

T-MOBILE USA REPORTS THIRD QUARTER 2010 RESULTS

- **Continuing revenue stabilization trend: Service revenues in the third quarter of 2010 at \$4.71 billion, in line with the second quarter of 2010 and down 0.5% compared to the third quarter of 2009**
- **Blended data ARPU of \$12.40 in the third quarter of 2010, up from \$11.60 in the second quarter of 2010, and \$10.00 in the third quarter of 2009**
- **7.2 million customers using smartphones as of the third quarter of 2010, compared to 6.5 million as of the second quarter of 2010 and 2.8 million as of the third quarter of 2009**
- **OIBDA of \$1.32 billion in the third quarter of 2010 was lower than \$1.42 billion in the second quarter of 2010 due primarily to higher network costs related to expanding the mobile broadband network, and \$1.56 billion in the third quarter of 2009**
- **Net customer additions of 137,000 in the third quarter of 2010, driven by growth in wholesale customers**

BELLEVUE, Wash., November 4, 2010 -- T-Mobile USA, Inc. ("T-Mobile USA") today reported third quarter of 2010 results. In the third quarter of 2010, T-Mobile USA reported service revenues of \$4.71 billion compared to \$4.73 billion in the third quarter of 2009, and OIBDA of \$1.32 billion compared to \$1.56 billion reported in the third quarter of 2009. Net customer additions were 137,000 in the third quarter of 2010 compared to 77,000 net customer losses in the third quarter of 2009. Additionally, the number of customers using smartphones continued to increase significantly during the quarter, driving blended data ARPU growth.

"The revenue trend in the third quarter showed continued improvement. Lower OIBDA was a direct result of the efforts to grow smartphone customers and higher investment in T-Mobile's 4G network. These early investments will enable us to provide great customer experiences

and allow us to scale our cost structure effectively as more customers utilize data services," said Philipp Humm, CEO and President, T-Mobile, USA.

René Obermann, Chief Executive Officer, Deutsche Telekom, said, "I am very pleased with the development of blended data ARPU. Along with the growing number of smartphones, this demonstrates the potential of mobile broadband data growth in the US market and for T-Mobile USA in particular."

Customers

- T-Mobile USA served 33.8 million customers (as defined in Note 3 to the Selected Data, below) at the end of the third quarter of 2010, up from 33.6 million at the end of the second quarter of 2010, and 33.4 million at the end of the third quarter of 2009.
 - In the third quarter of 2010, net customer additions were 137,000, compared to a net decline of 93,000 in the second quarter of 2010 and a net decline of 77,000 in the third quarter of 2009.
 - Sequentially and year-on-year, the number of net new customer additions increased due primarily to higher net prepaid customer additions.
- Contract net customer losses were 60,000 in the third quarter of 2010, compared to 106,000 net contract customer additions in the second quarter of 2010, and 140,000 net contract customer losses in the third quarter of 2009.
 - Connected device net customer additions, included within contract customers (as defined in Note 3 to the Selected Data, below), were strong in the third quarter of 2010, but were offset by traditional postpay and FlexPaySM contract net customer losses.
 - Sequentially, the decline in net contract customers was driven primarily by churn as strong gross contract additions were more than offset by the impact from competitive intensity.
 - Year-on-year, net contract customer losses improved, driven primarily by improvements in traditional postpay customer gross additions.
 - Connected device customers totaled 1.8 million at September 30, 2010.

- Prepaid net customer additions, including MVNO customers (as defined in Note 3 to the Selected Data, below), were 197,000 in the third quarter of 2010, compared to 199,000 net prepaid customer losses in the second quarter of 2010 and 63,000 net prepaid customer additions in the third quarter of 2009.
 - Traditional prepaid and MVNO customer additions drove the sequential increase in prepaid net customer additions compared to the second quarter of 2010.
 - Year-over-year, higher MVNO net customer additions driven by new partners were the primary reason for the increase in prepaid net customer additions. MVNO customers totaled 2.4 million at September 30, 2010.

Churn

- Blended churn (as defined in Note 2 to the Selected Data, below), including both contract and prepaid customers, was 3.4% in the third quarter of 2010, consistent with the second quarter of 2010 and the third quarter of 2009.
- Contract churn was 2.4% in the third quarter of 2010, up from 2.2% in the second quarter of 2010 and consistent with the third quarter of 2009.
 - The sequential increase in contract churn was due primarily to competitor handset offers.
- Prepaid churn decreased in the third quarter of 2010 to 7.2% from 7.6% in the second quarter of 2010 and 7.4% in the third quarter of 2009.
 - The sequential decrease in prepaid churn was due primarily to improvements in traditional prepaid customer churn during the third quarter of 2010.
 - The FlexPay no-contract product was the primary reason for the year-on-year decrease in prepaid churn.

