

T-MOBILE USA REPORTS FOURTH QUARTER 2010 RESULTS

- **Service revenues in the fourth quarter of 2010 at \$4.69 billion, up 0.9% compared to the fourth quarter of 2009**
- **Blended data ARPU of \$12.80 in the fourth quarter of 2010, up 25.5% from the fourth quarter of 2009**
- **8.2 million customers using 3G/4G smartphones as of the fourth quarter, a net increase of 1 million customers in the fourth quarter of 2010**
- **OIBDA of \$1.34 billion in the fourth quarter of 2010 was comparable to \$1.38 billion in the fourth quarter of 2009**
- **America's largest 4G network: T-Mobile USA's national HSPA+ network now covers 200 million people delivering 4G speeds**

BELLEVUE, Wash., February 25, 2011 -- T-Mobile USA, Inc. ("T-Mobile USA") today reported fourth quarter of 2010 results. In the fourth quarter of 2010, T-Mobile USA reported service revenues of \$4.69 billion compared to \$4.65 billion in the fourth quarter of 2009, and OIBDA of \$1.34 billion compared to \$1.38 billion reported in the fourth quarter of 2009. The number of customers using smartphones continued to increase significantly during the quarter, driving growth in blended data ARPU. Blended data ARPU in the fourth quarter of 2010 was \$12.80, up 25.5% from the fourth quarter of 2009. Net customer losses were 23,000 in the fourth quarter of 2010 compared to 371,000 net customer additions in the fourth quarter of 2009.

"Our service revenues increased year-on-year in the fourth quarter. Data ARPU growth rates are outperforming our main competitors as we leverage our 4G network and provide rich and compelling smartphones and data plans. However, high contract churn and significant contract customer losses in the fourth quarter of 2010 indicate that we still have a fair amount of work ahead of us and that any turnaround will take time. With the ongoing implementation of our

challenger strategy we are laying the foundation for improved performance going forward,” said Philipp Humm, President and CEO of T-Mobile USA.

“I am pleased with the increase in smartphone adoption and our ongoing improvement in data ARPU. Data growth in the U.S. mobile market continues to accelerate and with the largest 4G network T-Mobile USA is well-positioned to differentiate itself and grow consumer usage. We are not satisfied with contract churn, but we expect that the measures presented at the T-Mobile USA Investor Day in January will lead to improvements in 2011,” said René Obermann, CEO of Deutsche Telekom.

Customers

- T-Mobile USA served 33.73 million customers (as defined in Note 3 to the Selected Data, below) at the end of the fourth quarter of 2010, down from 33.76 million at the end of the third quarter of 2010 and 33.79 million at the end of the fourth quarter of 2009.
 - In the fourth quarter of 2010, net customer losses were 23,000, compared to net additions of 137,000 in the third quarter of 2010 and 371,000 in the fourth quarter of 2009.
 - Contract customers were the primary driver for the sequential and year-on-year change in net customers.
- Contract net customer losses were 318,000 in the fourth quarter of 2010, compared to 60,000 net contract customer losses in the third quarter of 2010, and 117,000 net contract customer losses in the fourth quarter of 2009.
 - Sequentially and year-on-year, the decline in net contract customers was driven primarily by fewer contract gross customer additions. Traditional postpay gross customer additions decreased in the fourth quarter of 2010 driven primarily by revised credit standards and competitive intensity. FlexPaySM contract gross customer additions also decreased related to competitive intensity.
 - Connected device net customer additions, included within contract customers (as defined in Note 3 to the Selected Data, below), were lower in the fourth quarter of 2010 than in the third quarter of 2010 and now total 1.9 million at December 31, 2010.

- Prepaid net customer additions, including MVNO customers (as defined in Note 3 to the Selected Data, below), were 295,000 in the fourth quarter of 2010, compared to 197,000 in the third quarter of 2010 and 488,000 in the fourth quarter of 2009.
 - MVNO customer additions were the primary driver of prepaid net customer additions. MVNO customers totaled 2.8 million at December 31, 2010.
 - Year-on-year, FlexPay No-Contract net customer losses were the primary reason for the decrease in prepaid net customer additions.

