

DEUTSCHE TELEKOM AG
Form 6-K
August 07, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

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 2009

Commission file number 001-14540

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 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.

Yes No

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

T-MOBILE USA REPORTS SECOND QUARTER 2009 RESULTS

\$1.6 billion Operating Income Before Depreciation and Amortization (“OIBDA”) in the second quarter of 2009, up 16% from the first quarter of 2009 and up 1% from the second quarter of 2008

OIBDA Margin increased to 34% from 29% in first quarter of 2009 and 33% in the second quarter of 2008; focused efforts on reducing operating expenses helped improve margin

Contract customer churn of 2.2% in the second quarter, down from 2.3% in the first quarter of 2009, but up from 1.9% in the second quarter of 2008

Data ARPU growth accelerated to 15% year-on-year from 11% year-on-year in the first quarter of 2009

325,000 net new customers added in the second quarter of 2009, down from 415,000 in the first quarter of 2009 and 668,000 in the second quarter of 2008

Launched the T-Mobile® myTouch™ 3G, the highly anticipated second Android device

Retail agreement announced with RadioShack to offer T-Mobile products in more than 4,000 stores

BELLEVUE, Wash., August 6, 2009 -- T-Mobile USA, Inc. (T-Mobile USA) today reported second quarter of 2009 results. In the second quarter of 2009, T-Mobile USA reported OIBDA of \$1.6 billion, up 16% compared to the first quarter of 2009 and up 1% from the second quarter of 2008, with an OIBDA margin of 34%. Additionally, T-Mobile USA reported contract churn of 2.2%, down from 2.3% in the first quarter of 2009, and 325,000 net new customers in the second quarter of 2009.

"In 2009, we're launching the best products and services we've ever brought to market," said Robert Dotson, President and CEO, T-Mobile USA. "In the quarter, we unveiled devices like our new T-Mobile myTouch 3G with Google. The myTouch will join other new T-Mobile 3G devices just in time for a powerful back-to-school offering available in even more locations with our newly announced RadioShack retail agreement. In the quarter, we also made steady progress in growing data revenues as more customers move to craved-for mobile internet and messaging services. And finally, in Q2 we also drove operational cost efficiencies that helped us deliver a much better margin for the quarter."

"We see opportunities for new growth given the anticipated growing demand for innovative mobile internet and data services in the U.S. market," said Rene Obermann, CEO of Deutsche Telekom. "In the area of cost control, I'm pleased with efforts by the U.S. team to drive a sequential increase in margin."

Customers

In the second quarter of 2009, T-Mobile USA added 325,000 net new customers, down from 415,000 in the first quarter of 2009 and 668,000 in the second quarter of 2008.

The number of net new customer additions decreased compared to the second quarter of 2008 primarily due to higher churn of contract customers, as explained below. Gross customer additions increased year-on-year, and continue to be driven by strong growth in lower ARPU products.

Contract customer net additions made up 17% of customer growth in the second quarter of 2009, compared to 39% in the first quarter of 2009 and 80% in the second quarter of 2008. The decrease in contract customer additions year-over-year is due to higher contract churn, including FlexPaysm. Additionally, gross contract customer additions were lower as lower gross customer additions of branded products were partially offset by strong machine-to-machine contract additions.

Prepaid net customer additions, including wholesale customers, were 268,000 in the second quarter of 2009, up from 255,000 in the first quarter of 2009 and up from 143,000 in the second quarter of 2008.

Contract customers comprised 81% of T-Mobile USA's total customer base at June 30, 2009. T-Mobile USA ended the second quarter of 2009 with 33.5 million customers, up from 33.2 million at the end of the first quarter of 2009.

Churn

Contract churn was 2.2% in the second quarter of 2009, down from 2.3% in the first quarter of 2009 and up from 1.9% in the second quarter of 2008.

Contract churn decreased in the second quarter of 2009 compared to the first quarter of 2009, due in part to customer loyalty initiatives.

