

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
Alexandria Division

IN RE NII HOLDINGS, INC.
SECURITIES LITIGATION

Civ. No. 1:14-cv-00227-LMB-JFA

**NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT,
AND MOTION FOR ATTORNEYS' FEES AND EXPENSES**

If you purchased or otherwise acquired the publicly traded securities of NII Holdings, Inc. (“NII”) and/or NII Capital Corp. (“NII Capital”) during the period from February 25, 2010 through February 27, 2014, inclusive (the “Class Period”) and were damaged thereby, you may be entitled to a payment from a class action settlement. The eligible securities are NII Holdings, Inc. common stock (“NII Stock”) (ISIN: US62913F2011), as well as the following debt securities (“NII Bonds”): (i) 7.625% NII Bonds, due April 1, 2021 (ISIN: US67021BAE92); (ii) 8.875% NII Bonds, due December 15, 2019 (ISIN: US67021BAC37); and (iii) 10% NII Bonds, due August 15, 2016 (ISIN: US67021BAD10).

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

- The purpose of this Notice is to inform you of: (a) the pendency of the above-captioned securities class action (the “Action”); (b) the proposed settlement of the Action (the “Settlement”) on the terms and provisions in the Stipulation and Agreement of Settlement, dated as of April 18, 2016 (the “Stipulation”);¹ and (c) the hearing to be held by the Court (the “Settlement Hearing”). At the Settlement Hearing, the Court will consider: (a) whether the Settlement should be approved; (b) whether the proposed plan for allocating the proceeds of the Settlement to eligible members of the Class (the “Plan of Allocation”) should be approved; (c) Class Counsel’s application for attorneys’ fees and expenses; and (d) certain other matters. This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Class.²
- If approved by the Court, the Settlement will create a \$41.5 million cash fund for the benefit of eligible investors, less any attorneys’ fees and expenses awarded by the Court, Notice and Administration Expenses, and Taxes.
- The Settlement resolves claims by Court-appointed Lead Plaintiffs and Class Representatives Danica Pension, Livsforsikringsaktieselskab (“Danica”), Industriens Pensionsforsikring A/S (“Industriens”), Pension Trust Fund for Operating Engineers Pension Plan (“Operating Engineers Pension Trust Fund”), IBEW Local No. 58 / SMC NECA Funds (“IBEW Local No. 58 / SMC NECA Funds”), and Jacksonville Police & Fire Pension Fund (“Jacksonville P&F”) (collectively, “Class Representatives” or “Lead Plaintiffs”) that have been asserted on behalf of the Class against Steven P. Dussek, Steven M. Shindler, and Gokul Hemmady (the “Defendants” or “Individual Defendants”); avoids the costs and risks of continuing the litigation; pays money to Class Members; and releases the Released Defendant Parties (defined below) from liability.

If you are a Class Member, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM BY SEPTEMBER 28, 2016	The <u>only</u> way to be eligible to receive a payment from the Settlement Fund.
EXCLUDE YOURSELF FROM THE CLASS BY AUGUST 26, 2016	You will not be eligible to receive any payment from the Settlement Fund. This is the only option that, assuming your claim is timely brought, might allow you to ever bring or be part of any other lawsuit against Defendants and/or the other Released Defendant Parties concerning the Released Claims. <i>See</i> Questions 13-15 below for details.
OBJECT BY AUGUST 26, 2016	Write to the Court about why you do not like the Settlement, the Plan of Allocation, and/or the Fee and Expense Application. If you object, you will still be a member of the Class. <i>See</i> Questions 18-19 below for details.
FILE A NOTICE OF INTENTION TO APPEAR BY AUGUST 26, 2016 AND GO TO A HEARING ON SEPTEMBER 16, 2016	Ask to speak in Court about the Settlement. If you submit an objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING	You will not be eligible to receive a payment from the Settlement Fund, you will give up rights, and you will still be bound by the Settlement.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to Class Members who timely submit valid Claim Forms, if the Court approves the Settlement and after any appeals are resolved. Please be patient.

¹ The Stipulation and all of its exhibits can be viewed at www.niisecuritieslitigation.com.

² All capitalized terms not otherwise defined in this Notice have the same meanings as defined in the Stipulation.

SUMMARY OF THE NOTICE

Statement of the Class's Recovery

Class Representatives have entered into the proposed Settlement with Defendants that, if approved by the Court, will resolve the Action in its entirety. Under the Settlement, a Settlement Fund consisting of \$41.5 million in cash, which will include any accrued interest, has been established. The Net Settlement Fund (as defined below) will be distributed to Class Members according to a Court-approved plan of allocation. The proposed Plan of Allocation is set forth on pages 9-14 below.

Estimate of Average Amount of Recovery Per Share of NII Stock and Amount of NII Bonds

Based on Class Representatives' expert's estimate of the number of shares of NII Stock and the amount of NII Bonds entitled to participate in the Settlement, and assuming that all investors entitled to participate in the Settlement do so, Class Representatives estimate that the average recovery, before deduction of any Court-approved fees and expenses, such as attorneys' fees, litigation expenses, Taxes, and Notice and Administration Expenses, would be approximately \$0.08 per allegedly damaged share of NII Stock and approximately \$1.85 per allegedly damaged NII Bond.³ If the Court approves the attorneys' fees and litigation expenses requested by Class Counsel (discussed below), the average recovery would be approximately \$0.06 per allegedly damaged share of NII Stock and approximately \$1.31 per allegedly damaged NII Bond. **Class Members should note, however, that the foregoing average recovery amounts are only estimates and Class Members may recover more or less than these estimated amounts.** A Class Member's actual recovery will be a portion of the Net Settlement Fund, determined by comparing the Class Member's "Recognized Claim" to the total Recognized Claims of all Class Members who timely submit valid Claim Forms, as described more fully below. An individual Class Member's actual recovery will depend on, for example: (a) the total number of claims submitted; (b) the amount of the Net Settlement Fund; (c) when the Class Member purchased or acquired NII Stock and/or NII Bonds during the Class Period; and (d) whether and when the Class Member sold the NII Stock and/or NII Bonds. See the Plan of Allocation beginning on page 9 for information on the calculation of your Recognized Claim.

Statement of Potential Outcome of Case

The Parties disagree about both liability and damages and do not agree on the damages that would be recoverable if Class Representatives were to prevail on each claim asserted against Defendants. The issues on which the Parties disagree include, for example: (a) whether Defendants made any statements or omitted any facts that were materially false or misleading, or otherwise actionable under the federal securities laws; (b) whether any such allegedly materially false or misleading statements or omissions were made with the requisite level of intent or recklessness; (c) whether the Company's securities' prices declined because of disclosures that allegedly revealed to the market the truth about the allegedly false statements and omissions; (d) the amounts by which the prices of NII Stock and NII Bonds were allegedly artificially inflated, if at all, during the Class Period; and (e) the extent to which external factors, such as general market, economic and industry conditions, or unusual levels of volatility, influenced the trading prices of NII Stock and NII Bonds at various times during the Class Period.

Defendants have denied and continue to deny any wrongdoing, deny that they have committed any act or omission giving rise to any liability or violation of law, and deny that Class Representatives and the Class have suffered any loss attributable to Defendants' actions. While Class Representatives believe they have meritorious claims, they recognize that there are significant obstacles in the way to recovery.