Churn

- Blended churn (as defined in Note 2 to the Selected Data, below), including both contract and prepaid customers, was 3.6% in the fourth quarter of 2010, up from 3.4% in the third quarter of 2010 and 3.3% in the fourth quarter of 2009.
 - The sequential and year-on-year increase was driven primarily by prepaid churn.
- Contract churn was 2.5% in the fourth quarter of 2010, up from 2.4% in the third quarter of 2010 and consistent with the fourth quarter of 2009.
 - The sequential increase in contract churn was due primarily to higher churn of connected devices in the fourth quarter of 2010 and competitive intensity.
- Prepaid churn increased in the fourth quarter of 2010 to 7.5% from 7.2% in the third quarter of 2010 and 6.8% in the fourth quarter of 2009.
 - The sequential and year-on-year increase in prepaid churn was driven primarily by MVNO customers.

OIBDA and Net Income

- T-Mobile USA reported OIBDA (as defined in Note 6 to the Selected Data, below) of \$1.34 billion in the fourth quarter of 2010, consistent with \$1.32 billion in the third quarter of 2010 and \$1.38 billion in the fourth quarter of 2009.
 - Compared to the fourth quarter of 2009, OIBDA decreased slightly due primarily to a higher equipment subsidy loss from more customers upgrading to smartphones (as defined in Note 11 to the Selected Data, below).

- OIBDA margin (as defined in Note 7 to the Selected Data, below) was 29% in the fourth quarter of 2010, up from 28% in the third quarter of 2010 but down from 30% in the fourth quarter of 2009.
- Net income in the fourth quarter of 2010 was \$268 million, compared to \$320 million in the third quarter of 2010 and \$306 million in the fourth quarter of 2009.

Revenue

- Service revenues (as defined in Note 1 to the Selected Data, below) were \$4.69 billion in the fourth quarter of 2010, consistent with \$4.71 billion in the third quarter of 2010 and up slightly from \$4.65 billion in the fourth quarter of 2009.
 - Service revenues in the fourth quarter of 2010 were positively impacted by data revenue growth, driven by the adoption of mobile broadband data plans, the revenue contribution from providing handset insurance services, and higher prepaid revenues from the growth of unlimited usage plans. In the fourth quarter of 2010, T-Mobile USA began directly providing handset insurance services which had previously been provided by a third party.
 - Year-on-year, quarterly service revenues increased due primarily to data revenue growth and from directly providing handset insurance services which more than offset voice revenue declines. The 0.9% increase in quarterly service revenues year-on-year in the fourth quarter of 2010 was an improvement from the 0.5% year-on-year decrease in the third quarter of 2010.
- Total revenues, including service, equipment, and other revenues were \$5.36 billion in the fourth quarter of 2010, consistent with \$5.35 billion in the third quarter of 2010 but down slightly from \$5.41 billion in the fourth quarter of 2009.
 - Equipment revenues decreased year-on-year due primarily to lower sales volumes.

ARPU

- Blended Average Revenue Per User (“ARPU” as defined in Note 1 to the Selected Data, below) was \$46 in the fourth quarter of 2010, down slightly from \$47 in the third quarter of 2010 but consistent with the fourth quarter of 2009.

- Contract ARPU was \$52 in the fourth quarter of 2010, consistent with the third quarter of 2010 and up slightly from \$51 in the fourth quarter of 2009.
 - Year-on-year contract ARPU increased as data revenue growth and handset insurance revenues more than offset lower voice revenue.
- Prepaid ARPU was \$19 in the fourth quarter of 2010, consistent with the third quarter of 2010 and up from \$18 in the fourth quarter of 2009.
 - The increase in prepaid ARPU compared to the fourth quarter of 2009 was due primarily to the growth of customers on unlimited usage plans.
- Data service revenues (as defined in Note 1 to the Selected Data, below) were \$1.29 billion in the fourth quarter of 2010, up 25% from the fourth quarter of 2009. Data service revenues in the fourth quarter of 2010 represented 28% of blended ARPU, or \$12.80 per customer, up from 27% of blended ARPU, or \$12.40 per customer in the third quarter of 2010, and 22% of blended ARPU, or \$10.20 per customer in the fourth quarter of 2009.
 - 8.2 million customers were using smartphones enabled for the T-Mobile USA UMTS/HSPA/HSPA+ network (as defined in Note 11 to the Selected Data, below) such as the T-Mobile® myTouch® 4G, T-Mobile G2™ with Google™ and the Samsung Vibrant™ at the end of the fourth quarter of 2010. This was a net increase of 14% or 1 million customers using smartphones from the third quarter of 2010 and more than double the 3.9 million customers as of the fourth quarter of 2009. 3G/4G smartphone customers now account for 24% of total customers, up from 21% in the third quarter of 2010 and 12% in the fourth quarter of 2009.
 - While messaging continues to be a significant component of blended data ARPU, the increase in the number of customers using smartphones and the continued upgrade of the network are driving Internet access revenue growth with the increasing adoption of mobile broadband data plans.

