

DEUTSCHE TELEKOM AG  
Form 6-K  
August 09, 2007

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 6-K**

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**REPORT OF FOREIGN PRIVATE ISSUER**  
**PURSUANT TO RULE 13a-16 OR 15d-16**  
**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2007

Commission file number 001-14540

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**DEUTSCHE TELEKOM AG**

(Translation of registrant's name into English)

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**Friedrich-Ebert-Allee 140**

**53113 Bonn**

**Germany**

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

**Form 20-F** x **Form 40-F** "

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

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Yes  No

This report is deemed submitted and not filed pursuant to the rules and regulations of the Securities and Exchange Commission.

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**T-MOBILE USA REPORTS SECOND QUARTER RESULTS**

**STRONG CUSTOMER NUMBERS AND OIBDA**

857,000 net new customers added in the second quarter of 2007, of which 80% were contract customers

Contract customer churn 1.8% in the second quarter, down from 2.2% in the second quarter of 2006

ARPU of \$53, up from \$52 in the second quarter of 2006

T-Mobile captured sixth consecutive J.D. Power and Associates Award for Wireless Customer Care

\$1.39 billion in Operating Income Before Depreciation and Amortization (OIBDA) in the second quarter of 2007, up 14.5% from the second quarter of 2006

Bellevue, August 9, 2007 T-Mobile USA, Inc. (T-Mobile USA) today reported second quarter 2007 results. At the end of the quarter, the company had almost 27 million customers, adding 857,000 net new customers during the quarter, of which 687,000 or 80% were contract customers. T-Mobile USA also reported ARPU of \$53 in the quarter, OIBDA of \$1.39 billion, up 14.5% compared to the second quarter of 2006, and a reduction in contract customer churn to 1.8%.

In the quarter, T-Mobile continued to take bold steps to expand our user base and drive consumer-relevant innovation, said Robert Dotson, Chief Executive Officer and President of T-Mobile USA, Inc. We continued to add high quality customers as consumers eagerly embrace myFave<sup>®</sup> and the unbounded freedom of talking as long as they like to better stay

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in touch with the five most important people in their lives. In the quarter, we also introduced HotSpot@Home<sup>sm</sup>, the first in a new line of breakthrough products and services that allow customers to make unlimited calls from home while providing the best in-home wireless coverage possible. With this introduction, the landline replacement revolution has begun in earnest.

T-Mobile USA continues to play an important role for DT and remains a major growth driver for our business in terms of revenues and profitable growth, said René Obermann, Chief Executive Officer, Deutsche Telekom. In addition the team's strong performance as a product innovator and a leader in customer service drives the way for our entire business when it comes to superior product quality and service orientation.

#### **Customers**

In the second quarter of 2007, T-Mobile USA added 857,000 net new customers, down from 980,000 in the first quarter of 2007, and up from 613,000 in the second quarter of 2006.

Contract customer net additions in the second quarter of 2007 made up 80% of customer growth, up from 74% in the first quarter of 2007, and down from 83% in the second quarter of 2006.

Contract customers comprised 84% of T-Mobile USA's total customer base at June 30, 2007.

#### **Churn**

Contract customer churn was 1.8% in the second quarter of 2007, down from 1.9% in the first quarter of 2007 and 2.2% in the second quarter of 2006.

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Blended churn, including both contract and prepaid customers, was 2.7% in the second quarter of 2007, slightly up from 2.6% in the first quarter of 2007 and down from 2.9% in the second quarter of 2006.

On a blended basis, the impact of lower contract customer churn was offset by higher prepaid churn in the second quarter of 2007.

#### **OIBDA and Net Income**

T-Mobile USA reported OIBDA of \$1.39 billion in the second quarter of 2007, up from \$1.22 billion in the first quarter of 2007 and \$1.21 billion in the second quarter of 2006.

OIBDA margin was 32% in the second quarter of 2007, up from 30% in the first quarter of 2007 and the same as in the second quarter of 2006.

The sequential margin improvement was due to the continued strength in revenue combined with stable CCPU and slightly reduced CPGA (see below).