Statement of Attorneys' Fees and Expenses Sought

Class Counsel, on behalf of Plaintiffs' Counsel, will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 25% of the Settlement Fund, which includes any accrued interest. Class Counsel will also apply for payment of litigation expenses incurred in prosecuting the Action in an amount not to exceed \$1.75 million, plus any interest earned on this amount at the same rate as earned by the Settlement Fund. In addition, Class Counsel's Fee and Expense Application may include a request for reimbursement to Class Representatives of their reasonable costs and expenses (including lost wages) directly related to their representation of the Class in a combined amount not to exceed \$50,000. If the Court approves the Fee and Expense Application in full, the average amount of fees and expenses, assuming claims are filed for all allegedly damaged securities, will be approximately \$0.02 per allegedly damaged share of NII Stock and approximately \$0.54 per allegedly damaged NII Bond.

Further Information

Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting the Claims Administrator: *In re NII Holdings, Inc. Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173009, Milwaukee, WI 53217, (866) 905-8128, www.niisecuritieslitigation.com; or Class Counsel: Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, (888) 219-6877, www.labaton.com, settlementquestions@labaton.com and Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, (610) 667-7706, www.ktmc.com, info@ktmc.com.

Please Do Not Call the Court with Questions About the Settlement.

Reasons for the Settlement

For Class Representatives, the principal reason for the Settlement is the guaranteed cash benefit to the Class. This benefit must be compared to the uncertainty of being able to prove the allegations in the Complaint; the risk that the Court may grant some or all of the anticipated motions for summary judgment to be filed by Defendants; the uncertainty inherent in the Parties' competing theories of liability, loss causation, and damages; the risks of litigation, especially in complex actions like this; as well as the difficulties and delays inherent in such litigation (including any trial and appeals).

³ An allegedly damaged share or bond might have been traded more than once during the Class Period, and the average recoveries indicated above represent the estimated averages for each purchase/acquisition that allegedly incurred damages. The recoveries, prices, and inflation per NII Bond described in this Notice are per \$1,000 par value.

For Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that Class Members were damaged, the principal reason for entering into the Settlement is to end the burden, expense, uncertainty, and risk of further litigation.

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BASIC INFORMATION

1. Why did I get this Notice?

The Court authorized that this Notice be sent to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired NII Stock and/or NII Bonds during the period from February 25, 2010 through February 27, 2014, inclusive. **Please Note: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Class Member and wish to be eligible for a payment, you are required to submit the Claim Form that is being distributed with this Notice and supporting documents, as explained in the Claim Form. See Question 10 below.**

This Notice is to inform you of the existence of the Action, that it has been certified as a class action by the Court, and of how you might be affected. It is also being sent to inform you of the terms of the proposed Settlement and of the Settlement Hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the Plan of Allocation, and Class Counsel's Fee and Expense Application. The Court directed that this Notice be sent to Class Members because they have a right to know about the proposed Settlement of this class action lawsuit, and about all of their options, including whether or not to object or exclude themselves from the Class, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

The Court in charge of the Action is the United States District Court for the Eastern District of Virginia, and the case is known as *In re NII Holdings, Inc. Securities Litigation*, Civ. No. 1:14-cv-00227-LMB-JFA. The Action is assigned to the Honorable Leonie M. Brinkema, United States District Judge.

The people who have sued are called plaintiffs, and the company and persons they have sued are called defendants. Class Representatives Danica, Industriens, Operating Engineers Pension Trust Fund, IBEW Local No. 58 / SMC NECA Funds, and Jacksonville P&F represent the Class. Defendants are Steven P. Dussek, Steven M. Shindler, and Gokul Hemmady.

This Notice explains the lawsuit, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this lawsuit about?

In 2009, NII, a telecommunications company that, through its subsidiaries, operates wireless voice and data networks in Latin America under the Nextel™ brand, embarked on a major transformation to build new third generation ("3G") networks to support NII's telecommunications services and provide faster data transmissions to its markets in Latin America.

In March 2014, a putative securities fraud class action was filed against NII, NII Capital, and Defendants in the United States District Court for the Eastern District of Virginia related to allegedly false and misleading statements and omissions concerning NII's transition to 3G in Latin America and away from its existing infrastructure, which used an older technology called "iDEN".

In June 2014, the Court entered an Order appointing Danica, Industriens, Operating Engineers Pension Trust Fund, IBEW Local No. 58 / SMC NECA Funds, and Jacksonville P&F as Lead Plaintiffs pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA") and consolidating all new related securities class actions into this Action, *In re NII Holdings, Inc. Securities Litigation*, Civ. No. 14-cv-00227-LMB-JFA. By the same Order, the Court approved Class Representatives' selection of Labaton Sucharow LLP and Kessler Topaz Meltzer & Check, LLP as Lead Counsel for the Class and Susan R. Podolsky, Esq. as Local Counsel for the Class.

In June 2014, Class Representatives filed the Amended Class Action Complaint for Violations of Federal Securities Laws and then filed the operative Second Amended Class Action Complaint for Violations of Federal Securities Laws (the "Complaint"), asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated under that Act. The Complaint alleges that NII and Defendants violated the federal securities laws by making materially false or misleading statements concerning: (i) customer quality; (ii) the impact of the shutdown of Sprint's U.S. iDEN network on NII; and (iii) NII's progress in the development and testing of NII's 3G PTT ("push-to-talk") services, and the resulting impact on the Company's financial condition and operational health. The Complaint alleges that these statements caused the prices of NII Stock and NII Bonds to be artificially inflated during the Class Period and that the prices of NII Stock and NII Bonds declined when the truth was disclosed.

In August 2014, NII and Defendants moved to dismiss the Complaint, which Lead Plaintiffs opposed on September 10, 2014. On September 23, 2014, Defendants filed reply papers in further support of their motion to dismiss. On October 6, 2014, after oral argument on the motion, the Court issued an Order denying Defendants' motion to dismiss.

In September 2014, NII, NII Capital, and several related corporate entities filed voluntary petitions for relief under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"); NII filed a Notice of Suggestion of Bankruptcy in this Court; and the Court stayed all proceedings against NII.

In November 2014, the Court entered an Order temporarily extending the automatic bankruptcy stay to the proceedings against the Individual Defendants.

In June 2015, the Bankruptcy Court entered an order confirming NII's amended proposed joint reorganization plan in which Lead Plaintiffs' claims against NII for violations of the federal securities laws were extinguished. In July 2015, the Court dismissed NII as a defendant in the litigation and lifted the temporary stay entered in November 2014 with respect to the Individual Defendants.

In July 2015, Defendants answered the Complaint and asserted affirmative defenses to Lead Plaintiffs' allegations in the Complaint. In their answer, Defendants denied all of Lead Plaintiffs' allegations of wrongdoing, including, among other things, that they or NII made any false or misleading statements concerning: (i) customer quality; (ii) the impact of the shutdown of Sprint's U.S. iDEN network on NII; and (iii) NII's progress in the development and testing of NII's 3G PTT services. They also denied that any such statements caused the prices of NII Stock and NII Bonds to be artificially inflated or that any Class Member incurred damages relating to any of Defendants' statements or conduct.

