

Deutsche Telekom AG  
Annual financial statements  
as of December 31, 2011

Life is for sharing.





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A combined management report has been produced for Deutsche Telekom AG and the Deutsche Telekom Group and is published in our 2011 Annual Report.

Deutsche Telekom AG's single-entity financial statements and the combined management report for the 2011 financial year are published in the electronic Federal Gazette (elektronischer Bundesanzeiger) and can also be accessed on the website of the register of companies.



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# Balance sheet.

millions of €	Note	Dec. 31, 2011	Dec. 31, 2010
<b>ASSETS</b>			
<b>Noncurrent assets</b>			
Intangible assets		326	206
Property, plant and equipment		4,698	5,034
Financial assets		81,146	80,876
		<b>86,170</b>	<b>86,116</b>
<b>Current assets</b>			
Inventories, materials and supplies	2	5	10
Receivables	3	8,439	11,571
Other assets	4	1,636	869
Marketable securities	5	-	14
Cash and cash equivalents	6	1,507	754
		<b>11,587</b>	<b>13,218</b>
<b>Prepaid expenses and deferred charges</b>	7	<b>644</b>	<b>738</b>
<b>Difference between plan assets and partial retirement liabilities</b>	8	<b>29</b>	<b>12</b>
<b>Total assets</b>		<b>98,430</b>	<b>100,084</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Capital stock	10	11,063	11,063
less the imputed value of treasury shares		(6)	(5)
Issued capital		11,057	11,058
Contingent capital of € 1,132 million			
Additional paid-in capital	11	26,752	26,752
Retained earnings	12	15,498	15,500
Unappropriated net income		4,656	6,018
		<b>57,963</b>	<b>59,328</b>
<b>Accruals</b>			
Pensions and similar obligations	14	2,461	2,662
Taxes	15	515	124
Other accruals	16	3,578	2,903
		<b>6,554</b>	<b>5,689</b>
<b>Liabilities</b>			
Debt	17	7,153	6,711
Other liabilities		26,485	28,031
		<b>33,638</b>	<b>34,742</b>
<b>Deferred income</b>	18	<b>275</b>	<b>325</b>
<b>Total shareholders' equity and liabilities</b>		<b>98,430</b>	<b>100,084</b>

## Statement of income.

millions of €	Note	2011	2010
Net revenue	20	3,824	4,269
Changes in inventories and other own capitalized costs	21	0	7
<b>Total operating performance</b>		<b>3,824</b>	<b>4,276</b>
Other operating income	22	7,542	5,146
Goods and services purchased	23	(1,404)	(1,596)
Personnel costs	24	(3,398)	(3,394)
Depreciation, amortization and write-downs	25	(491)	(525)
Other operating expenses	26	(5,221)	(6,081)
Financial income (expense), net	27	1,214	4,738
<b>Results from ordinary business activities</b>		<b>2,066</b>	<b>2,564</b>
Extraordinary income (expense)	28	(19)	(24)
Taxes	29	(399)	443
<b>Income after taxes</b>		<b>1,648</b>	<b>2,983</b>
Unappropriated net income carried forward from previous year		3,008	3,035
Income from capital decrease		-	102
Transfer to additional paid-in capital		-	(102)
Transfer from retained earnings		-	400
Expense from the retirement of shares		-	(400)
<b>Unappropriated net income</b>	30	<b>4,656</b>	<b>6,018</b>

# Notes to the financial statements.

## Summary of accounting policies.

### Description of business activities.

Deutsche Telekom AG<sup>1</sup>, Bonn, (hereinafter also referred to as Deutsche Telekom or the Company) operates as a provider of telecommunications services, information technology (IT), multimedia, information and entertainment, security services, as well as sales and agency services via its subsidiaries. Deutsche Telekom performs its activities both in and outside Germany. The Company has various branch offices in the Federal Republic of Germany.

As the headquarters of the Deutsche Telekom Group, Deutsche Telekom performs strategic and cross-segment management functions and provides services for other Group companies. These principally comprise Vivento's services for providing employees with new employment opportunities as part of the staff restructuring program, the Real Estate Services unit, whose activities include the management of the Company's real estate portfolio, the Products & Innovation unit, which is responsible for products and innovation within the Deutsche Telekom Group, and other Group-wide functions in the area of technology, IT, and mobile communications. The Company also encompasses the International Carrier Sales and Solutions unit, which primarily provides wholesale telecommunications services for Deutsche Telekom's subsidiaries.

Deutsche Telekom's professional training activities as well as its accounting operations (preparation of the financial statements, consolidation, and process demand management) were spun off into separate legal entities (Deutsche Telekom Training GmbH, Bonn, and Deutsche Telekom Accounting GmbH, Bonn) in the reporting year. Taken as a whole, these spin-offs had no material impact on Deutsche Telekom's results of operations, financial position or cash flows.

Part of the Company's workforce is employed in its subsidiaries. Most of these employees are civil servants who have been assigned jobs in compliance with the statutory provisions.

### Description of the relationship with the Federal Republic of Germany.

The Federal Republic's total shareholding in Deutsche Telekom amounted to 32.0 percent at the end of the reporting period, of which 17.0 percent was held by KfW Bankengruppe (KfW) and attributable to the Federal Republic in accordance with § 16 (4) of the German Stock Corporation Act (Aktien-gesetz – AktG). Since December 2005, the Federal Ministry of Finance has been responsible for administering the Federal Republic's shareholding and exercising its rights as a shareholder.

In accordance with legal regulations, the Federal Posts and Telecommunications Agency (Federal Agency) assumes coordination and administrative tasks that affect cross-company issues at Deutsche Telekom, Deutsche Post AG, Bonn, and Deutsche Postbank AG, Bonn. These are performed on the basis of agency agreements for the Civil Service Health Insurance Fund (Postbeamten-krankenkasse – PBeaKK), the recreation service (Erholungswerk), the supplementary retirement pensions institution (Versorgungsanstalt der Deutschen Bundespost – VAP), and the welfare service (Betreuungswerk), among others.

The Federal Republic sources services from the Company as a customer of Deutsche Telekom. Charges for services provided to the Federal Republic and its departments and agencies are based on Deutsche Telekom's commercial pricing policies. Services provided to any one department or agency do not represent a significant component of Deutsche Telekom's net revenue.

The Federal Network Agency for Electricity, Gas, Telecommunications, Posts, and Railways (Federal Network Agency) is a separate higher federal authority within the scope of business of the Federal Ministry of Economics and Technology. One of its tasks is to supervise the telecommunications sector in Germany. In this capacity it regulates the business activities of Deutsche Telekom.

<sup>1</sup> Deutsche Telekom was entered into the commercial register of the Bonn District Court (Amtsgericht – HRB 6794) under the name Deutsche Telekom AG on January 2, 1995.



## Basis of preparation.

The annual financial statements and the management report of Deutsche Telekom, which is combined with the Group management report in accordance with § 315 (3) HGB in conjunction with § 298 (3) HGB, are prepared in accordance with German GAAP and the German Stock Corporation Act.

The balance sheet and the statement of income are prepared in accordance with the classification requirements of § 266 and § 275 HGB. The statement of income is prepared using the total cost method in accordance with § 275 (2) HGB. Unless otherwise stated, all amounts shown are in millions of euros (€/EUR). The financial year corresponds to the calendar year. Certain items have been aggregated for presentation purposes in the balance sheet and the statement of income in order to make the financial statements clearer. These items are disclosed separately in the notes. Other required disclosures for individual items of the balance sheet and the statement of income are also made in the notes. As of the 2011 financial year, reporting begins with the notes to the balance sheet.