CPGA and CCPU

- The average cost of acquiring a customer, Cost Per Gross Add (“CPGA” as defined in Note 5 to the Selected Data, below) was \$290 in the fourth quarter of 2010, consistent with the third quarter of 2010 but down from \$300 in the fourth quarter of 2009.

- Year-on-year, CPGA decreased in the fourth quarter of 2010 due primarily to the shift in customer base towards MVNO customers and connected devices.
- The average cash cost of serving customers, Cash Cost Per User (“CCPU” as defined in Note 4 to the Selected Data, below), was \$24 per customer per month in the fourth quarter of 2010, consistent with the third quarter of 2010 and up from \$22 in the fourth quarter of 2009.
 - Year-on-year, CCPU was higher due primarily to a higher equipment subsidy loss as more customers upgraded to smartphones and the cost of directly providing handset insurance services.

Capital Expenditures

- Cash capital expenditures (as defined in Note 8 to the Selected Data, below) were \$2.8 billion in 2010, compared to \$3.7 billion in 2009.
 - The primary reason for lower cash capital expenditures relates to the 2009 build-out of the national UMTS/HSPA network. In 2010 cash capital expenditures were driven by continued network investment including coverage expansion and the upgrade to HSPA+.
- Cash capital expenditures were \$828 million in the fourth quarter of 2010, compared to \$643 million in the third quarter of 2010 and \$697 million in the fourth quarter of 2009.
 - Sequentially, the increase in cash capital expenditures was due primarily to the build out of the network, including new cell sites and the HSPA+-enabled 4G network upgrade (as defined in Note 10 to the Selected Data, below). With the latest expansion, T-Mobile USA’s 4G network is available in more than 100 major metropolitan areas, reaching 200 million people at the end of 2010.
 - Year-on-year, the increase in cash capital expenditures was due primarily to payment timing differences.

T-Mobile USA Recent Highlights

- On January 20, 2011 T-Mobile USA and Samsung Telecommunications America (Samsung Mobile) revealed the Galaxy S™ 4G. Powered by Android™ 2.2, the Galaxy S 4G is T-Mobile USA’s first smartphone capable of delivering theoretical peak download speeds of up to 21 Mbps, delivering rich entertainment experiences on T-Mobile USA’s 4G network (previous 4G

smartphones, such as the myTouch 4G and the G2, were enabled for 14.4 Mbps). The Samsung Galaxy S 4G is exclusive to T-Mobile USA and went on sale on February 23.

- On February 1, 2011 T-Mobile USA announced that it will introduce the T-Mobile Global for Business™ plan, a unique approach to international voice and data roaming that reinforces the company's commitment to support multinational corporations, as well as government agencies and U.S. enterprises conducting business internationally.
- On February 2, 2011 T-Mobile USA and LG Mobile Phones unveiled their Android™ 3.0 (Honeycomb)-powered tablet, the T-Mobile® G-Slate™ with Google™ by LG. With a brilliant, high-definition (8.9-inch, 3D-capable multi-touch display, the T-Mobile G-Slate delivers a groundbreaking mobile entertainment experience, including the ability to record 3D and full HD video. The tablet is expected to be available this spring. T-Mobile USA's 4G network, America's largest 4G network™, is currently available in more than 100 major metropolitan areas, reaching 200 million people nationwide. With aggressive plans to expand and double the speed of its 4G network in 2011, T-Mobile USA expects that 140 million Americans in 25 major metropolitan areas will have access to increased 4G speeds (HSPA+ 42 Mbps) by mid-year 2011.
- On February 3, 2011 T-Mobile USA was awarded the highest ranking for the second consecutive time (and the 11th time in the last 13 surveys) in J.D. Power and Associates' 2011 Wireless Customer Care Performance StudySM — Volume 1.
- On February 17, 2011 T-Mobile USA continued its streak of recognition for excellence in customer satisfaction with the fourth consecutive highest ranking in J.D. Power and Associates' 2011 Wireless Retail Sales Satisfaction StudySM — Volume 1 results. T-Mobile USA ranked not only highest overall, but the highest in each area for which the study measured customer satisfaction.

