

T-MOBILE USA REPORTS FIRST QUARTER 2011 RESULTS

- **Service revenues in the first quarter of 2011 at \$4.63 billion, consistent with the first quarter of 2010**
- **Contract ARPU \$52 in the first quarter of 2011, up from \$51 in the first quarter of 2010**
- **Blended data ARPU of \$13.10 in the first quarter of 2011, up more than 20% from the first quarter of 2010**
- **9.1 million customers using 3G/4G smartphones as of the first quarter, a net increase of nearly 1 million customers in the first quarter of 2011**
- **OIBDA of \$1.19 billion in the first quarter of 2011, down from \$1.39 billion in the first quarter of 2010 driven primarily by investment in customer loyalty initiatives and customers upgrading to smartphones**
- **America's largest 4G network currently covers over 200 million people in 170 markets; the network is being upgraded to even faster speeds (42 Mbps); these faster speeds will cover more than 140 million people by mid-2011, with the first markets already launched**

BELLEVUE, Wash., May 6, 2011 -- T-Mobile USA, Inc. ("T-Mobile USA") today reported first quarter of 2011 results. In the first quarter of 2011, T-Mobile USA reported service revenues of \$4.63 billion, consistent with the first quarter of 2010, and OIBDA of \$1.19 billion, compared to \$1.39 billion reported in the first quarter of 2010. The number of customers using smartphones continued to increase significantly during the quarter, driving growth in blended data ARPU. Blended data ARPU in the first quarter of 2011 was \$13.10, up more than 20% from the first quarter of 2010. Net customer losses were 99,000 in the first quarter of 2011 compared to 77,000 net customer losses in the first quarter of 2010.

“We continue to drive our strategy and lay the foundation for improved future performance and have seen some positive trends in the quarter as evidenced through data ARPU growth rates,” said Philipp Humm, President and CEO of T-Mobile USA. “The success in our data business has been driven by our 4G network message, our compelling 4G device offerings and our attractive data plans; however, we still have challenges facing our business as evidenced by high contract churn and contract customer losses in the first quarter of 2011.”

"The first quarter shows a mixed picture with positive trends in the development of data ARPU. Our deal with AT&T announced a few weeks ago will not change the focus of our US business. Until the closing of the deal, T-Mobile will continue to challenge its competitors and compete aggressively in the US market," said René Obermann, CEO of Deutsche Telekom.

Customers

- T-Mobile USA served 33.63 million customers (as defined in Note 3 to the Selected Data, below) at the end of the first quarter of 2011, down from 33.73 million at the end of the fourth quarter of 2010 and 33.71 million at the end of the first quarter of 2010.
 - In the first quarter of 2011, net customer losses were 99,000, compared to net losses of 23,000 in the fourth quarter of 2010 and 77,000 in the first quarter of 2010.
 - Contract customer losses were the primary driver for the sequential and year-on-year change in net customers.
- Contract net customer losses were 471,000 in the first quarter of 2011, compared to 318,000 net contract customer losses in the fourth quarter of 2010, and 118,000 net contract customer losses in the first quarter of 2010.
 - Sequentially and year-on-year, the decline in net contract customers was driven primarily by fewer contract gross customer additions and continued high contract churn due to competitive pressures.
 - Connected device net customer additions, included within contract customers (as defined in Note 3 to the Selected Data, below), were 192,000 in the first quarter of 2011 compared to 113,000 in the fourth quarter of 2010 and 165,000 in the first quarter of 2010. Connected devices totaled 2.1 million at March 31, 2011.

- Prepaid net customer additions, including MVNO customers (as defined in Note 3 to the Selected Data, below), were 372,000 in the first quarter of 2011, compared to 295,000 in the fourth quarter of 2010 and 41,000 in the first quarter of 2010.
 - Sequentially and year-on-year, prepaid net customer additions increased due in part to the growth in customers purchasing prepaid monthly unlimited plans.
 - MVNO customers continued to grow, totaling 3.2 million at March 31, 2011, and made up a significant portion of net prepaid customer additions in the first quarter of 2011.

