

## T-MOBILE USA REPORTS SECOND QUARTER 2010 RESULTS

- **\$4.70 billion service revenues in the second quarter of 2010, an increase from \$4.63 billion in the first quarter of 2010, but down from \$4.77 billion in the second quarter of 2009**
- **Blended data ARPU of \$11.60 in the second quarter of 2010, up from \$10.90 in the first quarter of 2010, and \$9.90 in the second quarter of 2009**
- **6.5 million customers using 3G-capable smart phones as of the second quarter of 2010, a 25% increase from the first quarter of 2010**
- **T-Mobile USA's national 3G network covers 208 million people and the HSPA+ network upgrade now covers 85 million people delivering 4G speeds (as defined in Note 11 to the Selected Data below), including service in New York, Seattle, Los Angeles and Las Vegas**
- **OIBDA of \$1.42 billion in the second quarter of 2010, compared to \$1.39 billion in the first quarter of 2010, but lower than \$1.60 billion in the second quarter of 2009**
- **Total customers served declined by 93,000 in the second quarter of 2010, compared to 77,000 net customer losses in the first quarter of 2010, and 325,000 net customer additions in the second quarter of 2009**

BELLEVUE, Wash., August 5, 2010 -- T-Mobile USA, Inc. ("T-Mobile USA") today reported second quarter of 2010 results. In the second quarter of 2010, T-Mobile USA reported service revenues of \$4.70 billion up from \$4.63 billion in the first quarter of 2010, and OIBDA of \$1.42 billion compared to \$1.39 billion reported in the first quarter of 2010. Total customers served declined by 93,000 in the second quarter of 2010 compared to 77,000 net customer losses in the first quarter of 2010, but with positive net traditional postpay customer additions which are

included within contract customers. Additionally, customers using 3G-capable smart phones continued to increase significantly during the quarter, driving blended data ARPU growth.

“In the second quarter of 2010, customers embraced T-Mobile USA’s industry leading value which makes it simple and affordable for consumers to trade-up to next generation products and services,” said Robert Dotson, President and CEO, T-Mobile, USA. “The number of 3G smartphones in the hands of our customers year-over-year has tripled to 6.5 million supported by a network that offers the broadest reach of 4G speeds in the U.S. as our growth continues through data revenues.”

René Obermann, Chief Executive Officer, Deutsche Telekom, said, “T-Mobile USA soundly delivered on its aggressive HSPA+ network build out and roadmap execution in the second quarter; together playing a large role in driving strong data ARPU, as well as achieving contract customer growth and improved service revenue trends.”

## Customers

- T-Mobile USA served 33.6 million customers (as defined in Note 3 to the Selected Data, below) at the end of the second quarter of 2010, down from 33.7 million at the end of the first quarter of 2010 and up from 33.5 million at the end of the second quarter of 2009.
  - In the second quarter of 2010, total customers served declined by 93,000, compared to a net decline of 77,000 in the first quarter of 2010 and net customer additions of 325,000 in the second quarter of 2009.
  - Sequentially and year-on-year, the number of net new customer additions decreased due primarily to fewer net prepaid customer additions.
- Contract net customer additions were 106,000 in the second quarter of 2010, compared to 118,000 net contract customer losses in the first quarter of 2010, and 56,000 net contract customer additions in the second quarter of 2009.
  - Sequentially and year-on-year, the increase in net contract customer additions was driven primarily by improvements in net traditional postpay customer additions, which were positive in the second quarter of 2010 and benefitted from a variety of incentive offers.

- Connected device customers, included within contract customers (as defined in Note 3 to the Selected Data, below), totaled 1.5 million at June 30, 2010 and continued to grow significantly during the second quarter of 2010.
- Prepaid net customer losses, including MVNO customers (as defined in Note 3 to the Selected Data, below), were 199,000 in the second quarter of 2010, compared to 41,000 net prepaid customer additions in the first quarter of 2010 and 268,000 net prepaid customer additions in the second quarter of 2009.
  - In the second quarter of 2010, lower MVNO net customer additions were the primary reason for the year-over-year decrease in prepaid net customer additions. MVNO customers totaled 2.1 million at June 30, 2010.
  - Sequentially, prepaid net customer additions declined in the second quarter of 2010 due primarily to higher prepaid churn as discussed below.