OIBDA and Net Income

- T-Mobile USA reported OIBDA (as defined in Note 6 to the Selected Data, below) of \$1.32 billion in the third quarter of 2010, down from \$1.42 billion in the second quarter of 2010, and \$1.56 billion in the third quarter of 2009.

- Sequentially, level service revenues (discussed below) were offset in particular by higher network costs related to the new mobile broadband network and higher bad debt expense associated with new products, such as equipment installment plans.
- Compared to the third quarter of 2009, OIBDA decreased due primarily to a higher equipment subsidy loss driven by customers adopting more costly smartphones with mobile broadband data plans and by higher gross customer additions.
- OIBDA margin (as defined in Note 7 to the Selected Data, below) was 28% in the third quarter of 2010, down from 30% in the second quarter of 2010 and 33% in the third quarter of 2009.
- Net income in the third quarter of 2010 was \$320 million, compared to \$404 million in the second quarter of 2010 and \$417 million in the third quarter of 2009.

Revenue

- Service revenues (as defined in Note 1 to the Selected Data, below) were \$4.71 billion in the third quarter of 2010, level with \$4.70 billion in the second quarter of 2010, but down slightly from \$4.73 billion in the third quarter of 2009.
 - Service revenues were level sequentially as data revenue growth, driven by the adoption of mobile broadband data revenue plans, was offset by lower voice revenues.
 - Year-on-year, quarterly service revenues declined due primarily to fewer branded customers (wireless customers excluding MVNO and connected devices). However, the 0.5% decrease in quarterly service revenues year-on-year in the third quarter of 2010 was an improvement from the 1.4% year-on-year decrease in the second quarter of 2010.
- Total revenues, including service, equipment, and other revenues were \$5.35 billion in the third quarter of 2010, consistent with \$5.36 billion in the second quarter of 2010, but down slightly from \$5.38 billion in the third quarter of 2009.
 - Compared to the third quarter of 2009, the slight decrease in total revenues was due primarily to lower service revenues as described above.

ARPU

- Blended Average Revenue Per User (“ARPU” as defined in Note 1 to the Selected Data, below) was \$47 in the third quarter of 2010, consistent with the second quarter of 2010 and the third quarter of 2009.
- Contract ARPU was \$52 in the third quarter of 2010, in line with the second quarter of 2010 and the third quarter of 2009.
 - Sequentially and year-on-year, ARPU was consistent as data revenue growth offset the decline in voice revenues.
- Prepaid ARPU was \$19 in the third quarter of 2010, up from \$18 in the second quarter of 2010 but down from \$20 in the third quarter of 2009.
 - Compared to the second quarter of 2010, prepaid ARPU increased due to customers moving to unlimited usage plans.
 - The decrease compared to the third quarter of 2009 was due primarily to proportionally fewer traditional prepaid and FlexPay no-contract customers and a higher proportion of MVNO customers in the prepaid customer base.
- Data service revenues (as defined in Note 1 to the Selected Data, below) were \$1.26 billion in the third quarter of 2010, up 25% from the third quarter of 2009. Data service revenues in the third quarter of 2010 represented 27% of blended ARPU, or \$12.40 per customer, up from 25% of blended ARPU, or \$11.60 per customer in the second quarter of 2010, and 21% of blended ARPU, or \$10.00 per customer in the third quarter of 2009.
 - 7.2 million customers were using smartphones operating on the T-Mobile USA UMTS/HSPA/HSPA+ network (as defined in Note 12 to the Selected Data, below) such as the Samsung Vibrant™, HTC HD2 and BlackBerry® Bold™ 9700 at the end of the third quarter of 2010. This was an increase of 11% from 6.5 million customers as of the second quarter of 2010 and more than double the 2.8 million customers as of the third quarter of 2009. Smartphone customers now account for 21% of total customers, up from 19% in the second quarter of 2010 and 8% in third quarter of 2009.
 - The increase in the number of customers using smartphones and the continued expansion of the upgrade of the network are driving Internet access revenue growth

with the increasing adoption of mobile broadband data plans. Additionally, messaging continues to be a significant component of blended data ARPU.