Net income for the second quarter of 2007 was \$350 million, up 11% from \$315 million in the first quarter of 2007 and up 50% from \$233 million in the second quarter of 2006.

#### **Revenue**

Service revenues, consisting of contract, prepaid, and roaming and other service revenues, rose to \$4.20 billion in the second quarter of 2007, up from \$3.99 billion in the first quarter of 2007 and \$3.59 billion in the second quarter of 2006.

The increase is due primarily to growth in the number of customers and strong contract ARPU ( Average Revenue Per User as defined in note 1 to the Selected Data, below).

Other revenues were \$89 million in the second quarter of 2007, consistent with \$88 million in the first quarter of 2007 and down from \$177 million in the second quarter of 2006.

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The ongoing migration of Cingular's customers to its own network following the dissolution of our network sharing venture in early 2005 was the major reason for the year on year fall in other revenues.

In 2007, WiFi revenues were reclassified to contract revenues and roaming and other service revenues (see note 8 to the Selected Data below for further explanation).

Total revenues, including service, equipment, and other revenues were \$4.78 billion in the second quarter of 2007, up from \$4.55 billion in the first quarter of 2007 and \$4.21 billion in the second quarter of 2006.

#### ARPU

Blended ARPU was \$53 in the second quarter of 2007, up from \$52 in the first quarter of 2007 and the second quarter of 2006.

Contract ARPU was \$57 in the second quarter of 2007, up from \$56 in the first quarter of 2007 and up from \$55 in the second quarter of 2006, driven by increases in data and airtime revenues.

Data services revenues (see notes 1 and 8 below) were \$616 million in the second quarter of 2007, representing 14.7% of blended ARPU, or \$7.80 per customer, compared to 14.3%, or \$7.50 in the first quarter of 2007, and 10.9%, or \$5.70 in second quarter of 2006.

Strong growth in messaging revenue continued to be the most significant driver increasing data ARPU. The total number of SMS and MMS messages increased to 18 billion in the second quarter of 2007, compared to almost 16 billion in the first quarter of 2007 and 8 billion in the second quarter of 2006.

Strong take-up of converged devices, such the T-Mobile SideKick, the T-Mobile Dash and BlackBerry devices, continued during the quarter.

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#### **CPGA and CCPU**

The average cost of acquiring a customer, Cost Per Gross Add ( CPGA as defined in note 3 to the Selected Data, below) was \$300 in the second quarter of 2007, down from \$310 in the first quarter of 2007 and \$320 in the second quarter of 2006.

The lower CPGA compared to the first quarter of 2007 is due to lower costs of acquisition, due primarily to a reduced subsidy loss.

The average cash cost of serving customers, Cash Cost Per User ( CCPU as defined in note 2 to the Selected Data, below), was \$25 per customer per month in the second quarter of 2007, in line with the first quarter of 2007 and the second quarter of 2006.

CCPU was consistent compared to the first quarter of 2007 and the second quarter of 2006 due to higher network costs being offset by lower subsidy losses.

#### **Capital Expenditures**

Ongoing operational capital expenditures (purchases of property and equipment) were \$546 million in the second quarter of 2007, compared with \$622 million in the first quarter of 2007 and \$593 million in the second quarter of 2006.

The reduction in cash capital expenditures compared to the first quarter of 2007 was due to higher incurred capital spend being more than offset by cash payment timing differences.

T-Mobile USA continued its commitment to invest in network coverage and quality in the second quarter of 2007, adding almost 600 new cell sites, bringing the total number of cell sites at the end of the quarter to almost 36,400.

#### **Other Highlights**

For the sixth consecutive reporting period, according to the J.D. Power and Associates 2007 Wireless Customer Care Performance Study<sup>SM</sup> released in July 2007, T-Mobile not only earned the highest ranking once again, but its overall customer care score was significantly higher than that of any other wireless carrier.

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Also, earlier in the second quarter of 2007, J.D. Power and Associates announced that T-Mobile ranked highest in Overall Customer Satisfaction with Wireless Retail Service for the fifth reporting period in a row. T-Mobile has now received the highest ranking in every J.D. Power wireless retail service study over the past three years, tying in 2005.