## Churn

- Blended churn (as defined in Note 2 to the Selected Data, below), including both contract and prepaid customers, was 3.4% in the second quarter of 2010, up from 3.1% in the first quarter of 2010 and the second quarter of 2009.
- Contract churn was 2.2% in the second quarter of 2010, in line with the first quarter of 2010 and second quarter of 2009.
- Prepaid churn increased in the second quarter of 2010 to 7.6% from 6.8% in the first quarter of 2010 and 7.0% in the second quarter of 2009.
  - The sequential increase in prepaid churn was due primarily to competitive intensity impacting traditional prepaid and MVNO customers.

## OIBDA and Net Income

- T-Mobile USA reported OIBDA (as defined in Note 6 to the Selected Data, below) of \$1.42 billion in the second quarter of 2010, up slightly from \$1.39 billion in the first quarter of 2010 but down from \$1.60 billion in the second quarter of 2009.
  - Sequentially, higher service revenues (discussed below) were partially offset by a higher equipment subsidy loss driven in part by a variety of incentive offers and as customers adopt more costly 3G-enabled smart phones.

- Compared to the second quarter of 2009, OIBDA decreased due to lower service revenues from fewer branded customers and a higher equipment subsidy loss.
- OIBDA margin (as defined in Note 7 to the Selected Data, below) was 30% in the second quarter of 2010, consistent with the first quarter of 2010 but down from 34% in the second quarter of 2009.
- Net income in the second quarter of 2010 was \$404 million, compared to \$362 million in the first quarter of 2010 and \$425 million in the second quarter of 2009.

## Revenue

- Service revenues (as defined in Note 1 to the Selected Data, below) were \$4.70 billion in the second quarter of 2010, up slightly from \$4.63 billion in the first quarter of 2010, but down 1.4% from \$4.77 billion in the second quarter of 2009.
  - The sequential increase in service revenues was due primarily to data revenue growth, driven by the adoption of 3G data revenue plans and higher roaming revenues, partially offset by lower voice revenues.
  - Year-on-year, service revenues declined due primarily to fewer branded customers. However, the -1.4% rate of decline year-on-year in the second quarter of 2010 was an improvement from -3.0% year-on-year in the first quarter of 2010.
- Total revenues, including service, equipment, and other revenues were \$5.36 billion in the second quarter of 2010, up from \$5.28 billion in the first quarter of 2010 and \$5.34 billion in the second quarter of 2009.
  - Compared to the first quarter of 2010, the increase in total revenues was driven primarily by higher service revenues as described above.
  - Compared to the second quarter of 2009, the increase in total revenues was due primarily to higher equipment sales as customers adopt 3G-capable smart phones, which was partially offset by 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 second quarter of 2010, up from \$46 in the first quarter of 2010 but down from \$48 in the second quarter of 2009.

