# The Evolution of Profitable Growth

NII Holdings, Inc.

Q1' 2012













#### **Use of Non-GAAP Financial Measures**

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

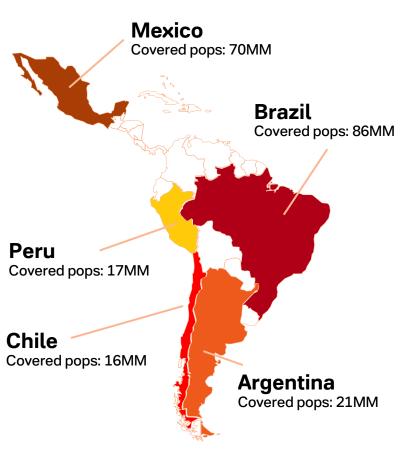


As a preliminary matter, let me inform you that much of the information discussed during the presentations today will be forward looking statements. That is, they are not historical facts but future estimates and projections reflecting managements' judgment based on currently available information. Forward looking statements involve risks and uncertainties that could cause actual results to differ materially from those suggested by the statements we make today. Forward looking statements should be taken in the context of the risks and uncertainties that are outlined in the SEC filings of NII Holdings, including our 2010 Annual Report on Form 10-K, which we filed with the SEC on February 24, 2011, as well as other documents we have filed with the SEC.



#### NII among the fastest growing mobile operators in the world in 2011

Principal operations in major business centers and related transportation corridors of Brazil, Mexico, Argentina, Peru and Chile



- 384 million licensed pops
- 210 million covered pops
- · Focus on high value segments
- Differentiated products and services
- \$6.7B in total revenues in 2011
- Approximately 11 million subscribers
- Industry leading operational metrics
- Deploying 3G networks
- Expanding addressable customer base and new revenue streams
- Experienced management team



#### 2012 will be a transformative year for our company

- Investing in our future while remaining focused on near term operating results
- Building our capabilities by focusing on four key priorities
  - 1. Make services available on our 3G networks in Chile, Mexico, and Brazil during 2012
  - 2. Launch 3G push-to-talk services
  - Build on the strength of our brand, add additional retail locations, continue expanding our distribution channels
  - 4. Make the investments necessary to create common, world-class back office and IT systems in our markets
- Continuing to deliver profitable growth in an increasingly competitive environment
  - Balanced growth approach
- Investing in our future
  - \$1.7B in Capex 3G development; iDEN growth capacity; expansion of distribution; back office and IT systems



## Solid foundation of success creates opportunities for future growth

- Focus on execution drives strong growth in the business today
  - One of the fastest growing wireless companies in the world (top 4% globally)
  - Over the last six years: 20% + growth in Subscribers; 20% + growth in Revenue ;  $\sim$  20% growth OIBDA
- Accomplished success with our current platform
  - 2G only product with limited data offering; single vendor
  - Keys to success: differentiated features, high quality of service and strong customer care
- Investing in advanced network to fuel future growth
  - 3G platform and distribution channels improve cost structure
  - Expanded breadth of product and service offerings (devices and broadband services)
  - Evolution more than doubles our current addressable market
- Translates to more profitable growth in future with a 5 year goal to:
  - Increase subscriber base by more than 2.5x
  - More than double revenue and OIBDA



#### With a focused strategy on the most profitable customer segments

**Mission** 

 Preferred Provider of Differentiated Voice and Data Solutions to High Value Customers

Fundamental Strategy

- Target High Value Customer Segments
- Focus on Profitable Growth
  - Subscriber growth focused on quality operating metrics
  - Efficiently manage our cost structure
- Win in the Market through Meaningful Differentiation
  - Aspirational brand reputation
  - Provide a simple, reliable and superior customer experience
  - Gold standard in Push-to-Talk ("PTT") services and expanded product portfolio to provide customers with excellent value proposition
  - Establish leadership in data solutions
- Build High Quality Networks to Drive Customer Satisfaction
- Hire and Retain the Best Employees



## Maximizing value by delivering a "Best in Class" customer experience

**Best Customers** 

**Targeted Customer Base:** 

- Business/ Corporate/ High Value Consumers
- Medium to High Usage Customers
- High Credit Quality

**Best Products** 

Integrated Communications Solution with Excellent Brand Reputation:

- PTT industry leader offering national and international Direct
   Connect
- Customized horizontal and vertical applications
- Interconnect and PTT rate plans offers compelling value proposition
- Strong network effect
- Market proven product

Culture of Service:

- Customer segmentation programs
- Customer intimacy model
- High quality customer support systems
- Solution based selling

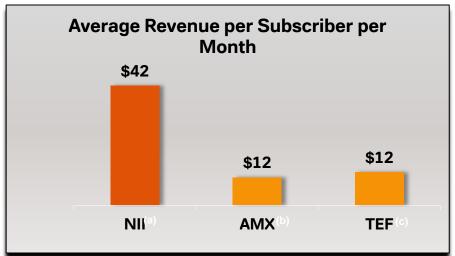
**Best Service** 

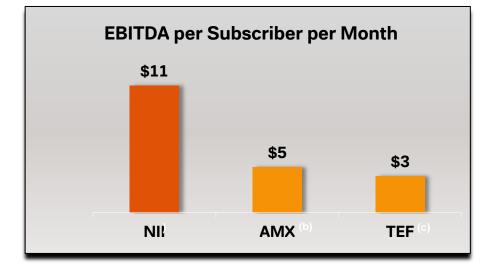


#### We are the preferred mobile operator of the high value customer segment

Differentiated products and services lead to higher revenue and OIBDA share

- Nextel Direct Connect (PTT feature)
- Aspirational brand reputation
- Culture of service results in industry leading customer retention
- Innovative wireless data solutions
- Provide a simple, reliable and superior customer experience





<sup>(</sup>c) Figures for Telefonica are on monthly basis and based on second quarter results of 20101 LATAM region only



<sup>(</sup>a) Figures for NII Holdings are on a monthly basis and based on first quarter results of 2012

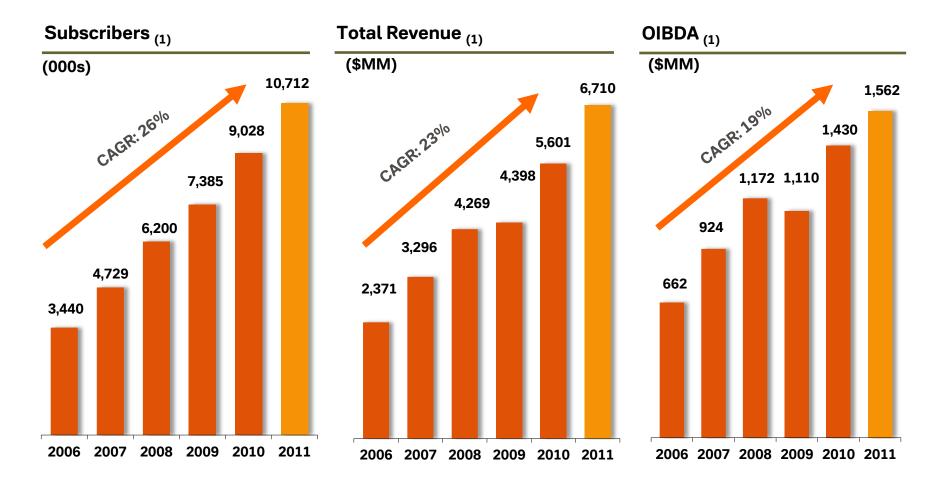
<sup>(</sup>b) Figures for America Movil are on monthly basis and based on fourth quarter results of 2011

#### Resulting in the reasons we succeed today

- Differentiation in products and services
  - Push to talk "instant messaging for the voice"
  - Best network performance
- Best in class customer experience
  - #1 in customer care
- Strong value to high value customer segment
  - Attractive price per minute
  - Efficiency of communications
- Very strong brand recognition
  - Prestigious and Aspirational Brand
  - #1 in customer loyalty



#### Strong history of delivering profitable growth





Note:

(1) CAGR based on 2006 to 2011 Actual Results

#### Leverage outstanding growth opportunities

- Strong economic growth in LATAM
  - Large and growing wireless opportunity
- Developing Next Generation network overlay
  - Efficient new network with better coverage
- Expanding our Product Set
  - Lower cost handsets, broadband data, PTT focus
- Expanding our Distribution
  - Lower cost channels and broader brand appeal
- Expanding addressable base of high value customers
  - More than double -- growing to over 100M in future
- Business model evolving
  - Lower customer acquisition and service costs enhances future profitability