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.

T-Mobile USA is the U.S. operation of T-Mobile International AG ( T-Mobile International ), the mobile communications subsidiary of Deutsche Telekom AG ( Deutsche Telekom ) (NYSE: DT). 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 accordance with International Financial Reporting Standards (IFRS).

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## SELECTED DATA FOR T-MOBILE USA

| (thousands)                              | Q2 07   | Q1 07   | YE 06   | Q4 06   | Q3 06   | Q2 06   |
|--|---------|---------|---------|---------|---------|---------|
| Covered population <sup>7</sup>          | 282,000 | 280,000 | 277,000 | 277,000 | 276,000 | 275,000 |
| Customers, end of period                 | 26,877  | 26,020  | 25,041  | 25,041  | 24,139  | 23,338  |
| Thereof contract customers <sup>10</sup> | 22,624  | 21,937  | 21,211  | 21,211  | 20,428  | 19,656  |
| Thereof prepay customers                 | 4,253   | 4,083   | 3,829   | 3,829   | 3,711   | 3,682   |
| Net customer additions                   | 857     | 980     | 3,351   | 901     | 802     | 613     |
| Minutes of use/contract customer/month   | 1,150   | 1,090   | 1,030   | 1,020   | 1,050   | 1,040   |
| Contract churn                           | 1.80%   | 1.90%   | 2.20%   | 2.10%   | 2.30%   | 2.20%   |
| Blended churn                            | 2.70%   | 2.60%   | 2.90%   | 2.90%   | 3.00%   | 2.90%   |
| (\$ / month)                             |         |         |         |         |         |         |
| ARPU (blended) <sup>1, 8</sup>           | 53      | 52      | 52      | 52      | 52      | 52      |
| ARPU (contract)                          | 57      | 56      | 55      | 56      | 56      | 55      |
| ARPU (prepaid)                           | 19      | 19      | 22      | 21      | 22      | 22      |
| Cost of serving (CCPU) <sup>2</sup>      | 25      | 25      | 25      | 25      | 25      | 25      |
| Cost per gross add (CPGA) <sup>3</sup>   | 300     | 310     | 300     | 300     | 300     | 320     |
| (\$ million)                             |         |         |         |         |         |         |
| Total revenues                           | 4,780   | 4,546   | 17,138  | 4,523   | 4,367   | 4,209   |
| Service revenues <sup>1</sup>            | 4,195   | 3,994   | 14,511  | 3,813   | 3,723   | 3,586   |
| OIBDA <sup>4</sup>                       | 1,386   | 1,225   | 4,712   | 1,172   | 1,227   | 1,210   |
| OIBDA margin <sup>5</sup>                | 32%     | 30%     | 31%     | 30%     | 32%     | 32%     |
| Capital expenditures <sup>6</sup>        | 546     | 622     | 2,608   | 675     | 569     | 593     |
| Cell sites on-air <sup>9</sup>           | 36,400  | 35,800  | 35,400  | 34,400  | 33,400  | 32,600  |

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 recurring revenues generated from our customer base.

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Service revenues include contract, prepaid, and roaming and other service revenues, and do not include equipment sales and other revenues. Data services revenues is a component of service revenues. Per the consolidated financial statements below, among other items other revenues include co-location rental income and wholesale revenues from the usage of our network in California, Nevada, and New York by Cingular customers, and are therefore not included in ARPU.

- 2 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 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.
- 3 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.
- 4 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 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.
- 5 OIBDA margin is a non-GAAP financial measure, which we define as OIBDA (as described in note 4 above) divided by total revenues less equipment sales.
- 6 Capital expenditures include amounts paid by T-Mobile USA for purchases of property, plant and equipment.
- 7 The covered population statistic represents T-Mobile USA's GSM / GPRS 1900 voice and data network coverage, combined with roaming and other agreements.
- 8 Data ARPU is defined as total data revenues from contract customers, prepaid customers, and other data revenues, divided by average contract and prepaid customers during the period. Wi-Fi revenues have historically been reported in other (non-service) revenues. Beginning in the first quarter of 2007, Wi-Fi revenues are shown as a component of service revenues. As a result of this change, data ARPU was approximately \$0.60 higher in the second quarter of 2007. If this change was applied retrospectively it would

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have had similar impacts on data ARPU and data revenue in each of the four quarters of 2006. Since the impacts of this change on contract ARPU, blended ARPU, and service revenues are immaterial, these metrics have not been retroactively adjusted in prior periods.

