect in the synergy numbers that we've given you because we know that this competition will result. We're going to be the ones that bring it. And even so we'll be able to achieve the kinds of cash flow outlooks and synergy achievement that we shared in the deck today.

John J. Legere

A

President, Chief Executive Officer, T-Mobile US, Inc.

I think it's well, first of all, I want to acknowledge in addition to those of us that have spoken

that Michel Combes who has been driving things with Marcelo at Sprint is here and I'll let him speak up with you. Anything you want to say, Michel?

Michel Combes

President & Chief Financial Officer, Sprint Corporation

I'm fine. Okay. If we got any question other questions.

John J. Legere

A

President, Chief Executive Officer, T-Mobile US, Inc.

Okay. Now, what's important is, again to your point and we're very comfortable with this, part of what I believe we respect in each other is the way we attack the market and the way we go to market aggressively, and we fully expect both parties to leave here today and for the foreseeable future to go continue to do that.

It's important to note that we spend, both companies, most of our time going after the duopoly, and attacking that market. And frankly one of the biggest commitments that we have here together is not only that starting tomorrow until this deal is done we'll continue to each independently do that, but the commitment is when we come together we will not only continue to do that in the United States, we'll double down even more.

So, what you come to expect from T-Mobile and from Sprint you'll continue to see tomorrow and when we come together you can expect to see that even greater. That's part of what we want to do. A lot of times people worry in deals about lessening competition. This is going to be about causing even more competition than this country has ever seen, and that's exciting.

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And I'm sure we'll continue to. Marcelo and I will probably be attacking each other on Twitter tomorrow afternoon just to keep up the spirit.

And John, for consumers listening, the same thing is true on the product and services side. We're seeing questions across Twitter here for both handles. There are Sprint customers out there asking is this going to be okay because I picked Sprint on purpose, not T-Mobile, and vice versa. And I'll tell you, whatever your perception is of the T-Mobile network and whatever your perception is of the Sprint network, this new thing that we can create together is completely unprecedented, better than anything AT&T or Verizon can bring in the next few years and better than anything either of these two companies could have done individually. So, it's not just about pricing. The service we're going to be able to provide on this combined network will be unprecedented, and our customers are going to love it.

A

I'll just add an important point. We have—we, together, have—remember, it is a very good point, Mike. We have Boost customers, Metro customers, Virgin customers, Sprint customers, T-Mobile customers that are sitting there wondering what does this mean to me. And we can emphatically say for every one of them, this is good, this is a great future, and we've got that in mind. It's an incredible portfolio of friends and employees and customers that we greatly respect, and we don't prejudge what we're going to do with those.

So, when you hear that the company will be called T-Mobile, don't jump to conclusions as to what it is we're going to do. We are—we are humbled by this group of brands and customers that we have. And if you know, when we merged with MetroPCS, we have—since five years ago in the merger, we have twice as many Metro customers as we did and three times as many employees, right. So, we have a track record of respecting and integrating in using brands and customers in a great way.

A

And John, one last word on competition. Another reason why we're sharpening our pencil here is that we know that this market has changed. New entrants have rushed into this market to compete with us. This is long since passed, no longer a four-player market.

Comcast last year took more net adds as John said earlier than AT&T and Verizon combined. They're now more than 0.5 million. Charters coming in. Others may as well. So, things have changed dramatically and that caused us one thing, it causes us to make sure that we prepare a set of services that are extremely competitive in this rapidly converging market.

Amir Rozwadowski
Analyst, Barclays Capital, Inc.

Q

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Thank you very much. Just one quick follow-up if I may. If I think about this merger, obviously, you've got two very influential global parents involved. How much opportunity set is there to bring in some influence from either

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Deutsche Telekom or from SoftBank into creating some of these new services and new opportunities, given some of the portfolio of companies under the umbrella there?

A

Yeah. So, I'm going to wear my hat off as a SoftBank board member and I can share massive vision here that we cannot be more excited in order for this merger to occur and all of our affiliates or portfolio companies share the same vision that we work very well among affiliates in terms of continuously looking for synergies and ways to work together.

And I think as this company builds the type of best network it's going to build, I think this is going to be great because this is what's going to enable finally autonomous cars, drones, AR, VR. And if you look at SoftBank, that's where we're making investments. So, we look forward as SoftBank to work with the combined company in the coming years.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

I think that's a great question and something that we want to point out, that as we look at the synergies and the value that we've put forth, it's specifically not there not because it's not there, but because we're keeping this very concrete on the things that we can do.

Now, Marcelo's talked about his and Masa's vision. And certainly, to have this kind of a capability created, which is in some ways the core and the anchor of so much of what SoftBank and others are investing around, this is a necessary innovation engine for that. And 5G is going to drive so many of these things. So, we're not pointing specifically to what that value is but it could be one of the biggest components of an innovator like SoftBank is of what's necessary for them to continue to invest and to get value out of those investments, so a good question. Thank you.

Okay, operator?

Operator: Our next question comes from Jonathan Chaplin of New Street Research. Go ahead.

Jonathan Chaplin
Analyst, New Street Research LLP (US)

Q

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Thanks guys. I'm joining very late, so my apologies if these have been asked. In fact, I'll just rip through a quick laundry list of questions and you can ignore the ones that have already been asked. So, first of all I would love to just get some more color on what you see as the addressable market for fixed wireless broadband. It sounds like you see opportunities in rural markets, urban markets. It sounds like it's pretty close to nationwide.

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And Neville, I'm not sure if you've already given some color on what you think is required in terms of fiber investment to support that business model. But that would be great to understand. And then for Braxton, I was horrified to see leverage going down to zero over time. We love the capital return program that you've put in place at T-Mobile. Would love to hear your thoughts on how that evolves.

And then finally, I guess also for Neville, spectrum divestitures, are you expecting any? And how if there are divestitures required, how that might impact the synergy and value realization plan?

And then finally, finally, congratulations for getting this deal done. It's fantastic. I think both sets of shareholders should be really happy.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Well, since you were nice at the end, why don't we go back to the beginning and just go through our comments, so that you can just kidding. And you can go back and listen, we're pretty clear on why we think that the traditional look at divestitures is not the way this deal should be looked at and not something we anticipate. We do understand all the value creation options and we've certainly looked at it.

On your question to Braxton and leverage, I'd just point out, the operative word in your statement was theoretical, but it is great to see, but it raises an opportunity point. I think we'll come to fiber, if it's something you want to say about it. But I think maybe, Mike, I think the operative word was fixed wireless broadband was probably not a way to look at it, but maybe you can talk about it.

G. Michael Sievert
Chief Operating Officer, T-Mobile US, Inc.

A

You're right. It's so interesting. I mean, there's a huge opportunity to just take on broadband and areas that has been such an uncompetitive market and consumers have had so few choices. That's about to change and for two reasons. Number one, wireless customers are going to grow in terms of the number of customers that use wireless only. Today, that's been rapidly growing, it's a double-digit now, people whose only broadband connection is wireless, but the capabilities of this network, that's going to grow rapidly.

Number two, the network will have such capabilities that yes, some people will use it for their household connections

And think about this, we said that the speed in the near term with our concrete plan, the average speed would be 15 times what we have today. Now, you know our average is already over 30 megabits per second. That means we're putting together a network that will have 450 megabits per second average nationwide speed. Not peak speed in a few sporadic parts of a few communities like AT&T and Verizon are going to do, but nationwide on average. And, of course, 450 megabits per second is something that's competitive for home Internet connection. So, that's going to

be an exciting opportunity.

Okay. I think we have a couple more questions. Operator, let's go to the next one.

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Operator: Sure. Our next question comes from Matt Niknam of Deutsche Bank.