T-Mobile USA is the U.S. wireless operation of Deutsche Telekom AG (OTCQX: DTEGY). In order to provide comparability with the results of other US wireless carriers, all financial amounts are in US dollars and are based on accounting principles generally accepted in the United States ("GAAP"). T-Mobile USA results are included in the consolidated results of Deutsche Telekom, but

differ from the information contained herein as Deutsche Telekom reports financial results in Euros and in accordance with International Financial Reporting Standards (IFRS).

This press release includes non-GAAP financial measures. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information provided in accordance with GAAP. Reconciliations from the non-GAAP financial measures to the most directly comparable GAAP financial measures are provided below following Selected Data and the financial statements.

SELECTED DATA FOR T-MOBILE USA

(thousands)	Full Year 2010	Q4 10	Q3 10	Q2 10	Q1 10	Full Year 2009	Q4 09
Customers, end of period ³	33,734	33,734	33,757	33,620	33,713	33,790	33,790
Thereof contract	26,375	26,375	26,692	26,752	26,646	26,765	26,765
Thereof prepaid	7,360	7,360	7,065	6,868	7,067	7,026	7,026
Net customer additions / (losses)	(56)	(23)	137	(93)	(77)	1,033	371

Minutes of use/contract customer/month	1,100	1,050	1,080	1,120	1,140	1,150	1,140
Contract churn ²	2.30%	2.50%	2.40%	2.20%	2.20%	2.30%	2.50%
Blended churn ²	3.40%	3.60%	3.40%	3.40%	3.10%	3.20%	3.30%

(\$)							
ARPU (blended) ¹	46	46	47	47	46	47	46
ARPU (contract) ¹	52	52	52	52	51	52	51
ARPU (prepaid) ¹	19	19	19	18	18	20	18
Data ARPU (blended) ⁹	11.90	12.80	12.40	11.60	10.90	9.90	10.20
Cost of serving (CCPU) ⁴	23	24	24	23	23	23	22
Cost per gross add (CPGA) ⁵	300	290	290	330	310	290	300

(\$ million)							
Total revenues	21,347	5,363	5,350	5,356	5,278	21,531	5,411
Service revenues ¹	18,733	4,694	4,708	4,699	4,632	18,926	4,653
OIBDA ⁶	5,478	1,342	1,323	1,419	1,394	5,915	1,375
OIBDA margin ⁷	29%	29%	28%	30%	30%	31%	30%
Capital expenditures ⁸	2,819	828	643	682	666	3,687	697

Note: Amounts may not add due to rounding.

Since all companies do not calculate these figures in the same manner, the information contained in this press release may not be comparable to similarly titled measures reported by other companies.

1. Average Revenue Per User ("ARPU") represents the average monthly service revenue we earn from our customers. ARPU is calculated by dividing service revenues for the specified period by the average customers during the period, and further dividing by the number of months in the period. We believe ARPU provides management with useful information to evaluate the revenues generated from our customer base.

Service revenues include contract, prepaid, and roaming and other service revenues, and do not include equipment sales and other revenues. Data services revenues (including messaging and non-messaging revenue) are a non-GAAP financial measure and are included in the various components of service revenues. Handset insurance revenues are included in contract service revenues beginning the fourth quarter of 2010 as the Company began directly providing handset insurance services which had previously been provided by a third party.