- Blended ARPU increased sequentially for the first time since the second quarter of 2008 driven by contract ARPU growth.
- Contract ARPU was \$52 in the second quarter of 2010, up slightly from \$51 in the first quarter of 2010, and consistent with the second quarter of 2009.
  - The sequential increase in contract ARPU was driven by data revenue growth, partially offset by lower voice revenues.
- Prepaid ARPU was \$18 in the second quarter of 2010, consistent with the first quarter of 2010 but down from \$21 in the second quarter of 2009.
  - The decrease compared to the second quarter of 2009 was due primarily to proportionally fewer FlexPay<sup>SM</sup> no-contract customers and a higher proportion of lower ARPU MVNO customers.
- Data service revenues (as defined in Notes 1 and 9 to the Selected Data, below) were \$1.17 billion in the second quarter of 2010, up 18% from the second quarter of 2009. Data service revenues in the second quarter of 2010 represented 25.0% of blended ARPU, or \$11.60 per customer, up from 23.8% of blended ARPU, or \$10.90 per customer in the first quarter of 2010, and 20.8% of blended ARPU, or \$9.90 per customer in the second quarter of 2009.
  - 6.5 million customers were using 3G-capable smart phones (such as the T-Mobile<sup>®</sup> MyTouch<sup>™</sup> 3G Slide, HTC HD2 and BlackBerry<sup>®</sup> Bold<sup>™</sup> 9700) on the T-Mobile USA network at the end of the second quarter of 2010, an increase of 25% from 5.2 million customers as of the first quarter of 2010 and more than tripling from 2.1 million customers as of the second quarter of 2009. 3G-capable smart phone customers now account for 19% of total customers, up from 15% in the first quarter of 2010 and 6% in second quarter of 2009.
  - The increase in customers using 3G-capable smart phones and the continued expansion of the upgrade of the 3G network are driving Internet access revenue growth with the increasing adoption of 3G 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 \$330 in the second quarter of 2010, up from \$310 in the first quarter of 2010 and \$270 in the second quarter of 2009.
  - Sequentially and year-on-year, CPGA increased in the second quarter of 2010 due primarily to a higher subsidy loss as T-Mobile USA offered a variety of incentives and as customers move towards purchasing more costly 3G-capable smart phones.
- The average cash cost of serving customers, Cash Cost Per User (“CCPU” as defined in Note 4 to the Selected Data, below), was \$23 per customer per month in the second quarter of 2010, consistent with the first quarter of 2010 and second quarter of 2009.
  - Sequentially and year-on-year, CCPU was consistent as a higher handset subsidy loss from a greater number of customers upgrading to more expensive 3G-capable smart phones was offset by lower network costs.

## Capital Expenditures

- Cash capital expenditures (as defined in Note 8 to the Selected Data, below) were \$682 million in the second quarter of 2010, compared to \$666 million in the first quarter of 2010 and \$1.08 billion in the second quarter of 2009.
  - Year-on-year the decrease in capital expenditures was due primarily to higher network expenditures in the second quarter of 2009 as a result of the aggressive build out of the national UMTS/HSPA (3G) network in 2009, which covers 208 million people as of the end of the second quarter of 2010.
- The upgrade to high speed packet access plus (HSPA+) technology, which delivers customers 4G data speeds (as defined in Note 11 to the Selected Data, below), now covers 85 million people, in markets such as New York, Seattle, Los Angeles, Washington D.C. and Las Vegas.

## Stick Together Highlights

- During the second quarter of 2010, Robert Dotson, president and chief executive officer of T-Mobile USA, announced his intent to transition to new opportunities in 2011 after 15 years of service with the company. In order to ensure a smooth transition of leadership, Dotson has committed to stay actively engaged in the business until May 2011. His designated successor is Philipp Humm, an experienced DT executive and former CEO of T-Mobile Germany. Humm was last responsible for sales and service in Europe as chief regional officer (CRO) Europe. After a period of transition with Dotson, Humm will take over as CEO of T-Mobile USA in February 2011, while Dotson will remain on as a non-executive board member until May 2011.
- T-Mobile now offers 4G speeds (as defined in Note 11 to the Selected Data, below) to more people than any other network in the country reaching nearly 50 major metropolitan areas across the country. T-Mobile is on track to deliver HSPA+ speeds in 100 major metropolitan areas, covering 185 million people in the U.S. by the end of this year. Complementing the network expansion is a wider availability of the webConnect™ Rocket USB Laptop Stick and the Dell Inspiron™ Mini 10. Additionally later this summer, T-Mobile will unveil its first HSPA+ capable smart phone.
- On June 19, 2010, T-Mobile USA celebrated Father's Day with an unprecedented industry-first promotion that offered a free cell phone to new contract family plan customers, including customers adding a line to an existing family plan.
- On July 29, 2010, T-Mobile USA received the highest ranking among national wireless carriers in the J.D. Power and Associates 2010 Wireless Customer Care Performance Study<sup>SM</sup> — Volume 2. The award further reflects T-Mobile's commitment to providing an outstanding customer experience, whether in-store, online or on the phone.