Matthew Niknam
Analyst, Deutsche Bank Securities, Inc.

Q

Hey, guys. Thank you for getting me in. Congrats on the deal. Just two quick ones, just given most of my questions have already been answered. One, how does the merger affect the MVNO agreement Sprint's put in place with Cox and LTEs. And then I guess bigger picture, are there bigger wholesale opportunities contemplate as you are given a significant capacity the pro forma network would have?

And then just second one for Braxton. There was no real I didn't see it, at least, in the call comments around TMO benefiting from Sprint, but I would assume that would may be push out further timing for cash tax payments at the pro forma company then, if you could provide any clarity. Thanks.

A

As it relates to Sprint's LTE and Cox agreements that we have is business as usual. I mean, we continue to deploy small cells across both LTEs and Cox areas, and we've got in phenomenal result. And that suggest another tool kit as it relates to deploying a network and it is a very important tool kit for us and is potentially part of the new network plan that's going to be determined when these two companies combined.

A

J. Braxton Carter

Chief Financial Officer & Executive Vice President, T-Mobile US, Inc.

Yeah. On the tax situation, NewCo will not be significant tax payer until 2025, and the charts that we have in there reflect that, but it just shows the power of the mass of cash flow generation, which is going to drive value for shareholders and more importantly is going to allow us to supercharge our competitive position here in the U.S. with lower prices. But a very good tax will go into [indiscernible] in more detail later.

A

I think to your point, Brax, just to amplify, tax reform has had an impact.

A

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J. Braxton Carter

Chief Financial Officer & Executive Vice President, T-Mobile US, Inc.

A big impact.

It has a positive impact and it's going to have a positive impact as to what we're going to do going forward, and I think that's important. There've been kind of mixed reviews in my opinion of what major corporations have started to show what their intent is about tax reform, and I would just say, our plan as amazing as they are, have a component in them that is accelerated by this tax reform. So, Mike, do you want to talk to this?

G. Michael Sievert

Chief Operating Officer, T-Mobile US, Inc.

A

Yeah. Lastly on wholesale, pretty simply, the two companies when you combine them up have nearly 30 million connections through wholesale partners. And speaking for the T-Mobile side, these are very strategic partnerships that we value highly and I think there's a huge opportunity to the premise of your question, to continue to serve partners in the years ahead with this high-capacity network.

Matthew Niknam

Analyst, Deutsche Bank Securities, Inc.

Q

Got it. Thank you.

John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

A

Okay. We have two more. That's an interesting point, Mike, because I think one of the things that we didn't really crank through is the new company has 127 million customers in pro forma and 70 million branded postpaid customers and 30 million branded prepaid customers, and if you keep in track the 100 million branded customers, it makes us

immediately from the start a sizable competitor to Dumb and Dumber who really could use that as the country code as well. Okay. We have two more. What would a call be without inserting at least one statement about the duopoly. Okay. We've got two more questions. Operator?

Operator: We'll go next to Mike McCormack of Guggenheim Securities. Go ahead, sir.

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Mike McCormack
Analyst, Guggenheim Securities

Q

Hey, guys. Thanks. I'm sorry if I missed this, guys, but with respect to the dual headquarters, what's the industrial logic around that? And then, as we think about the market overall, there's been a thesis out there on market repair. It sounds like we don't need to go in the other direction, meaning more aggressive pricing perhaps.

And then lastly, just for Mike, just on the Sprint subscriber basis. When you look at that base, how does it differ from T-Mobile? Does it change your go-to-market strategy at all as you try to integrate the two customer bases? Thanks.

A

Yeah. Let me take the first question. I think it's sort of a no brainer for me. Two great companies are coming together and they have two fantastic headquarters locations, two amazing communities for people to work, two great labor forces, and two great places to attract more talent. So it's just—it's a complete no brainer that this company will be anchored around two major headquarters locations, the energy and the talent of the people there.

And again, as we've gotten to know the two companies, certainly Seattle is known as a great place to live and work. Headquarters of Sprint is a fantastic place that we've seen to attract talent, place to live. And so, core this company is going to be both locations anchored with the teams that are there. So, I couldn't be more emphatic about that. Did you want to go? Was there a second part to that?

A

There was a question—the second question about the two customer bases. Yeah. This is really an exciting opportunity for us. I mean, essentially, as I said in my remarks, first of all, 20 million of the Sprint customers already have handsets that are completely compatible with the T-Mobile network. So, the task of bringing these two networks together is made simpler by the fact that technology has advanced in recent years including every single recent iPhone from the last few years being completely compatible with each other's networks. Huge opportunities for us.

The Sprint customer base has a higher ARPU than T-Mobile. It has a different profile in many ways. And I think as we bring these two customer bases together and serve them with an unprecedented network capability, they're just going to be very appreciative. And we're planning on seeing over the years, because of these unprecedented network capabilities, churn rates in both customer bases fall in the years to come and that's an exciting opportunity as well.

A

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Okay. And...

Mike McCormack
Analyst, Guggenheim Securities

Q

Yeah. Just Mike, just a...

G. Michael Sievert
Chief Operating Officer, T-Mobile US, Inc.

A

Go ahead.

Mike McCormack
Analyst, Guggenheim Securities

Q

Sorry. Just a follow-up, Mike, I'm thinking about like the customers that may have been attracted to Sprint on like the free deal. Does that cohort concern you at all as you think about integrating the bases? Obviously, it could be over by the time this deal is closed, but just the kind of customers that have been attracted to that type of offering.

G. Michael Sievert
Chief Operating Officer, T-Mobile US, Inc.

A

The short answer is no. And you might not be surprised, this was a subject of quite a bit of discussion in our diligence. And if anything, we see upside there. This is something that we learned a lot by listening to the team during diligence. And I came to the conclusion, among other things, that the CRM capabilities on the Sprint side are super impressive. The ability to understand every customer, the experience they're having, and make sure that they remain on an offer that's appropriate to them is something that's gotten Sprint this far. And I'd love to learn more about it, but we were very impressed with those set of capabilities.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

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And as we've got the last question, I would say on that point, part of your question was those kinds of customers, and I would say those kinds of customers that Sprint has are the same kinds of customers that have been attracted to T-Mobile, somebody looking for a competitive alternative at a good price and value proposition. And

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we will certainly find that there will be a great integration of them as well as we assume significant amounts of customers from the duopoly.

Now, I'm going to say this. We're going to go to the last question. I do want to acknowledge, there are a huge number of questions we didn't get to on social and on the call. I apologize for that. We are going to use all the input that's coming on social as a way to really kind of deep dive on the questions that people have. But we are going to go to the last question on the call since it is Sunday afternoon. Operator?

Operator: And that question comes from Ric Prentiss of Raymond James. Please go ahead, sir.

Ric H. Prentiss

Analyst, Raymond James & Associates, Inc.

Q

Yes. Thanks, guys. It's really an exciting combination, a lot of potential. Two quick questions for Braxton. You had mentioned obviously no dividend or stock buybacks while we're going through this. You'd also in the past mentioned that you might be interested in tuck-in acquisitions. I assume it becomes the major focus in any tuck-ins are probably off the table?

J. Braxton Carter

Chief Financial Officer & Executive Vice President, T-Mobile US, Inc.

A

So, it kind of gets to the question that came up earlier. The slide that we have taking the leverage to zero is just really aspirational. What you need to think about is we've got a fully funded business plan. And once we get through the cost to achieve unlock the synergies and with the scale benefits, we're going to have massive flexibility to invest in adjacencies, new businesses, look at our shareholder return policies, et cetera. So, the short-term number one job is the network and getting the network done and putting our great companies together and the optionality is going to be wonderful going forward.