In September 2015, Lead Plaintiffs filed their motion for class certification, which Defendants opposed in October 2015. In November 2015, the Court issued an Order and a Memorandum Opinion granting Lead Plaintiffs' motion, certifying the Class, appointing Lead Plaintiffs as Class Representatives, and appointing Lead Counsel as Class Counsel and Local Counsel as Liaison Counsel.

On December 1, 2015, Defendants filed a petition in the United States Court of Appeals for the Fourth Circuit (the "Fourth Circuit") seeking leave to immediately appeal the Court's Order on class certification, which Class Representatives opposed. On December 21, 2015, the Fourth Circuit denied Defendants' petition.

Class Representatives, through Class Counsel, have conducted a thorough investigation of the claims, defenses, and underlying events and transactions that are the subject of the Action. This process included reviewing and analyzing: (i) documents filed publicly by the Company with the U.S. Securities and Exchange Commission ("SEC"); (ii) publicly available information, including press releases, news articles, and other public statements issued by or concerning the Company and Defendants; (iii) research reports issued by financial analysts concerning the Company; (iv) other publicly available information and data concerning the Company; (v) approximately 1.2 million pages of documents produced by Defendants and the Company (among other third parties); and (vi) the applicable law governing the claims asserted and potential defenses thereto. The Parties completed extensive fact and class discovery, which included Plaintiffs' Counsel taking 13 depositions of current and former NII employees (including all three Defendants), taking one deposition of Defendants' market efficiency expert, defending five depositions of representatives of Lead Plaintiffs, defending one deposition of Lead Plaintiffs' market efficiency expert, and consulting with experts in the fields of loss causation, market efficiency, damages, and the industry in which the Company operated. Class Representatives also served two expert reports and expert discovery was scheduled to close on February 19, 2016.

In October 2015, Defendants and Class Representatives engaged an experienced and well-respected mediator and participated in a formal mediation session on October 27, 2015. Discussions continued thereafter, both with and without the mediator, but a settlement could not be reached. In January 2016, the Parties engaged Jed D. Melnick, Esq., another well-respected and highly experienced mediator, to assist them in exploring a potential negotiated resolution of the claims in the Action. On January 15, 2016, the Parties met with Mr. Melnick in an attempt to reach a settlement. The mediation involved an extended effort to settle the claims and was preceded by the exchange of mediation statements. Following arm's-length negotiations mediated by Mr. Melnick, the Parties reached an agreement-in-principle to settle the Action for \$41.5 million based on a mediator's proposal by Mr. Melnick. A memorandum of understanding setting forth all material points of the Parties' agreement was executed on February 17, 2016. Thereafter, the Parties spent additional weeks negotiating and documenting the specific terms and conditions of the Settlement, which are embodied in the Stipulation entered into by the Parties on April 18, 2016. The Stipulation can be viewed at www.niisecuritieslitigation.com.

On May 16, 2016, the Court entered the Preliminary Approval Order, authorizing that this Notice be sent to potential Class Members and scheduling the Settlement Hearing to consider whether to grant final approval to the Settlement, among other things.

3. Why is this a class action?

In a class action, one or more persons or entities (in this case, Class Representatives), sue on behalf of people and entities who have similar claims. Together, these people and entities are a "class," and each is a "class member." Bringing a case, such as this one, as a class action allows the adjudication of many similar claims that might be too small to bring economically as individual actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or "opt-out," from the class. In this Action, the Court has appointed Danica, Industriens, Operating Engineers Pension Trust Fund, IBEW Local No. 58 / SMC NECA Funds, and Jacksonville P&F to serve as Class Representatives and has appointed Labaton Sucharow LLP and Kessler Topaz Meltzer & Check, LLP to serve as Class Counsel.

4. What are the reasons for the Settlement?

The Court did not finally decide in favor of Class Representatives or Defendants. Instead, both sides agreed to a settlement.

Class Representatives and Class Counsel believe that the claims asserted in the Action have merit. Class Representatives and Class Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims in the Action through trial and appeals, as well as the difficulties in establishing liability. Class Representatives and Class Counsel have considered the uncertain outcome and the risk of any litigation, especially in complex lawsuits like this one, as well as the difficulties and delays inherent in such litigation. For example, Defendants have raised a number of arguments and defenses (which they would raise at summary judgment and trial) that they did not make false and misleading statements in violation of the federal securities laws, that Class Representatives would not be able to establish that Defendants acted with the requisite intent, and that Class Representatives' and other Class Members' losses on their NII investments were not caused by any false and misleading statements or omissions by Defendants. Even assuming Class Representatives could establish liability, Defendants maintained that the alleged corrective disclosures did not reveal any alleged fraud. In the absence of a settlement, the Parties would present factual and expert testimony on each of these issues, and there is a risk that the Court or jury would resolve these issues unfavorably

against Class Representatives and the Class. In light of the Settlement and the guaranteed cash recovery to the Class, Class Representatives and Class Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Class.

Defendants have denied and continue to deny any wrongdoing and deny that they have committed any act or omission giving rise to any liability or violation of law. Defendants deny the allegations that they knowingly, or otherwise, made any material misstatements or omissions; that any member of the Class has suffered damages; that the prices of NII Stock or NII Bonds were artificially inflated by reason of the alleged misrepresentations, omissions, or otherwise; or that members of the Class were harmed by the conduct alleged in the Complaint. Defendants have denied and continue to deny each and every one of the claims alleged by Class Representatives on behalf of the Class and maintain that they have meritorious defenses to all claims alleged in the Complaint. Nonetheless, Defendants have concluded that continuation of the Action would be protracted, time-consuming and expensive, and have taken into account the uncertainty and risks inherent in any litigation, especially a complex case like this Action, and believe that the Settlement is in the best interest of Defendants.

WHO IS IN THE SETTLEMENT

To be eligible for a payment from the proceeds of the Settlement, you must be a Class Member.

5. How do I know if I am part of the Class?

For purposes of this Action, the Court certified a class of investors pursuant to an Order dated November 17, 2015. Everyone who fits the description of the Class below is a Class Member and subject to the Settlement, unless they are excluded by definition (*see* Question 6 below) or take steps to exclude themselves (*see* Question 13 below):

All persons and entities that, during the period from February 25, 2010 through February 27, 2014, inclusive, purchased or otherwise acquired the publicly traded securities of NII Holdings and/or NII Capital and who were damaged thereby. The eligible securities are NII Stock (ISIN: US62913F2011), as well as the following NII Bonds: (i) 7.625% NII Bonds, due April 1, 2021 (ISIN: US67021BAE92); (ii) 8.875% NII Bonds, due December 15, 2019 (ISIN: US67021BAC37); and (iii) 10% NII Bonds, due August 15, 2016 (ISIN: US67021BAD10).

If one of your mutual funds purchased NII Stock or NII Bonds during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you individually purchased or acquired NII Stock or NII Bonds during the Class Period. Check your investment records or contact your broker to see if you have any eligible purchases, acquisitions, or sales.