- 9 Cell sites are defined as the total number of sites in service at the end of the period, excluding small low power, low gain access sites. A site is in service when all equipment is installed and the site is integrated into the network. Prior quarter cell site information has been updated to align with this definition.
- 10 In the quarter, postpay customers were renamed contract customers in line with Deutsche Telekom group reporting terminology.

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## T-MOBILE USA

## Condensed Consolidated Balance Sheets

*(dollars in millions)**(unaudited)*

|  | June 30,<br>2007 | December 31,<br>2006 |
|--|------------------|----------------------|
| <b>ASSETS</b>  |                  |                      |
| Current assets:  |                  |                      |
| Cash and cash equivalents  | \$ 60            | \$ 78                |
| Accounts receivable, net of allowances of \$260 and \$203, respectively                      | 2,466            | 2,448                |
| Accounts receivable from affiliates  | 251              | 136                  |
| Inventory  | 472              | 612                  |
| Current portion of net deferred tax assets   | 666              | 598                  |
| Licenses held for exchange   | 20               | 1,145                |
| Other current assets   | 422              | 446                  |
| <b>Total current assets</b>  | <b>4,357</b>     | <b>5,463</b>         |
| Property and equipment, net of accumulated depreciation of \$8,234 and \$7,058, respectively | 10,611           | 10,932               |
| Goodwill   | 10,701           | 10,701               |
| Spectrum licenses  | 14,593           | 14,516               |
| Other intangible assets, net of accumulated amortization of \$451 and \$421, respectively    | 71               | 102                  |
| Other assets   | 181              | 181                  |
|  | <b>\$ 40,514</b> | <b>\$ 41,895</b>     |
| <b>LIABILITIES AND STOCKHOLDER S EQUITY</b>  |                  |                      |
| Current liabilities:   |                  |                      |
| Accounts payable and accrued liabilities   | \$ 2,650         | \$ 2,955             |
| Current payables to affiliates   | 749              | 1,183                |
| Liability for license exchange   |                  | 1,145                |
| Deferred revenue   | 380              | 365                  |
| <b>Total current liabilities</b>   | <b>3,779</b>     | <b>5,648</b>         |
| Long-term payables to affiliates   | 7,067            | 7,773                |
| Deferred tax liabilities   | 930              | 491                  |
| Other long-term liabilities  | 840              | 756                  |
| <b>Total long-term liabilities</b>   | <b>8,837</b>     | <b>9,020</b>         |
| Minority interest in equity of consolidated subsidiaries                                     | 86               | 84                   |
| Commitments and contingencies  |                  |                      |
| Stockholder s equity:  |                  |                      |
| Common stock   | 44,466           | 44,462               |
| Accumulated deficit  | (16,654)         | (17,319)             |
| <b>Total stockholder s equity</b>  | <b>27,812</b>    | <b>27,143</b>        |