John J. Legere

President, Chief Executive Officer, T-Mobile US, Inc.

A

And I guess, Ric, as we wrap up, listen, if you look at the reason we're doing this, what's going to be created, what the pre-cursor customer requirements are that we're moving towards, and then you look at obviously we attack this, we get approval. We go toward the integration. You saw the financials that have resulted. Two things are clear. Those financials will allow us to continue to do things to broaden what customers want and customers' requirements will continue to change.

So, the organic and inorganic evolution of this new company once put together is going to continue. So, I don't want to start stating the future as to what's going on. But if you think that these two companies will successfully come together and that's the end, it's certainly not the plan or the

expectation that we have. I'll focus on getting it approved and integrating and then continuing to create what customers want and need in the United States.

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All right, is there some summary gratitude we're going to say here or we just operator, thank you for your patience. Everybody, thanks for joining us. This is clearly just the start of a long conversation that we're going to have about why this is great. Marcelo, I'll turn to you for the end.

Marcelo Claure

Chief Executive Officer, Sprint Corporation

Thank you, John and thanks to the Sprint team and the T-Mobile team. It has been remarkable to work along the last few weeks together and putting this [indiscernible] on the portfolio together on the day that we committed to put it together. It's been a little hard work, but now phase 2 begins. We're just getting the regulatory approval which we feel very confident and then the fun part which is integration and all the synergies that we're going to put together.

I'm going to repeat what I said, the reason why us at Softbank and Sprint are so excited is that there are very few mergers in history that you're actually going to go build the world's best product, you're going to create new jobs,

and you're going to offer lower prices for consumers, so thank you.

John J. Legere
President, Chief Executive Officer, T-Mobile US, Inc.

A

Okay. Everybody, thank you very much.

Operator: Ladies and gentlemen, this concludes the T-Mobile Sprint merger announcement conference call. If you have any further questions, you may contact the Investor Relations or Media department. Thank you for your participation. You may now disconnect, and have a pleasant day.

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The following is a transcript of an announcement video featuring John J. Legere (JLL), President and Chief Executive Officer of T-Mobile US, Inc., and Marcelo Claure (MC), Chief Executive Officer of Sprint Corporation, made in connection with the transaction:

JLL

Hey everybody! I'm back!

You know what these videos mean - it means I have big news to share!

MC

Actually - this time WE have big news to share!

That's right. John and I are here together to share some incredibly important news for consumers and businesses across the country.

JLL

Today, we're announcing that T-Mobile and Sprint have reached a definitive agreement to come together and form a new, stronger company.

A company that will supercharge the Un-carrier strategy and create robust competition and lower prices across wireless, video and broadband. A company that will create thousands of new American jobs and the ONLY company with the capacity to quickly create a broad and deep nationwide 5G network.

So, Marcelo and I wanted to talk to you about what this all means.

MC

That's right, John. This is very important. Because 5G is coming.

And what happens in the first few years of a new technology is crucial.

Look at 4G. The US led early with broad deployment. And that gave a generation of American innovators and entrepreneurs the opportunity to build services at scale.

Analysts estimate that America's early 4G leadership added millions of jobs in this country and billions in US GDP. And in 5G, the stakes are even higher. Just to put this in perspective, the difference between 4G and 5G is the difference between black and white TV and color TV.

JJL

Global tech leadership for the next decade is at stake. And only The New T-Mobile will have the network and spectrum capacity to quickly create a broad and deep 5G network in the first few years of the 5G innovation cycle, the years that will determine if American firms lead or follow in the 5G digital economy. Listen, only T-Mobile and Sprint can do this together. We can't do this separately. And neither can Verizon or AT&T nor any of the other new players. In fact, for Verizon and AT&T to build a truly nationwide 5G, they either have to kick customers off LTE which would take years. Or build on their millimeter wave spectrum which, get this, would cost roughly 1.5 trillion dollars to cover the US nationwide. No one company has the

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breadth and depth of clear spectrum truly required to do this quickly except New T-Mobile. With Sprint's incredible 2.5 GHz spectrum, T-Mobile's nationwide 600 MHz and our other combined assets, together, we will build the highest capacity mobile network in US history. With 30X more capacity than T-Mobile today and speeds that are up to 100X faster. This is the kind of network needed to fuel the next wave of mobile internet innovation in the United States. And unleash the next generation of mobile internet super stars in the US just like we saw happen when 4G took off years ago! It is critically important that America and American companies lead in the 5G era. This will result in huge economic stimulus for the United States.

MC

And 5G will mean the combined company can create robust competition in wireless and beyond. Because in reality, this industry is no longer just 4 wireless companies.

Industry lines are blurring and wireless, video and broadband they're all converging. AT&T is now the #1 TV provider in this country. Comcast entered wireless last year and added more postpaid phone customers than AT&T and Verizon combined! Charter is launching Spectrum Wireless this year. And more than 1 in 10 Americans already uses wireless as their only internet access. They have no home broadband at all. It's not the big 4 any more, it's the Big 7 or 8.

JJL

That's right, and when it comes to 5G, it is not even a Big 7 or 8, it's about zero to one, and creating the one company that can build a 5G network America needs in the early formative years of 5G. We plan to compete aggressively in this converged marketplace. Because this combined company will have the scale and resources to bring real competition and unmatched value across the United States and drive down prices especially in rural America, for businesses and government customers, and in broadband. Did you know that the latest FCC figures from 2016 show that 51% of Americans have only 1 option for their broadband provider?

With nationwide 5G, we can end that and bring real competition and lower prices everywhere. And nowhere is that more important than rural America. In many of these communities, they already have very limited wireless choices usually between Dumb and Dumber or a myriad of other regional and MVNO players. We will change all that. We'll build hundreds of stores and hire thousands of people to compete in rural America. And that's going to create more choice and competition for millions of Americans in rural communities.

MC

And when it comes to business wireless, Verizon and AT&T have 4X the number of business and government customers than we do together. That's a lot of businesses and governments paying too much for too little in wireless, and together, with Sprint's enterprise capabilities and the new company's combined resources, we can

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create a real alternative and give businesses and government customers real competition. And, the new company plans to hire more people to help us compete here, too.

JJL

Yep. And that is another reason this deal makes so much sense. Jobs! Let me be clear here: The New T-Mobile will create thousands of jobs. From Day 1 and every year thereafter, we will employ more people than Sprint and T-Mobile do separately. This deal is a net creator of jobs. Period! Don't take my word for it. We have a track record here. Five years ago, almost to this day, we merged with MetroPCS. Back then, people said it was bad for jobs, but fast forward to today, and 3X the number of people work on MetroPCS. That is our track record on job creation.

MC

And on top of that, the combined company will invest approximately 40 billion dollars in the business over the next three years. That is going to spur a huge wave of investment and economic stimulus, leading to the creation of thousands of new jobs. Plus, we'll put more pressure on all of the competitors to invest more across wireless, video and broadband to try to keep up and do better for consumers. So, this deal will create thousands of new jobs in the short term. And drive the broader economy across the country in the longer term.

JJL

This is an exciting day. I can't wait to bring the ultra-talented Sprint and T-Mobile teams together. If there's one thing I've learned about the Sprint team in the last five years, it's that they don't stop either. They keep fighting and pushing. And I have a lot of respect for that. And can you imagine what kind of competitive force these two teams will be together? Verizon and AT&T and Comcast and the others better watch out!

MC

Because We Are Coming

JJL

And We Won't Stop!

