T-MOBILE USA REPORTS FOURTH QUARTER 2011 OPERATING RESULTS

Strong adjusted OIBDA and prepaid performance; contract business negatively impacted in the fourth quarter of 2011 by iPhone 4S launches by three nationwide competitors

- **Adjusted OIBDA increased by 4.3% year-on-year to $1.4 billion in the fourth quarter of 2011, adjusted OIBDA margin improved 2 percentage points year-on-year to 31% in the fourth quarter of 2011**
- **Branded contract losses improved through the third quarter of 2011, however the launch of the iPhone 4S reversed this trend to a branded contract customer loss of 706,000 in the fourth quarter of 2011**
- **Strong branded prepaid additions of 220,000 in the fourth quarter of 2011, primarily due to continued success of unlimited Monthly 4G prepaid plans**
- **Service revenues down 2.7% year-on-year to $4.6 billion in the fourth quarter of 2011, due to branded contract customer losses and revenue effects from the shift to unlimited Value plans**
- **Branded contract ARPU increased $2 year-on-year to $58 in the fourth quarter of 2011, mainly driven by an increase in data ARPU**
- **Branded Data ARPU increased $2.70 year-on-year to $16.50 in the fourth quarter of 2011**
- **T-Mobile USA is reinvigorating its challenger strategy, which includes a major network modernization plan to launch LTE in 2013**
- **On December 20, 2011 T-Mobile USA's proposed sale to AT&T, Inc. was terminated; due to the termination of the sale near year-end, T-Mobile USA's annual impairment assessment of indefinite-lived assets is still ongoing**

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BELLEVUE, Wash., February 23, 2012 -- T-Mobile USA, Inc. ("T-Mobile USA") today reported fourth quarter 2011 results and provided an update on its annual assessment of indefinite-lived assets recorded in its financial statements. In the fourth quarter of 2011, T-Mobile USA reported service revenues of $4.57 billion, down from $4.69 billion in the fourth quarter of 2010, and adjusted OIBDA of $1.40 billion, up from $1.34 billion reported in the fourth quarter of 2010. Blended ARPU in the fourth quarter of 2011 was $46, consistent with the fourth quarter of 2010. Additionally, net customer losses were 526,000 in the fourth quarter of 2011, compared to 23,000 net customer losses in the fourth quarter of 2010.

"In 2011, T-Mobile USA showed solid financial performance with a remarkable adjusted OIBDA turn-around in the second half of the year, despite nine challenging months during the pending acquisition. We further increased our 4G data speed to 42 Mbps, expanded our sales channels, launched 25 new 4G handsets and significantly improved our operational efficiency. As a result, adjusted OIBDA rose again year-on-year in the fourth quarter of 2011 and branded data ARPU grew 20 percent year-on-year as smartphone adoption accelerated," said Philipp Humm CEO and President of T-Mobile USA. "However, not carrying the iPhone led to a significant increase in contract deactivations in the fourth quarter of 2011. In 2012 and 2013, T-Mobile USA will invest to get the business back to growth, including an incremental $1.4 billion investment in its network modernization initiative, which will total a $4 billion investment over time."

"Though we are not satisfied with the contract customer losses and the decreased total revenues, the quarterly margin improvement year-on-year was impressive. The spectrum gained through the break-up fee empowers T-Mobile USA to start LTE-based services in key US markets and strengthens its competitiveness," said René Obermann, CEO of Deutsche Telekom.

Total Customers

- T-Mobile USA served 33.2 million customers (as defined in Note 1 to the Selected Data, below) at the end of fourth quarter 2011, compared to 33.7 million customers at both the end of third quarter 2011 and the end of fourth quarter 2010.

- Fourth quarter 2011 net customer losses of 526,000, compared to net customer additions of 126,000 in the third quarter of 2011, and net customer losses of 23,000 in the fourth quarter of 2010.
  - The sequential and year-on-year increase in customer losses is a result of intense competitive pressure from the launch of the iPhone 4S by three nationwide competitors in the fourth quarter of 2011. In addition, higher connected device deactivations contributed significantly to the net customer loss in the fourth quarter of 2011, including a nearly 265,000 deactivation related to one customer with a yearly service revenue impact of less than $1 million.