## Accounting policies.

Purchased **intangible assets** are carried at acquisition cost and are amortized on a straight-line basis over their estimated useful lives.

Deutsche Telekom does not exercise its option to recognize internally generated intangible assets in accordance with § 248 (2) HGB.

As permitted by Postreform II, **property, plant and equipment** transferred to Deutsche Telekom on January 1, 1995 was recorded in the opening balance sheet of Deutsche Telekom at fair market values at that date. However, due to the short period of time that had elapsed since the measurement date for property, plant and equipment acquired since January 1, 1993, their carrying amount as of December 31, 1994 was recognized on a historical cost basis. The remaining useful lives and the depreciation methods applicable to these assets were not changed. The fair market values shown in the opening balance sheet have been carried forward as the acquisition costs.

Other items of property, plant, and equipment are carried at acquisition or production cost, less scheduled depreciation. Production cost includes directly attributable costs and an appropriate allocation of indirect material and labor costs. Borrowing costs are not capitalized. Write-downs to the lower of cost or market value are charged if an impairment of assets is assumed to be permanent.

Depreciation is generally charged using the straight-line method. The standard useful lives used for the calculation are based on a company-specific estimate that takes both technical and commercial devaluation factors into account.

Since the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz – BilMoG) entered into force, write-downs that are only permissible under tax law are generally no longer permitted in the annual financial statements. Deutsche Telekom exercises the option to retain the existing carrying amounts in accordance with Art. 67 (4) sentence 1 EGHGB. Starting on January 1, 2010, residual value as of December 31, 2009 is written down over the remaining useful life using the straight-line method. This method makes it possible to give a picture that more truly reflects the Company's actual financial position and results of operations.

The following specific useful lives are applied to depreciation:

	Years
Software	3 to 4
Buildings	25 to 50
Transmission equipment, switching equipment and radio transmission equipment	3 to 10
International cable systems	3 to 15
Other equipment, plant and office equipment	3 to 23

Additions to real estate and movable items of property, plant and equipment are depreciated ratably from the year of acquisition.

Low-value assets acquired up to December 31, 2007 were written off in full in the year of acquisition and presented as disposals. Since January 1, 2008, assets with an acquisition or production cost below EUR 150 have been written down immediately in the year of acquisition. Assets whose acquisition or production cost exceeds EUR 150 but is less than EUR 1,000 are capitalized in annual omnibus items of immaterial significance and depreciated over five years. These assets are presented as disposals in the statement of noncurrent assets when they are written off in full. For purposes of simplification, the tax method used to compile the omnibus items is also applied in the financial accounts.

Noncurrent assets sold or otherwise disposed of are derecognized at their relevant carrying amount (cost less accumulated depreciation). A gain or loss is recognized in income for the difference between the proceeds from the sale and the carrying amount of the asset concerned.

**Financial assets** are reported at the lower of cost or market value. In the case of financial assets acquired in a foreign currency, the exchange rate at the transaction date is used to determine the acquisition cost; in the case of hedges, the hedging rate for the purchased foreign currency is used provided an effective hedge was recognized. Loan receivables correspond to the loan amounts less repayments and – if applicable – less any write-downs to the lower fair value. Nonscheduled write-downs are charged only if the impairment of financial assets is assumed to be permanent.

As a consequence of the application of IDW ERS HFA 13 note 94 as amended, in the event of the shareholder drawing assets, the reduction in the net carrying amount of the investment is calculated and recognized on the basis "of the ratio of the fair value of the asset drawn to the fair value of the investment." The difference between the reduction in the net carrying amount and the amount of the asset drawn is hence recognized in the statement of income.

**Raw materials and supplies** and **merchandise** are recognized at acquisition cost and reduced to the lower of cost or market value at the balance sheet date. Adequate write-downs are charged for inventory risks resulting from obsolescence or impaired marketability.

In accordance with § 240 (4) HGB, items of inventory of a similar nature are aggregated into groups and carried at their weighted average value. Deutsche Telekom also applies the last in, first out method where, in accordance with § 256 sentence 1 HGB, it is assumed that similar assets of inventories that were purchased or manufactured last have been consumed or sold first.

**Receivables, other assets** and **cash and cash equivalents** are carried at their nominal value. Identified individual risks are accounted for through appropriate individual valuation adjustments, and general credit risks through general valuation adjustments of receivables. Low-interest and non-interest-bearing items with more than one year remaining to maturity are discounted. The receivable from the compensation payment was carried at a value determined using the earnings value method.

Receivables and other assets denominated in foreign currencies are translated at the average spot rate at the balance sheet date in accordance with § 256a HGB and measured at acquisition or production cost (§ 253 (1) sentence 1 HGB) applying the realization principle (§ 252 (1) No. 4 half-sentence 2 HGB). Current items with maturities of one year or less are measured at the average spot rate at the balance sheet date in accordance with § 256a HGB.

**Marketable securities** are carried at the lower of cost or market value at the balance sheet date.

In accordance with § 266 (2) letter C HGB, **prepaid expenses and deferred charges** are presented separately and recalculated at each balance sheet date. The discount included under prepaid expenses and deferred charges results from the difference between the settlement amount of a financial liability and the lower principal amount. The discount is amortized over the terms of the financial liabilities by systematic annual charges (§ 250 (3) sentence 2 HGB). Deutsche Telekom does not make use of the option to immediately recognize the difference as an expense.

**Stock options** refer to what are known as equity-settled plans granted in the course of a contingent capital increase and are recognized at the date the options are exercised, and not at the grant date. Of the funds received by the Company on the exercise date, a proportionate amount of the shares issued is transferred to capital stock and any excess amount to capital reserves in accordance with § 272 (2) No. 1 HGB. By contrast, the mid-term incentive plans (MTIPs), being what is known as cash-settled plans, are recognized in the statement of income from the time of their implementation. For both cash-settled and equity-settled share-based payment transactions, the fair value is determined using internationally accepted valuation techniques (such as the Monte Carlo model).

**Accruals for pensions and similar obligations** are based on obligations to non-civil servants. These accruals are calculated on the basis of actuarial principles, applying the projected unit credit method and using the 2005 G life expectancy tables published by Prof. Klaus Heubeck, which also take expected future salary and benefit increases into account. The interest rate used to determine the present value of the pension obligations corresponds to the average market interest rate for the past seven years published by the Deutsche Bundesbank that results from an assumed remaining maturity of 15 years (§ 253 (2) sentence 2 HGB). Where an addition to pension accruals is required on account of the change in measurement following the entry into force of BilMoG, the amount must aggregate to at least one 15th in each reporting year up to December 31, 2024 at the latest (Art. 67 (1) sentence 1 EGHGB). The Company exercises the option in such a way that the annual addition corresponds to exactly one 15th of the total amount being added.

In the past, Deutsche Telekom concluded **partial retirement arrangements** with varying terms and conditions based on what is known as the block model. Two types of obligations, both measured at their present value in accordance with actuarial principles, arise and are accounted for separately. These two obligations are outstanding settlement amounts and step-up amounts. Step-up amounts are often hybrid in nature, i.e., although the agreement is often considered a form of compensation for terminating the employment relationship at an earlier date, payments to be made at a later date are subject to the performance of work in the future. Insofar as partial retirement programs are mainly to be considered severance instruments, step-up payments are recognized in full as soon as the obligation arises. In cases where the focus is on the future performance of work, the step-up payments are recognized over their vesting period.

