

DEUTSCHE TELEKOM AG  
Form 6-K  
August 15, 2005

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 6-K**

**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 2005

**DEUTSCHE TELEKOM AG**

(Translation of registrant's name into English)

**Friedrich-Ebert-Allee 140**

**53113 Bonn**

**Germany**

(Address of principal executive offices)

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  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(1):

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(7):

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

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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Bellevue, August 11th, 2005

**T-MOBILE USA REPORTS SECOND QUARTER 2005 RESULTS**



**972,000 net new customers added in Q2 2005 total customer base of 19.2 million**

**\$1.08 billion in Operating Income Before Depreciation and Amortization (OIBDA) in Q2 2005**

**Tied for best call quality performance in Northeast and Southeast regions in the JD Power and Associates 2005 Wireless Call Quality Performance Study**

**Over 1,000 new cell sites on air in Q2 2005 almost 31,000 cell sites on air in total**

**Q2 2005 net income of \$387 million, up more than 60% from Q2 2004**

T-Mobile USA, Inc. ( T-Mobile USA ), the U.S. operation of T-Mobile International AG & Co. KG ( T-Mobile International ), the mobile communications subsidiary of Deutsche Telekom AG ( Deutsche Telekom ) (NYSE: DT), today announced second quarter 2005 results. In order to provide comparability with the results of other U.S. wireless carriers all financial amounts are in USD 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).

In the second quarter of 2005, T-Mobile USA added 972,000 net new customers, compared with 957,000 added in the first quarter of 2005 and 1,092,000 in the second quarter of 2004. Approximately 70% of the growth in the second quarter of 2005 came from new postpay customers, which currently comprise over 87% of the total customer base. Approximately 30% of the

growth came from new prepaid customers, reflecting the successful rebranding of T-Mobile USA's prepaid service into T-Mobile To Go combined with a more attractive prepaid offering.

As we continue our relentless focus on delivering high quality, reliable and fun wireless services at an exceptional value, more and more customers continue to reward us with their business. Equally important is the ever increasing loyalty this has created among our existing customers to the T-Mobile brand. The overall result is another quarter of balanced profitability and growth out of the U.S. business, said Robert Dotson, President and CEO of T-Mobile USA.

T-Mobile USA's commitment to excellent customer satisfaction earned the company highest honors, for the second straight year, in several independent studies announced by J.D. Power and Associates. According to the J.D. Power and Associates 2005 Wireless Call Quality Performance Study published last week, T-Mobile USA tied for top honors in the Northeast and Southeast regions. These honors come on the heels of top overall J.D. Power and Associates rankings, announced in the second quarter, for 2005 Wireless Customer Care Performance and 2005 Overall Business Customer Satisfaction.

T-Mobile USA reported OIBDA of \$1.08 billion in the second quarter of 2005 compared to \$826 million in the first quarter of 2005 and \$717 million in the second quarter of 2004. OIBDA for the second quarter of 2005 includes non-cash rent expense of \$40 million related to recent changes to our accounting for operating leases, approximately the same amount as in the first quarter of 2005. T-Mobile USA's net income for the second quarter of 2005 was \$387 million.

The U.S. wireless market remains strong, and the T-Mobile USA leadership team continues to deliver superior growth and business performance relative to competitors in the marketplace, said Rene Obermann, CEO of T-Mobile International and Member of the Board of Management, Deutsche Telekom.

T-Mobile USA remains one of our most important businesses, with a consistent track record of delivering on its commitments both to investors and customers.

T-Mobile USA service revenues, which consist of postpay, prepaid, roaming and other service revenues, were \$3.04 billion in the second quarter of 2005, up from \$2.85 billion in the first quarter of 2005 and \$2.46 billion in the second quarter of 2004. Affiliate and other revenues were \$269 million in the second quarter of 2005, up from \$252 million in the first quarter of 2005 and \$29 million in the second quarter of 2004. These revenues include revenues from our WiFi business, co-location rental income, and network usage revenues for Cingular customers in California, Nevada, and New York who have not yet transitioned to the Cingular network. Total revenues were \$3.61 billion in the second quarter of 2005.