Contract Customers

- Contract net customer losses, including connected devices (as defined in Note 1 to the Selected Data, below), were 802,000 in the fourth quarter of 2011, compared to 186,000 net contract customer losses in the third quarter of 2011 and 251,000 net contract customer losses in the fourth quarter of 2010.
- Branded contract net customer losses, excluding connected devices, were 706,000 in the fourth quarter of 2011, a decline of 317,000 net branded contract customer losses from 389,000 in the third quarter of 2011. Net branded contract customer losses were 364,000 in the fourth quarter of 2010.
  - Sequentially, the decline in branded net contract customers was driven primarily by higher branded contract deactivations as a result of the launch of the iPhone 4S by three nationwide competitors in mid-October.
  - The year-over-year change in branded contract gross customer additions resulted in part from competitive pressures and the implementation of strengthened credit standards as part of T-Mobile USA's focus on improving the overall quality of its contract customer base.
- Connected device net customer losses were 95,000 in the fourth quarter of 2011 compared to net customer additions of 204,000 in the third quarter of 2011 and net customer additions of 113,000 in the fourth quarter of 2010.
  - The sequential and year-over-year change was driven by higher connected device customer deactivations during the fourth quarter of 2011. Connected device customers, which have significantly lower ARPUs (averaging less than $2) than other contract customers, totaled 2.4 million at December 31, 2011.

Prepaid Customers

- Prepaid net customer additions, including MVNO customers (as defined in Note 1 to the Selected Data, below), were 276,000 in the fourth quarter of 2011, down from 312,000 net prepaid customer additions in the third quarter of 2011, and up from 229,000 net prepaid customer additions in the fourth quarter of 2010.
- Branded prepaid net customer additions, excluding MVNO customers, were 220,000 in the fourth quarter of 2011, down 34,000 from third quarter 2011 branded prepaid net customer additions of 254,000, and improved by 365,000 from 145,000 net branded prepaid customer losses in the fourth quarter of 2010.
  - Sequentially, branded prepaid net customers declined due to churn from prepaid customers as a result of competitive offers introduced by T-Mobile USA's competitors during the quarter.
  - The year-on-year growth in branded prepaid net customer additions was due primarily to growth in customer adoption of T-Mobile USA's unlimited Monthly 4G prepaid plans.
- MVNO customers increased slightly in the fourth quarter of 2011, totaling 3.6 million as of December 31, 2011. Compared to the fourth quarter of 2010, MVNO net customer additions decreased due to fewer MVNO gross customer additions.

Churn

- Blended churn (as defined in Note 3 to the Selected Data, below), reflecting both contract and prepaid customers, increased to 4.0% in the fourth quarter of 2011, up from 3.5% in the third quarter of 2011 and 3.6% in the fourth quarter of 2010.
  - The sequential and year-on-year increase in blended churn was primarily driven by higher churn from branded contract and connected device customers.
- Churn from branded customers was 3.6% in the fourth quarter of 2011, up from 3.2% in the third quarter of 2011, and 3.4% in the fourth quarter of 2010.
  - The sequential and year-on-year increase was primarily due to higher churn of branded contract customers as a result of competitive market conditions and all of T-Mobile's primary nationwide competitors offering the iPhone 4S in the fourth quarter of 2011. The year-on-year increase was partially offset by an improvement in prepaid branded churn as a result of unlimited Monthly 4G prepaid plans introduced in 2011.

- Contract churn, including connected devices, was 3.1% in the fourth quarter of 2011, up from 2.4% in the third quarter of 2011 and 2.5% in the fourth quarter of 2010.
  - Sequentially and year-on-year contract churn was negatively impacted by competitors' launches of the iPhone 4S, which is not offered by T-Mobile USA.
  - To address contract churn, T-Mobile USA continued to focus on loyalty efforts during the quarter, including a strong focus on re-contracting its most loyal customers.
- Prepaid churn, including MVNO, decreased to 6.8% in the fourth quarter of 2011, from 7.2% in the third quarter of 2011 and 7.5% in the fourth quarter of 2010.
  - The sequential decrease in prepaid churn was driven primarily by fewer MVNO deactivations.
  - The year-on-year decrease in prepaid churn was driven primarily by the success of unlimited Monthly 4G prepaid plans introduced in 2011.