2. Churn is defined as the number of customers whose service was discontinued, expressed as a monthly percentage of the average number of customers during the specified period. We believe that churn, which is a measure of customer retention and loyalty, provides relevant and useful information and is used by our management to evaluate the operating performance of our business.
3. A customer is defined as a SIM card with a unique mobile identity number which generates revenue. Contract customers and prepaid customers include FlexPay customers depending on the type of rate plan selected. FlexPay customers with a contract are included in contract customers, and FlexPay customers without a contract are included in prepaid customers. Mobile virtual network operators (MVNO) are classified as prepaid customers as they most closely align with this customer segment. Connected devices (also known as machine-to-machine customers) are included within contract customers, some of which may not have monthly recurring charges required under contract.
4. The average cash cost of serving customers, or Cash Cost Per User ("CCPU") is a non-GAAP financial measure and includes all network and general and administrative costs as well as the subsidy loss unrelated to customer acquisition. Subsidy loss unrelated to customer acquisition includes upgrade and insurance claim handset costs offset by upgrade equipment revenues and other related direct costs. This measure is calculated as a per month average by dividing the total costs for the specified period by the average total customers during the period and further dividing by the number of months in the period. We believe that CCPU, which is a measure of the costs of serving a customer, provides relevant and useful information and is used by our management to evaluate the operating performance of our business.
5. Cost Per Gross Add ("CPGA") is a non-GAAP financial measure and is calculated by dividing the costs of acquiring a new customer, consisting of customer acquisition costs plus the subsidy loss related to customer acquisition for the specified period, by gross customers added during the period. Subsidy loss related to customer acquisition consists primarily of the excess of handset and accessory costs over related revenues incurred to acquire new customers. We believe that CPGA, which is a measure of the cost of acquiring a customer, provides relevant and useful information and is used by our management to evaluate the operating performance of our business.
6. Operating Income Before Interest, Depreciation and Amortization ("OIBDA") is a non-GAAP financial measure, which we define as operating income before depreciation and amortization. In a capital-intensive industry such as wireless telecommunications, we believe OIBDA, as well as the associated percentage margin calculation, to be meaningful measures of our operating performance. OIBDA should not be construed as an alternative to operating income or net income as determined in accordance with GAAP, as an alternative to cash flows from operating activities as determined in accordance with GAAP or as a measure of liquidity. We use OIBDA as an integral part of our planning and internal financial reporting processes, to evaluate the performance of our business by senior management and to compare our performance with that of many of our competitors. We believe that operating income is the financial measure calculated and presented in accordance with GAAP that is the most directly comparable to OIBDA.
7. OIBDA margin is a non-GAAP financial measure, which we define as OIBDA (as described in Note 6 above) divided by service revenues.
8. Capital expenditures consist of amounts paid by T-Mobile USA for construction and purchase of property and equipment.
9. Data ARPU is defined as total data revenues divided by average total customers during the period. Total data revenues include data revenues from contract customers, prepaid customers, Wi-Fi revenues and data roaming revenues. The relative fair value of data revenues from unlimited voice and data plans are included in total data revenues.
10. High speed packet access plus (HSPA+) technology offers customers a 4G experience, including data speeds comparable to other 4G network speeds currently available to mobile device users in the United States.
11. Smartphones are defined as UMTS/HSPA/HSPA+ enabled converged devices, which integrate voice and data services.

T-MOBILE USA
Condensed Consolidated Balance Sheets
(dollars in millions)
(unaudited)