#### Continuing our differentiated approach and focus



#### **Evolution to 3G enhances growth opportunity and business model**

- Product breadth expands significantly
  - Handset variety & capability
  - Device portfolio to include data devices (data cards; notebooks, etc)
  - Data speeds on 3G network 50x faster than on legacy network
- Cost structure improves enhancing business model
  - W-CDMA scale and large eco-system
  - Multiple vendors
  - Distribution expansion
  - CPGA improves
- Cost to deliver service improves
  - More efficient 3G platform with significant capacity
  - Cash cost per user (CCPU) improves
- Distribution strategy evolves creating more efficiency
  - Utilizing more retail presence; sales orientation; partnerships; web sales
  - Component of CPGA improvement
- Addressable base of high value segment more than doubles



## Portfolio of products and service offerings expand significantly

#### Array of services to expanded customer base

Voice Centric Services





iDEN 3G-PTT

- PTT (+IDC)
- IX(+Roaming)

Voice & Data Services



iDEN or 3G-PTT

plus

Non-PTT





Data Centric Services



- USB Modems
- WAP Handsets
- Tethering Handsets



Internet Nextel

Any Device Concept



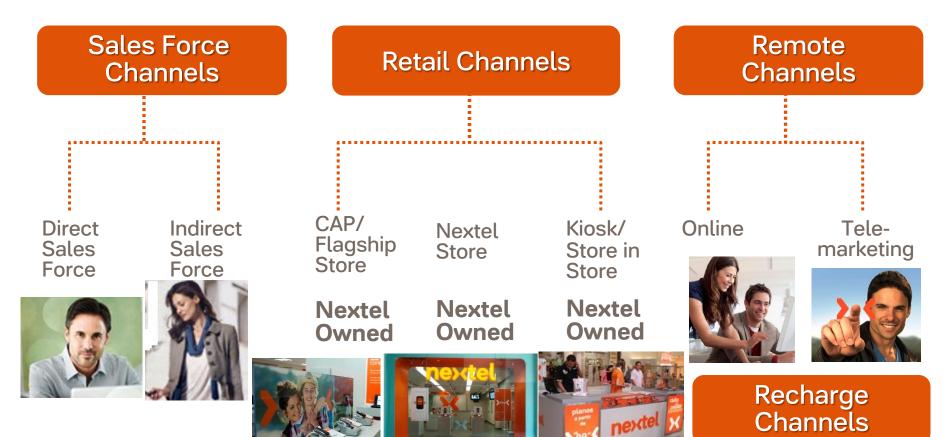
SIM Cards

Customer needs dictate device and platform and Nextel provides the service that best fits