6. Are there exceptions to being included in the Class?

Yes. There are some people and entities who are excluded from the Class by definition. Excluded from the Class are: Defendants Steven P. Dussek, Steven M. Shindler, and Gokul Hemmady; NII Holdings, Inc.; NII Capital Corp.; members of the Immediate Family of any Defendant who is an individual; any person who was an officer or director of NII and/or NII Capital during the Class Period; any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest; NII's employee retirement and benefit plan(s); Defendants' directors' and officers' liability insurance carriers, and any affiliates or subsidiaries thereof; and the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded party. Also excluded from the Class is anyone who timely and validly seeks exclusion from the Class in accordance with the procedures described in Question 13 below and whose request for exclusion is accepted by the Court.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included in the Class, you can ask for free help. You can call the Claims Administrator toll-free at (866) 905-8128, send an e-mail to the Claims Administrator at info@niisecuritieslitigation.com, or write to the Claims Administrator at *In re NII Holdings, Inc. Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173009, Milwaukee, WI 53217. Or you can fill out and return the Claim Form described in Question 10, to see if you qualify. You may also want to contact your broker to see if you purchased and/or acquired the NII Stock and/or NII Bonds eligible to participate in the Settlement.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims against the Released Defendant Parties, Defendants have agreed to fund a \$41.5 million cash fund that, along with any interest earned on this amount, will be distributed after deduction of Court-awarded attorneys' fees and expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court (the "Net Settlement Fund"), among all Class Members who submit valid Claim Forms and are found by the Court to be eligible to receive a distribution from the Net Settlement Fund ("Authorized Claimants").

9. How much will my payment be?

If you are an Authorized Claimant entitled to a payment, your share of the Net Settlement Fund will depend on several things, including, among other things, how many Class Members timely send in valid Claim Forms; the amount of NII Stock and NII Bonds you purchased or otherwise acquired during the Class Period; the prices and dates of those purchases or acquisitions; and the prices and dates of any sales you made of NII Stock and NII Bonds.

You can calculate your Recognized Claim in accordance with the formulas shown below in the Plan of Allocation. It is unlikely that you will receive a payment for all of your Recognized Claim. *See* the Plan of Allocation of Net Settlement Fund on pages 9-14 for more information on your Recognized Claim.

HOW TO RECEIVE A PAYMENT: SUBMITTING A PROOF OF CLAIM FORM

10. How can I receive a payment?

To qualify for a payment from the Net Settlement Fund, you must submit a timely and valid Claim Form. A Claim Form is included with this Notice. If you did not receive a Claim Form, you can obtain one from the website dedicated to the Settlement: www.niisecuritieslitigation.com, or from Class Counsel's websites: www.labaton.com and www.ktmc.com. You can also request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at (866) 905-8128.

Please read the instructions contained in the Claim Form carefully, fill out the Claim Form, include all the documents the form requests, sign it, and mail or submit it to the Claims Administrator so that it is **postmarked or received on or before September 28, 2016**.

11. When will I receive my payment?

The Court will hold a Settlement Hearing on **September 16, 2016** to decide, among other things, whether to finally approve the Settlement. Even if the Court approves the Settlement, there may be appeals which can take time to resolve, perhaps more than a year. It also takes a long time for all of the Claim Forms to be accurately reviewed and processed. Please be patient.

12. What am I giving up to receive a payment or stay in the Class?

If you are a Class Member and do not timely and validly exclude yourself from the Class, you will remain in the Class and that means that, upon the "Effective Date," you will release all "Released Claims" against the "Released Defendant Parties."

"Released Claims" means any and all claims, liabilities, demands, causes of action, or lawsuits of every nature and description, including both known claims and Unknown Claims (defined below), whether arising under federal, state, common, administrative, or foreign law, whether legal, statutory, equitable, or of any other type or form, and whether brought in a representative or individual capacity, that (i) were asserted in the Action; or (ii) could have been asserted by Class Representatives or any other Class Member in the Action or in any other action or forum that are based upon, arise out of, relate to, or involve, directly or indirectly both (a) the purchase of NII Stock and/or NII Bonds during the Class Period and (b) any of the actions, failures to act, transactions, occurrences, statements, omissions, allegations, facts, practices, events or claims alleged or asserted in the Action. For the avoidance of doubt, Released Claims do not include claims relating to the enforcement of the Settlement.

"Released Defendant Parties" means Defendants, Defendants' Counsel, NII Holdings, Inc., NII Capital Corp., and each of their respective past or present subsidiaries, parents, affiliates, principals, successors and predecessors, assigns, officers, directors, trustees, partners, partnerships, agents, employees, attorneys, accountants, auditors, and insurers; the members of the Immediate Families, representatives, and heirs of the Defendants, as well as any trust of which any Defendant is the settlor or which is for the benefit of any of any Defendant's Immediate Family members; any firm, trust, corporation, or entity in which any Defendant has a controlling interest; and any of the legal representatives, heirs, successors in interest or assigns of Defendants.

"Unknown Claims" means any and all Released Claims that Class Representatives or any other Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims against the Released Defendant Parties, and any and all Released Defendants' Claims that any Defendant does not know or suspect to exist in his favor at the time of the release of such claims against the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to exclude himself, herself, or itself from the Class. With respect to any and all Released Claims and Released Defendants' Claims, the Parties stipulate and agree that, upon the Effective Date, Class Representatives and Defendants shall expressly, and each other Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Class Representatives, other Class Members, or Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants' Claims, but Class Representatives and Defendants shall expressly, fully, finally, and forever settle and release, and each other Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Class Representatives and Defendants acknowledge, and other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a material element of the Settlement.

The "Effective Date" will occur when an Order entered by the Court approving the Settlement becomes Final and not subject to appeal.

If you remain a member of the Class, all of the Court's orders, whether favorable or unfavorable, will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE CLASS

If you do not want to be eligible to receive a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue Defendants and the other Released Defendant Parties on your own concerning the Released Claims, then you must take steps to remove yourself from the Class. This is called excluding yourself or "opting out." **Please note:** If you decide to exclude yourself from the Class, there is a risk that any lawsuit you may file to pursue claims alleged in the Action may be dismissed, including because the suit is not filed within the

applicable time periods required for filing suit. Defendants will have the right to assert any and all defenses they may have to any claims you seek to assert. Also, Defendants may terminate the Settlement if Class Members who purchased or acquired in excess of a certain number of eligible securities seek exclusion from the Class.

13. How do I exclude myself from the Class?

To exclude yourself from the Class, you must mail a signed letter stating that you “request to be excluded from the Class in *In re NII Holdings, Inc. Securities Litigation*, No. 14-00227 (E.D. Va.)” You cannot exclude yourself by telephone or e-mail. Your letter must report: (i) each of your purchases, acquisitions, and sales of NII Stock and NII Bonds on February 25, 2010 through and including the close of trading on May 28, 2014, including the dates, amounts (in terms of the number of shares of NII Stock and face amount of NII Bonds), and prices of each purchase, acquisition, and sale; and (ii) the number of shares and bonds you held as of the opening of trading on February 25, 2010, at the close of trading on February 27, 2014, and at the close of trading on May 28, 2014. Your letter must also include your name, mailing address, telephone number, e-mail address, signature, and, in the case of entities, the name and address of the appropriate contact person. You must submit your exclusion request so that it is **received on or before August 26, 2016** to:

In re NII Holdings, Inc. Securities Litigation
EXCLUSIONS
c/o A.B. Data, Ltd.
P.O. Box 173009
Milwaukee, WI 53217

Your exclusion request must comply with these requirements in order to be valid. If you ask to be excluded, do not submit a Claim Form because you cannot receive any payment from the Net Settlement Fund. Also, you cannot object to the Settlement because you will not be a Class Member. However, if you submit a valid exclusion request, you will not be legally bound by anything that happens in this Action, and you may be able to sue (or continue to sue) Defendants and the other Released Defendant Parties in the future.