**Long-term credits** are measured at the present value using actuarial principles.

To hedge claims from partial retirement, long-term credits and pension obligations, securities have been transferred to a trustee under a contractual trust arrangement (CTA). In accordance with § 246 (2) sentence 2 HGB, the accruals for partial retirement, long-term credits and pension obligations are offset against the corresponding plan assets. The plan assets offset are measured at their fair value in accordance with § 253 (1) sentence 4 HGB. Any resulting excess in plan assets is recognized as an asset and presented under a separate heading (§ 266 (2) letter E HGB). In accordance with § 246 (2) sentence 2 HGB, income and expenses from discounting and from the assets to be offset are also offset under financial income/expense. If the fair value of the plan assets exceeds the historical cost, this part is subject to the restriction on distribution in accordance with § 268 (8) HGB.

**Tax and other accruals**, including those for contingent losses and environmental liabilities, are carried at the settlement amount considered necessary in accordance with prudent commercial practice. Sufficient allowance is made for all identifiable risks when measuring these accruals. Expected increases in prices and costs in the meantime are taken into account.

Accruals with a remaining term of more than one year are discounted at the balance sheet date at the interest rate published by the Deutsche Bundesbank, which is the average market interest rate for the past seven financial years corresponding to their remaining maturity.

Where reversals of accruals would have been necessary in the prior year on the basis of the introduction of BilMoG and the resulting changes in measurement, Deutsche Telekom has applied the option to retain the higher carrying amount if the amount being reversed has to be added back before December 31, 2024 (Art. 67 (1) sentence 2 EGHGB).

Under the performance-related salary component, Variable I, the Board of Management and the business leader team are contractually obliged to invest a portion of their annual variable compensation – determined according to the level of achievement of fixed targets set for each individual for the financial year – in shares in Deutsche Telekom, which must be kept for at least four years. Deutsche Telekom will grant one additional share for every share acquired by the beneficiaries (share matching plan), which will be allotted to the beneficiaries of this plan on expiration of the four-year lock-up period. In addition, the Board of Management, the business leader team and other executives are awarded performance-based compensation based on the level of achievement of long-term targets (Variable II). An accrual was recognized for the expected costs of granting matching shares and for Variable II; the associated personnel costs will be spread over the minimum duration.

**Liabilities** are recognized at the higher of nominal value or settlement amount. In instances where the settlement amount of a liability is greater than the principal amount, the difference is recorded under prepaid expenses and deferred charges, and distributed over the term of the liability. In accordance with § 256a HGB, liabilities denominated in foreign currencies are translated at the middle spot rate at the balance sheet date and measured using the historical cost convention (§ 253 (1) sentence 1 HGB) and applying the realization principle (§ 252 (1) No. 4 half-sentence 2 HGB). Current items with maturities of one year or less are measured at the middle spot rate at the balance sheet date in accordance with § 256a HGB.

In line with the imparity principle, unrealized losses relating to primary and derivative financial instruments are expensed when incurred. If financial instruments can be qualified as a valuation unit – hedged item and hedge transactions – the unrealized losses from the hedged risks are not recognized in accordance with § 254 HGB provided there are also unrealized gains in the same amount offsetting the losses (net hedge presentation method). If the offset (netting) of the change in values of the hedged item and the hedge instrument results in a net loss, it is recognized in net income or loss through an accrual for contingent losses in accordance with IDW RS HFA 35, whereas unrealized gains are not recognized until realized.

**Financial liabilities** denominated in foreign currencies that are part of a hedge are recognized at the middle spot rate at the transaction date.

Settlement gains and losses from expired hedge transactions for rolling hedging (roll-over gains or losses) are reported separately as other assets or other liabilities.

**Net revenue** includes all revenues from the rendering of services and the sale of merchandise that are typical for Deutsche Telekom, i.e., revenues from Deutsche Telekom's ordinary business activities. This primarily relates to revenue from the International Carrier Sales & Solutions and Products & Innovation units plus revenue from hiring out employees, renting and leasing out property, and offering training services.

Revenue is recorded net of value-added tax and sales-related reductions. In accordance with the realization principle, revenue is recognized in the accounting period when earned.

**Research and development costs** are expensed as incurred.

**Pension costs** include expenditures in connection with an appropriation of accruals for current employees as well as expenditures for ongoing payments to the joint pension fund at Deutsche Post AG, Deutsche Postbank AG and Deutsche Telekom (Bundes-Pensions-Service für Post und Telekommunikation e.V. – BPS-PT) on behalf of employed civil servants.

**Income tax expense** includes current payable taxes on income. Deutsche Telekom has not exercised its option to recognize deferred tax assets in accordance with § 274 (1) HGB.

The effects of adjusting accounting in line with BilMoG are shown under **extraordinary income/expense**.

## Scope of discretion.

The preparation of the annual financial statements requires the Company to make estimates and assumptions that affect the reported carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the amounts of income and expenses recognized during the reporting period. Actual results may differ from those estimates.

# Notes to the balance sheet.

## 1 Noncurrent assets.

**Intangible assets** primarily include software licenses and prepayments. The increase in intangible assets by EUR 120 million to EUR 326 million is primarily attributable to investments in a range of software applications.

**Property, plant and equipment** decreased by EUR 336 million to EUR 4.7 billion in the reporting period, largely due to depreciation and amortization in the 2011 financial year amounting to EUR 414 million, of which EUR 298 million relates to depreciation on real estate. Investments in property, plant and equipment in the 2011 financial year totaled EUR 118 million (2010: EUR 142 million), the majority of which related to other equipment, plant and office equipment worth EUR 73 million.

As of the balance sheet date, **financial assets** increased by EUR 270 million compared with December 31, 2010.

The increase of EUR 140 million in **investments in subsidiaries** was due in particular to the merger of T-Mobile Poland Holding Nr. 1 B.V., Eindhoven, (hereinafter referred to as T-Mobile Poland) into Norma Telekommunikationsdienste GmbH, Bonn, (hereinafter referred to as Norma). From Deutsche Telekom's perspective the merger transaction represents an exchange of investments in the respective subsidiaries. The subsequent cost of the investment in Norma, as a result of the merger, was determined according to the principles governing barter transactions. As such, the cost was based on the fair value of T-Mobile Poland. This resulted in an increase in the carrying amount of Norma of EUR 573 million. The merger of Norma into Telekom Deutschland GmbH, Bonn, did not result in an increase in the carrying amount of the investment in the subsidiary (rollover of the carrying amount of the shares being absorbed). In addition, investments in subsidiaries increased by EUR 392 million as a result of the acquisition of a further 10 per cent of the shares in Hellenic Telecommunications Organization S.A. (OTE), Athens. The repayments from capital reserves of PASM Power and Air Condition Solution Management GmbH & Co. KG, Munich, and DeTeFleet-Services GmbH, Bonn, (hereinafter referred to as DeTeFleet) in the amounts of EUR 141 million and EUR 91 million, respectively, had an offsetting effect on financial assets in the reporting year. Write-downs on net carrying amounts totaling EUR 638 million were also made in the 2011 financial year.

**Loans to subsidiaries** at December 31, 2011 mainly related to loans to Telekom Deutschland (EUR 5.8 billion), Scout24 Holding GmbH, Munich (EUR 322 million), and DeTeFleet (EUR 191 million). The increase in loans to subsidiaries of EUR 127 million is mainly attributable to the increase in the loan to DeTeFleetServices (EUR 91 million).

Write-downs on financial assets are recorded in net financial income/expense (please refer to Note 27).

For the statement of investment holdings in accordance with § 285 No. 11 HGB, please refer to Note 41.