Average Revenue Per User ( ARPU, as defined in the footnotes to the Selected Data, below) was \$54 in the second quarter of 2005, the same as in the first quarter of 2005 and slightly down from \$55 in the second quarter of 2004. Data services revenue growth continued in the second quarter, and now represents 8.2% of postpay ARPU, compared to 7.6% in the first quarter of 2005 and 5.0% in the second quarter of 2004. A key factor in data services revenue growth in the second quarter was a net increase of 92,000 BlackBerry customers during the quarter, bringing the total number of BlackBerry users to 594,000.

Postpay churn averaged 2.3% per month in the second quarter of 2005, consistent with first quarter of 2005 and down from 2.4% in the second quarter of 2004. Blended churn, a mix of postpay and prepaid customers, was 2.8% in the second quarter of 2005, consistent with first quarter of 2005 and second quarter of 2004.

The average cost of acquiring a customer, Cost Per Gross Add ( CPGA , as defined in the footnotes to the Selected Data, below) was \$310 in the second

quarter of 2005, down from \$357 in the first quarter of 2005 and \$318 in the second quarter of 2004. The reduction is primarily due to lower sales and marketing expenditures, and a change in the sales mix.

The average cash cost of serving customers, Cash Cost Per User (CCPU), as defined in the footnotes to the Selected Data, below), was \$25.66 per customer per month in the second quarter of 2005, compared to \$26.48 in the first quarter of 2005, and higher than \$23.09 in the second quarter of 2004. The increase in CCPU relative to 2004 reflects the inclusion in our results of 100% of the costs to operate the networks in California, Nevada and New York associated with the acquisition of full ownership of those networks at the beginning of 2005, including the costs of providing transitional network services to Cingular's customers. The year on year increase in CCPU also reflects the change in our accounting for operating leases in the fourth quarter of 2004 - see further discussion in the footnotes to the Selected Data, below.

Capital expenditures were \$815 million in the second quarter of 2005, compared with \$376 million in the first quarter of 2005 (excluding the acquisition of the California and Nevada network) and \$664 million in the second quarter of 2004. Approximately \$235 million of the second quarter 2005 capital expenditures were for payments to the FCC for additional mobile communications licenses in 35 markets (Auction 58) through T-Mobile USA's joint venture with Cook Inlet Region Inc. Capital expenditures in the second quarter of 2004 did not include \$267 million related to the network joint venture with Cingular, which was terminated in the first quarter of 2005. T-Mobile USA also added over 1,000 new cell sites in the second quarter of 2005, bringing the total number of cell sites to almost 31,000.

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

| ( 000)                                 | Q2 05   | Q1 05   | Q4 04   | Q3 04   | Q2 04   | Q1 04   | Y/E 04  |
|--|---------|---------|---------|---------|---------|---------|---------|
| Covered population                     | 232,000 | 229,000 | 229,000 | 226,000 | 224,000 | 224,000 | 229,000 |
| Customers, end of period               | 19,243  | 18,271  | 17,314  | 16,295  | 15,394  | 14,302  | 17,314  |
| thereof postpay customers              | 16,796  | 16,115  | 15,340  | 14,528  | 13,720  | 12,784  | 15,340  |
| thereof prepaid customers              | 2,447   | 2,156   | 1,974   | 1,767   | 1,674   | 1,518   | 1,974   |
| Net customer additions                 | 972     | 957     | 1,019   | 901     | 1,092   | 1,174   | 4,186   |
| Minutes of use/post pay customer/month | 960     | 921     | 907     | 908     | 885     | 817     | 877     |
| Postpay churn                          | 2.3%    | 2.3%    | 2.6%    | 2.6%    | 2.4%    | 2.6%    | 2.6%    |
| Prepaid churn                          | 6.4%    | 6.4%    | 6.6%    | 6.6%    | 5.7%    | 6.9%    | 6.3%    |
| Blended churn                          | 2.8%    | 2.8%    | 3.1%    | 3.0%    | 2.8%    | 3.0%    | 3.0%    |
| (\$ / month)                           |         |         |         |         |         |         |         |
| ARPU (blended) (1)                     | 54      | 54      | 55      | 55      | 55      | 54      | 55      |
| ARPU (postpay)                         | 55      | 54      | 56      | 56      | 55      | 54      | 56      |
| ARPU (prepaid)                         | 27      | 28      | 29      | 28      | 30      | 29      | 28      |
| Cost of serving (CCPU)(3)              | 26      | 26      | 28      | 24      | 23      | 23      | 25      |
| Cost per gross add (CPGA)(4)           | 310     | 357     | 345     | 301     | 318     | 326     | 323     |
| (\$ million)                           |         |         |         |         |         |         |         |
| Total revenues                         | 3,614   | 3,437   | 3,238   | 3,035   | 2,809   | 2,597   | 11,679  |
| Service revenues(1)                    | 3,040   | 2,854   | 2,748   | 2,612   | 2,464   | 2,208   | 10,032  |
| OIBDA(2),(5)                           | 1,081   | 826     | 515     | 788     | 717     | 492     | 2,512   |
| OIBDA margin (8)                       | 33%     | 27%     | 19%     | 30%     | 29%     | 22%     | 25%     |
| Capital expenditures (6)               | 815     | 2,838   | 422     | 453     | 664     | 599     | 2,138   |
| Cell sites on-air (7)                  | 30,876  | 29,869  | 29,401  | 29,056  | 28,803  | 27,857  | 29,401  |