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## T-MOBILE USA

## Condensed Consolidated Statements of Operations

*(dollars in millions)**(unaudited)*

|                                   | Quarter<br>Ended<br>June 30,<br>2007 | Quarter<br>Ended<br>March 31,<br>2007 | Quarter<br>Ended<br>June 30,<br>2006 |
|-----------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| <b>Revenues:</b>                  |                                      |                                       |                                      |
| Contract                          | \$ 3,814                             | \$ 3,617                              | \$ 3,218                             |
| Prepaid                           | 232                                  | 229                                   | 241                                  |
| Roaming and other service         | 149                                  | 147                                   | 127                                  |
| Equipment sales                   | 496                                  | 465                                   | 446                                  |
| Other                             | 89                                   | 88                                    | 177                                  |
| <b>Total revenues</b>             | <b>4,780</b>                         | <b>4,546</b>                          | <b>4,209</b>                         |
| <b>Operating expenses:</b>        |                                      |                                       |                                      |
| Network                           | 1,082                                | 1,007                                 | 878                                  |
| Cost of equipment sales           | 747                                  | 761                                   | 702                                  |
| General and administrative        | 788                                  | 758                                   | 682                                  |
| Customer acquisition              | 777                                  | 795                                   | 737                                  |
| Depreciation and amortization     | 659                                  | 626                                   | 651                                  |
| <b>Total operating expenses</b>   | <b>4,053</b>                         | <b>3,947</b>                          | <b>3,650</b>                         |
| <b>Operating income</b>           | <b>727</b>                           | <b>599</b>                            | <b>559</b>                           |
| Other expense, net                | (157)                                | (113)                                 | (122)                                |
| <b>Income before income taxes</b> | <b>570</b>                           | <b>486</b>                            | <b>437</b>                           |
| Income tax expense                | (220)                                | (171)                                 | (204)                                |
| <b>Net income</b>                 | <b>\$ 350</b>                        | <b>\$ 315</b>                         | <b>\$ 233</b>                        |

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## T-MOBILE USA

## Condensed Consolidated Statements of Cash Flows

*(dollars in millions)**(unaudited)*

|   | Quarter Ended<br>June 30, 2007 | Quarter Ended<br>June 30, 2006 |
|---|--------------------------------|--------------------------------|
| <b>Operating activities:</b>  |                                |                                |
| Net income  | \$ 350                         | \$ 233                         |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                |                                |
| Depreciation and amortization   | 659                            | 651                            |
| Income tax expense  | 220                            | 204                            |
| Other, net  | 110                            | 81                             |
| Changes in operating assets and liabilities:                                      |                                |                                |
| Accounts receivable   | (46)                           | 97                             |
| Inventory   | 129                            | (82)                           |
| Other current assets  | 24                             | 3                              |
| Accounts payable and accrued liabilities  | (147)                          | (9)                            |
| Net cash provided by operating activities   | 1,299                          | 1,178                          |
| <b>Investing activities:</b>  |                                |                                |
| Purchases of property and equipment   | (546)                          | (593)                          |
| Acquisitions for wireless properties and network build                            | (46)                           |                                |
| Short-term loan receivable from affiliate   | (600)                          | (600)                          |
| Other, net  |                                | 21                             |
| Net cash used in investing activities   | (1,192)                        | (1,172)                        |
| <b>Financing activities:</b>  |                                |                                |
| Long-term debt repayments to affiliates   | (100)                          |                                |
| Other, net  | 1                              |                                |
| Net cash used in financing activities   | (99)                           |                                |
| Change in cash and cash equivalents   | 8                              | 6                              |
| Cash and cash equivalents, beginning of period                                    | 52                             | 44                             |
| Cash and cash equivalents, end of period  | \$ 60                          | \$ 50                          |

Non-cash investing and financing activities with related parties:

T-Mobile USA remitted \$600 million to affiliates in the second quarter of 2007 as a short term receivable, the cash outflow was later used during the period as settlement of debt in line with the repayment schedule.

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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)*

OIBDA can be reconciled to our operating income as follows:

|                               | YE         |            |          |            |            |            |
|-------------------------------|------------|------------|----------|------------|------------|------------|
|                               | Q2<br>2007 | Q1<br>2007 | 2006     | Q4<br>2006 | Q3<br>2006 | Q2<br>2006 |
| OIBDA                         | \$ 1,386   | \$ 1,225   | \$ 4,712 | \$ 1,172   | \$ 1,227   | \$ 1,210   |
| Depreciation and amortization | (659)      | (626)      | (2,522)  | (623)      | (654)      | (651)      |
| Operating income              | \$ 727     | \$ 599     | \$ 2,190 | \$ 549     | \$ 573     | \$ 559     |