## Statement of noncurrent assets.

	Acquisition costs								Balance at Dec. 31, 2011
	Balance at Jan. 1, 2011	Additions	Additions from transfers from Group companies	Additions from mergers at subsidiaries	Disposals	Disposals from transfers to Group companies	Disposals from mergers at subsidiaries	Reclassifi- cations	
millions of €									
<b>I. Intangible assets</b>									
1. Purchased concessions, industrial property and similar rights and assets, and licenses in such rights and assets	276	34	-	-	(73)	(5)	-	47	279
2. Advance payments	82	172	-	-	(7)	-	-	(47)	200
	<b>358</b>	<b>206</b>	<b>-</b>	<b>-</b>	<b>(80)</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>479</b>
<b>II. Property, plant and equipment</b>									
1. Land and equivalent rights and buildings including buildings on land owned by third parties	11,596	7	-	-	(463)	-	-	2	11,142
2. Technical equipment and machinery	528	11	1	-	(30)	(1)	-	11	520
3. Other equipment, plant and office equipment	934	73	4	-	(88)	(2)	-	5	926
4. Advance payments and construction in progress	38	27	-	-	-	-	-	(18)	47
	<b>13,096</b>	<b>118</b>	<b>5</b>	<b>-</b>	<b>(581)</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>12,635</b>
<b>III. Financial assets</b>									
1. Investments in subsidiaries	79,367	461	-	1,394	(256)	-	(2,230)	-	78,736
2. Loans to subsidiaries	6,300	233	-	-	(123)	-	-	-	6,410
3. Investments in associated and related companies	212	-	-	-	-	-	-	-	212
4. Other long-term loans	9	3	-	-	-	-	-	-	12
	<b>85,888</b>	<b>697</b>	<b>-</b>	<b>1,394</b>	<b>(379)</b>	<b>-</b>	<b>(2,230)</b>	<b>-</b>	<b>85,370</b>
<b>Noncurrent assets</b>	<b>99,342</b>	<b>1,021</b>	<b>5</b>	<b>1,394</b>	<b>(1,040)</b>	<b>(8)</b>	<b>(2,230)</b>	<b>-</b>	<b>98,484</b>

Depreciation, amortization and write-downs								Net carrying amounts		
Balance at Jan. 1, 2011	Additions	Additions from transfers from Group companies	Disposals	Disposals from transfers to Group companies	Disposals from mergers at subsidiaries	Reclassifi- cations	Write-ups	Balance at Dec. 31, 2011	Balance at Dec. 31, 2011	Balance at Dec. 31, 2010
(152)	(77)	-	73	3	-	-	-	(153)	126	124
-	-	-	-	-	-	-	-	-	200	82
<b>(152)</b>	<b>(77)</b>	<b>-</b>	<b>73</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(153)</b>	<b>326</b>	<b>206</b>
(6,939)	(298)	-	401	-	-	1	26	(6,809)	4,333	4,657
(398)	(45)	-	26	1	-	-	-	(416)	104	130
(725)	(71)	(3)	86	2	-	(1)	-	(712)	214	209
-	-	-	-	-	-	-	-	-	47	38
<b>(8,062)</b>	<b>(414)</b>	<b>(3)</b>	<b>513</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>(7,937)</b>	<b>4,698</b>	<b>5,034</b>
(4,887)	(638)	-	-	-	1,409	-	-	(4,116)	74,620	74,480
(23)	-	-	-	-	-	-	17	(6)	6,404	6,277
(102)	-	-	-	-	-	-	-	(102)	110	110
-	-	-	-	-	-	-	-	-	12	9
<b>(5,012)</b>	<b>(638)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,409</b>	<b>-</b>	<b>17</b>	<b>(4,224)</b>	<b>81,146</b>	<b>80,876</b>
<b>(13,226)</b>	<b>(1,129)</b>	<b>(3)</b>	<b>586</b>	<b>6</b>	<b>1,409</b>	<b>-</b>	<b>43</b>	<b>(12,314)</b>	<b>86,170</b>	<b>86,116</b>

## 2 Inventories.

millions of €	Dec. 31, 2011	Dec. 31, 2010
Raw materials and supplies	-	1
Merchandise	5	9
	<b>5</b>	<b>10</b>

**Merchandise** mainly consists of the merchandise of the T-Online Shop.

## 3 Receivables.

millions of €	Dec. 31, 2011	Dec. 31, 2010
Trade accounts receivable of which: with a remaining maturity of more than one year € 0 million (Dec. 31, 2010: € 0 million)	61	113
Receivables from subsidiaries of which: with a remaining maturity of more than one year € 68 million (Dec. 31, 2010: € 95 million)	8,083	10,609
Receivables from associated and related companies of which: with a remaining maturity of more than one year € 0 million (Dec. 31, 2010: € 0 million)	295	849
	<b>8,439</b>	<b>11,571</b>

The decrease in **trade accounts receivable** compared with the prior year is mainly attributable to the discontinuation of business with cash cards as of January 1, 2011.

**Receivables from subsidiaries** consist in particular of receivables related to intercompany cash pooling amounting to EUR 6.9 billion (December 31, 2010: EUR 9 billion), intercompany trade accounts receivable amounting to EUR 463 million (December 31, 2010: EUR 642 million), other receivables amounting to EUR 361 million (December 31, 2010: EUR 488 million) and financial receivables amounting to EUR 353 million (December 31, 2010: EUR 523 million). The year-on-year decrease in receivables from subsidiaries was largely a result of the loss transfer from T-Mobile Global Zwischenholding GmbH of EUR 3.3 billion, as well as netting against corresponding liabilities.

Of the **receivables from associated and related companies**, EUR 295 million (December 31, 2010: EUR 846 million) relates to receivables from Everything Everywhere Ltd., Hatfield. EUR 219 million (December 31, 2010: EUR 725 million) of this relates to a floating rate bond issued by Everything Everywhere Ltd., Hatfield, issued on November 30, 2011, which matures on November 16, 2012. Hence this receivable relates to marketable securities recognized under current assets.

## 4 Other assets.

millions of €	Dec. 31, 2011	Dec. 31, 2010
<b>Tax receivables</b>		
Income tax receivables		
Corporate income tax	11	24
Trade income tax	1	84
Solidarity surcharge	-	1
	<b>12</b>	<b>109</b>
Other tax receivables	0	3
	<b>12</b>	<b>112</b>
Receivables from compensation payment	804	-
Receivables from collateral	302	222
Accrued interest	226	201
Receivables from derivatives	124	128
Receivables from reimbursements	80	112
Receivables from employees	6	7
Miscellaneous other assets	82	87
	<b>1,624</b>	<b>757</b>
	<b>1,636</b>	<b>869</b>

**Tax receivables** relate to the prior year and were primarily a result of allowable taxes and the corporate income tax credits recognized in the balance sheet pursuant to § 37 of the German Corporation Tax Act (Körperschaftsteuergesetz – KStG).

The **receivable from compensation payment** totaling EUR 804 million relates to spectrum licenses to be granted by AT&T Inc., Dallas, in connection with the non-completion of the sale of T-Mobile USA, Inc., Bellevue. The transfer is still subject to formal approval by the Federal Communications Commission (FCC).

**Collateral** is used to hedge the credit risk from derivative financial instruments. In this case, Deutsche Telekom transfers collateral in the form of cash to its contracting parties if the fair values of the derivatives exceed a certain allowance.

**Accrued interest** was almost exclusively from interest rate derivatives.

**Receivables from derivatives** include settlement gains and losses from expired hedge transactions for revolving hedging (roll-over gains or losses).

**Miscellaneous other assets** predominantly include receivables from BPS-PT.

Of the receivables reported under other assets, EUR 132 million (December 31, 2010: EUR 130 million) have a remaining maturity of more than one year.



## 5 Marketable securities.

millions of €	Dec. 31, 2011	Dec. 31, 2010
Other marketable securities	-	14
	-	14

In the prior year this item consisted of securities that were not used to hedge partial retirement obligations or obligations from long-term credits on working time accounts.