Blended churn, including both contract and prepaid customers, was 3.1% in the second quarter of 2009, in line with the first quarter of 2009 and up from 2.7% in the second quarter of 2008.

Blended churn compared to the second quarter of 2008 continues to be impacted by competitive intensity in both the contract and prepaid customer segments.

OIBDA and Net Income

T-Mobile USA reported OIBDA of \$1.60 billion in the second quarter of 2009, up from \$1.38 billion in the first quarter of 2009 and \$1.58 billion in the second quarter of 2008.

The sequential increase in OIBDA was primarily due to lower operating expenses. The implementation of cost saving initiatives combined with lower commission costs and handset subsidies contributed to the decrease.

OIBDA margin (as defined in Note 6 to the Selected Data, below) was 34% in the second quarter of 2009, up from 29% in the first quarter of 2009 and 33% in the second quarter of 2008.

Net income for the second quarter of 2009 was \$425 million, up from \$322 million in the first quarter of 2009, but down from \$452 million in the second quarter of 2008.

Revenue

Service revenues (as defined in Note 1 to the Selected Data, below) were \$4.77 billion in the second quarter of 2009, in line with the first quarter of 2009, but down from \$4.85 billion in the second quarter of 2008.

Sequentially, service revenues were stable, as lower voice revenues were offset by data revenue growth.

The decrease in service revenues in the second quarter of 2009 compared to the second quarter of 2008 was primarily due to lower revenues from contract customers resulting from a higher proportion of lower ARPU customers combined with reduced customer spending.

Total revenues, including service, equipment, and other revenues were \$5.34 billion in the second quarter of 2009, down from \$5.40 billion in the first quarter of 2009 and \$5.47 billion in the second quarter of 2008.

The decrease in total revenues year-over-year was primarily due to the decrease in service revenues as discussed above. Sequentially, the decrease was driven by lower equipment sales.

ARPU

Blended Average Revenue Per User (“ARPU” as defined in Note 1 to the Selected Data, below) was \$48 in the second quarter of 2009, in line with the first quarter of 2009 but down from \$52 in the second quarter of 2008.

Contract ARPU was \$52 in the second quarter of 2009, in line with the first quarter of 2009, but down from \$55 in the second quarter of 2008.

Contract ARPU year-over-year decreased due to a higher proportion of lower ARPU customers in the customer base, the loss of some higher-value customers due to competitive intensity and lower variable revenues, including roaming.

Prepaid ARPU was \$21 in the second quarter of 2009, in line with first quarter of 2009 but down from \$23 in the second quarter of 2008.

The decrease in prepaid ARPU is due in part to an increase in the proportion of lower ARPU customers, such as wholesale customers.

Data services revenue (as defined in Notes 1 and 8 to the Selected Data, below) was \$990 million in the second quarter of 2009, representing 20.8% of blended ARPU, or \$9.90 per customer, up from 19.6% of blended ARPU, or \$9.40 per customer in the first quarter of 2009, and 16.6% of blended ARPU, or \$8.60 per customer in the second quarter of 2008. Data services revenue increased 6% compared to the first quarter of 2009 and 23% year-over-year.

2.1 million 3G-capable converged devices (such as the T-Mobile G1TM, the 3G-enabled Sidekick LX, and the Samsung Behold and Memoir) were on the T-Mobile USA network at the end of the second quarter of 2009, an increase of almost 40% from the first quarter of 2009.

The increase of 3G-capable converged devices and the continued build out of the 3G network has resulted in increased adoption of 3G data plans, driving data ARPU growth.

The total number of messages carried on the T-Mobile USA network increased to 74 billion in the second quarter of 2009, compared to 66 billion in first quarter of 2009 and 41 billion in the second quarter of 2008. Messaging revenue continues to be a significant component of data ARPU.