Churn

- Blended churn (as defined in Note 2 to the Selected Data, below), including both contract and prepaid customers, was 3.4% in the first quarter of 2011, compared to 3.6% in the fourth quarter of 2010 and 3.1% in the first quarter of 2010.
 - The sequential decrease in blended churn was driven primarily by seasonally higher churn in the fourth quarter of 2010 due to the holiday season, as in previous years.
 - Year-on-year, the increase in blended churn was driven primarily by higher contract customer churn.
- Contract churn was 2.4% in the first quarter of 2011, down from 2.5% in the fourth quarter of 2010, but up from 2.2% the first quarter of 2010.
 - The year-on-year increase in contract churn was driven by continued competitive pressures in the US wireless industry.
- Prepaid churn decreased in the first quarter of 2011 to 6.7% from 7.5% in the fourth quarter of 2010 and 6.8% in the first quarter of 2010.
 - The sequential and year-on-year decrease in prepaid churn was driven primarily by lower branded prepaid churn resulting from the growth in prepaid monthly unlimited customers.

OIBDA and Net Income

- T-Mobile USA reported OIBDA (as defined in Note 6 to the Selected Data, below) of \$1.19 billion in the first quarter of 2011, compared to \$1.34 billion in the fourth quarter of 2010 and \$1.39 billion in the first quarter of 2010.

- Sequentially and year-on-year, OIBDA fell due to increased investment in customer loyalty initiatives and customers upgrading to smartphones (as defined in Note 11 to the Selected Data, below). Additionally, OIBDA decreased in the first quarter of 2011 as a result of higher operating expenses for advertising and the continued expansion of our 4G network.
- OIBDA margin (as defined in Note 7 to the Selected Data, below) was 26% in the first quarter of 2011, down from 29% in the fourth quarter of 2010 and 30% in the first quarter of 2010.
- Net income in the first quarter of 2011 was \$135 million, compared to \$268 million in the fourth quarter of 2010 and \$362 million in the first quarter of 2010.
 - Sequentially and year-on-year, net income decreased due primarily to higher retention equipment subsidies related to customer loyalty initiatives and customers upgrading to smartphones, as described above. In addition, compared to the first quarter of 2010, depreciation expense increased \$84 million due primarily to continued investment in our network.

Revenue

- Service revenues (as defined in Note 1 to the Selected Data, below) were \$4.63 billion in the first quarter of 2011, down from \$4.69 billion in the fourth quarter of 2010 and consistent with \$4.63 billion in the first quarter of 2010.
 - Service revenues in the first quarter of 2011 were positively impacted by data revenue growth, driven by the adoption of mobile broadband data plans, the revenue contribution from providing handset insurance services (which commenced in the fourth quarter of 2010), and higher prepaid revenues from the growth of monthly unlimited plans. These revenue growth drivers were more than offset, compared to the fourth quarter of 2010, by voice revenue declines related to net losses of branded customers.
 - Year-on-year, quarterly service revenues were consistent due primarily to data revenue growth and from directly providing handset insurance services which offset voice revenue declines.
- Total revenues, including service, equipment, and other revenues were \$5.16 billion in the first quarter of 2011, down from \$5.36 billion in the fourth quarter of 2010 and \$5.28 billion in the first 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 1 to the Selected Data, below) was \$46 in the first quarter of 2011, consistent with the fourth quarter of 2010 and first quarter of 2010.
- Contract ARPU was \$52 in the first quarter of 2011, consistent with the fourth quarter of 2010 and up from \$51 in the first quarter of 2010.
 - Year-on-year contract ARPU increased as data revenue growth and handset insurance revenues more than offset lower voice revenue.
- Prepaid ARPU was \$19 in the first quarter of 2011, consistent with the fourth quarter of 2010 and up from \$18 in the first quarter of 2010.
- Data service revenues (as defined in Note 1 to the Selected Data, below) were \$1.33 billion in the first quarter of 2011, up 20% from the first quarter of 2010. Data service revenues in the first quarter of 2011 represented 29% of blended ARPU, or \$13.10 per customer, up from 28% of blended ARPU, or \$12.80 per customer in the fourth quarter of 2010, and 24% of blended ARPU, or \$10.90 per customer in the first quarter of 2010.
 - 9.1 million customers were using smartphones enabled for the T-Mobile USA 3G/4G network (as defined in Note 11 to the Selected Data, below) such as the T-Mobile® myTouch® 4G, T-Mobile® G2® with Google™, and the Samsung Galaxy S™ 4G at the end of the first quarter of 2011. This was a net increase of 11% or nearly 1 million customers using smartphones from the fourth quarter of 2010.
 - 3G/4G smartphone customers now account for 27% of total customers, up from 24% in the fourth quarter of 2010 and over 15% in the first quarter of 2010. In addition, 3G/4G smartphones accounted for over 75% of equipment sales revenue in the first quarter of 2011 and fourth quarter of 2010.
 - In the first quarter of 2011, the increase in the number of customers using smartphones and the continued upgrade of the network were driving Internet access revenue growth with the increasing adoption of mobile broadband data plans.