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)	Q2 10	Q1 10	Full Year 2009	Q4 09	Q3 09	Q2 09
Customers, end of period <sup>3</sup>	33,620	33,713	33,790	33,790	33,420	33,497
Thereof contract	26,752	26,646	26,765	26,765	26,882	27,022
Thereof prepaid	6,868	7,067	7,026	7,026	6,538	6,475
Net customer (losses) / additions	(93)	(77)	1,033	371	(77)	325

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

(\$)						
ARPU (blended) <sup>1</sup>	47	46	47	46	47	48
ARPU (contract)	52	51	52	51	52	52
ARPU (prepaid)	18	18	20	18	20	21
Data ARPU (blended) <sup>9</sup>	11.60	10.90	9.90	10.20	10.00	9.90
Cost of serving (CCPU) <sup>4,10</sup>	23	23	23	22	23	23
Cost per gross add (CPGA) <sup>5</sup>	330	310	290	300	290	270

(\$ million)						
Total revenues	5,356	5,278	21,531	5,411	5,380	5,342
Service revenues <sup>1</sup>	4,699	4,632	18,926	4,653	4,733	4,766
OIBDA <sup>6</sup>	1,419	1,394	5,915	1,375	1,556	1,601
OIBDA margin <sup>7</sup>	30%	30%	31%	30%	33%	34%
Capital expenditures <sup>8</sup>	682	666	3,687	697	787	1,078

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 component 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 4G data speeds based on comparison with 4G network speeds currently available to mobile device users in the United States.

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

	<b>June 30, 2010</b>	<b>December 31, 2009</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents.....	\$ 48	\$ 207
Receivables from affiliates.....	86	610
Accounts receivable, net of allowances of \$347 and \$346, respectively.....	2,826	2,740
Inventory.....	638	640
Current portion of net deferred tax assets.....	1,109	1,100
Other current assets.....	515	548
Total current assets.....	5,222	5,845
Property and equipment, net of accumulated depreciation of \$12,944 and \$11,841, respectively.....	12,942	13,192
Goodwill.....	12,044	12,025
Spectrum licenses.....	15,272	15,256
Other intangible assets, net of accumulated amortization of \$137 and \$111, respectively.....	134	159
Long-term investments and other assets.....	307	297
	\$ 45,921	\$ 46,774
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 3,205	\$ 3,474
Current payables to affiliates.....	1,307	4,302
Other current liabilities.....	419	373
Total current liabilities.....	4,931	8,149
Long-term payables to affiliates.....	10,776	9,682
Deferred tax liabilities.....	3,652	3,205
Other long-term liabilities.....	1,625	1,488
Total long-term liabilities.....	16,053	14,375
Commitments and contingencies		
Stockholder's equity:		
Common stock and additional paid-in capital.....	36,593	36,593
Accumulated other comprehensive loss.....	(8)	(8)
Accumulated deficit.....	(11,648)	(12,436)
Total T-Mobile USA stockholder's equity.....	24,937	24,149
Noncontrolling interest.....	-	101
Total stockholder's equity.....	24,937	24,250
	\$ 45,921	\$ 46,774

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

	Quarter Ended June 30, 2010	Quarter Ended March 31, 2010	Quarter Ended June 30, 2009
Revenues:			
Contract .....	\$ 4,143	\$ 4,112	\$ 4,211
Prepaid .....	382	378	396
Roaming and other services.....	174	142	159
Equipment sales* .....	585	608	535
Other* .....	72	38	41
Total revenues .....	<u>5,356</u>	<u>5,278</u>	<u>5,342</u>
Operating expenses:			
Network .....	1,195	1,223	1,236
Cost of equipment sales* .....	1,054	989	862
General and administrative* .....	859	882	852
Customer acquisition .....	829	790	791
Depreciation and amortization.....	670	651	723
Total operating expenses .....	<u>4,607</u>	<u>4,535</u>	<u>4,464</u>
Operating income .....	749	743	878
Other expense, net .....	(93)	(156)	(191)
Income before income taxes.....	656	587	687
Income tax expense .....	(252)	(225)	(262)
Net income .....	<u>\$ 404</u>	<u>\$ 362</u>	<u>\$ 425</u>

\* Certain of the comparative figures in the prior periods have been reclassified to conform to the current period presentation.