CPGA and CCPU

- The average cost of acquiring a customer, Cost Per Gross Add (“CPGA” as defined in Note 5 to the Selected Data, below) was \$290 in the third quarter of 2010, down from \$330 in the second quarter of 2010 and consistent with \$290 in the third quarter of 2009.
 - Sequentially, CPGA decreased in the third quarter of 2010 due primarily to an increase in gross additions and lower advertising expenses.
- The average cash cost of serving customers, Cash Cost Per User (“CCPU” as defined in Note 4 to the Selected Data, below), was \$24 per customer per month in the third quarter of 2010, up slightly from \$23 in the second quarter of 2010 and third quarter of 2009.
 - Sequentially, CCPU increased due primarily to higher network costs related to the mobile broadband network expansion and higher bad debt expense associated with new products, such as equipment installment plans.
 - Year-on-year, CCPU was higher due in particular to a higher equipment subsidy loss as customers upgraded to more-costly smartphones and higher bad debt expense associated with new products, such as equipment installment plans.

Capital Expenditures

- Cash capital expenditures (as defined in Note 8 to the Selected Data, below) were \$643 million in the third quarter of 2010, compared to \$682 million in the second quarter of 2010 and \$787 million in the third quarter of 2009.
 - Sequentially and year-on-year, the decrease in cash capital expenditures was due primarily to payment timing differences.

Stick Together Highlights

- T-Mobile USA’s HSPA+ 4G network (as defined in Note 11 to the Selected Data, below) now reaches more people than any other 4G network in the country reaching more than 75 major metropolitan areas across the country. T-Mobile USA is on track to reach 100 major

metropolitan areas and 200 million people in the U.S. by the end of this year. An exciting line-up of products will be available to complement the network expansion.

- T-Mobile USA unveiled the T-Mobile® G2™ with Google™ smartphone during the third quarter of 2010. The G2 breaks new ground as the first smartphone specifically designed for T-Mobile USA's HSPA+ 4G network and is one of the first smartphones in the industry to offer the new Voice Actions feature of Google Search™, which allows voice control of the handset for completing common tasks. The T-Mobile G2 went on sale on October 6.
- Also in the third quarter of 2010, T-Mobile USA revealed the first mobile tablet in T-Mobile's Android™ portfolio, the Samsung Galaxy Tab™. A powerful entertainment device, the Galaxy Tab features a seven-inch touch screen, the Android 2.2 operating system, a front-facing camera for video chat, and a rear-facing camera for photos. The Galaxy Tab is expected to be available to T-Mobile USA customers this holiday season.
- T-Mobile USA is also one of the two US launch partners of Microsoft's Windows Phone® 7. In time for the holidays, T-Mobile USA will have two Windows Phone 7 devices, the Dell Venue Pro and the HTC HD7 that boasts the largest screen available on a Windows 7 smartphone in the U.S. with a 4.3-inch touch display.
- The Android-powered T-Mobile myTouch® 4G, T-Mobile USA's second HSPA+ capable smartphone, is built with families in mind and includes video with an HD Camcorder and face-to-face conversations through Video Chat. The myTouch 4G went on sale on November 3, 2010.
- On October 19, 2010, T-Mobile USA announced the completion of its senior leadership transition by confirming Philipp Humm as president and chief executive officer effective November 1, 2010. Humm succeeds Robert Dotson, former president and CEO, who moves to vice chairman of the T-Mobile USA Board. Humm, an experienced DT executive and former CEO of T-Mobile Germany, was last responsible for sales and service in Europe as chief regional officer (CRO) Europe.
- In the third quarter of 2010, T-Mobile USA partnered with Walmart to begin offering Walmart Family Mobile™ powered by T-Mobile, a non-contract, unlimited voice and text postpay wireless product. The service, launched on September 20, 2010, is provided by T-

Mobile USA over its nationwide network, and is sold exclusively by Walmart in nearly 2,500 stores. Additionally, T-Mobile USA began offering more places to purchase T-Mobile products and services as T-Mobile USA expanded into approximately 500 Target stores across the United States by the end of the third quarter of 2010.

- T-Mobile USA was recognized by J.D. Power and Associates during the third quarter of 2010. On August 12, 2010, T-Mobile USA earned the highest ranking in the J.D. Power and Associates 2010 Wireless Retail Sales Satisfaction StudySM Volume 2, the third consecutive highest ranking for T-Mobile USA in that study. On September 9, 2010, J.D. Power and Associates ranked T-Mobile USA highest in the Southwest Region in their 2010 Wireless Call Quality Performance StudySM – Volume 2 and tied for the highest ranking in the Southeast Region of the United States.