CPGA and CCPU

- The average cost of acquiring a customer, Cost Per Gross Add (“CPGA” as defined in Note 5 to the Selected Data, below) was \$300 in the first quarter of 2011, up from \$290 in the fourth quarter of 2010 but down from \$310 in the first quarter of 2010.
 - Sequentially, CPGA increased in the first quarter of 2011 due primarily to higher marketing costs associated with advertising our 4G network and strong device lineup.
 - Compared to the first quarter of 2010, CPGA decreased due primarily to lower commission expense and a shift in customer additions toward MVNO customers and connected devices.
- The average cash cost of serving customers, Cash Cost Per User (“CCPU” as defined in Note 4 to the Selected Data, below), was \$25 per customer per month in the first quarter of 2011, up from \$24 in the fourth quarter of 2010 and \$23 in the first quarter of 2010.
 - The sequential and year-on-year CCPU increase was due primarily to a higher equipment subsidy loss from customer loyalty promotions and programs. Additionally, the equipment subsidy loss increased due to customers upgrading to smartphones and the cost of directly providing handset insurance services.

Capital Expenditures

- Cash capital expenditures (as defined in Note 8 to the Selected Data, below) were \$749 million in the first quarter of 2011, compared to \$828 million in the fourth quarter of 2010 and \$666 million in the first quarter of 2010.
 - Sequentially, the decrease in cash capital expenditures was a result of lower network capital expenditures partially offset by payment timing differences.
 - Compared to the first quarter of 2010, cash capital expenditures increased due primarily to network coverage expansion and the upgrade to HSPA+ 42, which will double the theoretical download speed of T-Mobile USA’s 4G network.
 - To further boost the value provided to customers through its 4G mobile broadband network, T-Mobile USA is doubling the speed of its 4G network in 2011 to achieve theoretical download speeds of 42 Mbps. T-Mobile USA customers in Las Vegas, New York and Orlando were the first in the USA to experience the increased 4G speeds, followed closely by

Chicago and further expansion of the New York network into Long Island, NY, and Northern New Jersey. By mid-2011, T-Mobile USA expects more than 140 million Americans in over 25 markets to have access to these increased 4G speeds.

- T-Mobile USA currently offers its customers America's largest 4G network with HSPA+ service available in 170 markets reaching over 200 million people.

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.
- In the first quarter of 2011, T-Mobile unveiled a broad lineup of leading devices including the new Dell™ Streak™ 7 – the first 4G tablet in the U.S., the Galaxy S™ 4G – the fastest 4G smartphone running on America's Largest 4G network, the T-Mobile myTouch® 4G, the T-Mobile G2® with Google™, and mobile broadband products such as the Rocket™ 2.0 Laptop Stick and the Dell™ Inspiron™ Mini 10 4G netbook. In addition, T-Mobile recently launched the T-Mobile Sidekick® 4G™ by Samsung, the T-Mobile G2x™ with Google™ by LG, and the T-Mobile G-Slate™ with Google™ by LG.
- On January 6, 2011, at the 2011 International Consumer Electronics Show, T-Mobile USA President and CEO Philipp Humm highlighted the company's network leadership, supported by

Nielsen data confirming that T-Mobile USA delivered on average the fastest wireless data performance in the top 100 U.S. markets during the second half of 2010.