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 total service revenues for the specified period by the average customers during the period and further dividing by the number of months in the period.

Service revenues include postpay, prepaid, and roaming and other service revenues, and do not include equipment sales, affiliate and other revenues. Revenues from our WiFi business, co-location rental income, and revenues for network usage by Cingular customers who have not yet transitioned from the former joint venture networks in California, Nevada, and New York, are therefore not included in ARPU.



(2) As a result of recent financial statement restatements by numerous U.S. public companies and publication of a letter by the Chief Accountant of the SEC to the American Institute of Certified Public Accountants on February 7, 2005, clarifying the interpretation of existing US GAAP accounting literature applicable to certain operating leases and leasehold improvements,

T-Mobile USA changed its accounting for operating leases and recorded a cumulative adjustment representing a net charge to net income of \$143 million in the fourth quarter of 2004, of which \$71 million related to the years 2001 through 2003. The net cumulative adjustment was comprised of a \$200 million increase in rent expense based primarily on rent escalation clauses related to future renewal periods of cell site leases; an increase of \$33 million in the equity loss from the network sharing venture with Cingular also related to cell site leases; a reduction of \$53 million in depreciation expense to adjust the depreciable life of leasehold improvements; and a reduction of \$36 million in the loss provision related to dissolution of the network sharing joint venture with Cingular. Financial results for 2004 and prior periods have not been restated.

The following table provides the impact of the cumulative adjustments as it relates to the quarterly results in 2004 as if restated.

| (\$ million)      | Total 2004 | Q4 2004 | Q3 2004 | Q2 2004 | Q1 2004 |
|-------------------|------------|---------|---------|---------|---------|
| OIBDA (2),(5)     | (93.4)     | (24.2)  | (23.9)  | (23.2)  | (22.1)  |
| OIBDA margin (8)  | (0.9)%     | (0.9)%  | (0.9)%  | (0.9)%  | (1.0)%  |
| Depreciation      | (2.0)      | (.5)    | (.5)    | (.5)    | (.5)    |
| Equity (loss)     | (13.6)     | (3.5)   | (3.4)   | (3.4)   | (3.3)   |
| Other expense     | 36.4       | 36.4    |         |         |         |
| Net income/(loss) | (72.6)     | 8.2     | (27.8)  | (27.1)  | (25.9)  |

| (\$ / month) |   |   |   |   |   |
|--------------|---|---|---|---|---|
| CCPU (3)     | 1 | 1 | 1 | 1 | 1 |

(3) 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 on equipment (handsets and accessories) sales unrelated to customer acquisition. 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 to our investors and is used by our management to evaluate the operating performance of our consolidated operations.