14. If I do not exclude myself, can I sue Defendants and the other Released Defendant Parties for the same thing later?

No. Unless you properly exclude yourself, you will remain in the Class and you will give up any rights to sue Defendants and the other Released Defendant Parties for any and all Released Claims. If you have a pending lawsuit against any of the Released Defendant Parties, **speak to your lawyer in that case immediately**. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is **August 26, 2016**.

15. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, do not send in a Claim Form to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against Defendants and the other Released Defendant Parties.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firms of Labaton Sucharow LLP and Kessler Topaz Meltzer & Check, LLP to represent all Class Members. These lawyers are called Class Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Plaintiffs’ Counsel’s fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Plaintiffs’ Counsel have not been paid for any of their work. Class Counsel will ask the Court to award Plaintiffs’ Counsel attorneys’ fees of no more than 25% of the Settlement Fund, which will include any accrued interest. Class Counsel will also seek payment of litigation expenses incurred by Plaintiffs’ Counsel in the prosecution of this Action of no more than \$1.75 million, plus interest on such expenses at the same rate as earned by the Settlement Fund. In addition, Class Representatives also may apply for reimbursement of their reasonable costs and expenses (including lost wages) directly related to representing the Class, in accordance with the PSLRA, in a combined amount not to exceed \$50,000.

OBJECTING TO THE SETTLEMENT, THE PLAN OF ALLOCATION, OR THE FEE AND EXPENSE APPLICATION

18. How do I tell the Court that I do not like something about the proposed Settlement?

If you are a Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation of the Net Settlement Fund, and/or the Fee and Expense Application. You may give reasons why you think the Court should not approve any or all of the Settlement terms or related relief. If you would like the Court to consider your views, you must file a proper objection within the deadline, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed Settlement in “*In re NII Holdings, Inc. Securities Litigation*, No. 14-00227 (E.D. Va.)” Your objection must: (i) include your name, address, telephone number, e-mail address, and signature; (ii) identify the amount of NII Stock and NII Bonds (in terms of number of shares of NII Stock and face amount of NII Bonds) purchased, acquired, and sold during the Class Period, as well as the date(s) and price(s) of each purchase, acquisition, and sale; and (iii) state the reasons why you object, which part(s) of the Settlement you object to, and include any legal support and/or evidence, including witnesses that support your objection. Unless otherwise ordered by the Court, any Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and will be forever foreclosed from making any objection to the proposed Settlement, the Plan of Allocation, and/or the

Fee and Expense Application. Your objection must be filed with the Court **on or before August 26, 2016** and mailed or delivered to the following counsel so that it is **received on or before August 26, 2016**:

Court
Clerk of the Court
United States District Court
Eastern District of Virginia
Albert V. Bryan U.S. Courthouse
401 Courthouse Square
Alexandria, VA 22314

Class Counsel
Labaton Sucharow LLP
Joel H. Bernstein, Esq.
140 Broadway
New York, NY 10005
Kessler Topaz Meltzer & Check, LLP
Gregory M. Castaldo, Esq.
280 King of Prussia Road
Radnor, PA 19087

Defendants' Counsel
Sidley Austin LLP
Michael D. Warden, Esq.
1501 K Street, N.W.
Washington, DC 20005

You do not need to attend the Settlement Hearing to have your written objection considered by the Court. However, any Class Member who has not submitted a request for exclusion and who has complied with the procedures described in this Question 18 and below in Question 22 may appear at the Settlement Hearing and be heard, to the extent allowed by the Court, about their objection. An objector may appear in person or arrange, at his, her, or its own expense, for a lawyer to represent him, her, or it at the Settlement Hearing.

19. What is the difference between objecting and seeking exclusion?

Objecting is telling the Court that you do not like something about the proposed Settlement, Plan of Allocation, or Fee and Expense Application. You can still recover money from the Settlement. You can object *only* if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself from the Class, you have no basis to object because the Settlement and the Action no longer affects you.

THE SETTLEMENT HEARING

20. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold the Settlement Hearing on **September 16, 2016 at 10:00 a.m.**, in Courtroom 600 at the Albert V. Bryan U.S. Courthouse, 401 Courthouse Square, Alexandria, VA 22314.

At this hearing, the Court will consider whether: (a) the Settlement is fair, reasonable, adequate, and should be finally approved; (b) the Plan of Allocation is fair, reasonable, adequate, and should be approved; and (c) the application of Class Counsel for an award of attorneys' fees and payment of litigation expenses, including those of Class Representatives, is reasonable and should be approved. The Court will take into consideration any written objections filed in accordance with the instructions in Question 18 above. We do not know how long it will take the Court to make these decisions.

You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Class Members. If you want to attend the hearing, you should check with Class Counsel or visit the website, www.niisecuritieslitigation.com, beforehand to be sure that the hearing date and/or time has not changed.

21. Do I have to come to the Settlement Hearing?

No. Class Counsel will answer any questions the Court may have. But, you are welcome to attend at your own expense. If you submit a valid and timely objection, the Court will consider it and you do not have to come to Court to discuss it. You may have your own lawyer attend (at your own expense), but it is not required. If you do hire your own lawyer, he or she must file and serve a Notice of Appearance in the manner described in the answer to Question 22 below **on or before August 26, 2016**.

22. May I speak at the Settlement Hearing?

If you object to the Settlement or any aspect of it, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* Question 18), **on or before August 26, 2016**, a statement that you, or your attorney, intend to appear in "*In re NII Holdings, Inc. Securities Litigation*, No. 14-00227 (E.D. Va.)." Persons who intend to object to the Settlement, the Plan of Allocation, and/or Class Counsel's Fee and Expense Application and desire to present evidence at the Settlement Hearing must also include in their objections (prepared and submitted in accordance with the answer to Question 18 above) the identities of any witnesses they may wish to call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. You may not speak at the Settlement Hearing if you exclude yourself from the Class or if you have not provided written notice of your objection and intention to speak at the Settlement Hearing in accordance with the procedures described in this Question 22 and Question 18 above.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing and you are a member of the Class, you will receive no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Defendant Parties concerning the Released Claims. To share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 10). To start, continue, or be a part of any other lawsuit against Defendants and the other Released Defendant Parties concerning the Released Claims, you must exclude yourself from the Class (*see* Question 13).

GETTING MORE INFORMATION

24. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are contained in the Stipulation. You may review the Stipulation filed with the Court or documents in the case during business hours at the Office of the Clerk of the United States District Court, Eastern District of Virginia, Albert V. Bryan U.S. Courthouse, 401 Courthouse Square, Alexandria, VA 22314. Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the Action through the Court's on-line Case Management/Electronic Case Files System at <https://www.pacer.gov>.