ASSETS	December 31, 2010	December 31, 2009
Current assets:		
Cash and cash equivalents	\$ 109	\$ 207
Receivables from affiliates	310	610
Accounts receivable, net of allowances of \$368 and \$346, respectively	2,857	2,740
Inventory	621	640
Current portion of net deferred tax assets	914	1,100
Other current assets	500	548
Total current assets	<u>5,311</u>	<u>5,845</u>
Property and equipment, net of accumulated depreciation of \$13,801 and \$11,841, respectively	13,213	13,192
Goodwill	12,044	12,025
Spectrum licenses	15,282	15,256
Other intangible assets, net of accumulated amortization of \$163 and \$111, respectively	113	159
Long-term investments and other assets	328	297
Total Assets	<u>\$ 46,291</u>	<u>\$ 46,774</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,248	\$ 3,474
Current payables to affiliates	805	4,302
Other current liabilities	402	373
Total current liabilities	<u>4,455</u>	<u>8,149</u>
Long-term payables to affiliates	15,854	9,682
Deferred tax liabilities	3,756	3,205
Other long-term liabilities	1,734	1,488
Total long-term liabilities	<u>21,344</u>	<u>14,375</u>
Commitments and contingencies		
Stockholder's equity:		
Common stock and additional paid-in capital	31,600	36,593
Accumulated other comprehensive loss	(39)	(8)
Accumulated deficit	(11,069)	(12,436)
Total T-Mobile USA stockholder's equity	<u>20,492</u>	<u>24,149</u>
Non-controlling interest	-	101
Total stockholder's equity	<u>20,492</u>	<u>24,250</u>
Total liabilities and stockholder's equity	<u>\$ 46,291</u>	<u>\$ 46,774</u>

T-MOBILE USA
Condensed Consolidated Statements of Operations
(dollars in millions)
(unaudited)

	Quarter Ended December 31, 2010	Quarter Ended December 31, 2009	Year Ended December 31, 2010	Year Ended December 31, 2009
Revenues:				
Contract	\$ 4,147	\$ 4,131	\$ 16,552	\$ 16,764
Prepaid	414	362	1,569	1,533
Roaming and other services	133	160	612	629
Equipment sales	612	688	2,404	2,403
Other	57	70	210	202
Total revenues	5,363	5,411	21,347	21,531
Operating expenses:				
Network	1,219	1,190	4,895	4,936
Cost of equipment sales	1,109	1,044	4,237	3,856
General and administrative	907	861	3,532	3,442
Customer acquisition	786	941	3,205	3,382
Depreciation and amortization	729	726	2,773	2,859
Total operating expenses	4,750	4,762	18,642	18,475
Operating income	613	649	2,705	3,056
Other expense, net	(201)	(195)	(529)	(726)
Income before income taxes	412	454	2,176	2,330
Income tax expense	(144)	(148)	(822)	(860)
Net income	268	306	1,354	1,470
Other comprehensive gain/(loss), net of tax:				
Unrealized gain/(loss) on cash flow hedges and foreign currency translation	19	-	(31)	-
Unrealized loss on available-for-sale securities	-	-	-	(8)
Total comprehensive income	\$ 287	\$ 306	\$ 1,323	\$ 1,462

T-MOBILE USA
Condensed Consolidated Statements of Cash Flows
(dollars in millions)
(unaudited)

	Year Ended December 31, 2010	Year Ended December 31, 2009
Operating activities:		
Net income	\$ 1,354	\$ 1,470
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,773	2,859
Income tax expense	822	860
Bad debt expense	619	528
Other, net	111	209
Changes in operating assets and liabilities:		
Accounts receivable	(862)	(468)
Inventory	19	291
Other current and non-current assets	62	(31)
Accounts payable and accrued liabilities	7	(281)
Net cash provided by operating activities	<u>4,905</u>	<u>5,437</u>
Investing activities:		
Purchases of property and equipment	(2,819)	(3,687)
Acquisition of spectrum licenses	(18)	(34)
Short-term affiliate loan receivable, net	(2,315)	(1,888)
Other, net	26	6
Net cash used in investing activities	<u>(5,126)</u>	<u>(5,603)</u>
Financing activities:		
Debt repayments to parent	-	(133)
Debt borrowings from parent	116	200
Other, net	7	-
Net cash provided by financing activities	<u>123</u>	<u>67</u>
Change in cash and cash equivalents	(98)	(99)
Cash and cash equivalents, beginning of period	207	306
Cash and cash equivalents, end of period	<u>\$ 109</u>	<u>\$ 207</u>

Non-cash investing and financing activities with affiliates:

In the fourth quarter of 2010, T-Mobile USA received \$5 billion debt borrowings in exchange for an equity distribution made to the parent company. This equity for debt transaction was a non-cash transaction and is therefore not shown in the Condensed Consolidated Statements of Cash Flows.