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

	Quarter Ended June 30, 2010	Quarter Ended June 30, 2009
Operating activities:		
Net income .....	\$ 404	\$ 425
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization .....	670	723
Income tax expense .....	252	262
Bad debt expense .....	146	115
Other, net .....	(23)	44
Changes in operating assets and liabilities:		
Accounts receivable .....	(353)	(164)
Inventory .....	(18)	(59)
Other current and non-current assets .....	68	17
Accounts payable and accrued liabilities .....	(19)	(49)
Net cash provided by operating activities .....	<u>1,127</u>	<u>1,314</u>
Investing activities:		
Purchases of property and equipment .....	(682)	(1,078)
Purchase of intangible assets .....	(4)	(14)
Short-term affiliate loan receivable, net .....	(565)	-
Other, net .....	3	2
Net cash used in investing activities .....	<u>(1,248)</u>	<u>(1,090)</u>
Financing activities:		
Long-term debt borrowings from affiliates .....	95	-
Net cash provided by financing activities .....	<u>95</u>	<u>-</u>
Change in cash and cash equivalents .....	(26)	224
Cash and cash equivalents, beginning of period .....	74	53
Cash and cash equivalents, end of period .....	<u>\$ 48</u>	<u>\$ 277</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>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>	<u>Q2</u> <u>2009</u>
OIBDA	\$1,419	\$1,394	\$5,915	\$1,375	\$1,556	\$1,601
Depreciation and amortization	(670)	(651)	(2,859)	(726)	(713)	(723)
Operating income	<u>\$749</u>	<u>\$743</u>	<u>\$3,056</u>	<u>\$649</u>	<u>\$843</u>	<u>\$878</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>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>	<u>Q2</u> <u>2009</u>
Customer acquisition costs	\$829	\$790	\$3,382	\$941	\$799	\$791
Plus: Subsidy loss						
Equipment sales	(585)	(608)	(2,403)	(688)	(602)	(535)
Cost of equipment sales	1,054	989	3,856	1,044	937	862
Total subsidy loss	<u>469</u>	<u>381</u>	<u>1,453</u>	<u>356</u>	<u>335</u>	<u>327</u>
Less: Subsidy loss unrelated to customer acquisition	<u>(223)</u>	<u>(213)</u>	<u>(772)</u>	<u>(173)</u>	<u>(164)</u>	<u>(184)</u>
Subsidy loss related to customer acquisition	<u>246</u>	<u>168</u>	<u>681</u>	<u>183</u>	<u>171</u>	<u>143</u>
Cost of acquiring customers	<u>\$1,075</u>	<u>\$958</u>	<u>\$4,063</u>	<u>\$1,124</u>	<u>\$970</u>	<u>\$934</u>
CPGA (\$ / new customer added)	\$330	\$310	\$290	\$300	\$290	\$270

**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>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>	<u>Q2</u> <u>2009</u>
Network costs	\$1,195	\$1,223	\$4,936	\$1,190	\$1,261	\$1,236
General and administrative costs*	859	882	3,442	861	827	852
Total network and general and administrative costs*	2,054	2,105	8,378	2,051	2,088	2,088
Plus: Subsidy loss unrelated to customer acquisition*	223	213	772	173	164	184
Total cost of serving customers*	<u>\$2,277</u>	<u>\$2,318</u>	<u>\$9,150</u>	<u>\$2,224</u>	<u>\$2,252</u>	<u>\$2,272</u>
CCPU (\$ / customer per month)*	\$23	\$23	\$23	\$22	\$23	\$23

\* Certain of the comparative figures in prior periods have been reclassified to conform to the current period CCPU presentation.

**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 2010, approximately 131 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, the world's most widely-used digital wireless standards. 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](http://www.telekom.de/investor-relations).

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