CPGA and CCPU

The average cost of acquiring a customer, Cost Per Gross Add (“CPGA” as defined in Note 4 to the Selected Data, below) was \$270 in the second quarter of 2009, down from \$300 in the first quarter of 2009 and \$320 in the second quarter of 2008.

CPGA decreased in the second quarter of 2009 compared to the first quarter of 2009. This was primarily related to lower customer acquisition expenses, including commissions.

The average cash cost of serving customers, Cash Cost Per User (“CCPU” as defined in Note 3 to the Selected Data, below), was \$23 per customer per month in the second quarter of 2009, down from \$25 in the first quarter of 2009 and second quarter of 2008.

The sequential decrease in CCPU is partly due to the successful implementation of cost saving initiatives and lower retention costs, including a lower subsidy loss per handset.

Year-over-year both CPGA and CCPU have decreased due to a change in the mix in customer additions and the customer base towards lower ARPU products which incur lower acquisition and servicing costs.

Capital Expenditures

Cash capital expenditures (as defined in Note 7 to the Selected Data, below) were \$1.08 billion in the second quarter of 2009, compared to \$1.13 billion in the first quarter of 2009 and \$1.06 billion in the second quarter of 2008.

T-Mobile USA’s continued focus on network quality and coverage as well as the national roll-out of the UMTS/HSDPA (3G) network resulted in consistent capital expenditures year-on-year and sequentially.

T-Mobile USA continues to invest in the 3G network which now covers 176 cities and reaches 121 million people, and is expected to continue to grow throughout the year.

Stick Together Highlights

On June 22, 2009, T-Mobile USA announced the availability of the T-Mobile myTouch 3G, the next highly anticipated Android device. T-Mobile myTouch 3G boasts a sleek look and contoured feel, plus an array of new features that builds on the popular T-Mobile G1. A touch-screen display with virtual keyboard is built into a slim, smooth and lightweight design.

Other new products launched include the 3G webConnect USB Laptop Stick, 3G-enabled Sidekick LX™, T-Mobile® Dash 3G™, HTC Touch Pro2™, and the BlackBerry Curve 8520.

On July 23, 2009, T-Mobile USA announced a retail agreement with RadioShack to offer T-Mobile products and services in more than 4,000 stores. The relationship expands RadioShack's wireless offerings and for T-Mobile USA, the agreement nearly doubles the number of national retail partner stores offering its products and services nationwide, making RadioShack T-Mobile USA's largest national retail partner.

T-Mobile USA is the U.S. wireless operation of Deutsche Telekom AG (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 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.

T-Mobile USA
12920 SE 38th Street
Bellevue, Washington 98006
Phone 1-800-318-9270
Internet <http://www.t-mobile.com>

SELECTED DATA FOR T-MOBILE USA

(thousands)	Q2 09	Q1 09	Full Year 2008	Q4 08	Q3 08	Q2 08	
Customers, end of period ²	33,497	33,173	32,758	32,758	32,136	31,466	
Thereof contract customers	27,022	26,966	26,806	26,806	26,539	26,246	
Thereof prepaid customers	6,475	6,207	5,952	5,952	5,597	5,220	
Net customer additions	325	415	2,940	621	670	668	
Acquired customers	-	-	1,132	-	-	-	
Minutes of use/contract customer/month	1,150	1,130	1,150	1,130	1,140	1,170	
Contract churn	2.20	% 2.30	% 2.10	% 2.40	% 2.40	% 1.90	%
Blended churn	3.10	% 3.10	% 2.90	% 3.30	% 3.00	% 2.70	%
(\$)							
ARPU (blended)							
1	48	48	51	50	52	52	
ARPU (contract)	52	52	55	54	55	55	
ARPU (prepaid)	21	21	23	23	24	23	
Data ARPU (blended) ⁸	9,90	9,40	8,90	9,30	8,90	8,60	
Cost of serving (CCPU) ³	23	25	25	25	25	25	