- On January 6, 2011, T-Mobile USA Chief Operations Officer Jim Alling announced a new structure for T-Mobile USA's field teams designed to shift business responsibility and accountability closer to customers. Twenty-three geographic regions will each be led by a Vice President General Manager (VP GM) with full profit and loss accountability. Each VP GM will have direct responsibility for all sales across all channels in a region, including business sales.
- On March 16, 2011, T-Mobile USA was recognized by the Ethisphere Institute as one of the 2011 World's Most Ethical Companies, which marks the third consecutive year that T-Mobile USA has received this distinction. This is a significant achievement and recognition of the compliance/ethics/governance program at T-Mobile USA, showing commitment to ethical leadership and corporate social responsibility. T-Mobile USA was also the only U.S. wireless telecommunication service provider listed this year.
- On April 26, 2011, T-Mobile USA's G2x with Google by LG was named the best Android smartphone in America by PC Magazine. According to the publication, "The loaded T-Mobile G2x with Google is the fastest, smoothest Android smartphone available today."

T-Mobile USA is the U.S. wireless operation of Deutsche Telekom AG (OTCQX: DTEGY). In order to provide comparability with the results of other US wireless carriers, all financial amounts are in US dollars and are based on accounting principles generally accepted in the United States ("GAAP"). T-Mobile USA results are included in the consolidated results of Deutsche Telekom, but differ from the information contained herein as Deutsche Telekom reports financial results in Euros and in accordance with International Financial Reporting Standards (IFRS).

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

SELECTED DATA FOR T-MOBILE USA

(thousands)	Full Year					
	Q1 11	2010	Q4 10	Q3 10	Q2 10	Q1 10
Customers, end of period ³	33,635	33,734	33,734	33,757	33,620	33,713
Thereof contract	25,904	26,375	26,375	26,692	26,752	26,646
Thereof prepaid	7,731	7,360	7,360	7,065	6,868	7,067
Net customer (losses) / additions	(99)	(56)	(23)	137	(93)	(77)
Minutes of use/contract customer/month	1,010	1,100	1,050	1,080	1,120	1,140
Contract churn ²	2.40%	2.30%	2.50%	2.40%	2.20%	2.20%
Blended churn ²	3.40%	3.40%	3.60%	3.40%	3.40%	3.10%
(\$)						
ARPU (blended) ¹	46	46	46	47	47	46
ARPU (contract) ¹	52	52	52	52	52	51
ARPU (prepaid) ¹	19	19	19	19	18	18
Data ARPU (blended) ⁹	13.10	11.90	12.80	12.40	11.60	10.90
Cost of serving (CCPU) ⁴	25	23	24	24	23	23
Cost per gross add (CPGA) ⁵	300	300	290	290	330	310
(\$ million)						
Total revenues	5,161	21,347	5,363	5,350	5,356	5,278
Service revenues ¹	4,630	18,733	4,694	4,708	4,699	4,632
OIBDA ⁶	1,188	5,478	1,342	1,323	1,419	1,394
OIBDA margin ⁷	26%	29%	29%	28%	30%	30%
Capital expenditures ⁸	749	2,819	828	643	682	666

Note: Amounts may not add due to rounding.

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

1. Average Revenue Per User ("ARPU") represents the average monthly service revenue 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.

2. 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.