You can also get a copy of the Stipulation, and other documents related to the Settlement, as well as additional information about the Settlement by calling the Claims Administrator toll free at (866) 905-8128; writing to the Claims Administrator at *In re NII Holdings, Inc. Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173009, Milwaukee, WI 53217; or visiting the website dedicated to the Settlement, www.niisecuritieslitigation.com, where you will find answers to common questions about the Settlement, can download copies of the Stipulation or Claim Form, and can locate other information about the Settlement and whether you are eligible for a payment. **Please do not call the Court with questions about the Settlement.**

PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

25. How will my claim be calculated?

As discussed above, the Settlement provides \$41.5 million in cash for the benefit of the Class. The Settlement Amount and any interest it earns constitutes the "Settlement Fund." The Settlement Fund, after deduction of Court-approved attorneys' fees and expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court, is the Net Settlement Fund. The Net Settlement Fund will be distributed to Authorized Claimants – *i.e.*, members of the Class who timely submit valid Claim Forms that show Recognized Claims pursuant to the Plan of Allocation and are approved by the Court. Class Members who do not timely submit valid Claim Forms will not share in the Net Settlement Fund, but will otherwise be bound by the Settlement. The Court may approve this Plan of Allocation, or modify it, without additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the website www.niisecuritieslitigation.com.

The objective of this Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants who allegedly suffered economic losses as a result of the alleged violations of the federal securities laws, as opposed to losses caused by market or industry factors or Company-specific factors unrelated to the alleged violations of law. To design this Plan of Allocation, Class Counsel have conferred with their damages expert. This Plan of Allocation is intended to be generally consistent with an assessment of, among other things, the damages that Class Counsel and Class Representatives believe were recoverable in the Action. The Plan of Allocation, however, is not a formal damages analysis.

For losses to be compensable under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. In this case, Class Representatives allege that Defendants issued false statements and omitted material facts during the Class Period (February 25, 2010 through February 27, 2014), which allegedly inflated the prices of NII Stock and NII Bonds. In order for a claimant to have a compensable loss, the market prices of NII Stock and NII Bonds must have declined due to disclosure of the alleged false and misleading statements and omissions. Specifically, in order for a claimant's NII Stock and/or NII Bonds purchased or acquired during the Class Period and prior to the first alleged partial corrective disclosure to have a compensable loss, the security must be held until the opening of trading on February 23, 2012 (in the case of NII Stock) and the opening of trading on April 26, 2012 (in the case of NII Bonds). Purchases and acquisitions of NII Stock and/or NII Bonds occurring after the first alleged partial corrective disclosure must have been held through a subsequent alleged partial corrective disclosure in order to have a compensable loss.

The formulas for calculating Recognized Loss Amounts and Recognized Claims described in this Notice are not intended to estimate the amounts that Class Members might have been able to recover after a trial, or the amounts that will actually be paid to Authorized Claimants in connection with this Settlement. Rather, these formulas provide the basis on which the Net Settlement Fund will be distributed on a *pro rata* basis among Authorized Claimants. An Authorized Claimant's *pro rata* share of the Net Settlement Fund will be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If the Net Settlement Fund exceeds the total Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund will be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

Defendants, their counsel, and all other Released Defendant Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation or the payment of any claim. Class Representatives, Plaintiffs' Counsel, and their agents, likewise will have no liability for their reasonable efforts to execute and administer the Settlement, and distribute the Net Settlement Fund.

A. Eligible Securities

The securities eligible to participate in the Settlement and to recover from the Net Settlement Fund are NII publicly traded common stock (ISIN: US62913F2011), as well as the following publicly traded debt securities: (i) 7.625% NII Bonds, due April 1, 2021 (ISIN: US67021BAE92); (ii) 8.875% NII Bonds, due December 15, 2019 (ISIN: US67021BAC37); and (iii) 10% NII Bonds, due August 15, 2016 (ISIN: US67021BAD10). Collectively, the NII Stock and NII Bonds are referred to as the "Eligible NII Securities." Option contracts to purchase or sell NII Stock are not securities eligible to participate in the Settlement. With respect to NII Stock purchased or sold through the exercise of an option, the purchase/sale date of the NII Stock is the exercise date of the option and the purchase/sale price of the NII Stock is the exercise price of the option.

The recoveries, prices, and inflation per NII Bond described in this Notice are per \$1,000 par value.

QUESTIONS? VISIT WWW.NIISECURITIESLITIGATION.COM OR CALL 866-905-8128

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B. Calculation of Recognized Loss Amounts

For purposes of determining whether a claimant has a “Recognized Claim,” purchases, acquisitions, and sales of each respective Eligible NII Security will first be matched on a First In/First Out (“FIFO”) basis. If a claimant has more than one purchase/acquisition or sale of an Eligible NII Security during the Class Period, all purchases/acquisitions and sales of each respective Eligible NII Security will be matched on a FIFO basis. For each such security, Class Period sales will be matched first against any holdings at the beginning of the Class Period and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

For each Eligible NII Security purchased or otherwise acquired during the Class Period and sold before the close of trading on May 28, 2014 (the end of the 90-day look back period described in footnote 4 below), an “Out of Pocket Loss” will be calculated. Out of Pocket Loss is defined as the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the sale price (excluding all fees, taxes, and commissions). To the extent that the calculation of the Out of Pocket Loss results in a negative number, thereby reflecting a gain on the transaction, that number shall be set to zero.

A “Recognized Loss Amount” will be calculated as set forth below for each respective purchase/acquisition of Eligible NII Securities during the Class Period that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of a claimant’s Recognized Loss Amount results in a negative number, that number shall be set to zero. The sum of a claimant’s Recognized Loss Amounts will be the claimant’s “Recognized Claim.”

Based on the foregoing, and for purposes of this Settlement only, Recognized Loss Amounts will be calculated as follows:

1. For each share of NII Stock purchased or otherwise acquired from February 25, 2010 through and including February 27, 2014, and:

- (a) Sold before the opening of trading on February 23, 2012, the Recognized Loss Amount for each such share shall be zero.
- (b) Sold after the opening of trading on February 23, 2012 and before the close of trading on February 27, 2014, the Recognized Loss Amount for each such share shall be **the lesser of:**
 - (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Column 2 of Table 1 below *minus* the dollar amount of alleged artificial inflation applicable to each such share on the date of sale as set forth in Column 2 of Table 1 below; or
 - (ii) the Out of Pocket Loss.
- (c) Sold after the close of trading on February 27, 2014 and before the close of trading on May 28, 2014, the Recognized Loss Amount for each such share shall be **the least of:**
 - (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Column 2 of Table 1 below; or
 - (ii) the actual purchase/acquisition price of each such share (excluding all fees, taxes, and commissions) *minus* the average closing price of NII Stock from February 28, 2014, up to the date of sale as set forth in Column 2 of Table 2 below;⁴ or
 - (iii) the Out of Pocket Loss.
- (d) Held as of the close of trading on May 28, 2014, the Recognized Loss Amount for each such share shall be **the lesser of:**
 - (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Column 2 of Table 1 below; or
 - (ii) the actual purchase/acquisition price of each such share (excluding all fees, taxes, and commissions) *minus* \$0.95, the price set forth in Column 2 of Table 2 below.