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Important Additional Information

In connection with the proposed transaction, T-Mobile US, Inc. (T-Mobile) will file a registration statement on Form S-4, which will contain a joint consent solicitation statement of T-Mobile and Sprint Corporation (Sprint), that also constitutes a prospectus of T-Mobile (the joint consent solicitation statement/prospectus), and each party will file other documents regarding the proposed transaction with the U.S. Securities and Exchange Commission (the SEC). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE JOINT CONSENT SOLICITATION STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. When final, a definitive copy of the joint consent solicitation statement/prospectus will be sent to T-Mobile and Sprint stockholders. Investors and security holders will be able to obtain the registration statement and the joint consent solicitation statement/prospectus free of charge from the SEC s website or from T-Mobile or Sprint. The documents filed by T-Mobile with the SEC may be obtained free of charge at T-Mobile s website, at www.t-mobile.com, or at the SEC s website, at www.sec.gov. These documents may also be obtained free of charge from T-Mobile by requesting them by mail at T-Mobile US, Inc., Investor Relations, 1 Park Avenue, 14th Floor, New York, NY 10016, or by telephone at 212-358-3210. The documents filed by Sprint with the SEC may be obtained free of charge at Sprint s website, at www.sprint.com, or at the SEC s website, at www.sec.gov. These documents may also be obtained free of charge from Sprint by requesting them by mail at Sprint Corporation, Shareholder Relations, 6200 Sprint Parkway, Mailstop KSOPHF0302-3B679, Overland Park, Kansas 66251, or by telephone at 913-794-1091.

Participants in the Solicitation

T-Mobile and Sprint and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of consents in respect of the proposed transaction. Information about T-Mobile s directors and executive officers is available in T-Mobile s proxy statement dated April 26, 2018, for its 2018 Annual Meeting of Stockholders. Information about Sprint s directors and executive officers is available in Sprint s proxy statement dated June 19, 2017, for its 2017 Annual Meeting of Stockholders, and in Sprint s subsequent reports on Form 8-K filed with the SEC on January 4, 2018 and January 17, 2018. Other information regarding the participants in the consent solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint consent solicitation statement/prospectus and other relevant materials to be filed with the SEC regarding the acquisition when they become available. Investors should read the joint consent solicitation statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from T-Mobile or Sprint as indicated above.

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No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

Cautionary Statement Regarding Forward-Looking Statements

This communication contains certain forward-looking statements concerning T-Mobile, Sprint and the proposed transaction between T-Mobile and Sprint. All statements other than statements of fact, including information concerning future results, are forward-looking statements. These forward-looking statements are generally identified by the words anticipate, believe, estimate, expect, intend, may, could or similar expressions. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed transaction, including anticipated future financial and operating results, synergies, accretion and growth rates, T-Mobile's, Sprint's and the combined company's plans, objectives, expectations and intentions, and the expected timing of completion of the proposed transaction. There are several factors which could cause actual plans and results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, the failure to obtain, or delays in obtaining, required regulatory approvals, and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed transaction, or the failure to satisfy any of the other conditions to the proposed transaction on a timely basis or at all; the occurrence of events that may give rise to a right of one or both of the parties to terminate the business combination agreement; adverse effects on the market price of T-Mobile's or Sprint's common stock and on T-Mobile's or Sprint's operating results because of a failure to complete the proposed transaction in the anticipated timeframe or at all; inability to obtain the financing contemplated to be obtained in connection with the proposed transaction on the expected terms or timing or at all; the ability of T-Mobile, Sprint and the combined company to make payments on debt or to repay existing or future indebtedness when due or to comply with the covenants contained therein; adverse changes in the ratings of T-Mobile's or Sprint's debt securities or adverse conditions in the credit markets; negative effects of the announcement, pendency or consummation of the transaction on the market price of T-Mobile's or Sprint's common stock and on T-Mobile's or Sprint's operating results, including as a result of changes in key customer, supplier, employee or other business relationships; significant transaction costs, including financing costs, and unknown liabilities; failure to realize the expected benefits and synergies of the proposed transaction in the expected timeframes or at all; costs or difficulties related to the integration of Sprint's network and operations

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into T-Mobile; the risk of litigation or regulatory actions; the inability of T-Mobile, Sprint or the combined company to retain and hire key personnel; the risk that certain contractual restrictions contained in the business combination agreement during the pendency of the proposed transaction could adversely affect T-Mobile's or Sprint's ability to pursue business opportunities or strategic transactions; effects of changes in the regulatory environment in which T-Mobile and Sprint operate; changes in global, political, economic, business, competitive and market conditions; changes in tax and other laws and regulations; and other risks and uncertainties detailed in T-Mobile's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and in its subsequent reports on Form 10-Q, including in the sections thereof captioned "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements," as well as in its subsequent reports on Form 8-K, all of which are filed with the SEC and available at www.sec.gov and www.t-mobile.com, and in Sprint's Annual Report on Form 10-K for the fiscal year ended March 31, 2017 and in its subsequent reports on Form 10-Q, including in the sections thereof captioned "Risk Factors" and "MD&A Forward-Looking Statements," as well as in its subsequent reports on Form 8-K, all of which are filed with the SEC and available at www.sec.gov and www.sprint.com. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties that may cause actual results to differ materially from those expressed in or implied by such forward-looking statements. Given these risks and uncertainties, persons reading this communication are cautioned not to place undue reliance on such forward-looking statements. T-Mobile and Sprint assume no obligation to update or revise the information contained in this communication (whether as a result of new information, future events or otherwise), except as required by applicable law.

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The following is a transcript of an employee announcement video featuring John J. Legere (JLL), President and Chief Executive Officer of T-Mobile US, Inc., and Marcelo Claure (MC), Chief Executive Officer of Sprint Corporation, made in connection with the transaction:

JLL

Team, we've got some awesome news to share that will benefit you and our customers and take the Un-carrier revolution to a whole new level. T-Mobile and Sprint have reached a definitive agreement to come together to accelerate the Un-carrier strategy and form a new, stronger company which will be called T-Mobile. This transaction is about creating robust competition in the 5G era and quickly delivering the first nationwide 5G network with the capacity and performance to ensure America's leadership position in the digital era and keep kicking the competitors' asses! The New T-Mobile supercharges the Un-carrier strategy, creates thousands of new American jobs, and importantly, only The New T-Mobile will have the capacity to quickly create the first broad and deep nationwide 5G network. When it comes to 5G, this is about going from zero competitors in the market to one... us! Millions of Verizon and AT&T customers would need to be kicked off LTE to roll out nationwide 5G, which would take them years! It would cost them 1.5 trillion dollars to cover the continental United States with millimeter wave and they'd have to build 6 million sites to do it. That ain't happening anytime soon. I told you last fall that we didn't have to do any deal we didn't feel good about. Well, this is a great deal for you, our company, and our customers. So, we'd be called T-Mobile. Our color will be magenta. Of course, I will be the CEO, and I'm thrilled to share that Mike Sievert will be the president and chief operating officer of New T-Mobile.

MS

Thanks, John. I am fired up about what's to come. It's totally unprecedented. We're going to build a network with more capacity and capability than any in history. The New T-Mobile will be the first company with a broad and deep nationwide 5G network and it's going to be a game changer. Our new supercharged Un-carrier will take on the big guys across wireless and cable like never before. That means better services and lower prices for the long haul because we'll finally have the scale required to compete at a whole new level. Especially in rural America, for businesses in government and in broadband. So many parts of this country have been left behind for far too long and that's about to change. Our team will be equipped better than ever before to compete both in wireless and in the rapidly converging services we'll enter. If our competitors thought we'd fought hard before, just wait until they see what the supercharged Un-carrier does.

