

Deutsche Telekom adds more US customers

November 7 2013, by David Mchugh

Telephone company Deutsche Telekom said Thursday it made a net profit of 588 million euros (\$793 million) in the third quarter as it continued to add customers at T-Mobile USA.

The company's bottom line rebounded after a loss of 7 billion euros in the same quarter a year ago due to non-cash accounting charges related to the merger of its U.S. business with Dallas-based MetroPCS Communications.

Despite the profit rebound and increasing sales in the U.S., the company's [net profit](#) figure fell short of the average analyst estimate for 759 million as compiled by financial information provider FactSet.

Once the merger effect is taken out, profits fell 2.6 percent as the company increased its investment spending to build out its high-speed LTE mobile data network in the U.S. market in hopes of improving service and increasing future profits.

Operating earnings fell to 4.46 billion euros from 4.64 billion euros, measured before financial factors such as interest, taxes and depreciation. Capital spending rose 18.3 percent in the third quarter and by more than 50 percent in the U.S., most of it for the rollout of the LTE network.

The company has boosted customer numbers in the U.S. by allowing people to terminate their mobile service instead of locking them in to fix-term contracts. The company said Thursday its U.S. customer base grew

2.3 percent, to 45 million. Of 1 million new customers, 648,000 were the more valuable contract customers under the company's own brand.

CEO Rene Obermann said the quarterly figures were "proof of our strength" and demonstrated "an impressive turnaround" in the U.S. market.

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