## 6 Cash and cash equivalents.

millions of €	Dec. 31, 2011	Dec. 31, 2010
Cash in hand and cash in banks	1,507	754
	1,507	754

The total time to maturity of **cash and cash equivalents** is less than three months.

## 7 Prepaid expenses and deferred charges.

millions of €	Dec. 31, 2011	Dec. 31, 2010
Personnel costs	531	586
Discounts of loans	61	73
Other prepaid expenses	52	79
	644	738

**Deferred personnel costs** in the reporting period mainly comprise prepaid expenses to BPS-PT for 2012.

## 8 Difference between plan assets and partial retirement liabilities.

millions of €	Dec. 31, 2011	Dec. 31, 2010
Settlement amount of the netted liabilities from partial retirement agreements and long-term credits	94	93
Fair value of the CTA assets	123	105
Acquisition costs of the CTA assets	130	116
Netted expenses	2	3
Netted income	4	16
Excess of assets above obligations from outstanding settlement amounts from partial retirement agreements and long-term credits	29	12

The **difference between plan assets and partial retirement liabilities** amounting to EUR 29 million relates exclusively to the netting of marketable securities and cash in banks with the outstanding settlement amounts for accruals for partial retirement and long-term credits. Marketable securities and cash in banks serve as security for entitlements from partial retirement agreements and employees' long-term credits under what is known as the contractual trust arrangement (CTA) that had been transferred to a trustee. The fair value of the CTA assets covered in full Deutsche Telekom's discounted outstanding settlement amounts to employees on partial retirement arrangements at December 31, 2011.

The CTA assets were valued as of the respective balance sheet date taking current prices into account.

## 9 Shareholders' equity.

millions of €	Dec. 31, 2011	Dec. 31, 2010
Capital stock	11,063	11,063
less the imputed value of treasury shares	(6)	(5)
<b>Issued capital</b>	<b>11,057</b>	<b>11,058</b>
Additional paid-in capital	26,752	26,752
	<b>26,752</b>	<b>26,752</b>
Retained earnings		
other retained earnings	15,498	15,500
	<b>15,498</b>	<b>15,500</b>
Unappropriated net income	4,656	6,018
<b>Shareholders' equity</b>	<b>57,963</b>	<b>59,328</b>

**Shareholders' equity** decreased year-on-year by EUR 1,365 million. The changes are described in detail in the following sections.

## 10 Capital stock.

	Authorized and issued capital		Authorized capital (not issued)		Contingent capital (not issued)	
	thousands of shares	thousands of €	thousands of shares	thousands of €	thousands of shares	thousands of €
As of Dec. 31, 2010	4,321,319	11,062,577	865,000	2,214,400	442,115	1,131,813
<b>As of Dec. 31, 2011</b>	<b>4,321,319</b>	<b>11,062,577</b>	<b>865,000</b>	<b>2,214,400</b>	<b>442,115</b>	<b>1,131,813</b>

Deutsche Telekom's **capital stock** at December 31, 2011 totaled EUR 11.1 billion. The capital stock is divided into 4,321,319,206 registered no par value shares. Each share entitles the holder to one vote.

As of December 31, 2011, the shareholders listed in the following table had shareholdings in Deutsche Telekom subject to reporting requirements in accordance with § 21 (1) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The remaining shares were in free float.

	Dec. 31, 2011	
	thousands of shares	%
Federal Republic of Germany	646,575	15.0
KfW Bankengruppe	735,662	17.0
Blackstone	191,700	4.4
BlackRock	145,762	3.4

## Allocated shares.

In the course of the acquisition of T-Mobile USA Inc., Bellevue/Powertel Inc., Bellevue, Deutsche Telekom granted options on Deutsche Telekom shares in exchange for the outstanding warrants between Deutsche Telekom and T-Mobile USA/Powertel at the time of the acquisition. New shares from authorized capital were issued to trustees and allocated for the benefit of holders of warrants, options, and conversion rights, among others. As of December 31, 2011, the number of Deutsche Telekom shares allocated for the stock options granted to T-Mobile USA/Powertel employees and still outstanding was 454,436.

## Authorized capital.

The 2009 authorized capital I and 2009 authorized capital II were as follows at December 31, 2011:

	thousands of €	thousands of shares	Purpose	Authorization until
2009 Authorized capital I	2,176,000	850,000	Capital stock increase against noncash contribution	April 29, 2014
2009 Authorized capital II	38,400	15,000	Granting of employee shares	April 29, 2014

### 2009 Authorized capital I.

The shareholders' meeting on April 30, 2009 authorized the Board of Management to increase the capital stock with the approval of the Supervisory Board by up to EUR 2,176,000,000 by issuing up to 850,000,000 no par value registered shares against non-cash capital contributions in the period ending April 29, 2014. This authorization may be exercised either in full or in one or several partial amounts. The Board of Management is authorized, subject to the approval of the Supervisory Board, to disapply shareholders' preemptive rights when issuing new shares for business combinations or acquisitions of companies, parts thereof or interests in companies, including increasing existing investment holdings, or other assets eligible for contribution for such acquisitions, including receivables from the Company. The Board of Management is further authorized, with the approval of the Supervisory Board, to determine the rights accruing to the shares in the future and the conditions for issuing shares.

### 2009 Authorized capital II.

The shareholders' meeting on April 30, 2009 authorized the Board of Management to increase the capital stock with the approval of the Supervisory Board by up to EUR 38,400,000 by issuing up to 15,000,000 no par value registered shares against cash and/or non-cash contributions in the period ending April 29, 2014. This authorization may be exercised either in full or in one or several partial amounts. Shareholders' preemptive rights are disappplied. The new shares may only be issued to grant shares to employees of Deutsche Telekom and of lower-tier companies (employee shares). The new shares can also be issued to a bank or some other company meeting the requirements of § 186 (5) sentence 1 AktG that assumes the obligation to use these shares for the sole purpose of granting employee shares. Where permitted by law, the employee shares may also be issued in such a way that the contribution to be paid in return is taken from the part of the income after taxes that the Board of Management and the Supervisory Board may transfer to other retained earnings in accordance with § 58 (2) AktG. The shares to be issued as employee shares can also be acquired in the form of a securities loan from a bank or some other company meeting the requirements of § 186 (5) sentence 1 AktG and the new shares used to repay this securities loan. The Board of Management is authorized, with the approval of the Supervisory Board, to determine the rights accruing to the shares in the future and the conditions for issuing shares.

## Contingent capital.

As of December 31, 2011, Deutsche Telekom had the following contingent capital:

	thousands of €	thousands of shares	Purpose
Contingent capital II	31,813	12,427	Meeting subscription rights to shares from stock options
2010 contingent capital	1,100,000	429,688	Servicing issued or guaranteed convertible bonds or bonds with warrants

### Contingent capital II.

The capital stock has been contingently increased by up to EUR 31,813,089.28, composed of up to 12,426,988 new no par value registered shares. The contingent capital increase is exclusively intended for the purpose of meeting preemptive rights to shares from stock options granted in the period until December 31, 2003 to members of the Board of Management of the Company, to members of second-tier management, and to other executives, managers, and specialists of the Company and to members of the boards of management, members of management, and other executives, managers, and specialists at lower-tier Group companies in Germany and other countries, on the basis of the authorization for a 2001 Stock Option Plan granted by resolution of the shareholders' meeting on May 29, 2001. For more detailed information, please refer to Note 13 (Stock-based compensation plans).

No stock options granted under the 2001 Stock Option Plan were exercised in the 2011 financial year. As a result, there was no change in the contingent capital II of EUR 31,813,089.28.