JLL

That brings us to another reason this deal is so great. Jobs! Contrary to what some who comment on our deal may say, I'm here to tell you that The New T-Mobile will create thousands of new jobs. We'll expand customer service call centers creating new American jobs. I can't wait to expand our world class care to Sprint customers.

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We'll build hundreds of new retail locations where previously neither T-Mobile nor Sprint existed. And we'll invest big time in our business. The New T-Mobile plans to invest 40 billion dollars in our business over the next 3 years. 40 billion dollars! Rapidly deploying 5G and integrating our networks will create thousands of new jobs as well. There will be all sorts of new opportunities at The New T-Mobile for you to grow and expand your career. All of this is a possibility because of you. Thank you! You are the ones that put our company into the position we're in today. You built the network. You created the offers and Un-carrier moves that have forever changed the wireless industry. And most importantly, it's you that represents our company day in and day out helping customers.

MS

What makes this company special is our team and our culture. Our passion for customers, putting them first, treating them right, changing the rules of the industry in their favor. We're customer obsessed, every single one of us. And that's why the future is going to be even bigger and better than you ever imagined.

JJL

Now, this will take some time. The government will review and we expect this deal to close no later than the first half of 2019. In the meantime, it's business as usual. So, be patient and stay focused and keep on doing exactly what you've been doing for the past 5 years. Listen to our customers and do what they tell us. We're optimistic this will clear regulators but nothing is guaranteed. We'll keep you updated on the process and timelines as we go.

MS

Today's news is all about taking this fight on behalf of consumers and businesses to the next level and beyond. The next wave of mobile broadband is too important not to fight for and now we're positioned to accelerate that fight for customers everywhere.

JJL

Verizon, AT&T, Comcast and the others better watch out, because we're coming and

JJL + MS

We Won't Stop!

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The following communications were made available by T-Mobile US, Inc. on Twitter:

Tweet: Big News! @TMobile CEO @JohnLegere & @Sprint CEO @MarceloClaire just announced that our companies have reached an agreement to come together to form a new company - one that will deliver lower prices, better service + the FIRST & BEST 5G nationwide network! #5GForAll Details:

Vlog & <https://allfor5g.com>

The following communications were made available by T-Mobile US, Inc. on Facebook:

Facebook post: Big news! @TMobile and @Sprint have reached an agreement to come together to form a new company one that will bring competition, innovation, lower prices and the FIRST and BEST 5G nationwide network to US wireless consumers. Watch what our CEO, @JohnLegere has to say about it! #5GForAll Details here: AllFor5G.com

Vlog is embedded

The following communications were made available by John J. Legere, President and Chief Executive Officer of T-Mobile US, Inc., on Twitter:

Tweet: < UGH @TMobile has been pretty decent over the years. That will certainly end. Come on @JohnLegere >

Are you kidding me?! No way! It s only gonna get way better! Read up here . <https://allfor5g.com>

<https://twitter.com/ThatOtherJeff/status/990630613156859904>

Tweet: < I don t usually retweet John Legere but when I do it s because T-Mobile is doing something bad for consumers! >

Edgar Filing: TEXAS INSTRUMENTS INC - Form S-3ASR

First of all, you should RT me all the time ;). Second, no company has a future if they don't put customers first and we know that better than anyone!

<https://twitter.com/RDR0b11/status/990627129225170944>

Tweet: < *No doubt that a merger with Sprint is smart business (adding spectrum, towers, customers), but it's tough to argue New T-Mobile will retain much incentive to keep improving and offering better service at a reasonable price to consumers.* >

What?! Listen. We don't say what we don't mean. And we're saying that customers will get better service with lower prices! More info here ..
<https://allfor5g.com>

<https://twitter.com/andrewmartonik/status/990633972479639553>

Tweet: < *@JohnLegere No! Please! Just left AT&T because of high prices and I don't wanna leave T Mobile over this!* >

Nobody, especially me, wants you to leave T-Mobile!! We're projecting costs will go down. All the info's here, check it out. <https://allfor5g.com>

<https://twitter.com/copsarecomin/status/990635366070804480>

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Tweet: < *This is a big deal! Watch out @verizon and @ATT! Having 3 (@TMobile) and 4 (@sprint) join forces is going to make you have to be a bit more fair about prices and REALLY worry about that port out ratio! Congrats @JohnLegere!!* >

Thanks man! You're totally right except it's not just Dumb & Dumber that have to worry! Charter, Comcast and the rest, too check it all out here!
<https://allfor5g.com>

<https://twitter.com/SethSpicer/status/990635001032134657>

Tweet: < *This could potentially be a good thing for consumers. T-Mobile and Sprint are both low-cost leaders. Also, T-Mobile gives easy international access for those who travel abroad while Sprint often features low prices/generous plans* >

Yep!!

<https://twitter.com/themoneycoach/status/990636382019313664>

Tweet: < *Big news! @JohnLegere will you remain as CEO?* >

I'll be CEO and @SievertMike will be President and COO. All the info's here: <https://allfor5g.com>

<https://twitter.com/mhmtkcn/status/990638312435146752>

Tweet: < *You can make a video about anything, it doesn't mean it's the truth. Lots of companies have made promises before few turned out to be true.* >

You must not've followed #Uncarrier news the last 5 yrs ;). We keep our promises!

<https://twitter.com/dantivirus/status/990638162870505475>

Tweet: < *John & Marcelo - you talked heavy on consumer benefits. Is the combined company going to add competition in the SMB or enterprise market? #5GForAll* >

Yep! Many customers in America . especially rural America have one choice for broadband and we plan to change that AND get real competitive in the enterprise space. More info here <https://allfor5g.com>

<https://twitter.com/billho888/status/990639004696612865>

Tweet: < *Literally an entire screen of questions from @WaltBTIG that I m trying to ignore - @JohnLegere* >

Well not forever ;)

<https://twitter.com/ampressman/status/990642872100773888>

Tweet: < *More @JohnLegere how does the deal improve the companies position over cable companies or fixed wireless companies* >

TV is going mobile!! And with 5G, industry lines are gonna blur even more! Tons of details here if you want to check it out: <https://allfor5g.com>

<https://twitter.com/LianaBaker/status/990642723521609728>

<https://twitter.com/ampressman/status/990642872100773888>

Tweet: < *@JohnLegere current T-Mobile subscriber here. But real talk, how is less choice & fewer options a positive change for...consumers ?* >

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We never do anything that is not customer first. That is how businesses go down. Plus wireless, Internet and video are all converging. Charter & Comcast are getting into wireless, ATT & VZ are in TV it is more competition for more competitors! More here <https://allfor5g.com>

<https://twitter.com/spicer/status/990639310461337602>

Tweet: #SlowCookerSunday is IN and those of you who watched know I am up to something and about to announce something MAJOR, that will impact the entire country. It is tweetstorm time!!