Adjusted OIBDA

- T-Mobile USA reported Adjusted OIBDA (as defined in Note 8 to the Selected Data, below) of $1.40 billion in the fourth quarter of 2011, compared to $1.45 billion in the third quarter of 2011 and $1.34 billion in the fourth quarter of 2010.
  - Adjusted OIBDA in the fourth quarter of 2011 and the third quarter of 2011 excludes AT&T transaction-related costs of $123 million and $51 million, respectively, primarily consisting of employee-related retention benefit expenses.
  - Sequentially, adjusted OIBDA decreased as a result of lower service revenues driven by branded customer losses and higher customer acquisition expenses. This was offset by lower network operating expenses. Third quarter of 2011 adjusted OIBDA had also benefitted by $29 million in connection with the discontinued retail partnership with RadioShack.
  - Year-on-year, adjusted OIBDA increased as a result of reduced losses from equipment subsidies due to the launch of the unlimited Value plans and continued cost management programs. Fourth quarter 2011 operating expenses, excluding the cost of equipment sales, remained consistent sequentially and year-on-year as cost savings programs in 2011 helped control expense growth.
- Adjusted OIBDA margin (as defined in Note 9 to the Selected Data, below) was 31% in the fourth quarter of 2011, consistent with the third quarter of 2011 and up from 29% in the fourth quarter of 2010.

- Year-on-year OIBDA margin improved primarily due to the reductions in equipment subsidies in connection with the new unlimited Value plans.

- T-Mobile USA is currently performing its annual assessment of the indefinite-lived assets recorded in its financial statements. T-Mobile USA anticipates that it will record a material non-cash impairment charge related to its indefinite-lived assets for the fourth quarter of 2011. Any such charge would have no affect on either the Company's current cash balance or future cash flows. T-Mobile USA expects to include full financial statement results for the fourth quarter of 2011 in the earnings release for the first quarter of 2012 as a comparative period.

Revenue

- Service revenues (as defined in Note 4 to the Selected Data, below) were $4.57 billion in the fourth quarter of 2011, down from $4.67 billion in the third quarter of 2011 and $4.69 billion in the fourth quarter of 2010.
  - Sequentially and year-on-year, quarterly service revenues decreased primarily due to contract customer losses, which were partially offset by the increased adoption of data plans in the contract and prepaid customer base. Additionally, year-on-year service revenues were positively impacted by growth in revenues from providing handset insurance services to customers, which were insourced in the fourth quarter of 2010 and reconnection fees, which were introduced in the third quarter of 2011.
- Service and Sales revenues (as defined in Note 13 to the Selected Data, below) were $5.1 billion in the fourth quarter of 2011, down from $5.2 billion in the third quarter of 2011 and $5.3 billion in the fourth quarter of 2010.
  - Service and Sales revenues decreased slightly from the third quarter of 2011 primarily due to contract customer losses as described above, partially offset by increased 3G/4G smartphone sales volumes. The number of 3G/4G smartphones sold in the fourth quarter of 2011 increased to 2.6 million from 1.8 million in the third quarter of 2011 and 2.1 million in the fourth quarter of 2010. 3G/4G smartphones also accounted for a record 92% of equipment sales in the fourth quarter of 2011 compared to 77% in both the third quarter of 2011 and the fourth quarter of 2010.

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- Compared to the fourth quarter of 2010, Service and Sales revenues decreased by 3.6% as fewer branded contract gross additions were partially offset by handset sales in connection with the introduction of T-Mobile USA's new unlimited Value plans.

- Total revenues, including service, equipment sales, and other revenues were $5.2 billion in the fourth quarter of 2011, consistent with the third quarter of 2011 and down from $5.4 billion in the fourth quarter of 2010.
  - Compared to the fourth quarter of 2010, total revenues changed due primarily to contract customer losses as described above.