### 2010 contingent capital.

The capital stock was contingently increased by up to EUR 1,100,000,000 as of December 31, 2011, composed of up to 429,687,500 no par value registered shares (2010 contingent capital). The contingent capital increase will be implemented only to the extent that

- the holders or creditors of bonds with warrants, convertible bonds, profit participation rights and/or participating bonds (or combinations of these instruments) with options or conversion rights, which are issued or guaranteed by Deutsche Telekom or its direct or indirect majority holdings by May 2, 2015, on the basis of the authorization resolution granted by the shareholders' meeting on May 3, 2010, make use of their option and/or conversion rights or
- those obligated as a result of bonds with warrants, convertible bonds, profit participation rights and/or participating bonds (or combinations of these instruments) which are issued or guaranteed by Deutsche Telekom or its direct or indirect majority holdings by May 2, 2015, on the basis of the authorization resolution granted by the shareholders' meeting on May 3, 2010, fulfill their option or conversion obligations

and other forms of fulfillment are not used. The new shares shall participate in profits starting at the beginning of the financial year in which they are issued as the result of the exercise of any option or conversion rights or the fulfillment of any option or conversion obligations. The Supervisory Board is authorized to amend § 5 (5) of the Articles of Incorporation in accordance with the particular usage of the contingent capital and after the expiry of all the option or conversion periods.

## Treasury shares.

The amount of capital stock assigned to treasury shares was EUR 5.6 million at December 31, 2011. This equates to 0.05 percent of the capital stock. At 2,197,437 shares, the holding of treasury shares breaks down as follows:

Number	
1999 Employee Stock Purchase Plan	5,185,278
Decrease as a result of the 2000 Employee Stock Purchase Plan	(2,988,980)
Decrease as a result of the 2005 Employee Stock Purchase Plan	(314,790)
Matching share plan	315,929
	<b>2,197,437</b>

## Buy-back of Deutsche Telekom shares.

The shareholders' meeting resolved on May 12, 2011 to authorize the Board of Management to purchase shares in the Company by November 11, 2012, with the amount of capital stock accounted for by these shares totaling up to EUR 1,106,257,716.74, provided the shares to be purchased on the basis of this authorization in conjunction with the other shares of the Company which the Company has already purchased and still possesses or are to be assigned to it under § 71 d and § 71 e of the German Stock Corporation Act (Aktiengesetz – AktG) do not at any time account for more than 10 percent of the Company's capital stock. Moreover, the requirements under § 71 (2) sentences 2 and 3 AktG must be complied with. Shares shall not be purchased for the purpose of trading in treasury shares. This authorization may be exercised in full or in part. The purchase can be carried out in partial tranches spread over various purchase dates within the authorization period until the maximum purchase

volume is reached. Dependent Group companies of Deutsche Telekom within the meaning of § 17 AktG or third parties acting for the account of Deutsche Telekom or for the account of dependent Group companies of Deutsche Telekom within the meaning of § 17 AktG are also entitled to purchase the shares. The shares are purchased through the stock exchange in adherence to the principle of equal treatment (§ 53a AktG). Shares can instead also be purchased by means of a public purchase or share exchange offer addressed to all shareholders, which, subject to a subsequently approved exclusion of the right to offer shares, must also comply with the principle of equal treatment.

The shares are to be used for one or several of the purposes permitted by the authorization granted by the shareholders' meeting on May 12, 2011 under item 7 on the agenda. The shares are also to be used for purposes for which an exclusion of subscription rights is intended, but can also be withdrawn or sold through the stock market or by way of an offer to all shareholders. The shares are to be available to fulfill the rights of Board of Management members to receive shares in Deutsche Telekom, which the Supervisory Board has granted to these members as part of the arrangements governing the compensation of the Board of Management, on the basis of a decision by the Supervisory Board to this effect.

As part of this authorization, the Board of Management decided on May 27, 2011 and September 20, 2011 to purchase a total of 316 thousand shares for a total price of EUR 3 million (excluding transaction costs) with an average purchase price of EUR 8.74 per share. Shares were purchased in exercise of this authorization on June 6, 2011 and on September 23, 2011 and reported in accordance with § 272 (1a) HGB. This resulted in decreases of EUR 1 million

in Deutsche Telekom's issued capital and of EUR 2 million in retained earnings. As of December 31, 2011, 0.01 percent of capital stock related to acquisitions in the reporting year.

## 11 Additional paid-in capital.

**Additional paid-in capital** remained unchanged compared with the prior year.

## 12 Retained earnings.

**Retained earnings** include the transfers from income after taxes from prior years to other retained earnings. In the reporting year, the Company also bought back Deutsche Telekom shares on the market. This share buy-back decreased retained earnings by EUR 2 million.

## Restriction on distribution in accordance with § 268 (8) HGB

The valuation of the CTA assets for accruals for pensions and similar obligations at fair value resulted in a restriction in accordance with § 268 (8) sentence 3 HGB in the amount of EUR 6.2 million. As this is covered by the available additional paid-in capital, the net income can be distributed in full.

## 13 Stock-based compensation plans.

### Deutsche Telekom stock option plan.

Stock options developed as shown in the following table in the reporting year:

	2011 Stock Option Plan					
	2011		2010		2009	
	Stock options thousands	Weighted average exercise price €	Stock options thousands	Weighted average exercise price €	Stock options thousands	Weighted average exercise price €
Outstanding at beginning of reporting period	6,700	23.44	8,057	24.14	9,006	24.38
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Forfeited	(4,405)	29.21	(1,357)	27.63	(949)	26.43
<b>Outstanding at end of reporting period</b>	<b>2,295</b>	<b>12.36</b>	<b>6,700</b>	<b>23.44</b>	<b>8,057</b>	<b>24.14</b>
<b>Exercisable at end of reporting period</b>	<b>2,295</b>	<b>12.36</b>	<b>6,700</b>	<b>23.44</b>	<b>8,057</b>	<b>24.14</b>

### Supplemental disclosures.

Stock options were granted to members of the Board of Management and other executives and specialists of the Company and its subsidiaries in August 2001 and July 2002 as part of the Deutsche Telekom 2001 Stock Option Plan.

The exercise price is also the performance target. The exercise price per share is 120 percent of the reference price, which corresponds to the higher of the non-weighted average closing prices of Deutsche Telekom shares in Xetra trading at the Frankfurt Stock Exchange (Deutsche Börse AG) over the last 30 trading days before the grant date of the options and the closing price of Deutsche Telekom shares on the grant date of the options.

Stock option issue date	2001 Stock Option Plan					
	Stock options granted thousands	Exercise price €	Reference price €	XETRA closing price of the share on grant date €	Value of option on the date of issue €	Option expires on
August 13, 2001	8,221	30.00	25.00	19.10	4.87	August 12, 2011
July 15, 2002	3,928	12.36	10.30	10.30	3.79	July 14, 2012

The exercise rules specified that 50 percent of the stock options granted were only exercisable after a vesting period of two years. The remaining 50 percent of the options granted could be exercised at the earliest following the end of the vesting period of three years. All options are vested. The options may not legally be sold, transferred, pledged, or otherwise disposed of except in the event of death, in which case the options are transferred to the heirs.

No new stock option plans have been set up since 2003. The 2004 shareholders' meeting rescinded the authorization of the Board of Management and the Supervisory Board to issue additional options for the 2001 Stock Option Plan.

Deutsche Telekom AG reserves the right, at its election, to settle the options through the payment of a cash amount (stock appreciation rights – SARs) instead of issuing new shares. The exercise of an SAR cancels the related option, and the exercise of an option cancels the related SAR. As of December 31, 2011, no resolution on conversion had been passed to this effect.