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)	Q3 10	Q2 10	Q1 10	Full Year 2009	Q4 09	Q3 09
Customers, end of period ³	33,757	33,620	33,713	33,790	33,790	33,420
Thereof contract	26,692	26,752	26,646	26,765	26,765	26,882
Thereof prepaid	7,065	6,868	7,067	7,026	7,026	6,538
Net customer additions / (losses)	137	(93)	(77)	1,033	371	(77)

Minutes of use/contract customer/month	1,080	1,120	1,140	1,150	1,140	1,160
Contract churn ²	2.40%	2.20%	2.20%	2.30%	2.50%	2.40%
Blended churn ²	3.40%	3.40%	3.10%	3.20%	3.30%	3.40%

(\$)						
ARPU (blended) ¹	47	47	46	47	46	47
ARPU (contract) ¹	52	52	51	52	51	52
ARPU (prepaid) ¹	19	18	18	20	18	20
Data ARPU (blended) ⁹	12.40	11.60	10.90	9.90	10.20	10.00
Cost of serving (CCPU) ^{4,10}	24	23	23	23	22	23
Cost per gross add (CPGA) ⁵	290	330	310	290	300	290

(\$ million)						
Total revenues	5,350	5,356	5,278	21,531	5,411	5,380
Service revenues ¹	4,708	4,699	4,632	18,926	4,653	4,733
OIBDA ⁶	1,323	1,419	1,394	5,915	1,375	1,556
OIBDA margin ⁷	28%	30%	30%	31%	30%	33%
Capital expenditures ⁸	643	682	666	3,687	697	787

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

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

Service revenues include contract, prepaid, and roaming and other service revenues, and do not include equipment sales and other revenues. Data services revenues (including messaging and non-messaging revenue) are a non-GAAP financial measure and are included in the various components of service revenues.

2. Churn is defined as the number of customers whose service was discontinued, expressed as a monthly percentage of the average number of customers during the specified period. We believe that churn, which is a measure of customer retention and loyalty, provides relevant and useful information and is used by our management to evaluate the operating performance of our business.

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

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

	September 30, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 156	\$ 207
Receivables from affiliates.....	110	610
Accounts receivable, net of allowances of \$374 and \$346, respectively	2,904	2,740
Inventory.....	690	640
Current portion of net deferred tax assets	1,143	1,100
Other current assets.....	605	548
Total current assets.....	5,608	5,845
Property and equipment, net of accumulated depreciation of \$13,358 and \$11,841, respectively	12,918	13,192
Goodwill.....	12,044	12,025
Spectrum licenses	15,275	15,256
Other intangible assets, net of accumulated amortization of \$150 and \$111, respectively	121	159
Long-term investments and other assets.....	309	297
	\$ 46,275	\$ 46,774
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,317	\$ 3,474
Current payables to affiliates	979	4,302
Other current liabilities.....	406	373
Total current liabilities.....	4,702	8,149
Long-term payables to affiliates.....	10,772	9,682
Deferred tax liabilities	3,830	3,205
Other long-term liabilities.....	1,756	1,488
Total long-term liabilities.....	16,358	14,375
Commitments and contingencies		
Stockholder's equity:		
Common stock and additional paid-in capital.....	36,601	36,593
Accumulated other comprehensive loss	(58)	(8)
Accumulated deficit	(11,328)	(12,436)
Total T-Mobile USA stockholder's equity.....	25,215	24,149
Noncontrolling interest	-	101
Total stockholder's equity.....	25,215	24,250
	\$ 46,275	\$ 46,774

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

	Quarter Ended September 30, 2010	Quarter Ended June 30, 2010	Quarter Ended September 30, 2009
Revenues:			
Contract	\$ 4,150	\$ 4,143	\$ 4,197
Prepaid	395	382	382
Roaming and other services	163	174	154
Equipment sales	599	585	602
Other	43	72	45
Total revenues	5,350	5,356	5,380
Operating expenses:			
Network	1,258	1,195	1,261
Cost of equipment sales	1,085	1,054	937
General and administrative	884	859	827
Customer acquisition	800	829	799
Depreciation and amortization	723	670	713
Total operating expenses	4,750	4,607	4,537
Operating income	600	749	843
Other expense, net	(79)	(93)	(175)
Income before income taxes	521	656	668
Income tax expense	(201)	(252)	(251)
Net income	\$ 320	\$ 404	\$ 417
Other comprehensive loss, net of tax	(50)	-	-
Total comprehensive income	\$ 270	\$ 404	\$ 417