ARPU

- Blended Average Revenue Per User ("ARPU" as defined in Note 4 to the Selected Data, below) was $46 in the fourth quarter of 2011, consistent with both the third quarter of 2011 and the fourth quarter of 2010.
  - Both blended and contract ARPU benefitted from growing handset insurance revenues and from the introduction of reconnection fees.
- Contract ARPU, including connected devices, was $53 in the fourth quarter of 2011, consistent with the third quarter of 2011 and up from $52 in the fourth quarter of 2010. Branded contract ARPU, excluding connected devices, was $58 in the fourth quarter of 2011, down from $59 in the third quarter of 2011 and up from $56 in the fourth quarter of 2010.
  - Year-on-year, branded contract ARPU increased as data revenue growth more than offset lower voice revenue, which included effects from the shift to unlimited Value plans.
- Prepaid ARPU, including MVNO, was $19 in the fourth quarter of 2011, up from $18 in the third quarter of 2011 and consistent with the fourth quarter of 2010. Branded prepaid ARPU, excluding MVNO customers, was $25 in the fourth quarter of 2011, up from $24 in the third quarter of 2011 and consistent with the fourth quarter of 2010.
  - Quarter-on-quarter, branded prepaid ARPU increased primarily due to the continued growth in unlimited Monthly 4G prepaid products.
- Data service revenues (as defined in Note 4 to the Selected Data, below) were $1.4 billion in the fourth quarter of 2011, up 9.9% from the fourth quarter of 2010.
- Data service revenues in the fourth quarter of 2011 represented 31% of blended ARPU, or $14.20 per customer, compared to 30% of blended ARPU, or $14.00 per customer in the third quarter of

2011, and 28% of blended ARPU, or $12.80 per customer in the fourth quarter of 2010. Branded data ARPU in the fourth quarter of 2011 amounted to $16.50 per branded customer, compared to $16.00 per branded customer in the third quarter of 2011 and $13.80 per branded customer in the fourth quarter of 2010.

  - In the fourth quarter of 2011, the increase in the number of customers using smartphones, along with T-Mobile USA's continued upgrade of its 3G and 4G networks helped drive Internet access revenue growth through the increased customer adoption of mobile broadband data plans.
  - 11.0 million customers were using smartphones enabled for the T-Mobile USA 3G/4G network (as defined in Note 12 to the Selected Data, below) such as the Samsung Galaxy S®II, the HTC Sensation™ 4G and the T-Mobile® myTouch™ 4G Slide. This represents a net increase of over 34% or 2.8 million customers using smartphones from the fourth quarter of 2010.
  - 3G/4G smartphone customers now account for 40% of total branded customers, up from 36% in the third quarter of 2011 and 28% in the fourth quarter of 2010.
  - Messaging revenue (as described in Note 5 to the Selected Data, below) continued to be an important component of data service revenues. Messaging accounted for approximately 31% of total data revenues in the fourth quarter of 2011, a decrease compared to 32% in the third quarter of 2011 and 36% in the fourth quarter of 2010 related to a shift in the data revenue mix towards mobile broadband data plans.

CPGA and CCPU

- The average cost of acquiring a customer, Cost Per Gross Add ("CPGA" as defined in Note 7 to the Selected Data, below) was $270 in the fourth quarter of 2011, up from $260 in the third quarter of 2011, but down from $290 in the fourth quarter of 2010.
  - Sequentially, CPGA increased in the fourth quarter of 2011 due primarily to a change in the customer mix towards branded customer additions and higher advertising costs.
  - Year-on-year, CPGA decreased in the fourth quarter of 2011 due primarily to lower handset subsidies as a result of T-Mobile USA's new unlimited Value plans, which do not bundle subsidized handsets as in traditional wireless service contracts.

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- The average cash cost of serving customers, Cash Cost Per User ("CCPU" as defined in Note 6 to the Selected Data, below), was $23 per customer per month in the fourth quarter of 2011, consistent with the third quarter of 2011 and down from $24 in the fourth quarter of 2010.
  - Year-on-year, CCPU decreased in the fourth quarter of 2011 due primarily to lower handset upgrade subsidies as a result of T-Mobile USA's new unlimited Value plans.

Capital Expenditures

- Cash capital expenditures (as defined in Note 10 to the Selected Data, below) were $2.7 billion in 2011, fairly consistent with $2.8 billion in 2010.
  - In 2011, cash capital expenditures were driven by the continued build-out of the HSPA+ 21 and HSPA+ 42 networks (as defined in Note 11 to the Selected Data, below).
- Cash capital expenditures were $551 million in the fourth quarter of 2011, compared to $741 million in the third quarter of 2011 and $828 million in the fourth quarter of 2010.
  - Sequentially and year-on-year, the decrease in cash capital expenditures was a result of lower expenditures related to the buildout of the HSPA+ 42 network.
  - To further improve the value provided to customers through its 4G mobile broadband network, T-Mobile USA has continued to invest in its HSPA+ 42 network, which reached over 184 million people as of the end of the fourth quarter of 2011, doubling the theoretical speed of its 4G network to 42 Mbps.

T-Mobile USA Recent Highlights

- On March 20, 2011, Deutsche Telekom AG and AT&T Inc. entered into a definitive agreement under which AT&T proposed to acquire T-Mobile USA from Deutsche Telekom in a cash and stock transaction valued at approximately $39 billion, subject to adjustment in accordance with the agreement. In the third quarter of 2011, the U.S. Department of Justice (DOJ) filed a complaint in the Federal District Court for the District of Columbia to block the acquisition. On November 24, 2011, AT&T and Deutsche Telekom withdrew their pending applications at the Federal Communications Commission ("FCC") for the transfer of T-Mobile USA spectrum licenses to AT&T as part of AT&T's acquisition of T-Mobile USA. On December 20, 2011, AT&T and Deutsche Telekom jointly announced the termination of the agreement on the sale of T-Mobile USA. As a result, AT&T made a $3.0 billion cash payment to Deutsche Telekom in December 2011. The break-up consideration due to Deutsche Telekom under the terminated Stock

Purchase Agreement also included significant Advanced Wireless Services (“AWS”) spectrum and a long term agreement on Universal Mobile Telecommunications Systems (“UMTS”) roaming within the USA. T-Mobile USA incurred transaction-related costs in 2011 that primarily reflect incremental personnel costs as a result of the formerly proposed deal.

- T-Mobile USA and AT&T Inc. have jointly filed a request with the FCC for approval of the AWS spectrum transfer noted above, which resulted from the termination of the agreement on the sale of T-Mobile USA. This spectrum will increase T-Mobile USA’s average spectrum holdings in the Top 100 markets from approximately 54 to approximately 60 MHz.
- T-Mobile USA continues to unveil cutting edge devices including 42 Mbps-capable smartphones such as the T-Mobile® myTouch® Q, the HTC® Amaze™ 4G and the Samsung Galaxy S® II and new 4G tablets such as the T-Mobile® SpringBoard™ with Google™ and the Samsung Galaxy Tab™ 10.1 and the upcoming Samsung Galaxy S® Blaze™ 4G.
- T-Mobile USA announced it will invest $4 billion in total to strengthen its 4G network by installing new equipment at 37,000 cell sites and deploying HSPA+ in its PCS (1900) spectrum band. This spectrum re-farming effort, combined with the AWS spectrum T-Mobile USA will receive due to the termination of the AT&T transaction (subject to FCC approval), will allow the deployment of long-term evolution (LTE) service on AWS spectrum in 2013. This anticipated network transformation will significantly enhance coverage and performance for customers.

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, among other things, 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 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full Year 2010	Q4 2010
Customers, end of period[2]							
Total Branded Contract Customers	22,367	22,367	23,074	23,463	23,999	24,574	24,574
Total Connected Devices	2,429	2,429	2,525	2,321	2,065	1,873	1,873
Total Contract Customers	24,797	24,797	25,598	25,784	26,065	26,447	26,447
Branded Prepaid Customers	4,819	4,819	4,599	4,345	4,416	4,497	4,497
MVNO Customers	3,569	3,569	3,514	3,456	3,154	2,790	2,790
Total Prepaid Customers	8,389	8,389	8,113	7,801	7,570	7,287	7,287
Total T-Mobile USA Customers, end of period	**33,185**	**33,185**	**33,711**	**33,585**	**33,635**	**33,734**	**33,734**
Thereof, Branded Customers	*27,186*	*27,186*	*27,673*	*27,808*	*28,415*	*29,071*	*29,071*
Net customer additions/(losses)[2]							
Total Branded Contract Customers	(2,206)	(706)	(389)	(536)	(574)	(1,069)	(364)
Total Connected Devices	556	(95)	204	256	192	751	113
Total Contract Customers	**(1,650)**	**(802)**	**(186)**	**(281)**	**(382)**	**(318)**	**(251)**
Branded Prepaid Customers	321	220	254	(71)	(82)	(513)	(145)
MVNO Customers	780	56	57	302	365	775	374
Total Prepaid Customers	**1,101**	**276**	**312**	**231**	**283**	**262**	**229**
Total T-Mobile USA net customer additions/(losses)	**(549)**	**(526)**	**126**	**(50)**	**(99)**	**(56)**	**(23)**
Thereof, Branded net customer additions/(losses)	*(1,885)*	*(486)*	*(135)*	*(608)*	*(656)*	*(1,582)*	*(509)*

Note: Certain customer numbers may not add due to rounding.

	Full Year 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full Year 2010	Q4 2010
Minutes of use/contract customer/month[2]	990	970	990	990	1,020	1,100	1,050
Contract churn [3]	2.60%	3.10%	2.40%	2.40%	2.40%	2.30%	2.50%
Branded churn[3]	3.30%	3.60%	3.20%	3.20%	3.30%	3.20%	3.40%
Blended churn[3]	3.60%	4.00%	3.50%	3.30%	3.40%	3.40%	3.60%
($)							
Service and Sales Revenues per customer[13]	51	51	51	50	51	52	52
ARPU (blended)[4]	46	46	46	46	46	46	46
ARPU (contract) [4]	53	53	53	53	52	52	52
ARPU (branded contract) [4]	58	58	59	57	56	55	56
ARPU (prepaid) [4]	18	19	18	18	18	19	19
ARPU (branded prepaid) [4]	24	25	24	24	24	24	25
Data ARPU (blended)[5]	13.70	14.20	14.00	13.60	13.10	11.90	12.80
Data ARPU (branded)[5]	15.50	16.50	16.00	15.30	14.60	12.70	13.80
Cost of serving (CCPU)[6]	24	23	23	23	25	23	24
Cost per gross add (CPGA)[7]	280	270	260	320	300	300	290
($ millions)							
Total revenues	20,618	5,179	5,228	5,050	5,161	21,347	5,363
Total Service and Sales Revenues[13]	20,382	5,114	5,151	5,000	5,117	21,137	5,306
Service revenues[4]	18,481	4,565	4,666	4,620	4,630	18,733	4,694
Adjusted OIBDA[8]	5,310	1,400	1,445	1,277	1,188	5,478	1,342
Adjusted OIBDA margin[9]	29%	31%	31%	28%	26%	29%	29%
Capital expenditures[10]	2,729	551	741	688	749	2,819	828

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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. A customer is defined as a SIM card with a unique T-Mobile USA mobile identity number which generates revenue. Branded contract and prepaid customers include FlexPay customers depending on the type of rate plan selected. FlexPay customers with a contract are included in branded contract customers, and FlexPay customers without a contract are included in branded prepaid customers. Additionally, 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. Mobile virtual network operators (MVNO) are classified as prepaid customers as they most closely align with this customer segment.

2. Prior quarter amounts have been restated to conform to current period customer reporting classifications.

3. Churn is defined as the number of customers whose service was discontinued, expressed as a rounded 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.

4. Average Revenue Per User ("ARPU") represents the average monthly service revenue earned from 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 and rounding to the nearest dollar. 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.

5. Data ARPU is defined as total data revenues divided by average total customers during the period, rounded to the nearest ten cents. Total data revenues include data revenues from contract customers, prepaid customers, Wi-Fi revenues and data roaming revenues. Branded data revenues exclude data revenues from connected devices, MVNO, Wi-Fi revenues and data roaming revenues. The relative value of data revenues from bundled unlimited voice and data plans (including a relative value for messaging and non-messaging data revenue) are included in total data revenues.

6. 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 before rounding to the nearest dollar. 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.

7. 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 and then rounded to the nearest ten dollars. 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.

8. Operating Income Before Interest, Depreciation, Amortization and Impairment ("OIBDA") is a non-GAAP financial measure, which we define as operating income before depreciation, amortization and impairment charges. 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

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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. OIBDA was adjusted in the fourth quarter of 2011 to exclude AT&T transaction-related costs that are not reflective of our ongoing operating performance.

9. Adjusted OIBDA margin is a non-GAAP financial measure, which we define as adjusted OIBDA (as described in Note 8 above) divided by service revenues.

10. Capital expenditures consist of amounts paid for construction and purchase of property and equipment.

11. High speed packet access plus (HSPA+ 21) and HSPA+ 42 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.

12. Smartphones are defined as UMTS/HSPA/HSPA+ 21/HSPA+ 42 enabled converged devices, which integrate voice and data services.

13. Service and Sales revenues per customer is a non-GAAP financial measure, which we define as service and sales revenue divided by average total customers during the period. We believe that service and sales revenues per customer provide management with useful information about average monthly revenues generated by wireless customers.

    Service and sales revenues include all service revenues and equipment sales from customers and third party distributors and wholesalers.

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

	Quarter Ended December 31, 2011	Quarter Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2010
Revenues:				
Branded Contract	$ 3,966	$ 4,147	$ 16,230	$ 16,538
Branded Prepaid	350	336	1,307	1,384
Total Branded Revenues	4,316	4,483	17,537	17,922
Wholesale	128	78	443	199
Roaming and other services	121	133	501	612
Total Service Revenues	4,565	4,694	18,481	18,733
Equipment sales	549	612	1,901	2,404
Total Service and Sales Revenues	5,114	5,306	20,382	21,137
Other	65	57	236	210
Total revenues	5,179	5,363	20,618	21,347
Operating expenses:				
Network	1,202	1,219	4,952	4,895
Cost of equipment sales	874	1,109	3,646	4,237
Customer acquisition	821	786	3,185	3,205
General and administrative	882	907	3,525	3,532
Total operating expenses (excluding depreciation, amortization, impairments and AT&T transaction-related costs)	3,779	4,021	15,308	15,869
Adjusted OIBDA	1,400	1,342	5,310	5,478
AT&T transaction-related costs	123	-	187	-
OIBDA	$ 1,277	$ 1,342	$ 5,123	$ 5,478

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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 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 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full Year 2010	Q4 2010
Customer acquisition costs	$3,185	$ 821	$ 795	$ 787	$ 782	$3,205	$ 786
Plus: Subsidy loss							
Equipment sales	(1,901)	(549)	(485)	(380)	(487)	(2,404)	(612)
Cost of equipment sales	3,646	874	873	881	1,018	4,237	1,109
Total subsidy loss	1,745	325	388	501	531	1,833	497
Less: Subsidy loss unrelated to customer acquisition	1,014	218	237	240	319	926	258
Subsidy loss related to customer acquisition	731	107	151	261	212	907	239
Cost of acquiring customers	$3,916	$ 928	$ 946	$1,048	$ 994	$4,112	$1,025
CPGA ($/new customer added)	$ 280	$ 270	$ 260	$ 320	$ 300	$ 300	$ 290

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 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full Year 2010	Q4 2010
Network costs	$4,952	$1,202	$1,249	$1,248	$1,253	$4,895	$1,219
General and administrative costs	3,525	882	866	857	920	3,532	907
Total network and general and administrative costs	8,477	2,084	2,115	2,105	2,173	8,427	2,126
Plus: Subsidy loss unrelated to customer acquisition	1,014	218	237	240	319	926	258
Total cost of serving customers	$9,491	$2,302	$2,352	$2,345	$2,492	$9,353	$2,384
CCPU ($/customer per month)	$ 24	$ 23	$ 23	$ 23	$ 25	$ 23	$ 24

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 2011, approximately 129 million mobile customers were served by the mobile communication segments of the Deutsche Telekom group — 33.2 million by T-Mobile USA — all via a common technology platform based on GSM and UMTS and additionally HSPA+ 21/HSPA+ 42. 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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