Furthermore, in 2001 and 2002, Deutsche Telekom also granted stock appreciation rights to employees in countries where it was not legally possible to issue stock options. A total of 167,920 SARs were issued. 132,125 SARs were forfeited in the reporting year. 540 SARs were outstanding at December 31, 2011.

As the life of the stock options/SARs issued in 2001 expired on August 12, 2011, all stock options/SARs not exercised by that date were forfeited without replacement or compensation.

### Deutsche Telekom AG (formerly T-Online International AG (prior to the merger)).

In May 2001, the shareholders' meeting of T-Online International AG approved the introduction of the 2001 Stock Option Plan, resulting in the granting of stock options in August 2001 and July 2002. The merger of T-Online International AG into Deutsche Telekom became effective upon entry in the commercial register on June 6, 2006. Under the German Reorganization and Transformation Act (Umwandlungsgesetz), Deutsche Telekom AG had to grant the holders of stock options "equivalent rights." Accordingly, the merger agreement entitled holders to purchase 0.52 registered no par value share per option at the exercise price specified in the terms and conditions for the respective options. Pursuant to the merger agreement, the Board of Management decided on August 2, 2005 that equivalent rights would be granted in the form of a cash settlement.

The table below shows the changes in outstanding options issued by T-Online International AG:

	2001 Stock Option Plan					
	2011		2010		2009	
	Stock options thousands	Weighted average exercise price €	Stock options thousands	Weighted average exercise price €	Stock options thousands	Weighted average exercise price €
Outstanding at beginning of reporting period	2,021	9.15	2,346	10.30	2,840	10.30
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Forfeited	(1,041)	9.19	(325)	9.15	(494)	10.31
<b>Outstanding at end of reporting period</b>	<b>980</b>	<b>9.11</b>	<b>2,021</b>	<b>9.15</b>	<b>2,346</b>	<b>10.30</b>
<b>Exercisable at end of reporting period</b>	<b>980</b>	<b>9.11</b>	<b>2,021</b>	<b>9.15</b>	<b>2,346</b>	<b>10.30</b>

#### Supplemental disclosures.

The exercise price of the options was also the performance target. The exercise price per share was 125 percent of the reference price, which corresponded to the higher of the non-weighted average closing prices of T-Online shares in Xetra trading at the Frankfurt Stock Exchange (Deutsche Börse AG) over the last 30 trading days before the grant date of the options and the closing price of T-Online shares on the grant date of the options.

In the proceedings concerning the review of the appropriateness of the exchange ratio in the merger of T-Online International AG into Deutsche Telekom, the Frankfurt/Main Higher Regional Court ruled on September 3, 2010 that Deutsche Telekom must make a supplementary cash payment of EUR 1.15 per share to former T-Online shareholders.

According to the provisions of the merger agreement, this cash payment reduces the exercise price specified in the terms and conditions for the options. Consequently, the exercise price of the respective options is reduced by EUR 1.15. The exercise price less the cash payment is EUR 9.20 for the 2001 tranche (previously EUR 10.35) and EUR 9.11 for the 2002 tranche (previously EUR 10.26).

Stock option issue date	2001 Stock Option Plan					
	Stock options granted thousands	Exercise price €	Reference price €	XETRA closing price of the share on grant date €	Value of option on the date of issue €	Option expires on
August 13, 2001	2,370	10.35	8.28	7.73	3.72	August 12, 2011
July 15, 2002	2,067	10.26	8.21	7.36	4.06	July 14, 2012

The exercise rules specified that 50 percent of the options granted were only exercisable after a vesting period of two years. The remaining 50 percent of the options granted could be exercised at the earliest following the end of a vesting period of three years. All options are vested. The options may not legally be sold, transferred, pledged, or otherwise disposed of except in the event of death, in which case the options are transferred to the heirs.

As the life of the options issued in 2001 expired on August 12, 2011, all options not exercised by that date were forfeited without replacement or compensation.

## Deutsche Telekom AG Mid-Term Incentive Plan (MTIP).

In the 2004 financial year, Deutsche Telekom introduced its first Mid-Term Incentive Plan (MTIP) to ensure competitive total compensation for members of the Board of Management, senior executives of the Deutsche Telekom Group, and other beneficiaries mainly from the United States and the United Kingdom. The MTIP is a global, Group-wide compensation instrument for Deutsche Telekom and other participating Group entities that promotes mid- and long-term value creation in the Group, and therefore combines the interests of management and shareholders.

The MTIP is a cash-based plan pegged to two equally weighted, share-based performance parameters – one absolute and one relative. If both performance targets are achieved, then the total amount earmarked as an award is paid out; if one performance target is achieved, 50 percent of the amount is paid out; and if neither performance target is achieved, no payment is made.

A decision is made each year on whether to re-launch the plan, as well as on the specific terms of the plan, in particular the performance targets. The ambitiousness and strategic relevance of the performance targets are reviewed and adjusted if necessary. The nature or thresholds of the performance targets cannot be changed once the plan has begun. The annual reviews of performance targets have not so far brought about any changes. The targets shown in the following table have therefore been applied to all plans issued to date.

With the exception of those members of the Board of Management who did not change over to the new compensation system for members of the Board of Management, the MTIP was launched for the last time in 2010.

Deutsche Telekom MTIP <sup>1</sup>						
Term	Maximum budget	Absolute performance target		Relative performance target		
		Starting value of the Deutsche Telekom share	Performance target for the Deutsche Telekom share	Starting value of the total return of the Deutsche Telekom share	Starting value of the total return index	
Years	millions of €	€	€	€	Points	
2009 MTIP	3	55	11.01	14.31	11.01	328.55
2010 MTIP	3	57	10.29	13.38	10.29	417.62
2011 MTIP	3	1	9.79	12.73	9.79	441.12

<sup>1</sup> The proportionate amount to be accrued and expensed is calculated based on a Monte Carlo simulation.

The absolute performance target is achieved if, at the end of the individual plans, Deutsche Telekom's share price has risen by at least 30 percent compared with its share price at the beginning of the plan. The benchmark for the assessment is the non-weighted average closing price of the Deutsche Telekom share in Xetra trading at the Frankfurt Stock Exchange (Deutsche Börse AG) during the last 20 trading days prior to the beginning and end of the plan.

The relative performance target is achieved if the total return of Deutsche Telekom shares has outperformed the Dow Jones Euro STOXX<sup>®</sup> Total Return Index on a percentage basis during the term of the individual plan. The benchmark is the non-weighted average of Deutsche Telekom shares (based on the closing prices of Deutsche Telekom shares in Xetra trading) plus the value of dividends paid and reinvested in Deutsche Telekom shares, bonus shares etc., and the non-weighted averages of the Dow Jones Euro STOXX<sup>®</sup> Total Return Index during the last 20 trading days prior to the beginning and end of the plan.

At the end of the term of the individual plans, the General Committee of Deutsche Telekom's Supervisory Board will establish whether the absolute and relative performance targets for the Board of Management have been achieved. Based on these findings, the Board of Management will establish whether the target has been achieved for Deutsche Telekom and all participating companies as a whole and will communicate this decision. Once it has been established whether one or both targets have been achieved, the relevant amounts will be paid out to the beneficiaries.

The General Committee of the Supervisory Board determined at its meeting on February 3, 2011 that the relative plan target for the 2008 tranche of the MTIP had been achieved, a finding that was confirmed by the Supervisory Board at its meeting on February 23, 2011. Consequently, 50 percent of the award amount for the 2008 tranche was paid out in 2011.