(4) 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 on equipment (handsets and accessories) sales related to customer acquisition for the specified period, divided by gross customers added during the period. We believe that CPGA, which is a measure of the cost of acquiring a customer, provides relevant and useful information to our investors and is used by our management to evaluate the operating performance of our consolidated operations.

(5) 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 calculations, 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.

(6) 2004 amounts exclude our investment to fund capital expenditures in the network sharing joint venture with Cingular Wireless LLC ( Cingular ). 2005 amounts include capital expenditures in the coverage areas previously served by the venture.

(7) 2004 amounts include sites in New York, California and Nevada previously owned and operated by our network sharing joint venture.

(8) OIBDA margin is a non-GAAP financial measure, which we define as OIBDA (as described in note 5 above) divided by total revenues less equipment sales.

## T-MOBILE USA

## Condensed Consolidated Balance Sheets

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

|  | June 30,<br>2005 | December 31,<br>2004 |
|--|------------------|----------------------|
| <b>ASSETS</b>  |                  |                      |
| Current assets:  |                  |                      |
| Cash and cash equivalents  | \$ 204           | \$ 182               |
| Accounts receivable, net of allowance for doubtful accounts of \$163 and \$158, respectively | 1,948            | 1,657                |
| Inventory  | 257              | 444                  |
| Other current assets   | 418              | 2,818                |
|  | 2,827            | 5,101                |
| Property and equipment, net of accumulated depreciation of \$4,509 and \$3,247, respectively | 10,178           | 6,718                |
| Goodwill   | 10,704           | 10,704               |
| Spectrum licenses  | 11,502           | 11,087               |
| Other intangible assets, net of accumulated amortization of \$966 and \$791, respectively    | 363              | 35                   |
| Investments in and advances to unconsolidated affiliates                                     | 4                | 1,203                |
| Other assets and investments   | 222              | 212                  |
|  | \$ 35,800        | \$ 35,060            |
| <b>LIABILITIES AND SHAREHOLDER S EQUITY</b>  |                  |                      |
| Current liabilities:   |                  |                      |
| Accounts payable   | \$ 836           | \$ 615               |
| Accrued liabilities  | 984              | 1,002                |
| Loss provision on network transaction  |                  | 792                  |
| Deferred revenue   | 332              | 335                  |
| Current portion of deferred tax liability  | 5                |                      |
| Current portion of capital lease   | 1                | 1                    |
| Construction accounts payable  | 467              | 438                  |
| Current portion of long-term notes payable to affiliates                                     | 500              | 2,505                |
| Total current liabilities  | 3,125            | 5,688                |
| Long-term notes payable to affiliates  | 6,514            | 5,127                |
| Deferred tax liabilities   | 3,149            | 3,096                |
| Other long-term liabilities  | 1,719            | 395                  |
| Total long-term liabilities other than shares  | 11,382           | 8,618                |
| Voting preferred stock   | 5,000            | 5,000                |
| Total long-term liabilities  | \$ 16,382        | \$ 13,618            |
| Minority interest in equity of consolidated subsidiaries                                     | 58               | 18                   |
| Commitments and contingencies  |                  |                      |
| Shareholder s equity:  |                  |                      |
| Common stock   | 39,440           | 39,433               |

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|                             |           |           |
|-----------------------------|-----------|-----------|
| Deferred stock compensation | (1)       | (3)       |
| Accumulated deficit         | (23,204)  | (23,694)  |
| Total shareholder s equity  | 16,235    | 15,736    |
|                             | \$ 35,800 | \$ 35,060 |