3. A customer is defined as a SIM card with a unique mobile identity number which generates revenue. Contract customers and prepaid customers include FlexPay customers depending on the type of rate plan selected. FlexPay customers with a contract are included in contract customers, and FlexPay customers without a contract are included in prepaid customers. Mobile virtual network operators (MVNO) are classified as prepaid customers as they most closely align with this customer segment. Connected devices (also known as machine-to-machine customers) are included within contract customers, some of which may not have monthly recurring charges required under contract.
4. The average cash cost of serving customers, or Cash Cost Per User ("CCPU") is a non-GAAP financial measure and includes all network and general and administrative costs as well as the subsidy loss unrelated to customer acquisition. Subsidy loss unrelated to customer acquisition includes upgrade and insurance claim handset costs offset by upgrade equipment revenues and other related direct costs. This measure is calculated as a per month average by dividing the total costs for the specified period by the average total customers during the period and further dividing by the number of months in the period 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.
5. Cost Per Gross Add ("CPGA") is a non-GAAP financial measure and is calculated by dividing the costs of acquiring a new customer, consisting of customer acquisition costs plus the subsidy loss related to customer acquisition for the specified period, by gross customers added during the period 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.
6. Operating Income Before Interest, Depreciation and Amortization ("OIBDA") is a non-GAAP financial measure, which we define as operating income before depreciation and amortization. In a capital-intensive industry such as wireless telecommunications, we believe OIBDA, as well as the associated percentage margin calculation, to be meaningful measures of our operating performance. OIBDA should not be construed as an alternative to operating income or net income as determined in accordance with GAAP, as an alternative to cash flows from operating activities as determined in accordance with GAAP or as a measure of liquidity. We use OIBDA as an integral part of our planning and internal financial reporting processes, to evaluate the performance of our business by senior management and to compare our performance with that of many of our competitors. We believe that operating income is the financial measure calculated and presented in accordance with GAAP that is the most directly comparable to OIBDA.
7. OIBDA margin is a non-GAAP financial measure, which we define as OIBDA (as described in Note 6 above) divided by service revenues.
8. Capital expenditures consist of amounts paid for construction and purchase of property and equipment.
9. Data ARPU is defined as total data revenues divided by average total customers during the period, 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 are included in total data revenues.
10. High speed packet access plus (HSPA+) 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.
11. Smartphones are defined as UMTS/HSPA/HSPA+/HSPA+42 enabled converged devices, which integrate voice and data services.

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

ASSETS	March 31, 2011	December 31, 2010
Current assets:		
Cash and cash equivalents	\$ 97	\$ 109
Receivables from affiliates	263	310
Accounts receivable, net of allowances of \$351 and \$368, respectively	2,669	2,857
Inventory	648	621
Current portion of net deferred tax assets	913	914
Other current assets	543	500
Total current assets	5,133	5,311
Property and equipment, net of accumulated depreciation of \$14,387 and \$13,801, respectively	13,010	13,213
Goodwill	12,044	12,044
Spectrum licenses	15,286	15,282
Other intangible assets, net of accumulated amortization of \$176 and \$163, respectively	100	113
Long-term investments and other assets	451	328
Total Assets	\$ 46,024	\$ 46,291
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,018	\$ 3,248
Current payables to affiliates	1,008	805
Other current liabilities	382	402
Total current liabilities	4,408	4,455
Long-term payables to affiliates	15,344	15,854
Deferred tax liabilities	3,860	3,756
Other long-term liabilities	1,806	1,734
Total long-term liabilities	21,010	21,344
Stockholder's equity:		
Common stock and additional paid-in capital	31,600	31,600
Accumulated other comprehensive loss	(60)	(39)
Accumulated deficit	(10,934)	(11,069)
Total T-Mobile USA stockholder's equity	20,606	20,492
Total liabilities and stockholder's equity	\$ 46,024	\$ 46,291

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

	Quarter Ended March 31, 2011	Quarter Ended December 31, 2010	Quarter Ended March 31, 2010
Revenues:			
Contract	\$ 4,099	\$ 4,147	\$ 4,112
Prepaid	418	414	378
Roaming and other services	113	133	142
Equipment sales	487	612	608
Other	44	57	38
Total revenues	5,161	5,363	5,278
Operating expenses:			
Network	1,253	1,219	1,223
Cost of equipment sales	1,018	1,109	989
General and administrative	920	907	882
Customer acquisition	782	786	790
Depreciation and amortization	735	729	651
Total operating expenses	4,708	4,750	4,535
Operating income	453	613	743
Other expense, net	(184)	(201)	(156)
Income before income taxes	269	412	587
Income tax expense	(134)	(144)	(225)
Net income	135	268	362
Other comprehensive gain/(loss), net of tax:			
Unrealized gain/(loss) on cash flow hedges and foreign currency translation	(25)	19	-
Unrealized gain on available-for-sale securities	4	-	-
Total comprehensive income	\$ 114	\$ 287	\$ 362