- Smartphones
- Tablets
- Used phone
- Special Apps

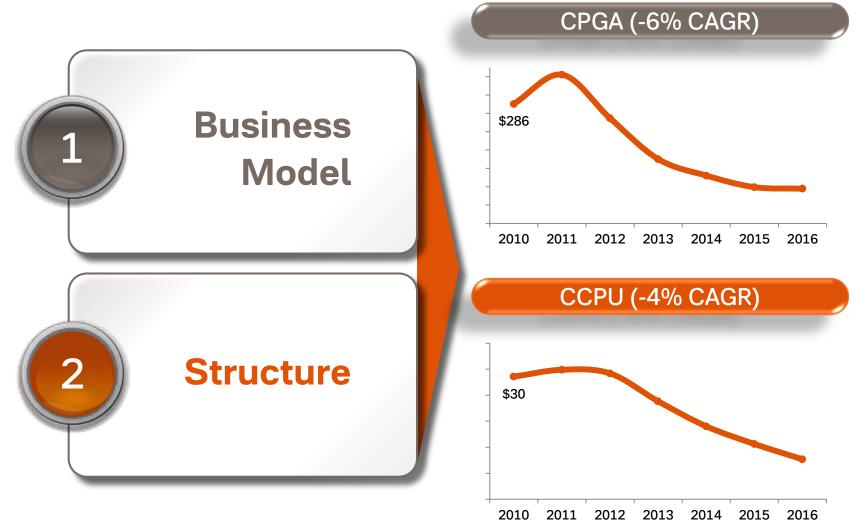


## Distribution model evolves to drive growth and better support our customers





## Business model and structural enhancements will result in cost savings



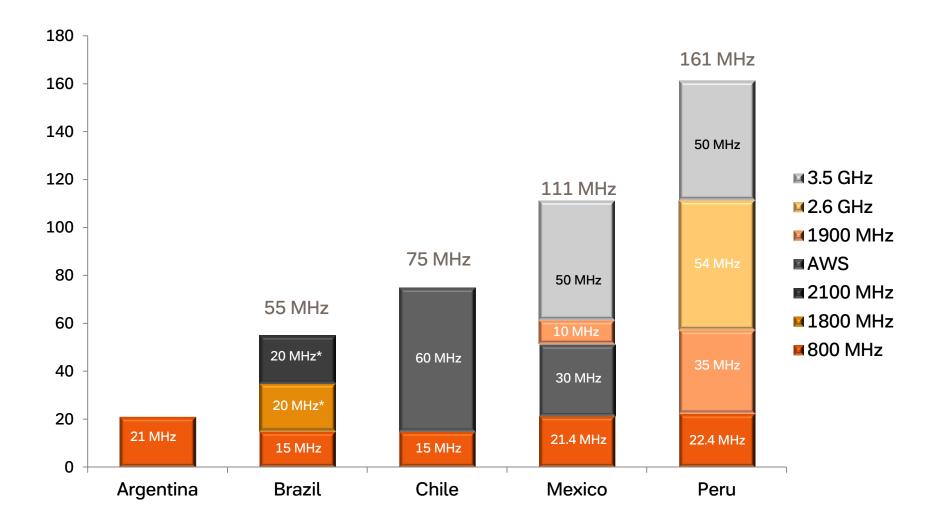


## Addressable market increases significantly on 3G platforms

	Subscribers	NII Share
Total Market	384M	2%
NII's current addressable market	46M	21%
NII's addressable market after 3G investment	102M	9%
Businesses	55M	12%
Targeted Individual Segments	47M	5%



#### Significant spectrum assets in place





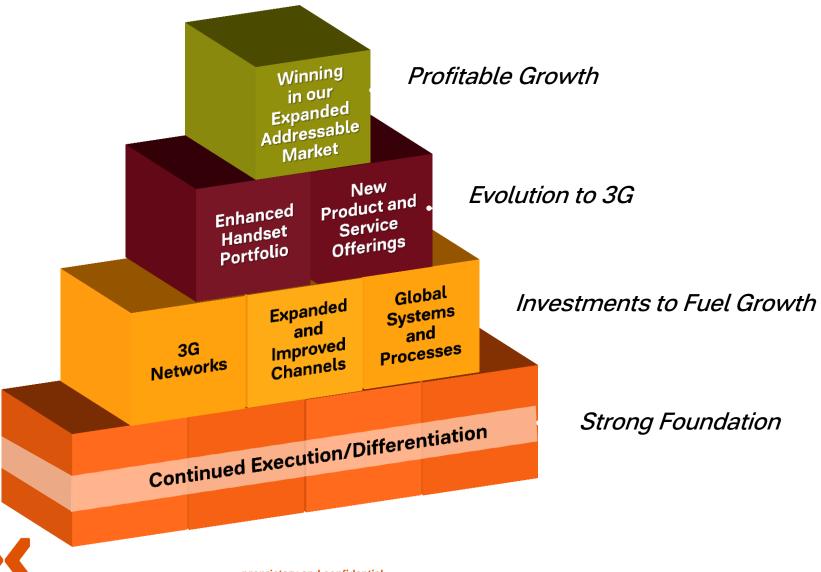
## Our 3G investments will build clear incremental capabilities to our current business model

	Historical Model	<b>Evolving Model</b>
Target Market	Business oriented niche	Targeted business and high value individual
Technology Platform	Regional 2G network	Nationwide 3G network
Product & Services	Limited portfolio of iDEN phones narrowband data services	Smartphones mobile broadband value added solutions
Distribution	High touch direct and indirect	High touch sales complemented with optimized retail
Brand	Aspirational business brand	Aspirational high value brand
Customer Platforms	Local market back office capabilities	Richer regional systems and processes

...while leveraging our points of differentiation to achieve our growth objectives



## The building blocks are in place for us to create significant shareholder value



## NII Holdings, Inc.

The Evolution of Profitable Growth