## T-MOBILE USA

## Condensed Consolidated Statements of Operations

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

|   | <b>Quarter<br/>Ended<br/>June 30,<br/>2005</b> | <b>Quarter<br/>Ended<br/>June 30,<br/>2004</b> |
|---|--|--|
| <b>Revenues:</b>                                  |  |  |
| Postpay   | \$ 2,725                                       | \$ 2,211                                       |
| Prepaid   | 179  | 144  |
| Roaming and other services                        | 136  | 109  |
| Equipment sales                                   | 305  | 316  |
| Affiliate and other                               | 269  | 29   |
| <b>Total revenues</b>                             | <b>3,614</b>                                   | <b>2,809</b>                                   |
| <b>Operating expenses:</b>                        |  |  |
| Network   | 718  | 530  |
| Cost of equipment sales                           | 575  | 474  |
| General and administrative                        | 572  | 445  |
| Customer acquisition                              | 668  | 643  |
| Depreciation and amortization                     | 585  | 333  |
| <b>Total operating expenses</b>                   | <b>3,118</b>                                   | <b>2,425</b>                                   |
| <b>Operating income</b>                           | <b>496</b>                                     | <b>384</b>                                     |
| <b>Other income (expense):</b>                    |  |  |
| Interest expense                                  | (121)  | (65)   |
| Equity in net losses of unconsolidated affiliates |  | (51)   |
| Interest income and other, net                    | 51   | 1  |
| <b>Total other income (expense)</b>               | <b>(70)</b>                                    | <b>(115)</b>                                   |
| <b>Income before income taxes</b>                 | <b>426</b>                                     | <b>269</b>                                     |
| Income tax expense                                | (39)   | (29)   |
| <b>Net income</b>                                 | <b>\$ 387</b>                                  | <b>\$ 240</b>                                  |

## T-MOBILE USA

## Condensed Consolidated Statements of Cash Flows

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

|  | <b>Quarter<br/>Ended<br/>June 30,<br/>2005</b> | <b>Quarter<br/>Ended<br/>June 30,<br/>2004</b> |
|--|--|--|
| <b>Operating activities:</b>   |  |  |
| Net income   | \$ 387   | \$ 240   |
| <b>Adjustments to reconcile net income to net cash provided by operating activities:</b> |  |  |
| Depreciation and amortization  | 585  | 333  |
| Income tax expense   | 39   | 29   |
| Amortization of debt discount and premium, net   | (8)  | (8)  |
| Equity in net losses of unconsolidated affiliates  |  | 51   |
| Stock-based compensation   | 1  | 4  |
| Allowance for bad debts  | 1  | (7)  |
| Deferred rent  | 40   |  |
| Other, net   | (49)   | (1)  |
| <b>Changes in operating assets and liabilities:</b>                                      |  |  |
| Accounts receivable  | (124)  | (17)   |
| Inventory  | 32   | (210)  |
| Other current assets   | 162  | 29   |
| Accounts payable   | 82   | (100)  |
| Accrued liabilities  | (112)  | (122)  |
| Net cash provided by operating activities  | 1,036  | 220  |
| <b>Investing activities:</b>   |  |  |
| Purchases of property and equipment  | (580)  | (664)  |
| Acquisitions of wireless properties, net of cash acquired                                | (235)  |  |
| Proceeds on disposal of assets   | 16   |  |
| Investments in and advances to unconsolidated affiliates, net                            |  | (146)  |
| Net cash used in investing activities  | (799)  | (811)  |
| <b>Financing activities:</b>   |  |  |
| Long-term debt repayments  | (365)  | 1  |
| Long-term debt borrowings from affiliates, net   |  | 500  |
| Change in minority interest  | (22)   |  |
| Book overdraft   | 77   | 144  |
| Net cash (used in) / provided by financing activities                                    | (310)  | 644  |
| Change in cash and cash equivalents  | (73)   | 53   |
| Cash and cash equivalents, beginning of period   | 277  | 69   |
| Cash and cash equivalents, end of period   | \$ 204   | \$ 122   |

## 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 (refer to footnote 2 of the Selected Data Table for the quarterly impacts of the cumulative operating lease adjustment):

|                               | Q2<br>2005 | Q1<br>2005 | Q4<br>2004 | Q3<br>2004 | Q2<br>2004 | Q1<br>2004 | Y/E<br>2004 |
|-------------------------------|------------|------------|------------|------------|------------|------------|-------------|
| OIBDA                         | \$ 1,081   | \$ 826     | \$ 515     | \$ 788     | \$ 717     | \$ 492     | \$ 2,512    |
| Depreciation and amortization | (585)      | (519)      | (265)      | (295)      | (333)      | (380)      | (1,273)     |
| Operating income              | \$ 496     | \$ 307     | \$ 250     | \$ 493     | \$ 384     | \$ 112     | \$ 1,239    |