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:

|  | YE         |            |          |            |            |            |
|--|------------|------------|----------|------------|------------|------------|
|  | Q2<br>2007 | Q1<br>2007 | 2006     | Q4<br>2006 | Q3<br>2006 | Q2<br>2006 |
| Customer acquisition costs                           | \$ 777     | \$ 795     | \$ 3,020 | \$ 819     | \$ 775     | \$ 737     |
| Plus: Subsidy loss                                   |            |            |          |            |            |            |
| Equipment sales                                      | (496)      | (465)      | (1,983)  | (588)      | (497)      | (446)      |
| Cost of equipment sales                              | 747        | 761        | 3,078    | 881        | 758        | 702        |
| Total subsidy loss                                   | 251        | 296        | 1,095    | 293        | 261        | 256        |
| Less: Subsidy loss unrelated to customer acquisition | (146)      | (177)      | (715)    | (193)      | (160)      | (162)      |
| Subsidy loss related to customer acquisition         | 105        | 119        | 380      | 100        | 101        | 94         |
| Cost of acquiring customers                          | \$ 882     | \$ 914     | \$ 3,400 | \$ 919     | \$ 876     | \$ 831     |
| CPGA (\$ / new customer added)                       | \$ 300     | \$ 310     | \$ 300   | \$ 300     | \$ 300     | \$ 320     |

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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<br>2007 | Q1<br>2007 | YE<br>2006 | Q4<br>2006 | Q3<br>2006 | Q2<br>2006 |
|--|------------|------------|------------|------------|------------|------------|
| Network costs  | \$ 1,082   | \$ 1,007   | \$ 3,621   | \$ 954     | \$ 940     | \$ 878     |
| General and administrative                           | 788        | 758        | 2,707      | 697        | 667        | 682        |
| Total network and general and administrative costs   | 1,870      | 1,765      | 6,328      | 1,651      | 1,607      | 1,560      |
| Plus: Subsidy loss unrelated to customer acquisition | 146        | 177        | 715        | 193        | 160        | 162        |
| Total cost of serving customers                      | \$ 2,016   | \$ 1,942   | \$ 7,043   | \$ 1,844   | \$ 1,767   | \$ 1,722   |
| CCPU (\$ / customer per month)                       | \$ 25      | \$ 25      | \$ 25      | \$ 25      | \$ 25      | \$ 25      |

**About T-Mobile USA:**

Based in Bellevue, WA, T-Mobile USA, Inc. is a member of the T-Mobile International group, the mobile telecommunications subsidiary of Deutsche Telekom AG (NYSE: DT).

T-Mobile USA's innovative wireless products and services help empower people to connect effortlessly to those who matter most. In addition, T-Mobile USA operates one of the largest carrier-owned Wi-Fi (802.11b) wireless broadband (WLAN) networks in the country, available in more than 8,800 convenient public access locations nationwide including roaming locations. Multiple independent research studies continue to rank T-Mobile USA highest in wireless customer satisfaction, wireless call quality and wireless customer care in numerous regions throughout the U.S. For more information, visit the company website at [www.t-mobile.com](http://www.t-mobile.com).

T-Mobile USA

12920 SE 38th Street

Bellevue, Washington 98006

Phone 1-800-318-9270

Internet <http://www.T-Mobile.com>

**About T-Mobile International:**

T-Mobile International is one of the world's leading companies in mobile communications. As one of Deutsche Telekom AG's (NYSE: DT) three strategic business areas, T-Mobile International concentrates on the key markets in Europe and the United States.

By the end of the second quarter of 2007, approximately 112 million mobile customers were served by the mobile segment of the Deutsche Telekom group, all over a common technology platform based on GSM, the world's most widely used digital wireless standard.

For more information about T-Mobile International, please visit [www.t-mobile.net](http://www.t-mobile.net). For further information on Deutsche Telekom, please visit [www.telekom.com/investor-relations](http://www.telekom.com/investor-relations).

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DEUTSCHE TELEKOM AG

By: /s/ ppa. Guido Kerkhoff  
Name: Guido Kerkhoff  
Title: Senior Executive Vice President  
Chief Accounting Officer

Date: August 9, 2007