Tweet: I am excited to announce that @TMobile & @Sprint have reached an agreement to come together to form a new company a larger, stronger competitor that will be a force for positive change for all US consumers and businesses! Watch this & click through for details. <video webcard that links to newco website>

Title: @TMobile and @Sprint to form new company for consumer benefit

Description: A combined @TMobile and @Sprint will create robust competition in the 5G era & deliver the FIRST and BEST nationwide 5G network & outstanding benefits to US consumers & businesses. #Allfor5G More here: <link to newsroom>

Tweet: Let me reiterate what I ve said time and time again everything @TMobile does is for the benefit of customers - this move is no different. The New T-Mobile will supercharge the #uncarrier strategy for the entire country! More here: <graphic clicks through to microsite>

Tweet: The New @TMobile will be the ONLY company able to bring a broad & deep nationwide 5G network something no US wireless company could achieve alone in the critical early years of 5G. More here: <graphic clicks through to microsite>

Tweet: With @Sprint s incredible 2.5 GHz spectrum, @TMobile s nationwide 600 MHz + our other combined assets Together, we will build the highest-capacity mobile network in US history!! I am talking 30X more capacity than T-Mobile today!! #5GForAll <graphic clicks through to microsite>

Tweet: And our 5G will create competition in wireless and beyond! Industry lines are blurring wireless, video, and broadband are all converging. @ATT = #1 TV provider, Comcast added more postpaid < customers than @ATT &

@Verizon combined last year <graphic clicks through to microsite >

Tweet: Charter is launching Spectrum Wireless this year... And more than 1 in 10 Americans already uses wireless as their ONLY Internet access they have no home broadband at all. It's not the big 4 any longer it's the Big 7 or 8. More: <graphic clicks through to microsite>

Tweet: It's critical that America lead the path to 5G, just as we did with 4G. The U.S. started rolling it out nationwide before almost anyone else, getting the tech into hands of innovators & entrepreneurs, and today 99.7% of Americans are covered by 4G LTE. Details: <graphic clicks through to microsite>

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Tweet: The result of early innovation in the 4G era? America led the global mobile economy for the last decade. The 4G era created some of the world's most valuable companies - Uber, Snap, Venmo, Tinder, Netflix, Facebook - all businesses built in part on the mobile web. More here: <graphic clicks through to microsite>

Tweet: Did I mention that 4G created billions in value and created countless new jobs! Just think what 5G will do, and with the #uncarrier at the helm - consumers win! This is about going from 0 to 1 5G providers. Details: <graphic clicks through to microsite>

Tweet: In the first three years, The New @TMobile will be able to invest ~\$40 BILLION in the company. That's nearly 50% more than both of us invested in the last three years. That's also a wave of economic activity for the US. #Allfor5G Details: <graphic clicks through to microsite>

Tweet: Think about it! By bringing the first and best 5G network to market, we're accelerating the innovation it allows disrupting industries & creating sustainable competition. And THAT means lower prices for consumers, new American businesses & tons of jobs created! #AllFor5G More here: <graphic clicks through to microsite>

Tweet: Speaking of jobs - we can confidently say that from day one, The New @TMobile will always have more US employees on payroll than both standalone companies. Last year we added 27k jobs associated with our growth. And there's no reason we can't grow at the same rate! Details: <graphic clicks through to microsite>

Tweet: Don't believe me?? Believe history then. When @TMobile merged with @MetroPCS 5 years ago, people said it would be bad for jobs. Guess what? As of today, 3X the number of people who come to work for MetroPCS. THAT'S our track record. Here are the details: <graphic clicks through to microsite>

Tweet: And I can't wait to bring the ultra-talented @Sprint and @TMobile teams together. If there's one thing I've learned about the Sprint team in the last five years, it's that they don't stop either. <graphic clicks through to microsite>

Tweet: I'm excited to be leading The New @TMobile as CEO, with @SievertMike stepping up as President and COO. You know #WeWontStop fighting for competition, fighting for innovation, fighting for YOU - our customers. #AllFor5G Get all the details: <graphic clicks through to microsite>

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The following communications were made available by John J. Legere, President and Chief Executive Officer of T-Mobile US, Inc., on Facebook:

Facebook post: < *John Legere what will this transition look like for current t-mobile employees?* >

Nothing will change for now, more details will be announced as the deal moves forward. Check out T-Nation for details!

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https://www.facebook.com/JohnJLegere/videos/1812343435737867/?comment_id=1812356915736519&comment_tracking=%7B%22tn%22%3A%22R9

Facebook post: < *All I hear is Jobs jobs jobs this and that which is fantastic! But about service will it indeed improve? Me being a sprint customer have been on the verge to changing carrier* >

Of course service will improve! Gotta wait til the deal goes through all the regulatory approval, though, before we integrate our networks. We've got big plans and there's a lot to it, so you might want to check out all the details here <https://allfor5g.com>

https://www.facebook.com/JohnJLegere/videos/1812343435737867/?comment_id=1812395089066035&comment_tracking=%7B%22tn%22%3A%22R9

Facebook post: I'm excited to announce that @TMobile & @Sprint have reached an agreement to come together to form a new company—a company that will deliver the FIRST and BEST 5G network for US wireless consumers—bringing lower prices, more competition and more jobs! #AllFor5G! Watch this to understand all the benefits of this game-changing deal & click here for all the details: <link to newco site> <vlog/newsroom video card>

Title: @TMobile and @Sprint to form new company for consumer benefit

The following communications were made available by John J. Legere, President and Chief Executive Officer of T-Mobile US, Inc., on Instagram:

Instagram: Just announced some BIG news. @TMobile and @Sprint have reached an agreement to come together to form a new company—one that will deliver the FIRST and BEST 5G network for US wireless consumers! Scroll through to understand all the benefits and click on the link in my bio for more details! #CEO #CEOLife #TMobile #Sprint #NewTMobile #TheNewTMobile #5G #Innovation #jobs #investing #customersfirst #uncarrier <60 sec video version>

The following communications were made available by J. Braxton Carter II, Chief Financial Officer and Executive Vice President of T-Mobile US, Inc., on Twitter:

Tweet: Quote RT John Legere

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< I m excited to announce that @TMobile & @Sprint

have reached an agreement to come together to form a new company a larger, stronger competitor that will be a force for positive change for all US consumers and businesses! Watch this & click through for details. >

What exciting news. As a combined force, the New @TMobile will be able to achieve progress and momentum for our customers, country, and employees well beyond what either company could do individually. Key info: <http://allfor5g.com>

<https://twitter.com/braxtoncarter/status/990624856235360256>

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Tweet: In the 1st 3 yrs we plan to invest up to \$40B into the network & business, a massive capital outlay that will fuel job growth at the New @TMobile & across related sectors. This is 46% more than @TMobile @Sprint spent combined in the past 3 yrs. Info below.

<https://twitter.com/braxtoncarter/status/990625438333521921>

Tweet: That capital investment positions us to increase competitive pressure from ATT, VZ, Comast, Charter and others AND add new jobs. The New @TMobile will employ more people than @TMobile and @Sprint would separately. Key info below.

<https://twitter.com/braxtoncarter/status/990626135711956993>

Tweet: I came from @MetroPCS 5 yrs ago and it's been amazing. Our @TMobile @MetroPCS partnership has proven that our customer-first model works. With this new company, we will be able to compete at a new level benefiting every single stakeholder. Key info below.