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

	Quarter Ended September 30, 2010	Quarter Ended September 30, 2009
Operating activities:		
Net income	\$ 320	\$ 417
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	723	713
Income tax expense	201	251
Bad debt expense.....	173	128
Other, net.....	(11)	46
Changes in operating assets and liabilities:		
Accounts receivable	(251)	(146)
Inventory.....	(52)	58
Other current and non-current assets	(38)	11
Accounts payable and accrued liabilities	117	7
Net cash provided by operating activities.....	<u>1,182</u>	<u>1,485</u>
Investing activities:		
Purchases of property and equipment	(643)	(787)
Purchase of intangible assets	(3)	(10)
Short-term affiliate loan receivable, net.....	(425)	(850)
Other, net.....	(10)	2
Net cash used in investing activities.....	<u>(1,081)</u>	<u>(1,645)</u>
Financing activities:		
Long-term debt borrowings from affiliates	7	(50)
Net cash provided by (used in) financing activities	<u>7</u>	<u>(50)</u>
Change in cash and cash equivalents.....	108	(210)
Cash and cash equivalents, beginning of period	48	277
Cash and cash equivalents, end of period	<u>\$ 156</u>	<u>\$ 67</u>

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:

	<u>Q3</u> <u>2010</u>	<u>Q2</u> <u>2010</u>	<u>Q1</u> <u>2010</u>	<u>Full</u> <u>Year</u> <u>2009</u>	<u>Q4</u> <u>2009</u>	<u>Q3</u> <u>2009</u>
OIBDA	\$1,323	\$1,419	\$1,394	\$5,915	\$1,375	\$1,556
Depreciation and amortization	(723)	(670)	(651)	(2,859)	(726)	(713)
Operating income	<u>\$600</u>	<u>\$749</u>	<u>\$743</u>	<u>\$3,056</u>	<u>\$649</u>	<u>\$843</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:

	<u>Q3</u> <u>2010</u>	<u>Q2</u> <u>2010</u>	<u>Q1</u> <u>2010</u>	<u>Full</u> <u>Year</u> <u>2009</u>	<u>Q4</u> <u>2009</u>	<u>Q3</u> <u>2009</u>
Customer acquisition costs	\$800	\$829	\$790	\$3,382	\$941	\$799
Plus: Subsidy loss						
Equipment sales	(599)	(585)	(608)	(2,403)	(688)	(602)
Cost of equipment sales	1,085	1,054	989	3,856	1,044	937
Total subsidy loss	<u>486</u>	<u>469</u>	<u>381</u>	<u>1,453</u>	<u>356</u>	<u>335</u>
Less: Subsidy loss unrelated to customer acquisition	(232)	(223)	(213)	(772)	(173)	(164)
Subsidy loss related to customer acquisition	<u>254</u>	<u>246</u>	<u>168</u>	<u>681</u>	<u>183</u>	<u>171</u>
Cost of acquiring customers	<u>\$1,054</u>	<u>\$1,075</u>	<u>\$958</u>	<u>\$4,063</u>	<u>\$1,124</u>	<u>\$970</u>
CPGA (\$ / new customer added)	\$290	\$330	\$310	\$290	\$300	\$290

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:

	<u>Q3</u> <u>2010</u>	<u>Q2</u> <u>2010</u>	<u>Q1</u> <u>2010</u>	<u>Full</u> <u>Year</u> <u>2009</u>	<u>Q4</u> <u>2009</u>	<u>Q3</u> <u>2009</u>
Network costs	\$1,258	\$1,195	\$1,223	\$4,936	\$1,190	\$1,261
General and administrative costs	884	859	882	3,442	861	827
Total network and general and administrative costs	2,142	2,054	2,105	8,378	2,051	2,088
Plus: Subsidy loss unrelated to customer acquisition	232	223	213	772	173	164
Total cost of serving customers	<u>\$2,374</u>	<u>\$2,277</u>	<u>\$2,318</u>	<u>\$9,150</u>	<u>\$2,224</u>	<u>\$2,252</u>
CCPU (\$ / customer per month)	\$24	\$23	\$23	\$23	\$22	\$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 third quarter of 2010, 129 million mobile customers were served by the mobile communication segments of the Deutsche Telekom group — 33.8 million by T-Mobile USA — all via a common technology platform based on GSM and UMTS and additionally HSPA/HSPA+. T-Mobile USA's innovative wireless products and services help empower people to connect to those who matter most. Multiple independent research studies continue to rank T-Mobile USA among the highest in numerous regions throughout the U.S. in wireless customer care and call quality. For more information, please visit <http://www.T-Mobile.com>. T-Mobile is a federally registered trademark of Deutsche Telekom AG. For further information on Deutsche Telekom, please visit www.telekom.de/investor-relations.

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