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

	Quarter Ended March 31, 2011	Quarter Ended March 31, 2010
Operating activities:		
Net income	\$ 135	\$ 362
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	735	651
Income tax expense	134	225
Bad debt expense	165	138
Other, net	53	47
Changes in operating assets and liabilities:		
Accounts receivable	20	(17)
Inventory	(27)	20
Other current and non-current assets	(66)	(6)
Accounts payable and accrued liabilities	7	(29)
Net cash provided by operating activities	1,156	1,391
Investing activities:		
Purchases of property and equipment	(749)	(666)
Acquisition of spectrum licenses	(4)	(4)
Short-term affiliate loan receivable, net	(450)	(875)
Other, net	2	-
Net cash used in investing activities	(1,201)	(1,545)
Financing activities:		
Debt borrowings from parent	-	21
Short-term borrowings	33	-
Net cash provided by financing activities	33	21
Change in cash and cash equivalents	(12)	(133)
Cash and cash equivalents, beginning of period	109	207
Cash and cash equivalents, end of period	\$ 97	\$ 74

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

OIBDA is reconciled to operating income as follows:

	Q1 2011	Full Year 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010
OIBDA	\$ 1,188	\$ 5,478	\$ 1,342	\$ 1,323	\$ 1,419	\$ 1,394
Depreciation and amortization	(735)	(2,773)	(729)	(723)	(670)	(651)
Operating Income	<u>\$ 453</u>	<u>\$ 2,705</u>	<u>\$ 613</u>	<u>\$ 600</u>	<u>\$ 749</u>	<u>\$ 743</u>

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

	Q1 2011	Full Year 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Customer acquisition costs	\$ 782	\$ 3,205	\$ 786	\$ 800	\$ 829	\$ 790
Plus: Subsidy loss						
Equipment sales	(487)	(2,404)	(612)	(599)	(585)	(608)
Cost of equipment sales	1,018	4,237	1,109	1,085	1,054	989
Total subsidy loss	<u>531</u>	<u>1,833</u>	<u>497</u>	<u>486</u>	<u>469</u>	<u>381</u>
Less: Subsidy loss unrelated to customer acquisition	<u>319</u>	<u>926</u>	<u>258</u>	<u>232</u>	<u>223</u>	<u>213</u>
Subsidy loss related to customer acquisition	<u>212</u>	<u>907</u>	<u>239</u>	<u>254</u>	<u>246</u>	<u>168</u>
Cost of acquiring customers	<u>\$ 994</u>	<u>\$ 4,112</u>	<u>\$ 1,025</u>	<u>\$ 1,054</u>	<u>\$ 1,075</u>	<u>\$ 958</u>
CPGA (\$/new customer added)	\$ 300	\$ 300	\$ 290	\$ 290	\$ 330	\$ 310

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:

	Q1	Full	Q4	Q3	Q2	Q1
	2011	Year	2010	2010	2010	2010
Network costs	\$1,253	\$4,895	\$1,219	\$1,258	\$1,195	\$1,223
General and administrative costs	920	3,532	907	884	859	882
Total network and general and administrative costs	2,173	8,427	2,126	2,142	2,054	2,105
Plus: Subsidy loss unrelated to customer acquisition	319	926	258	232	223	213
Total cost of serving customers	<u>\$2,492</u>	<u>\$9,353</u>	<u>\$2,384</u>	<u>\$2,374</u>	<u>\$2,277</u>	<u>\$2,318</u>
CCPU (\$/customer per month)	\$ 25	\$ 23	\$ 24	\$ 24	\$ 23	\$ 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 first 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+/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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