<https://twitter.com/braxtoncarter/status/990627445609873409>

The following communications were made available by Neville Ray, Chief Technology Officer of T-Mobile US, Inc., on Twitter:

Tweet: Quote RT John Legere

< I'm excited to announce that @TMobile & @Sprint

have reached an agreement to come together to form a new company a larger, stronger competitor that will be a force for positive change for all US consumers and businesses! Watch this & click through for details. >

There's an urgent need to spark the 5G economy in the US and we couldn't be more excited to build the first nationwide 5G network with the breadth and depth necessary to pave the way. Key info: <https://allfor5g.com/>

<https://twitter.com/NevilleRay/status/990626547689181184>

Tweet: Quote RT John Legere

5G will be transformational and it's imperative that US leads 5G development. Only the New @TMobile will have the scale and capacity to remarkably accelerate nationwide 5G innovation and jobs in a way that will position the US as a 5G leader. Info below. <https://allfor5g.com/>

<https://twitter.com/NevilleRay/status/990626548846706689>

Tweet: 5G networks will need breadth & depth. Compared to @TMobile's network today, the New @TMobile's network is expected to deliver 15x faster speeds on avg nationwide by 2024, with many customers experiencing 100x faster speeds than early 4G. Info below. <https://allfor5g.com/>

<https://twitter.com/NevilleRay/status/990626550402838528>

Tweet: With @Sprint's 2.5GHz spectrum & @TMobile's nationwide 600 MHz spectrum, and other combined assets, the New @TMobile plans to create the highest capacity mobile network in US history. And we've proven we can deploy fast! Key info below. <https://allfor5g.com/>

<https://twitter.com/NevilleRay/status/990626552701370368>

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The following communications were made available by G. Michael Sievert, Chief Operating Officer of T-Mobile US, Inc., on Twitter:

Tweet: Quote RT

< I m excited to announce that @TMobile & @Sprint

have reached an agreement to come together to form a new company a larger, stronger competitor that will be a force for positive change for all US consumers and businesses! Watch this & click through for details. >

Big, exciting news here! As a combined company, the New @TMobile can really accelerate MAJOR innovation and opportunity in the 5G era for US consumers, businesses, economy & jobs at a rate impossible to do individually. #5GForAll info here: <http://www.AllFor5G.com>

<https://twitter.com/SievertMike/status/990623671436722176>

Tweet: The New @TMobile will be the ONLY one with the breadth & depth to build a true nationwide 5G network, forcing ATT, VZ, Comcast, Charter & the rest to invest more & faster, which will create US jobs & create significant growth opps for US businesses. Info below. <http://www.AllFor5G.com>

<https://twitter.com/SievertMike/status/990625528246812672>

Tweet: Yrs ago, US companies like Uber took advantage of broadly deployed 4G to create early global leadership. The New @TMobile s nationwide 5G network will be the only one able to quickly create the same ability nationwide for the next wave of smart tech. More: <http://www.AllFor5G.com>

<https://twitter.com/SievertMike/status/990625528246812672>

Tweet: That kind of innovative leadership will boost US economic growth and lead to the creation of thousands of US jobs, including jobs at the New @TMobile. As we build a competitive force, we ll be adding customer svc, retail & engineering jobs. Info below. <http://www.AllFor5G.com>

<https://twitter.com/SievertMike/status/990625533322022912>

Tweet: .@T-Mobile s worked hard to gain trust, loyalty & excitement and you can bet #WeWontStop! In fact, this will supercharge our #Uncarrier strategy with lower prices, unmatched value & more competition in wireless, video & broadband!! Info below. <http://www.AllFor5G.com>

<https://twitter.com/SievertMike/status/990625535888801793>

Tweet: < *Sprint and T-Mobile are going to correctly say that their network will be bigger and better. What they WON T say is that without each other as competitors, prices will be higher and higher.* >

What?! No way!! We re STILL the #Uncarrier, after all!! We re actually projecting more innovation, better service, etc. with LOWER prices. You know how we got to where we are today and we wouldn t do this if it wasn t to advance who we are!! More here. <https://allfor5g.com>

<https://twitter.com/saschasegan/status/990626867391746048>

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Tweet: < *Bye, bye good T-Mobile customer service.* >

With all due respect, that's not even close to right! The service we can create together will be unprecedented. Check out our customer service plans here! <https://allfor5g.com>

<https://twitter.com/Delitrium/status/990636998212947969>

Tweet: < *The approval to merge with Sprint was approved, from what I am reading. Hopefully, your service won't be negatively impacted.* >

The merger still has to go through the regulatory review process, but I can tell you we're expecting huge improvements across the board!! And in the meantime, #WeWontStop either!! Full details here: <https://allfor5g.com>

<https://twitter.com/Delitrium/status/990636998212947969>

Important Additional Information

In connection with the proposed transaction, T-Mobile US, Inc. ("T-Mobile") will file a registration statement on Form S-4, which will contain a joint consent solicitation statement of T-Mobile and Sprint Corporation ("Sprint"), that also constitutes a prospectus of T-Mobile (the "joint consent solicitation statement/prospectus"), and each party will file other documents regarding the proposed transaction with the U.S. Securities and Exchange Commission (the "SEC"). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE JOINT CONSENT SOLICITATION STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. When final, a definitive copy of the joint consent solicitation statement/prospectus will be sent to T-Mobile and Sprint stockholders. Investors and security holders will be able to obtain the registration statement and the joint consent solicitation statement/prospectus free of charge from the SEC's website or from T-Mobile or Sprint. The documents filed by T-Mobile with the SEC may be obtained free of charge at T-Mobile's website, at www.t-mobile.com, or at the SEC's website, at www.sec.gov. These documents may also be obtained free of charge from T-Mobile by requesting them by mail at T-Mobile US, Inc., Investor Relations, 1 Park Avenue, 14th Floor, New York, NY 10016, or by telephone at 212-358-3210. The documents filed by Sprint with the SEC may be obtained free of charge at Sprint's website, at www.sprint.com, or at the SEC's website, at www.sec.gov. These documents may also be obtained free of charge from Sprint by requesting them by mail at Sprint Corporation, Shareholder Relations, 6200 Sprint Parkway, Mailstop KSOPHF0302-3B679, Overland Park, Kansas 66251, or by telephone at 913-794-1091.

Participants in the Solicitation

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T-Mobile and Sprint and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of consents in respect of the proposed transaction. Information about T-Mobile's directors and executive officers is available in T-Mobile's proxy statement dated April 26, 2018, for its 2018 Annual Meeting of Stockholders. Information about Sprint's directors and executive officers is

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available in Sprint's proxy statement dated June 19, 2017, for its 2017 Annual Meeting of Stockholders, and in Sprint's subsequent reports on Form 8-K filed with the SEC on January 4, 2018 and January 17, 2018. Other information regarding the participants in the consent solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint consent solicitation statement/prospectus and other relevant materials to be filed with the SEC regarding the acquisition when they become available. Investors should read the joint consent solicitation statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from T-Mobile or Sprint as indicated above.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

Cautionary Statement Regarding Forward-Looking Statements

This communication contains certain forward-looking statements concerning T-Mobile, Sprint and the proposed transaction between T-Mobile and Sprint. All statements other than statements of fact, including information concerning future results, are forward-looking statements. These forward-looking statements are generally identified by the words anticipate, believe, estimate, expect, intend, may, could or similar expressions. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed transaction, including anticipated future financial and operating results, synergies, accretion and growth rates, T-Mobile's, Sprint's and the combined company's plans, objectives, expectations and intentions, and the expected timing of completion of the proposed transaction. There are several factors which could cause actual plans and results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, the failure to obtain, or delays in obtaining, required regulatory approvals, and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed transaction, or the failure to satisfy any of the other conditions to the proposed transaction on a timely basis or at all; the occurrence of events that may give rise to a right of one or both of the parties to terminate the business combination agreement; adverse effects on the market price of T-Mobile's or Sprint's common stock and on T-Mobile's or Sprint's operating results because of a failure to complete the proposed transaction in the anticipated timeframe or at all; inability to obtain the financing contemplated to be obtained in connection with the proposed transaction on the expected terms or timing or at all; the ability of T-Mobile, Sprint and the combined company to make payments on debt or to repay existing or future indebtedness when due or to comply with the covenants contained therein; adverse changes in the ratings of T-Mobile's or Sprint's debt securities or adverse conditions in the credit markets; negative effects of the announcement, pendency or consummation of the transaction on the market price of T-