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:

|  | Q2<br>2005 | Q1<br>2005 | Q4<br>2004 | Q3<br>2004 | Q2<br>2004 | Q1<br>2004 | Y/E<br>2004 |
|--|------------|------------|------------|------------|------------|------------|-------------|
| Customer acquisition costs                           | \$ 668     | \$ 711     | \$ 737     | \$ 622     | \$ 643     | \$ 673     | \$ 2,675    |
| Plus: Subsidy loss                                   |            |            |            |            |            |            |             |
| Equipment sales                                      | (305)      | (331)      | (452)      | (388)      | (316)      | (363)      | (1,519)     |
| Cost of equipment sales                              | 575        | 661        | 719        | 573        | 474        | 547        | 2,313       |
| Total subsidy loss                                   | 270        | 330        | 267        | 185        | 158        | 184        | 794         |
| Less: Subsidy loss unrelated to customer acquisition | (153)      | (172)      | (122)      | (100)      | (59)       | (69)       | (350)       |
| Subsidy loss related to customer acquisition         | 117        | 158        | 145        | 85         | 99         | 115        | 444         |
| Cost of acquiring customers                          | \$ 785     | \$ 869     | \$ 882     | \$ 707     | \$ 742     | \$ 788     | \$ 3,119    |
| CPGA (\$/ new customer added)                        | \$ 310     | \$ 357     | \$ 345     | \$ 301     | \$ 318     | \$ 326     | \$ 323      |

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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 (refer to footnote 2 of the Selected Data Table for the quarterly impacts of the cumulative operating lease adjustment):

|  | Q2<br>2005 | Q1<br>2005 | Q4<br>2004 | Q3<br>2004 | Q2<br>2004 | Q1<br>2004 | Y/E<br>2004 |
|--|------------|------------|------------|------------|------------|------------|-------------|
| Network costs  | \$ 718     | \$ 681     | \$ 757     | \$ 556     | \$ 530     | \$ 454     | \$ 2,297    |
| General and administrative                           | 572        | 558        | 511        | 496        | 445        | 431        | 1,883       |
| Total network and general and administrative costs   | 1,290      | 1,239      | 1,268      | 1,052      | 975        | 885        | 4,180       |
| Plus: Subsidy loss unrelated to customer acquisition | 153        | 172        | 122        | 100        | 59         | 69         | 350         |
| Total cost of serving customers                      | \$ 1,443   | \$ 1,411   | \$ 1,390   | \$ 1,152   | \$ 1,034   | \$ 954     | \$ 4,530    |
| CCPU (\$/ customer per month)                        | \$ 26      | \$ 26      | \$ 28      | \$ 24      | \$ 23      | \$ 23      | \$ 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 GSM/GPRS 1900 voice and data networks reach over 260 million people including roaming and other agreements. In addition, T-Mobile USA operates the largest carrier-owned Wi-Fi (802.11b) wireless broadband (WLAN) network in the United States, available in more than 6,000 public access locations including Starbucks coffeehouses, Kinko's, Borders Books and Music, Hyatt and Accor hotels, selected airports and American Airlines Admirals Clubs, United Red Carpet Clubs, US Airways Clubs and Delta Air Lines Clubs. T-Mobile USA is committed to providing the best value in wireless service through its GET MORE promise to provide customers with more minutes, more features and more service. For more information, visit the company website at <http://www.t-mobile.com/>.

**About T-Mobile International:**

T-Mobile International, one of Deutsche Telekom AG's three main strategic business areas, is one of the world's leading international mobile communications providers. T-Mobile International's majority-held mobile companies today serve almost 81 million mobile customers

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in Europe and the U.S. For more information about T-Mobile International, please visit <http://www.t-mobile.net/>. For further information on Deutsche Telekom, please visit <http://www.telekom.de/investor-relations>.

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**SIGNATURE**

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 15, 2005

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