

DT: T-Mobile Sell-Off 'Unlikely'

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Deutsche Telekom's CEO has all but ruled out a second attempt to sell off T-Mobile USA to another operator.

"We continue to look for a long-term solution to improve earnings in our U.S. business," Rene Obermann said in an excerpt of a speech given during Deutsche Telekom's annual shareholder meeting today. "However, a complete sale like the one to AT&T is considered unlikely."

After failing to sell off its U.S. subsidiary, Deutsche Telekom has changed course. T-Mobile has embarked on a major turnaround effort that has it revamping its brand, opening hundreds of new retail stores and launching LTE next year.

However, the operator's LTE deployment lags behind competitors AT&T, Verizon Wireless and Sprint, and it remains the only one of the nation's top four providers without the iPhone.

T-Mobile also announced two rounds of layoffs this year in an attempt to slash personnel costs as it begins its costly network overhaul. Combined, the cuts will remove about 2,250 workers from T-Mobile's payroll.

T-Mobile had a profitable first quarter, but lost \$892 million during its 2011 fiscal year, a weight on its parent company's financial performance. It also saw significant net losses in its lucrative postpaid base during the first three months of the year, when 510,000 contract customers left for other providers.

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