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Mobile's or Sprint's common stock and on T-Mobile's or Sprint's operating results, including as a result of changes in key customer, supplier, employee or other business relationships; significant transaction costs, including financing costs, and unknown liabilities; failure to realize the expected benefits and synergies of the proposed transaction in the expected timeframes or at all; costs or difficulties related to the integration of Sprint's network and operations into T-Mobile; the risk of litigation or regulatory actions; the inability of T-Mobile, Sprint or the combined company to retain and hire key personnel; the risk that certain contractual restrictions contained in the business combination agreement during the pendency of the proposed transaction could adversely affect T-Mobile's or Sprint's ability to pursue business opportunities or strategic transactions; effects of changes in the regulatory environment in which T-Mobile and Sprint operate; changes in global, political, economic, business, competitive and market conditions; changes in tax and other laws and regulations; and other risks and uncertainties detailed in T-Mobile's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and in its subsequent reports on Form 10-Q, including in the sections thereof captioned "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements," as well as in its subsequent reports on Form 8-K, all of which are filed with the SEC and available at www.sec.gov and www.t-mobile.com. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties that may cause actual results to differ materially from those expressed in or implied by such forward-looking statements. Given these risks and uncertainties, persons reading this communication are cautioned not to place undue reliance on such forward-looking statements. T-Mobile assumes no obligation to update or revise the information contained in this communication (whether as a result of new information, future events or otherwise), except as required by applicable law.

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The following communications by certain members of T-Mobile's Government Affairs team, including Kathleen O'Brien Ham, Senior Vice President of Government Affairs, and certain paid consultants engaged by or working with T-Mobile's Government Affairs team were made available on Twitter:

Kathleen O'Brien Ham:

Tweet: RETWEET @marceloclaure: Fun times ahead #5GForAll @sprint @TMobile (Link)

Tweet: RETWEET @GovInslee: WA continues its leadership in wireless telecom today with news that @TMobile is growing tech jobs in our state through proposed merger with Sprint. We'll look forward to hearing more details regarding rural broadband and consumer choices. <https://twitter.com/geekwire/status/990648185608536064> (Link)

Tweet: Really excited about this announcement! The New T-Mobile is going to help usher in the era of 5G with the nation's first and best NATIONWIDE 5G network #5GforAll <http://www.allfor5g.com> (Link)

Tweet: Really excited about this announcement! The New T-Mobile is going to help usher in the era of 5G with the nation's first and best NATIONWIDE 5G network #5GforAll <http://www.allfor5g.com> (Link)

Robert McDowell:

Tweet: The combo of @TMobile and @sprint will provide a jolt for America to gain the lead in the race to 5G. #Asia and #Europe are determined to beat the US in #mobile and #IoT dominance. This deal will give US #economy the edge it needs to win & create #jobs <http://www.allfor5g.com> (Link)

Tweet: Hey @gigibsohn - you asked for an example about a merger creating jobs? 5 years ago @TMobile merged w @MetroPCS to compete in #4G a combo that created jobs: THREE TIMES the number of people work at @MetroPCS today than in 2013! For more data, see <http://www.allfor5g.com> (Link)

James K. Glassman:

Tweet: The New @TMobile s investment in its business, people and #innovation will motivate competitors to do the same, driving U.S. economic stimulus and creating jobs. More about the @TMobile and @Sprint announcement here <http://www.allfor5g.com> #Competition #5GAmerica (Link)

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Kevin Madden:

Tweet: RETWEET @JerryMoran: As the nation seeks to continue its mission of closing the Digital Divide by bringing high-speed broadband access to rural America, I look forward to seeing Kansas maintain its leadership role as a telecommunications and technology destination for industry and workforce. (Link)

Tweet: T-Mobile and Sprint s pitch to DC: Good for America <https://t.co/rwEyOcqh6s> (Link)

Tweet: RETWEET @SteveVockrodt: John Legere giving credit to tax reform for enabling Sprint T-Mobile deal: Tax reform has had an impact, a positive impact, and it s going to have a positive impact on what we re going to do going forward. (Link)

Tweet: T-Mobile, Sprint CEOs say 5G makes the case for deal <https://t.co/pj2xwH1cvC> (Link)

Important Additional Information

In connection with the proposed transaction, T-Mobile US, Inc. (T-Mobile) will file a registration statement on Form S-4, which will contain a joint consent solicitation statement of T-Mobile and Sprint Corporation (Sprint), that also constitutes a prospectus of T-Mobile (the joint consent solicitation statement/prospectus), and each party will file other documents regarding the proposed transaction with the U.S. Securities and Exchange Commission (the SEC). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE JOINT CONSENT SOLICITATION STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. When final, a definitive copy of the joint consent solicitation statement/prospectus will be sent to T-Mobile and Sprint stockholders. Investors and security holders will be able to obtain the registration statement and the joint consent solicitation statement/prospectus free of charge from the SEC s website or from T-Mobile or Sprint. The documents filed by T-Mobile with the SEC may be obtained free of charge at T-Mobile s website, at www.t-mobile.com, or at the SEC s website, at www.sec.gov. These documents may also be obtained free of charge from T-Mobile by requesting them by mail at T-Mobile US, Inc., Investor Relations, 1 Park Avenue, 14th Floor, New York, NY 10016, or by telephone at 212-358-3210. The documents filed by Sprint with the SEC may be obtained free of charge at Sprint s website, at www.sprint.com, or at the SEC s website, at www.sec.gov. These documents may also be obtained free of charge from Sprint by requesting them by mail at Sprint Corporation, Shareholder Relations, 6200 Sprint Parkway, Mailstop KSOPHF0302-3B679, Overland Park, Kansas 66251, or by telephone at 913-794-1091.

Participants in the Solicitation

T-Mobile and Sprint and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of consents in respect of the proposed transaction. Information about T-Mobile s directors and executive

officers is available in T-Mobile's proxy statement dated April 26, 2018, for its 2018 Annual

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Meeting of Stockholders. Information about Sprint's directors and executive officers is available in Sprint's proxy statement dated June 19, 2017, for its 2017 Annual Meeting of Stockholders, and in Sprint's subsequent reports on Form 8-K filed with the SEC on January 4, 2018 and January 17, 2018. Other information regarding the participants in the consent solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint consent solicitation statement/prospectus and other relevant materials to be filed with the SEC regarding the acquisition when they become available. Investors should read the joint consent solicitation statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from T-Mobile or Sprint as indicated above.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

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announcement, pendency or consummation of the transaction on the market price of T-Mobile's or Sprint's common stock and on T-Mobile's or Sprint's operating results, including as a result of changes in key customer, supplier, employee or other business relationships; significant transaction costs, including financing costs, and unknown liabilities; failure to realize the expected benefits and synergies of the proposed transaction in the expected timeframes or at all; costs or difficulties related to the integration of Sprint's network and operations into T-Mobile; the risk of litigation or regulatory actions; the inability of T-Mobile, Sprint or the combined company to retain and hire key personnel; the risk that certain contractual restrictions contained in the business combination agreement during the pendency of the proposed transaction could adversely affect T-Mobile's or Sprint's ability to pursue business opportunities or strategic transactions; effects of changes in the regulatory environment in which T-Mobile and Sprint operate; changes in global, political, economic, business, competitive and market conditions; changes in tax and other laws and regulations; and other risks and uncertainties detailed in T-Mobile's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and in its subsequent reports on Form 10-Q, including in the sections thereof captioned "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements," as well as in its subsequent reports on Form 8-K, all of which are filed with the SEC and available at www.sec.gov and www.t-mobile.com. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties that may cause actual results to differ materially from those expressed in or implied by such forward-looking statements. Given these risks and uncertainties, persons reading this communication are cautioned not to place undue reliance on such forward-looking statements. T-Mobile assumes no obligation to update or revise the information contained in this communication (whether as a result of new information, future events or otherwise), except as required by applicable law.