T-MOBILE USA
 Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures
(dollars in millions, except for CPGA and CCPU)
(unaudited)

OIBDA is reconciled to operating income as follows:

	Full Year 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Full Year 2009	Q4 2009
OIBDA	\$ 5,478	\$ 1,342	\$ 1,323	\$ 1,419	\$ 1,394	\$ 5,915	\$ 1,375
Depreciation and amortization	(2,773)	(729)	(723)	(670)	(651)	(2,859)	(726)
Operating Income	<u>\$ 2,705</u>	<u>\$ 613</u>	<u>\$ 600</u>	<u>\$ 749</u>	<u>\$ 743</u>	<u>\$ 3,056</u>	<u>\$ 649</u>

The following schedule reflects the CPGA calculation and provides a reconciliation of cost of acquiring customers used for the CPGA calculation to customer acquisition costs reported on our condensed consolidated statements of operations:

	Full Year 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Full Year 2009	Q4 2009
Customer acquisition costs	\$ 3,205	\$ 786	\$ 800	\$ 829	\$ 790	\$ 3,382	\$ 941
Plus: Subsidy loss							
Equipment sales	(2,404)	(612)	(599)	(585)	(608)	(2,403)	(688)
Cost of equipment sales	4,237	1,109	1,085	1,054	989	3,856	1,044
Total subsidy loss	<u>1,833</u>	<u>497</u>	<u>486</u>	<u>469</u>	<u>381</u>	<u>1,453</u>	<u>356</u>
Less: Subsidy loss unrelated to customer acquisition	<u>926</u>	<u>258</u>	<u>232</u>	<u>223</u>	<u>213</u>	<u>772</u>	<u>173</u>
Subsidy loss related to customer acquisition	<u>907</u>	<u>239</u>	<u>254</u>	<u>246</u>	<u>168</u>	<u>681</u>	<u>183</u>
Cost of acquiring customers	<u>\$ 4,112</u>	<u>\$ 1,025</u>	<u>\$ 1,054</u>	<u>\$ 1,075</u>	<u>\$ 958</u>	<u>\$ 4,063</u>	<u>\$ 1,124</u>
CPGA (\$/new customer added)	\$ 300	\$ 290	\$ 290	\$ 330	\$ 310	\$ 290	\$ 300

T-MOBILE USA
 Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures
(dollars in millions, except for CPGA and CCPU)
(unaudited)

The following schedule reflects the CCPU calculation and provides a reconciliation of the cost of serving customers used for the CCPU calculation to total network costs plus general and administrative costs reported on our condensed consolidated statements of operations:

	Full Year 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Full Year 2009	Q4 2009
Network costs	\$4,895	\$1,219	\$1,258	\$1,195	\$1,223	\$4,936	\$1,190
General and administrative costs	3,532	907	884	859	882	3,442	861
Total network and general and administrative costs	8,427	2,126	2,142	2,054	2,105	8,378	2,051
Plus: Subsidy loss unrelated to customer acquisition	926	258	232	223	213	772	173
Total cost of serving customers	<u>\$9,353</u>	<u>\$2,384</u>	<u>\$2,374</u>	<u>\$2,277</u>	<u>\$2,318</u>	<u>\$9,150</u>	<u>\$2,224</u>
CCPU (\$/customer per month)	\$ 23	\$ 24	\$ 24	\$ 23	\$ 23	\$ 23	\$ 22

About T-Mobile USA:

Based in Bellevue, Wash., T-Mobile USA, Inc. is the U.S. wireless operation of Deutsche Telekom AG (OTCQX: DTEGY). By the end of the fourth quarter of 2010, 130 million mobile customers were served by the mobile communication segments of the Deutsche Telekom group — 33.7 million by T-Mobile USA — all via a common technology platform based on GSM and UMTS and additionally HSPA/HSPA+. T-Mobile USA's innovative wireless products and services help empower people to connect to those who matter most. Multiple independent research studies continue to rank T-Mobile USA among the highest in numerous regions throughout the U.S. in wireless customer care and call quality. For more information, please visit <http://www.T-Mobile.com>. T-Mobile is a federally registered trademark of Deutsche Telekom AG. For further information on Deutsche Telekom, please visit www.telekom.de/investor-relations.

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