2. For each NII Bond purchased or otherwise acquired from February 25, 2010 through and including February 27, 2014, and:

- (a) Sold before the opening of trading on April 26, 2012, the Recognized Loss Amount for each such Bond shall be zero.
- (b) Sold after the opening of trading on April 26, 2012 and before the close of trading on February 27, 2014, the Recognized Loss Amount with respect to each:
 - (i) **10% Bond** shall be the **lesser of:**
 - a. the dollar amount of alleged artificial inflation applicable to each such Bond on the date of purchase/acquisition as set forth in Column 3 of Table 1 below *minus* the dollar amount of alleged artificial inflation applicable to each such Bond on the date of sale as set forth in Column 3 of Table 1 below; or

⁴ Pursuant to Section 21(D)(e)(1) of the PSLRA, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day look-back period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the PSLRA, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Eligible NII Securities during the 90-day look-back period, February 28, 2014 through May 28, 2014. The mean (average) closing price for each Eligible NII Security during this 90-day look-back period is set forth in the last line of Table 2.

- b. the Out of Pocket Loss.
- (ii) **8.875% Bond** shall be the lesser of:
 - a. the dollar amount of alleged artificial inflation applicable to each such Bond on the date of purchase/acquisition as set forth in Column 4 of Table 1 below *minus* the dollar amount of alleged artificial inflation applicable to each such Bond on the date of sale as set forth in Column 4 of Table 1 below; or
 - b. the Out of Pocket Loss.
- (iii) **7.625% Bond** shall be the lesser of:
 - a. the dollar amount of alleged artificial inflation applicable to each such Bond on the date of purchase/acquisition as set forth in Column 5 of Table 1 below *minus* the dollar amount of alleged artificial inflation applicable to each such Bond on the date of sale as set forth in Column 5 of Table 1 below; or
 - b. the Out of Pocket Loss.
- (c) Sold after the close of trading on February 27, 2014 and before the close of trading on May 28, 2014, the Recognized Loss Amount for each:
 - (i) **10% Bond** shall be the least of:
 - a. the dollar amount of alleged artificial inflation applicable to each such Bond on the date of purchase/acquisition as set forth in Column 3 of Table 1 below; or
 - b. the actual purchase/acquisition price of each such Bond (excluding all fees, taxes, and commissions) *minus* the average closing price of the Bond from February 28, 2014, up to the date of sale as set forth in Column 3 of Table 2 below; or
 - c. the Out of Pocket Loss.
 - (ii) **8.875% Bond** shall be the least of:
 - a. the dollar amount of alleged artificial inflation applicable to each such Bond on the date of purchase/acquisition as set forth in Column 4 of Table 1 below; or
 - b. the actual purchase/acquisition price of each such Bond (excluding all fees, taxes, and commissions) *minus* the average closing price of the Bond from February 28, 2014, up to the date of sale as set forth in Column 4 of Table 2 below; or
 - c. the Out of Pocket Loss.
 - (iii) **7.625% Bond** shall be the least of:
 - a. the dollar amount of alleged artificial inflation applicable to each such Bond on the date of purchase/acquisition as set forth in Column 5 of Table 1 below; or
 - b. the actual purchase/acquisition price of each such Bond (excluding all fees, taxes, and commissions) *minus* the average closing price of the Bond from February 28, 2014, up to the date of sale as set forth in Column 5 of Table 2 below; or
 - c. the Out of Pocket Loss.
- (d) Held as of the close of trading on May 28, 2014, the Recognized Loss Amount for each:
 - (i) **10% Bond** shall be the lesser of:
 - a. the dollar amount of alleged artificial inflation applicable to each such Bond on the date of purchase/acquisition as set forth in Column 3 of Table 1 below; or
 - b. the actual purchase/acquisition price of each such Bond (excluding all fees, taxes, and commissions) *minus* \$396.26, the price set forth in Column 3 of Table 2 below.
 - (ii) **8.875% Bond** shall be the lesser of:
 - a. the dollar amount of alleged artificial inflation applicable to each such Bond on the date of purchase/acquisition as set forth in Column 4 of Table 1 below; or
 - b. the actual purchase/acquisition price of each such Bond (excluding all fees, taxes, and commissions) *minus* \$453.97, the price set forth in Column 4 of Table 2 below.
 - (iii) **7.625% Bond** shall be the lesser of:
 - a. the dollar amount of alleged artificial inflation applicable to each such Bond on the date of purchase/acquisition as set forth in Column 5 of Table 1 below; or
 - b. the actual purchase/acquisition price of each such Bond (excluding all fees, taxes, and commissions) *minus* \$301.51, the price set forth in Column 5 of Table 2 below.

C. Additional Provisions

Purchases, acquisitions, and sales of Eligible NII Securities will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of Eligible NII Securities during the Class Period will not be deemed a purchase, acquisition, or sale for the calculation of Recognized Loss Amounts, unless (i) the donor or decedent purchased or otherwise acquired the Eligible NII Securities during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on

behalf of the decedent, or by anyone else with respect to the Eligible NII Securities; and (iii) it is specifically so provided in the instrument of gift or assignment.

The date of covering a “short sale” is deemed to be the date of purchase or acquisition of Eligible NII Securities. The date of a “short sale” is deemed to be the date of sale of Eligible NII Securities. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on a “short sale” is zero. In the event that a claimant has an opening short position in Eligible NII Securities, the earliest Class Period purchases or acquisitions of that respective security will be matched against such opening short position and will not be entitled to a recovery until that short position is fully covered.

The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

Payment according to this Plan of Allocation will be deemed conclusive against all Authorized Claimants. Recognized Claims will be calculated as defined in this Notice by the Claims Administrator and cannot be less than zero.

Distributions to eligible Authorized Claimants will be made after all claims have been processed and after the Court has approved the Claims Administrator’s determinations and issued the Distribution Order. Following an initial distribution of the Net Settlement Fund, if there is any balance remaining in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise) after at least six (6) months from the date of initial distribution of the Net Settlement Fund, Class Counsel will, if feasible and economical after payment of Notice and Administration Expenses, Taxes, and any outstanding attorneys’ fees and expenses, redistribute such balance among Authorized Claimants who have cashed their checks in an equitable and economic fashion. Any balance that still remains in the Net Settlement Fund after redistribution(s), which is not feasible or economical to reallocate, after payment of Notice and Administration Expenses, Taxes, and any outstanding attorneys’ fees and expenses, will be contributed to non-sectarian, not-for-profit charitable organization(s) serving the public interest, designated by Class Representatives and approved by the Court.

Each claimant is deemed to have submitted to the jurisdiction of the United States District Court for the Eastern District of Virginia with respect to his, her, or its claim.

TABLE 1⁵
Estimated Alleged Artificial Inflation for Each Eligible NII Security
For Purposes of Calculating Purchase/Acquisition and Sale Inflation

Purchase, Acquisition, or Sale Date [1]	Common Stock [2]	10% Bond [3]	8.875% Bond [4]	7.625% Bond [5]
February 25, 2010 to February 23, 2011	\$0.71	\$0.00	\$0.00	\$0.00
February 24, 2011 to April 27, 2011	\$1.98	\$0.30	\$4.26	\$4.95
April 28, 2011 to July 27, 2011	\$3.25	\$0.61	\$8.52	\$9.90
July 28, 2011 to October 26, 2011	\$4.52	\$0.91	\$12.78	\$14.85
October 27, 2011 to February 22, 2012	\$5.79	\$1.22	\$17.04	\$19.80
February 23, 2012 to April 25, 2012	\$4.07	\$1.22	\$17.04	\$19.80
April 26, 2012 to May 1, 2013 ⁶	\$0.01	\$0.01	\$0.01	\$0.01
May 2, 2013 to July 31, 2013	\$2.41	\$178.00	\$124.83	\$109.99
August 1, 2013 to October 30, 2013	\$1.76	\$152.02	\$103.27	\$103.52
October 31, 2013 to December 8, 2013	\$1.22	\$115.96	\$76.60	\$73.86
December 9, 2013 to February 27, 2014	\$1.00	\$75.17	\$37.47	\$31.68

⁵ The prices listed in Table 1 and Table 2 for each NII Bond are per \$1,000 par value.

