T-MOBILE USA REPORTS THIRD QUARTER OF 2011 RESULTS

- **Adjusted OIBDA of $1.45 billion in the third quarter of 2011, an increase of 13% from the second quarter of 2011 and 9% from the third quarter of 2010, largely due to the introduction of new unlimited Value plans and cost management programs**
- **Adjusted OIBDA margin of 31% in the third quarter of 2011, up from 28% in the second quarter of 2011 and third quarter of 2010**
- **Service revenues of $4.67 billion in the third quarter of 2011, up 1.0% from the second quarter of 2011 but down 0.9% from the third quarter of 2010**
- **Net customer additions of 126,000 related to Value plan and unlimited Monthly 4G prepaid growth, compared to a net customer loss in the second quarter of 2011 of 50,000 and 137,000 net customer additions in the third quarter of 2010**
- **Contract ARPU of $53 in the third quarter of 2011, consistent with $53 in the second quarter of 2011 and up from $52 in the third quarter of 2010 attributed in part to data ARPU growth**
- **Data ARPU of $14.00 in the third quarter of 2011, up 13% from $12.40 in the third quarter of 2010**
- **As of the end of the third quarter of 2011, 10.1 million customers were using 3G/4G smartphones, up 40% compared to 7.2 million as of the end of the third quarter of 2010**

BELLEVUE, Wash., November 10, 2011 -- T-Mobile USA, Inc. ("T-Mobile USA") today reported third quarter 2011 service revenues of $4.67 billion, slightly down from $4.71 billion in the third quarter of 2010, and adjusted OIBDA of $1.45 billion, up from $1.32 billion reported in the third quarter of 2010. Additionally, net customer additions were 126,000 in the third quarter of 2011, a

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176,000 improvement from net customer losses in the second quarter of 2011 of 50,000 and slightly down from 137,000 net customer additions in the third quarter of 2010.

“Earnings improved as we continued to focus on making smartphones affordable to all Americans through our unlimited Value plans, improvements to our 4G network, and an expanding portfolio of 4G devices,” said Philipp Humm, President and CEO of T-Mobile USA. “Attractive prepaid offerings helped us add customers in the third quarter of 2011 and data ARPU grew as smartphone adoption continued to increase. Discipline on the cost side contributed to year-on-year margin improvement, while postpay churn, in particular related to the iPhone 4S launches by competitors, will continue to be an area of concern.”

"I am pleased with the development of adjusted OIBDA in the third quarter of 2011. The increase, partly thanks to successful cost saving initiatives, is a positive sign in a still challenging environment." said René Obermann, CEO of Deutsche Telekom.

Total Customers

- T-Mobile USA served 33.7 million customers (as defined in Note 1 to the Selected Data, below) at the end of third quarter of 2011, compared to 33.6 million customers at the end of second quarter 2011 and 33.8 million customers at the end of third quarter 2010.
- Third quarter 2011 net customer additions of 126,000, compared to a net customer loss in the second quarter of 2011 of 50,000, and net customer additions of 137,000 in the third quarter of 2010.
    - During the second and third quarters of 2011, as part of T-Mobile USA’s strategy of providing simple, value-based customer offers, T-Mobile USA introduced new unlimited Value plans for individuals, families and businesses, which resulted in improvement in net contract customer losses during the quarter.
    - The quarter-over-quarter improvement in net customer additions was driven by improvements in both contract and prepaid gross additions resulting from the introduction of unlimited Value plans discussed above and growth of prepaid unlimited Monthly 4G plans. This growth may be impacted in the fourth quarter of 2011 due to competitor launches of the iPhone 4S.

Contract Customers

- Contract net customer losses, including connected devices (as defined in Note 1 to the Selected Data, below), were 186,000 in the third quarter of 2011, an improvement from 281,000 net contract customer losses in the second quarter of 2011. Net contract customer losses were 54,000 in the third quarter of 2010.
- Branded contract net customer losses, excluding connected devices, were 389,000 in the third quarter of 2011, an improvement of 147,000 net branded contract customer losses from 536,000 in the second quarter of 2011. Net branded contract customer losses improved 64,000 in the third quarter of 2010.
  - Sequentially, the improvement in net contract customer losses was driven primarily by higher gross additions related to the new unlimited Value plans.
  - The year-over-year change was primarily due to fewer branded contract gross customer additions resulting in part from the implementation of strengthened credit standards as an aspect of T-Mobile USA's focus on improving the overall quality of its contract customer base. Additionally, customer migrations from prepaid products as a result of the strategic phase out of certain hybrid plans contributed to the year-on-year growth in net branded contract customers.
- Connected device net customer additions were 204,000 in the third quarter of 2011 compared to 256,000 in the second quarter of 2011 and 271,000 in the third quarter of 2010. Connected device customers, which have significantly lower ARPUs (averaging less than $2) than other contract customers, totaled 2.5 million at September 30, 2011.

Prepaid Customers

- Prepaid net customer additions, including MVNO customers (as defined in Note 1 to the Selected Data, below), were 312,000 in the third quarter of 2011, an improvement from 231,000 net prepaid customer additions in the second quarter of 2011, and 190,000 net prepaid customer additions in the third quarter of 2010.
- Branded prepaid net customer additions, excluding MVNO customers, were 254,000 in the third quarter of 2011, up 325,000 from second quarter 2011 branded prepaid net customer losses of 71,000, and improved by 333,000 from 79,000 net branded prepaid customer losses in the third quarter of 2010.

  - The sequential and year-on-year growth in branded prepaid net customer additions was due primarily to growth in unlimited Monthly 4G prepaid plans.
- MVNO customers increased slightly in the third quarter of 2011, totaling 3.5 million as of September 30, 2011. In the third quarter of 2011, net MVNO customer growth was lower compared to the second quarter of 2011 and the third quarter of 2010 due to higher MVNO customer churn.

Churn

- Blended churn (as defined in Note 3 to the Selected Data, below), reflecting both contract and prepaid customers, increased to 3.5% in the third quarter of 2011, up from 3.3% in the second quarter of 2011 and 3.4% in the third quarter of 2010.
  - The sequential and year-on-year increase in blended churn was primarily driven by higher churn from MVNO customers.
  - Churn from branded customers was 3.2% in the third quarter of 2011, consistent with the second quarter of 2011, and an improvement from 3.4% in the third quarter of 2010. The year-on-year decrease was primarily due to improvement in branded prepaid churn as a result of unlimited Monthly 4G prepaid plans.
- Contract churn, including connected devices, was 2.4% in the third quarter of 2011, consistent with the second quarter of 2011 and the third quarter of 2010.
  - To address contract churn, T-Mobile USA continued to focus on loyalty efforts during the quarter, including re-contracting its most loyal customers.
- Prepaid churn, including MVNO, increased to 7.2% in the third quarter of 2011, from 6.6% in the second quarter of 2011 and was consistent with the third quarter of 2010.
  - The sequential increase in prepaid churn was driven primarily by higher MVNO deactivations.

Adjusted OIBDA and Net Income

- T-Mobile USA reported Adjusted OIBDA (as defined in Note 8 to the Selected Data, below) of $1.45 billion in the third quarter of 2011, compared to $1.28 billion in the second quarter of 2011 and $1.32 billion in the third quarter of 2010.

- Adjusted OIBDA in the third quarter of 2011 and the second quarter of 2011 excludes AT&T transaction-related costs of $51 million and $13 million, respectively, primarily consisting of employee-related expenses.
- Sequentially and year-on-year, adjusted OIBDA increases were due to lower losses related to equipment subsidies resulting from the launch of the unlimited Value plans, as described below. Third quarter 2011 operating expenses, excluding the cost of equipment sales, remained fairly consistent sequentially and year-on-year as cost savings programs in 2011 have been effective in controlling expense growth. Additionally, during the third quarter of 2011, adjusted OIBDA increased due to a settlement related to the discontinued retail partnership with RadioShack.
- T-Mobile USA's new unlimited Value plans, allow customers to subscribe to wireless services without the purchase of or upfront payment for a bundled handset, resulting in reduced costs per gross addition and subscriber retention costs, benefitting adjusted OIBDA and net income within the quarter. Qualifying customers may separately purchase handsets at any time, either deferring payments over 21-month installment contracts or paying the full price at point-of-sale. Compared to traditional bundled price plans, the new unlimited Value plans result in lower service revenues being recognized over the service contract period, while recognizing higher equipment revenues at the time of the sale.

- Adjusted OIBDA margin (as defined in Note 9 to the Selected Data, below) was 31% in the third quarter of 2011, up from 28% in both the second quarter of 2011 and the third quarter of 2010.
  - Sequentially and year-on-year OIBDA margin improved primarily due to the reductions in costs per gross addition in connection with the new unlimited Value plans, as described above.
- Net income in the third quarter of 2011 was $332 million, up 57% compared to $212 million in the second quarter of 2011 and up 4% from the $320 million reported in the third quarter of 2010.
  - Sequentially and year-on-year, the changes in net income were driven by the factors impacting adjusted OIBDA, as described above. Expenses related to the AT&T transaction, primarily consisting of employee-related costs, totaled $51 million during the third quarter of 2011 and $13 million in the second quarter of 2011. Additionally, fair value

adjustments to certain of T-Mobile USA's financial instruments impacted Other expense, net, contributing to the changes in net income.

Revenue

- Service revenues (as defined in Note 4 to the Selected Data, below) were $4.67 billion in the third quarter of 2011, up from $4.62 billion in the second quarter of 2011, but down 0.9% from $4.71 billion in the third quarter of 2010.
  - Service revenues in the third quarter of 2011 increased compared to the second quarter of 2011 principally due to the growth in customer adoption of T-Mobile USA's unlimited Monthly 4G plans. Additionally, the sequential increase in service revenues was due in part to the introduction of reconnect fees for certain delinquent customer accounts.
  - 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 and from T-Mobile USA directly providing handset insurance services to its customers.
- Service and Sales revenues (as defined in Note 13 to the Selected Data, below) were $5.2 billion in the third quarter of 2011, up from $5.0 billion in the second quarter of 2011, but decreased slightly from $5.3 billion in the third quarter of 2010.
  - Service and Sales revenues increased from the second quarter of 2011 largely due to handset pricing changes in connection with the introduction of T-Mobile USA's new unlimited Value plans.
  - Compared to the third quarter of 2010, Service and Sales revenues decreased slightly due primarily to lower handset sales volumes, which were partially offset by handset pricing changes 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 third quarter of 2011, up from $5.1 billion in the second quarter of 2011, but down from $5.4 billion in the third quarter of 2010.
  - Compared to the second quarter of 2011 and third quarter of 2010, total revenues changed due primarily to the changes in equipment sales revenues as described above.

- Other revenues increased compared to the second quarter of 2011 and the third quarter of 2010 due in part to a settlement related to the discontinued retail partnership with RadioShack in the third quarter of 2011.

ARPU

- Blended Average Revenue Per User ("ARPU" as defined in Note 4 to the Selected Data, below) was $46 in the third quarter of 2011, consistent with each of the three preceding quarters but down from $47 in the third quarter of 2010.
- Contract ARPU, including connected devices, was $53 in the third quarter of 2011, consistent with the second quarter of 2011 and up from $52 in the third quarter of 2010.
  - Year-on-year, contract ARPU increased as data revenue growth more than offset lower voice revenue. Also contributing to the increase in contract ARPU was higher handset insurance contract revenues due to the launch of the directly-provided T-Mobile USA Personal Handset Protection insurance and warranty program in the fourth quarter of 2010.
- Prepaid ARPU, including MVNO, was $18 in the third quarter of 2011, consistent with the second quarter of 2011 but down from $19 in the third quarter of 2010.
  - Quarter-on-quarter, prepaid ARPU remained consistent as growth in unlimited Monthly 4G prepaid was offset by the strategic phase out of the FlexPay no-contract product.
  - Year-on-year, prepaid ARPU decreased due to the shift in customer mix away from FlexPay no-contract customers.
- Data service revenues (as defined in Note 4 to the Selected Data, below) were $1.4 billion in the third quarter of 2011, up 12% from the third quarter of 2010. Data service revenues in the third quarter of 2011 represented 30% of blended ARPU, or $14.00 per customer, compared to 30% of blended ARPU, or $13.60 per customer in the second quarter of 2011, and 27% of blended ARPU, or $12.40 per customer in the third quarter of 2010.
  - In the third quarter of 2011, the increase in the number of customers using smartphones, along with T-Mobile USA's continued upgrading of its 3G and 4G networks helped drive Internet access revenue growth through the increased customer adoption of mobile broadband data plans.
  - 10.1 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 T-Mobile®

Sidekick® 4G, the HTC® Sensation™ 4G, and the T-Mobile® myTouch™ 4G Slide, at the end of the third quarter of 2011. This represents a net increase of 40% or 2.9 million customers using smartphones from the third quarter of 2010.

- 3G/4G smartphone customers now account for 30% of total customers, up from 29% in the second quarter of 2011 and 21% in the third 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 32% of total data revenues in the third quarter of 2011, compared to 35% in the second quarter of 2011 and 36% in the third quarter of 2010.

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 $260 in the third quarter of 2011, down from $320 in the second quarter of 2011 and $290 in the third quarter of 2010.
  - Sequentially and year-on-year, CPGA decreased in the third 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.
- 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 third quarter of 2011, consistent with the second quarter of 2011, but down from $24 in the third quarter of 2010.

Capital Expenditures

- Cash capital expenditures (as defined in Note 10 to the Selected Data, below) were $741 million in the third quarter of 2011, compared to $688 million in the second quarter of 2011 and $643 million in the third quarter of 2010.
  - Sequentially and year-on-year, the increase in cash capital expenditures was a result of payment timing differences. In the third quarter of 2011, incurred capital expenditures remained generally consistent with the second quarter of 2011 and the third quarter of 2010 as a result of the continued build-out of the HSPA+ 21 and HSPA+ 42 networks (as defined in Note 11 to the Selected Data, below).

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- o 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 170 million people as of the end of the third 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 will 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. The agreement has been approved by the Board of Directors of both companies, and is expected to provide an optimal combination of network assets to add capacity and provide an opportunity to improve network quality in the near term for the customers of both companies. In particular, the transaction is important to address spectrum constraints and gives T-Mobile USA customers a clear path to take advantage of new generation LTE (Long Term Evolution) services. As part of the transaction, Deutsche Telekom will receive an equity stake in AT&T that, based on the terms of the agreement, would give Deutsche Telekom an ownership interest in AT&T of approximately 8 percent and one seat on the AT&T Board of Directors. In the third quarter of 2011, the U.S. Department of Justice (DOJ) filed a complaint in the Federal District Court of Washington, D.C. to block the acquisition. Deutsche Telekom and AT&T continue to pursue the acquisition, with a trial date on the DOJ's complaint set for mid-February 2012. Deutsche Telekom anticipates closing the transaction in the first half of 2012.
- During the third quarter of 2011, T-Mobile USA introduced new unlimited Value plans. In August 2011, T-Mobile USA launched new Small Business Rate Plans, reinforcing the Company's focus on support of small business to make it more affordable for customers to experience America's Largest 4G Network. These plans include offerings of unlimited talk, text and data services.
- T-Mobile USA continues to unveil cutting edge devices including 42 Mbps-capable smartphones such as the HTC® Amaze™ 4G and the Samsung Galaxy S™ II.
- On August 15, 2011, T-Mobile USA earned the highest ranking in the J.D. Power and Associates 2011 United States Full-Service Wireless Purchase Experience Study℠ – Volume

2, the fifth consecutive highest ranking for T-Mobile USA in that study. On September 15, 2011, J.D. Powers and Associates ranked T-Mobile USA second highest in the Southwest and West Regions and tied for second highest in the Northeast and Mid-Atlantic Regions in their 2011 Wireless Network Quality Performance Study[SM] – Volume 2.

- During the third quarter of 2011, T-Mobile USA leveraged changes in retail distribution through new retail partnerships focused on new distribution opportunities. In line with this strategy, T-Mobile USA partnered with 7-Eleven Inc., Toys R Us and Family Dollar to begin offering a no-contract wireless product in these companies' retail locations. On July 26, 2011, T-Mobile USA and RadioShack discontinued their retail partnership.
- During the third quarter of 2011, T-Mobile USA announced the rollout of a new global design for nearly 400 new and remodeled stores across the country in an ongoing commitment to provide the ultimate customer experience to consumers.

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 as presented there 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)	Q3 2011	Q2 2011	Q1 2011	Full Year 2010	Q4 2010	Q3 2010
Customers, end of period[2]						
Total Branded Contract Customers	23,074	23,463	23,999	24,574	24,574	24,938
Total Connected Devices	2,525	2,321	2,065	1,873	1,873	1,761
Total Contract Customers	25,598	25,784	26,065	26,447	26,447	26,698
Branded Prepaid Customers	4,599	4,345	4,416	4,497	4,497	4,643
MVNO Customers	3,514	3,456	3,154	2,790	2,790	2,415
Total Prepaid Customers	8,113	7,801	7,570	7,287	7,287	7,059
Total T-Mobile USA Customers, end of period	**33,711**	**33,585**	**33,635**	**33,734**	**33,734**	**33,757**
Thereof, Branded Customers	*27,673*	*27,808*	*28,415*	*29,071*	*29,071*	*29,581*
Net customer additions/(losses)[2]						
Total Branded Contract Customers	(389)	(536)	(574)	(1,069)	(364)	(325)
Total Connected Devices	204	256	192	751	113	271
Total Contract Customers	**(186)**	**(281)**	**(382)**	**(318)**	**(251)**	**(54)**
Branded Prepaid Customers	254	(71)	(82)	(513)	(145)	(79)
MVNO Customers	57	302	365	775	374	269
Total Prepaid Customers	**312**	**231**	**283**	**262**	**229**	**190**
Total T-Mobile USA net customer additions/(losses)	**126**	**(50)**	**(99)**	**(56)**	**(23)**	**137**
Thereof, Branded net customer additions/(losses)	*(135)*	*(608)*	*(656)*	*(1,582)*	*(509)*	*(404)*

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

	Q3 2011	Q2 2011	Q1 2011	Full Year 2010	Q4 2010	Q3 2010
Minutes of use/contract customer/month[2]	990	990	1,020	1,100	1,050	1,080
Contract churn [3]	2.40%	2.40%	2.40%	2.30%	2.50%	2.40%
Branded churn[3]	3.20%	3.20%	3.30%	3.20%	3.40%	3.40%
Blended churn[3]	3.50%	3.30%	3.40%	3.40%	3.60%	3.40%
($)						
Service and Sales Revenues per customer[13]	51	50	51	52	52	53
ARPU (blended)[4]	46	46	46	46	46	47
ARPU (contract) [4]	53	53	52	52	52	52
ARPU (prepaid) [4]	18	18	18	19	19	19
Data ARPU (blended)[5]	14.00	13.60	13.10	11.90	12.80	12.40
Cost of serving (CCPU)[6]	23	23	25	23	24	24
Cost per gross add (CPGA)[7]	260	320	300	300	290	290
($ millions)						
Total revenues	5,228	5,050	5,161	21,347	5,363	5,350
Total Service and Sales Revenues[13]	5,151	5,000	5,117	21,137	5,306	5,307
Service revenues[4]	4,666	4,620	4,630	18,733	4,694	4,708
Adjusted OIBDA[8]	1,445	1,277	1,188	5,478	1,342	1,323
Adjusted OIBDA margin[9]	31%	28%	26%	29%	29%	28%
Capital expenditures[10]	741	688	749	2,819	828	643

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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 customers 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 beginning the fourth quarter of 2010 as the Company began directly providing handset insurance services which had previously been provided by a third party.

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. 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 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. OIBDA was adjusted in the third 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.

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

ASSETS	September 30, 2011	December 31, 2010
Current assets:		
Cash and cash equivalents	$ 421	$ 109
Receivables from affiliates	912	310
Accounts receivable, net of allowances of $318 and $368, respectively	2,794	2,857
Inventory	520	621
Current portion of net deferred tax assets	926	914
Other current assets	621	500
Total current assets	6,194	5,311
Property and equipment, net of accumulated depreciation of $15,313 and $13,801, respectively	12,898	13,213
Goodwill	12,044	12,044
Spectrum licenses	15,265	15,282
Other intangible assets, net of accumulated amortization of $203 and $163, respectively	73	113
Long-term investments and other assets	239	328
Total assets	$ 46,713	$ 46,291
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,905	$ 3,248
Current payables to affiliates	992	805
Other current liabilities	388	402
Total current liabilities	4,285	4,455
Long-term payables to affiliates	15,170	15,854
Deferred tax liabilities	4,176	3,756
Deferred rents and other long-term liabilities	1,994	1,734
Total long-term liabilities	21,340	21,344
Stockholder's equity:		
Common stock and additional paid-in capital	31,600	31,600
Accumulated other comprehensive loss	(122)	(39)
Accumulated deficit	(10,390)	(11,069)
Total T-Mobile USA stockholder's equity	21,088	20,492
Total liabilities and stockholder's equity	$ 46,713	$ 46,291

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T-MOBILE USA

Condensed Consolidated Statements of Operations

(dollars in millions)

(unaudited)

	Quarter Ended September 30, 2011	Quarter Ended June 30, 2011	Quarter Ended September 30, 2010
Revenues:			
Contract	$ 4,087	$ 4,082	$ 4,150
Prepaid	436	414	395
Roaming and other services	143	124	163
Service Revenues	4,666	4,620	4,708
Equipment sales	485	380	599
Total Service and Sales Revenues	5,151	5,000	5,307
Other	77	50	43
Total revenues	5,228	5,050	5,350
Operating expenses:			
Network	1,249	1,248	1,258
Cost of equipment sales	873	881	1,085
Customer acquisition	795	787	800
General and administrative	866	857	884
Depreciation and amortization	731	755	723
Total operating expenses (excl. AT&T transaction-related costs)	4,514	4,528	4,750
Adjusted operating income (excl. AT&T transaction-related costs)	714	522	600
AT&T transaction-related costs	51	13	-
Operating income	663	509	600
Other expense, net	(137)	(156)	(79)
Income before income taxes	526	353	521
Income tax expense	(194)	(141)	(201)
Net income	332	212	320
Other comprehensive gain/(loss), net of tax:			
Unrealized (loss) on cash flow hedges and foreign currency translation	(56)	(11)	(50)
Unrealized gain/(loss) on available-for-sale securities	(1)	6	-
Total comprehensive income	$ 275	$ 207	$ 270

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T-MOBILE USA

Condensed Consolidated Statements of Cash Flows

(dollars in millions)

(unaudited)

	Quarter Ended September 30, 2011	Quarter Ended June 30, 2011	Quarter Ended September 30, 2010
Operating activities:			
Net income	$ 332	$ 212	$ 320
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	731	755	723
Income tax expense	194	141	201
Bad debt expense	169	149	173
AT&T transaction-related costs	51	13	-
Other, net	(1)	4	(11)
Changes in operating assets and liabilities:			
Accounts receivable	(320)	(122)	(251)
Inventory	(41)	169	(52)
Other current and non-current assets	(25)	(20)	(38)
Accounts payable and accrued liabilities	137	(114)	117
Net cash provided by operating activities	1,227	1,187	1,182
Investing activities:			
Purchases of property and equipment	(741)	(688)	(643)
Expenditures related to spectrum licenses	(7)	(4)	(3)
Short-term affiliate loan receivable, net	(425)	(225)	(425)
Other, net	23	10	(10)
Net cash used in investing activities	(1,150)	(907)	(1,081)
Financing activities:			
Debt borrowings from parent	-	-	7
Short-term borrowings, net	-	(33)	-
Net cash (used in) provided by financing activities	-	(33)	7
Change in cash and cash equivalents	77	247	108
Cash and cash equivalents, beginning of period	344	97	48
Cash and cash equivalents, end of period	$ 421	$ 344	$ 156

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(dollars in millions, except for CPGA and CCPU)
(unaudited)

Adjusted OIBDA is reconciled to operating income as follows:

	Q3 2011	Q2 2011	Q1 2011	Full Year 2010	Q4 2010	Q3 2010
Adjusted OIBDA	$1,445	$1,277	$ 1,188	$5,478	$1,342	$1,323
Depreciation and amortization	(731)	(755)	(735)	(2,773)	(729)	(723)
Adjusted operating income (excl. AT&T transaction-related costs)	714	522	453	2,705	613	600
AT&T transaction-related costs	(51)	(13)	-	-	-	-
Operating income	$ 663	$ 509	$ 453	$2,705	$ 613	$ 600

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:

	Q3 2011	Q2 2011	Q1 2011	Full Year 2010	Q4 2010	Q3 2010
Customer acquisition costs	$ 795	$ 787	$ 782	$3,205	$ 786	$ 800
Plus: Subsidy loss						
Equipment sales	(485)	(380)	(487)	(2,404)	(612)	(599)
Cost of equipment sales	873	881	1,018	4,237	1,109	1,085
Total subsidy loss	388	501	531	1,833	497	486
Less: Subsidy loss unrelated to customer acquisition	237	240	319	926	258	232
Subsidy loss related to customer acquisition	151	261	212	907	239	254
Cost of acquiring customers	$ 946	$1,048	$ 994	$4,112	$1,025	$1,054
CPGA ($/new customer added)	$ 260	$ 320	$ 300	$ 300	$ 290	$ 290

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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:

	Q3 2011	**Q2 2011**	**Q1 2011**	**Full Year 2010**	**Q4 2010**	**Q3 2010**
Network costs	$1,249	$1,248	$1,253	$4,895	$1,219	$1,258
General and administrative costs	866	857	920	3,532	907	884
Total network and general and administrative costs	2,115	2,105	2,173	8,427	2,126	2,142
Plus: Subsidy loss unrelated to customer acquisition	237	240	319	926	258	232
Total cost of serving customers	$2,352	$2,345	$2,492	$9,353	$2,384	$2,374
CCPU ($/customer per month)	$ 23	$ 23	$ 25	$ 23	$ 24	$ 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 third quarter of 2011, approximately 129 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+ 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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