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

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

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

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

a. Consolidated

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

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

a. Consolidated

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

b. Nextel Brazil

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

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

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

a. Consolidated

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

b. Nextel Brazil

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

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

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

a. Consolidated

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

b. Brazil

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

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

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

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

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

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

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

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

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