⁶ Losses in connection with purchases/acquisitions of NII Stock and NII Bonds during the period from April 26, 2012 through May 1, 2013 are *de minimis* in light of unique difficulties the Class would have faced in proving that Defendants made any false statements during this period that caused the Class’s alleged losses.

TABLE 2
Average Closing Price for Each Eligible NII Security
February 28, 2014 – May 28, 2014⁷

Date [1]	Average Closing Price Between February 28, 2014 and Date Shown			
	Common Stock [2]	10% Bond [3]	8.875% Bond [4]	7.625% Bond [5]
2/28/2014	\$1.15	\$462.27	\$436.62	\$376.54
3/3/2014	\$1.16	\$443.86	\$424.09	\$362.81
3/4/2014	\$1.16	\$445.88	\$430.02	\$358.54
3/5/2014	\$1.16	\$448.13	\$434.08	\$360.22
3/6/2014	\$1.14	\$455.29	\$443.74	\$368.02
3/7/2014	\$1.14	\$461.32	\$449.71	\$370.43
3/10/2014	\$1.14	\$467.10	\$456.14	\$369.46
3/11/2014	\$1.13	\$471.34	\$462.19	\$364.63
3/12/2014	\$1.13	\$475.32	\$472.77	\$363.34
3/13/2014	\$1.12	\$475.83	\$479.35	\$360.43
3/14/2014	\$1.10	\$475.06	\$480.35	\$357.39
3/17/2014	\$1.10	\$475.60	\$481.61	\$355.56
3/18/2014	\$1.10	\$475.19	\$483.10	\$353.27
3/19/2014	\$1.10	\$473.31	\$483.28	\$350.94
3/20/2014	\$1.10	\$471.23	\$482.41	\$348.47
3/21/2014	\$1.12	\$468.65	\$481.46	\$345.38
3/24/2014	\$1.12	\$466.05	\$479.16	\$342.54
3/25/2014	\$1.12	\$463.51	\$476.88	\$339.62
3/26/2014	\$1.11	\$461.25	\$476.88	\$336.88
3/27/2014	\$1.11	\$458.59	\$475.32	\$334.34
3/28/2014	\$1.11	\$456.45	\$473.93	\$332.10
3/31/2014	\$1.12	\$454.03	\$472.72	\$329.97
4/1/2014	\$1.12	\$452.00	\$471.45	\$328.48
4/2/2014	\$1.13	\$450.18	\$471.20	\$327.57
4/3/2014	\$1.13	\$448.57	\$470.71	\$326.70
4/4/2014	\$1.13	\$446.98	\$470.32	\$325.90
4/7/2014	\$1.13	\$445.82	\$470.32	\$325.06
4/8/2014	\$1.13	\$445.13	\$469.72	\$323.98
4/9/2014	\$1.13	\$443.70	\$469.21	\$322.64
4/10/2014	\$1.13	\$441.83	\$468.80	\$320.96
4/11/2014	\$1.12	\$439.58	\$468.80	\$319.05
4/14/2014	\$1.12	\$437.04	\$468.80	\$317.42
4/15/2014	\$1.12	\$435.03	\$468.80	\$315.10
4/16/2014	\$1.12	\$433.28	\$468.11	\$313.47
4/17/2014	\$1.11	\$431.87	\$467.24	\$312.26
4/21/2014	\$1.11	\$430.44	\$466.34	\$311.31
4/22/2014	\$1.10	\$429.09	\$465.98	\$310.53
4/23/2014	\$1.10	\$428.28	\$466.05	\$310.21
4/24/2014	\$1.10	\$427.76	\$466.42	\$310.10
4/25/2014	\$1.09	\$427.22	\$466.84	\$310.06
4/28/2014	\$1.09	\$426.45	\$466.76	\$309.93

⁷ On dates where the market was open but the security did not trade, closing prices are set to the last known closing price.

Date [1]	Average Closing Price Between February 28, 2014 and Date Shown			
	Common Stock [2]	10% Bond [3]	8.875% Bond [4]	7.625% Bond [5]
4/29/2014	\$1.08	\$425.46	\$466.65	\$309.64
4/30/2014	\$1.08	\$424.38	\$466.65	\$309.48
5/1/2014	\$1.07	\$423.17	\$466.31	\$308.82
5/2/2014	\$1.07	\$422.15	\$466.01	\$308.82
5/5/2014	\$1.06	\$421.19	\$466.01	\$308.30
5/6/2014	\$1.05	\$420.08	\$465.67	\$307.88
5/7/2014	\$1.04	\$418.90	\$464.98	\$307.65
5/8/2014	\$1.04	\$417.73	\$464.51	\$307.56
5/9/2014	\$1.03	\$416.58	\$463.68	\$307.40
5/12/2014	\$1.02	\$415.21	\$462.76	\$307.06
5/13/2014	\$1.02	\$413.76	\$462.02	\$306.63
5/14/2014	\$1.01	\$412.27	\$461.39	\$305.93
5/15/2014	\$1.00	\$410.45	\$460.45	\$305.25
5/16/2014	\$0.99	\$408.77	\$459.80	\$305.02
5/19/2014	\$0.99	\$407.14	\$459.80	\$304.72
5/20/2014	\$0.98	\$405.54	\$459.58	\$304.72
5/21/2014	\$0.97	\$403.59	\$458.97	\$304.12
5/22/2014	\$0.96	\$401.70	\$457.81	\$303.46
5/23/2014	\$0.96	\$399.99	\$456.70	\$302.99
5/27/2014	\$0.95	\$398.13	\$455.33	\$302.25
5/28/2014	\$0.95	\$396.26	\$453.97	\$301.51

SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES

If you purchased or otherwise acquired publicly traded NII Stock (ISIN: US62913F2011) and/or publicly traded NII Bonds (ISIN: US67021BAE92), (ISIN: US67021BAC37), (ISIN: US67021BAD10) during the Class Period for the beneficial interest of a person or entity other than yourself, the Court has directed that **WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, YOU MUST EITHER:** (a) provide to the Claims Administrator the name and last known address of each person or entity for whom or which you purchased or acquired Eligible NII Securities during the Class Period; or (b) request additional copies of this Notice and the Claim Form from the Claims Administrator, which will be provided to you free of charge, and **WITHIN SEVEN (7) DAYS** of receipt, mail the Notice and Claim Form directly to all the beneficial owners of those securities. If you choose to follow procedure (b), the Court has also directed that, upon making that mailing, **YOU MUST SEND A STATEMENT** to the Claims Administrator confirming that the mailing was made as directed and keep a record of the names and mailing addresses used. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation and timely compliance with the above directives. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re NII Holdings, Inc. Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173009
Milwaukee, WI 53217

Dated: May 31, 2016

BY ORDER OF THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA