T-MOBILE USA REPORTS SECOND QUARTER OF 2011 RESULTS

- **Adjusted OIBDA of $1.3 billion in the second quarter of 2011, up from $1.2 billion in the first quarter of 2011 but down from $1.4 billion in the second quarter of 2010**
- **Service revenues in the second quarter of 2011 of $4.6 billion, consistent with the first quarter of 2011, but down 1.7% from $4.7 billion in the second quarter of 2010**
- **Contract ARPU of $53 in the second quarter of 2011, up from $52 in the first quarter of 2011 and each of the previous four quarters**
- **Data ARPU of $13.60 in the second quarter of 2011, up $2.00 or 17.2% from the second quarter of 2010**
- **Net customer losses of 50,000, an improvement from 99,000 net customer losses in the first quarter of 2011 and 93,000 net customer losses in the second quarter of 2010**
- **Nearly 10 million customers using 3G/4G smartphones as of the second quarter of 2011, an increase of 50% from the second quarter of 2010**
- **America's Largest 4G Network™ currently covers over 200 million people in over 190 markets and is being upgraded to even faster speeds (HSPA+ 42), which now covers more than 170 million people in over 100 markets**

BELLEVUE, Wash., August 4, 2011 -- T-Mobile USA, Inc. ("T-Mobile USA") today reported second quarter 2011 results. For the second quarter of 2011, T-Mobile USA reported service revenues of $4.6 billion consistent with service revenues in the first quarter of 2011, and adjusted OIBDA of $1.3 billion, up from $1.2 billion reported in the first quarter of 2011. The number of Americans covered by our 4G network and the number of our customers using 3G/4G smartphones both

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continued to increase significantly during the quarter, driving growth in data ARPU. Additionally, net customer losses were 50,000 in the second quarter of 2011, nearly a 50% improvement from the 99,000 net customer losses in the first quarter of 2011.

"In a challenging market, we are seeing some encouraging trends in the quarter, particularly with our prepaid product growth and our year-on-year contract ARPU increase, thanks to all-time high of 29% of our customer base using 3G/4G smartphones. While contract churn continues to be high, we are focused on upgrading our customers to higher quality products and concentrating on retaining our loyal customers," said Philipp Humm, President and CEO of T-Mobile USA. "We also continue to focus on customer value through further network upgrades where we now reach more than 170 million Americans with even faster speeds, through our large 4G Android device portfolio, and by offering affordable unlimited rate plans."

"The United States remains a difficult market for Deutsche Telekom, but we see improvements compared to the first quarter of 2011. T-Mobile USA will continue its strategy with the extended HSPA+ 42 coverage and continued data growth." said René Obermann, CEO of Deutsche Telekom.

Customers

- T-Mobile USA served 33.6 million customers (as defined in Note 1 to the Selected Data, below) at the end of the second quarter of 2011, generally consistent with the first quarter of 2011 and the second quarter of 2010.
    - In the second quarter of 2011, net customer losses were 50,000, compared to net losses of 99,000 in the first quarter of 2011 and 93,000 in the second quarter of 2010.
    - In the second quarter of 2011, partner branded customers, representing our Wal-Mart Family Mobile business, were reclassified to the contract category from prepaid as the hybrid product, introduced in the third quarter of 2010, has demonstrated product characteristics more closely associated with T-Mobile USA's other contract products. Prior quarter amounts have been restated to conform to current period customer reporting classifications.

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- Contract net customer losses were 281,000 in the second quarter of 2011, an improvement of 26% from the 382,000 net contract customer losses in the first quarter of 2011, but a decline from the 106,000 net contract customer additions in the second quarter of 2010.
  - Sequentially, the improvement in net contract customer losses was driven primarily by the introduction of new unlimited rate plans in the second quarter and faster growth in our connected device business.
  - The decline in contract customers in the second quarter 2011 when compared to the second quarter of 2010, was due to intense competitive pressures in the US wireless marketplace and the implementation of strengthened credit standards as part of T-Mobile USA's focus on improving customer quality.
  - Additionally, connected device net customer additions, included within contract customers (as defined in Note 1 to the Selected Data, below), were 256,000 in the second quarter of 2011 an improvement of 33% compared to 192,000 in the first quarter of 2011 and 27% compared to 202,000 in the second quarter of 2010. Connected device customers totaled 2.3 million at June 30, 2011.
- Prepaid net customer additions, including MVNO customers (as defined in Note 1 to the Selected Data, below), were 231,000 in the second quarter of 2011, down 18% compared to 283,000 in the first quarter of 2011 and up substantially from the 199,000 net losses in the second quarter of 2010.
  - The sequential decline in prepaid net customer additions was due primarily to fewer FlexPay non-contract gross customer additions which were offset in part by customer growth in traditional prepaid plans.
  - Year-on-year, prepaid net customer additions increased primarily due to the growth in customers including MVNOs, purchasing prepaid monthly unlimited plans.
  - MVNO customers continued to grow in the second quarter of 2011, totaling 3.5 million as of June 30, 2011.

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Churn

- Blended churn (as defined in Note 3 to the Selected Data, below), reflecting both contract and prepaid customers, decreased to 3.3% in the second quarter of 2011 from 3.4% in both the first quarter of 2011 and the second quarter of 2010.
    - The sequential and year-on-year decrease in blended churn was primarily driven by lower churn from T-Mobile USA branded customers (excluding MVNO and connected devices).
- Contract churn was 2.4% in the second quarter of 2011, consistent with the first quarter of 2011 but up from 2.2% in the second quarter of 2010.
    - The year-on-year increase in contract churn was primarily driven by competitive pressures in the US wireless industry which have continued to negatively impact T-Mobile USA's contract customer base.
- Prepaid churn decreased in the second quarter of 2011 to 6.6%, from 6.7% in the first quarter of 2011 and 7.6% in the second quarter of 2010.
    - The sequential decrease in prepaid churn was driven by a shift in the customer base towards traditional prepaid products, which was partially offset by higher MVNO churn.
    - Year-on-year, prepaid churn decreased due to lower traditional prepaid product churn resulting from the success of T-Mobile USA's recently introduced prepaid monthly unlimited plans.

Adjusted OIBDA and Net Income

- T-Mobile USA reported adjusted OIBDA (as defined in Note 8 to the Selected Data, below) of $1.3 billion in the second quarter of 2011, compared to $1.2 billion in the first quarter of 2011 and $1.4 billion in the second quarter of 2010.
    - OIBDA was adjusted in the second quarter of 2011, to exclude AT&T transaction-related costs of $13 million, primarily consisting of employee-related expenses.
    - Sequentially, adjusted OIBDA increased due to lower handset subsidies and upgrade expenses in the second quarter of 2011 as compared to the first quarter of 2011, which included more costly customer loyalty initiatives.
    - Year-on-year, second quarter adjusted OIBDA decreased as a result of lower service revenue as described above. Additionally, higher network expenses related to the

continued investment in T-Mobile USA's 4G network were offset in part by lower volume-driven commission expenses and lower expenses resulting from T-Mobile USA's Reinvent cost saving initiative program.

- Adjusted OIBDA margin (as defined in Note 9 to the Selected Data, below) was 28% in the second quarter of 2011, up from 26% in the first quarter of 2011 but down from 30% in the second quarter of 2010.
- Net income in the second quarter of 2011 was $212 million, up 57% when compared to $135 million in the first quarter of 2011 and down 48% from the $404 million reported in the second quarter of 2010.
  - Sequentially and year-on-year, the changes in net income were driven by the same factors impacting adjusted OIBDA, as described above. Additionally, certain fair value adjustments related to our 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 $4.6 billion in the second quarter of 2011, consistent with $4.6 billion in the first quarter of 2011 and down 1.7% from $4.7 billion in the second quarter of 2010.
  - Service revenues in the second quarter of 2011 were positively impacted by data revenue growth, driven by increased adoption of mobile broadband data and unlimited text plans by our customers, seasonally higher roaming revenue and higher prepaid revenues from the growth in monthly unlimited plan adoption. These revenue growth drivers were more than offset by voice revenue declines related to net losses of branded customers, compared to the first quarter of 2011.
  - 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 our contract and prepaid customer base and from T-Mobile USA directly providing handset insurance services to its customers.

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- Total revenues, including service, equipment, and other revenues were $5.1 billion in the second quarter of 2011, down from $5.2 billion in the first quarter of 2011 and $5.4 billion in the second quarter of 2010.
    - Equipment revenues decreased sequentially and year-on-year due primarily to lower handset sales volumes.

ARPU

- Blended Average Revenue Per User ("ARPU" as defined in Note 4 to the Selected Data, below) was $46 in the second quarter of 2011, consistent with the first quarter of 2011, but lower than $47 in the second quarter of 2010 driven by a shift in the customer base towards prepaid plans.
- Contract ARPU was $53 in the second quarter of 2011, up from $52 in the first quarter of 2011 and each of the previous four quarters.
    - Sequentially and year-on-year, contract ARPU increased as data revenue growth more than offset lower voice revenue. In addition, the year-on-year increase benefitted from handset insurance contract revenues due to the launch of the directly-provided T-Mobile Personal Handset Protection insurance and warranty program in the fourth quarter of 2010.
- Prepaid ARPU was $18 in the second quarter of 2011, consistent with both the first quarter of 2011 and second quarter of 2010.
- Data service revenues (as defined in Note 4 to the Selected Data, below) were $1.4 billion in the second quarter of 2011, up 17% from the second quarter of 2010. Data service revenues in the second quarter of 2011 represented 30% of blended ARPU, or $13.60 per customer, up from 29% of blended ARPU, or $13.10 per customer in the first quarter of 2011, and 25% of blended ARPU, or $11.60 per customer in the second quarter of 2010.
    - In the second quarter of 2011, the increase in the number of customers using smartphones and the continued upgrade of the 3G and 4G networks drove Internet access revenue growth through the increasing adoption of mobile broadband data plans.
    - 9.8 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® myTouch® 4G, T-Mobile® G2x® with Google™, and the Samsung Galaxy S™ 4G at the end

of the second quarter of 2011. This represents a net increase of 50% or nearly 3.3 million customers using smartphones from the second quarter of 2010.
  - 3G/4G smartphone customers now account for 29% of total customers, up from 27% in the first quarter of 2011 and 19% in the second quarter of 2010.
  - Messaging revenue (as defined in Note 5 to the Selected Data, below) also increased sequentially in the second quarter of 2011 with customers moving towards unlimited plans including messaging. Messaging accounted for approximately 35% of total data revenues, compared to 37% in the second 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 $320 in the second quarter of 2011, up from $300 in the first quarter of 2011, but down from $330 in the second quarter of 2010.
  - Sequentially, CPGA increased in the second quarter of 2011 primarily due to higher handset subsidies as T-Mobile USA offered a variety of incentives to attract customers.
  - Compared to the second quarter of 2010, CPGA decreased primarily due to lower commission expenses and a shift in the mix of customer additions towards MVNO and connected device customers.
- 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 second quarter of 2011, down from $25 in the first quarter of 2011 and consistent with the second quarter of 2010.
  - CCPU decreased in the second quarter of 2011 compared to the first quarter of 2011 due to lower equipment subsidies from customer loyalty initiatives than were offered in the first quarter of 2011.

Capital Expenditures

- Cash capital expenditures (as defined in Note 10 to the Selected Data, below) were $688 million in the second quarter of 2011, compared to $749 million in the first quarter of 2011 and $682 million in the second quarter of 2010.

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- Sequentially, the decrease in cash capital expenditures was a result of payment timing differences which were partially offset by an increase in incurred capital expenditures during the quarter. In the second quarter of 2011, incurred capital expenditures were the result of the continued build-out of the HSPA+ 21 and HSPA+ 42 networks (as defined in Note 11 to the Selected Data, below).
- Compared to the second quarter of 2010, cash capital expenditures were consistent and continued to be incurred to allow for network coverage expansion and the upgrade to HSPA+ 42.
- T-Mobile USA currently offers its customers America's Largest 4G Network with HSPA+ 21 service available in over 190 markets reaching over 200 million people.
- 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 second 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. The transaction is expected to close in the first half of 2012, subject to regulatory approvals and other closing conditions. 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.

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- During the second quarter of 2011, and again in July 2011, T-Mobile USA introduced a series of new "Value" rate plans that provide exceptional value and choice to the wireless consumer, reinforcing a focus on making it more affordable for customers to experience America's Largest 4G Network. These plans include offerings of unlimited talk, text and data services to individuals and families (both with and without handset subsidies).
- T-Mobile USA continues to unveil leading devices including the HTC Sensation™ 4G and the myTouch® 4G Slide to leverage America's Largest 4G Network.
- In August 2011, T-Mobile USA announced a new partnership with 7-Eleven Stores, Inc. to provide a prepaid no contract handset and service through the retail chain's 7-Eleven® stores.

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.

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SELECTED DATA FOR T-MOBILE USA

(thousands)	Q2 2011	Q1 2011	Full Year 2010	Q4 2010	Q3 2010	Q2 2010
Customers, end of period[1]	33,585	33,635	33,734	33,734	33,757	33,620
Thereof contract[2]	25,784	26,065	26,447	26,447	26,698	26,752
Thereof prepaid[2]	7,801	7,570	7,287	7,287	7,059	6,868
Net customer (losses) / additions	(50)	(99)	(56)	(23)	137	(93)
Minutes of use/contract customer/month[2]	970	1,020	1,100	1,050	1,080	1,120
Contract churn[2, 3]	2.40%	2.40%	2.30%	2.50%	2.40%	2.20%
Blended churn[3]	3.30%	3.40%	3.40%	3.60%	3.40%	3.40%
($)						
ARPU (blended)[4]	46	46	46	46	47	47
ARPU (contract)[2, 4]	53	52	52	52	52	52
ARPU (prepaid)[2, 4]	18	18	19	19	19	18
Data ARPU (blended)[5]	13.60	13.10	11.90	12.80	12.40	11.60
Cost of serving (CCPU)[6]	23	25	23	24	24	23
Cost per gross add (CPGA)[7]	320	300	300	290	290	330
($ millions)						
Total revenues	5,050	5,161	21,347	5,363	5,350	5,356
Service revenues[4]	4,620	4,630	18,733	4,694	4,708	4,699
Adjusted OIBDA[8]	1,277	1,188	5,478	1,342	1,323	1,419
Adjusted OIBDA margin[9]	28%	26%	29%	29%	28%	30%
Capital expenditures[10]	688	749	2,819	828	643	682

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. 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.

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

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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 second quarter of 2011 to exclude AT&T transaction-related costs that are not reflective of our 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.

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

ASSETS	June 30, 2011	December 31, 2010
Current assets:		
Cash and cash equivalents	$ 344	$ 109
Receivables from affiliates	487	310
Accounts receivable, net of allowances of $378 and $368, respectively	2,643	2,857
Inventory	479	621
Current portion of net deferred tax assets	923	914
Other current assets	680	500
Total current assets	5,556	5,311
Property and equipment, net of accumulated depreciation of $14,681 and $13,801, respectively	12,949	13,213
Goodwill	12,044	12,044
Spectrum licenses	15,258	15,282
Other intangible assets, net of accumulated amortization of $190 and $163, respectively	86	113
Long-term investments and other assets	406	328
Total Assets	$ 46,299	$ 46,291
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,869	$ 3,248
Current payables to affiliates	1,012	805
Other current liabilities	372	402
Total current liabilities	4,253	4,455
Long-term payables to affiliates	15,373	15,854
Deferred tax liabilities	3,998	3,756
Deferred rents and other long-term liabilities	1,862	1,734
Total long-term liabilities	21,233	21,344
Stockholder's equity:		
Common stock and additional paid-in capital	31,600	31,600
Accumulated other comprehensive loss	(65)	(39)
Accumulated deficit	(10,722)	(11,069)
Total T-Mobile USA stockholder's equity	20,813	20,492
Total liabilities and stockholder's equity	$ 46,299	$ 46,291

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

	Quarter Ended June 30, 2011	Quarter Ended March 31, 2011	Quarter Ended June 30, 2010
Revenues:			
Contract*	$ 4,082	$ 4,114	$ 4,143
Prepaid*	414	403	382
Roaming and other services	124	113	174
Equipment sales	380	487	585
Other	50	44	72
Total revenues	5,050	5,161	5,356
Operating expenses:			
Network	1,248	1,253	1,195
Cost of equipment sales	881	1,018	1,054
Customer acquisition	787	782	829
General and administrative	857	920	859
Depreciation and amortization	755	735	670
Total operating expenses (excl. AT&T transaction-related costs)	4,528	4,708	4,607
Adjusted operating income (excl. AT&T transaction-related costs)	522	453	749
AT&T transaction-related costs	13	-	-
Operating income	509	453	749
Other expense, net	(156)	(184)	(93)
Income before income taxes	353	269	656
Income tax expense	(141)	(134)	(252)
Net income	212	135	404
Other comprehensive gain/(loss), net of tax:			
Unrealized (loss) on cash flow hedges and foreign currency translation	(11)	(25)	-
Unrealized gain on available-for-sale securities	6	4	-
Total comprehensive income	$ 207	$ 114	$ 404

*Prior quarters have been restated to conform to current period customer reporting classifications.

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

	Quarter Ended June 30, 2011	Quarter Ended March 31, 2011	Quarter Ended June 30, 2010
Operating activities:			
Net income	$ 212	$ 135	$ 404
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	755	735	670
Income tax expense	141	134	252
Bad debt expense	149	165	146
AT&T transaction-related costs	13	-	-
Other, net	4	53	(23)
Changes in operating assets and liabilities:			
Accounts receivable	(122)	20	(353)
Inventory	169	(27)	(18)
Other current and non-current assets	(20)	(66)	68
Accounts payable and accrued liabilities	(114)	7	(19)
Net cash provided by operating activities	1,187	1,156	1,127
Investing activities:			
Purchases of property and equipment	(688)	(749)	(682)
Expenditures related to spectrum licenses	(4)	(4)	(4)
Short-term affiliate loan receivable, net	(225)	(450)	(565)
Other, net	10	2	3
Net cash used in investing activities	(907)	(1,201)	(1,248)
Financing activities:			
Debt borrowings from parent	-	-	95
Short-term borrowings, net	(33)	33	-
Net cash (used in) provided by financing activities	(33)	33	95
Change in cash and cash equivalents	247	(12)	(26)
Cash and cash equivalents, beginning of period	97	109	74
Cash and cash equivalents, end of period	$ 344	$ 97	$ 48

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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)

Adjusted OIBDA is reconciled to adjusted operating income as follows:

	Q2 2011	Q1 2011	Full Year 2010	Q4 2010	Q3 2010	Q2 2010
Adjusted OIBDA	$1,277	$1,188	$ 5,478	$1,342	$1,323	$1,419
Depreciation and amortization	(755)	(735)	(2,773)	(729)	(723)	(670)
Adjusted operating income (excl. AT&T transaction-related costs)	$ 522	$ 453	$ 2,705	$ 613	$ 600	$ 749

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:

	Q2 2011	Q1 2011	Full Year 2010	Q4 2010	Q3 2010	Q2 2010
Customer acquisition costs	$ 787	$ 782	$ 3,205	$ 786	$ 800	$ 829
Plus: Subsidy loss						
Equipment sales	(380)	(487)	(2,404)	(612)	(599)	(585)
Cost of equipment sales	881	1,018	4,237	1,109	1,085	1,054
Total subsidy loss	501	531	1,833	497	486	469
Less: Subsidy loss unrelated to customer acquisition	240	319	926	258	232	223
Subsidy loss related to customer acquisition	261	212	907	239	254	246
Cost of acquiring customers	$1,048	$ 994	$ 4,112	$1,025	$1,054	$1,075
CPGA ($/new customer added)	$ 320	$ 300	$ 300	$ 290	$ 290	$ 330

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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 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:

	Q2 2011	**Q1 2011**	**Full Year 2010**	**Q4 2010**	**Q3 2010**	**Q2 2010**
Network costs	$1,248	$1,253	$4,895	$1,219	$1,258	$1,195
General and administrative costs	857	920	3,532	907	884	859
Total network and general and administrative costs	2,105	2,173	8,427	2,126	2,142	2,054
Plus: Subsidy loss unrelated to customer acquisition	240	319	926	258	232	223
Total cost of serving customers	$2,345	$2,492	$9,353	$2,384	$2,374	$2,277
CCPU ($/customer per month)	$ 23	$ 25	$ 23	$ 24	$ 24	$ 23

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 second quarter of 2011, approximately 128 million mobile customers were served by the mobile communication segments of the Deutsche Telekom group — 33.6 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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