## 14 Accruals for pensions and similar obligations.

millions of €	Dec. 31, 2011	Dec. 31, 2010
Direct pension obligations of which: parallel obligation: € 1.3 billion; (Dec. 31, 2010: € 1.3 billion)	2,230	2,444
Indirect pension obligations	229	215
	<b>2,459</b>	<b>2,659</b>
Obligations in accordance with Article 131 GG	2	3
	<b>2,461</b>	<b>2,662</b>

The carrying amounts of the **pension obligations** were calculated on the basis of the actuarial reports.

The pension obligations to non-civil servant employees are based on indirect and direct pension commitments. The indirect commitments include the obligations of Versorgungsanstalt der Deutschen Bundespost (VAP) and the special pension fund of Telekom Betriebsrenten-Service e.V. (DTBS).

Deutsche Telekom's direct pension commitments comprise direct commitments with and without VAP parallel obligations. The VAP parallel obligations are based on direct legal claims against Deutsche Telekom which were originally attributable to VAP. VAP's obligations are therefore suspended.

The VAP benefits supplement statutory pension benefits up to the level specified in the Articles of Incorporation and generally depend on the level of employee compensation and the eligible periods of service of the eligible employees. As part of the restructuring of the corporate pension plan in 1997, the employer and the trade unions entered into an agreement stipulating measures for the protection of vested VAP benefits.

Pursuant to this agreement, the benefit obligations due to retirees and employees approaching retirement will remain unchanged. For younger employees with vested benefits, the obligations have been converted into an initial amount based on the number of years of coverage to date, which was then credited to a capital account held by the employer (cash balance plan). Deutsche Telekom credits this account on an annual basis; when the insured event occurs, the account balance is paid out in full or in installments, or can be converted into a life-long pension.

The implementation norm changed as a result of the collective agreement on the restructuring of the corporate pension plan at Deutsche Telekom signed on August 17, 2005. According to this agreement, all corporate pension services for active and inactive employees will henceforth be granted directly and with a legal claim.

For the purposes of commercial law, pension accruals were recognized in accordance with § 6a EStG up to December 31, 2009. Pension accruals have been measured using the projected unit credit method since the introduction of BilMoG effective January 1, 2010. The addition resulting from the change in the measurement of pension accruals is spread over 15 years in accordance with the transitional provisions (Art. 67 (1) sentence 1 EGHGB) of BilMoG.

Pension accruals not shown in the balance sheet at December 31, 2011 as a consequence of the transitional provisions of BilMoG amounted to EUR 180 million (December 31, 2010: EUR 195 million) for direct pension obligations and EUR 37 million (December 31, 2010: EUR 41 million) for indirect pension obligations.

Calculations at the balance sheet date were based on the following assumptions:

%	2011
Notional interest rate	5.13
Projected salary increase	
Pay-scale employees	2.75
Non-pay-scale employees	2.75
Projected pension increase	
General	1.50
According to Articles of Incorporation	1.00
Fluctuation	4.00

Pension obligations were calculated using the biometrics of the 2005 G tables published by Prof. Dr. Klaus Heubeck.

As of December 31, 2011 the settlement amount of direct pension obligations before offsetting against plan assets amounted to EUR 2,616 million. The acquisition cost of the plan assets totaled EUR 200 million, the fair value measured at market values amounted to EUR 206 million. In the reporting year expenses amounting to EUR 139 million were netted with income from the assets offset of EUR 6 million in net interest expense.

## 15 Tax accruals.

millions of €	Dec. 31, 2011	Dec. 31, 2010
Corporate income tax	317	46
Trade income tax	136	1
Other taxes	62	77
	<b>515</b>	<b>124</b>

The majority of income tax accruals related to current taxes in the 2011 financial year, which were payable despite loss carryforwards as a result of minimum taxation.

## 16 Other accruals.

millions of €	Dec. 31, 2011	Dec. 31, 2010
<b>Employee benefits</b>		
Civil Service Health Insurance Fund	139	96
Partial retirement arrangement	52	71
Early retirement (BPS-PT)	-	13
Miscellaneous obligations	206	217
<b>Other obligations</b>		
Accruals for collateral promise for pension and partial retirement obligations	1,460	1,424
Loss contingencies from foreign currency forward contracts	447	12
Loss contingencies from pending transactions	426	330
Loss contingencies from interest rate derivatives	314	242
Outstanding invoices	147	128
Litigation risks	111	137
Miscellaneous other accruals	276	233
	<b>3,578</b>	<b>2,903</b>

The **accrual for the Civil Service Health Insurance Fund** (Postbeamtenkrankenkasse – PBeaKK) covers the risk of having to make compensation payments to the PBeaKK. The risk of utilization arises if a deficit were to remain after scheduled withdrawal from the fund's assets.

The decrease in the **accrual for partial retirement** is mainly attributable to the lower number of partial retirement agreements and the progression of employees into the passive phase of partial retirement.

The Second Act to Amend the Act for the Improvement of the Staff Structure at the Residual Special Asset of the Federal Railways and the Successor Companies of the Former Deutsche Bundespost (Zweites Gesetz zur Änderung des Gesetzes zur Verbesserung der personellen Struktur beim Bundeseisenbahnvermögen und in den Unternehmen der Deutschen Bundespost) was adopted in 2006. Under this legislation, civil servants can apply for early retirement upon reaching the age of 55, provided that they meet all the criteria stipulated in the Act. Deutsche Telekom partially offsets the resulting reduced retirement pension payments for civil servants by advance payments on account to BPS-PT as well as other expenses. When the reform of civil-service law (Dienstrechtsneuordnungsgesetz) came into effect, the provisions for early retirement for

civil servants were extended until December 31, 2012. On April 5, 2011 the Board of Management resolved to exercise the early retirement arrangement for the 2011 financial year. The **accrual for early retirement** of civil servants was increased with impact on expense by EUR 726 million in the reporting year and utilized in the reporting year due to further retirements. As the contracts have already been signed, the obligations to the BPS-PT were reported under liabilities. For details of the effect this had on liabilities, please refer to Note 17.

The **accruals for collateral promise for pensions and partial retirement obligations** amounting to EUR 1.5 billion in particular consist of the economic obligations assumed by Deutsche Telekom with respect to the liabilities for pension claims of the service companies (Deutsche Telekom Technischer Service GmbH, Bonn, Deutsche Telekom Netzproduktion GmbH, Bonn, and Deutsche Telekom Kundenservice GmbH, Bonn).

The increase of EUR 435 million in **accruals for loss contingencies from foreign currency forward contracts** to EUR 447 million at December 31, 2011 was mainly the result of the development of the market value of U.S. dollar currency derivatives.

As in the prior year, the **accruals for loss contingencies arising from pending transactions relate primarily to agreements concluded with partners outside the Deutsche Telekom Group** with the intention of generating a contribution margin for the expenses resulting from the staff surplus, as well as to the loss contingency for the exercise of a call option to acquire shares in funds in the amount of EUR 121 million.

The increase of EUR 72 million in **accruals for loss contingencies from interest rate derivatives** to EUR 314 million at December 31, 2011 was mainly the result of the development of the market value of interest rate and cross currency interest rate swaps.

**Accruals for outstanding invoices** mainly included accruals for legal, IT, and management consulting services and commissions.

The **accruals for litigation risks** mainly comprised risk accruals for ongoing legal disputes.

**Miscellaneous other accruals** included accruals for interests, accruals for contributions to professorships sponsored by Deutsche Telekom, and accruals for environmental clean-up and archiving expenses. The increase in miscellaneous other accruals compared with December 31, 2010 was mainly attributable to accruals for transaction costs relating to M&A activities.

Deutsche Telekom made use of the option to retain the higher carrying amount of accruals under the transitional provisions of BilMoG. If it had waived this option to retain the higher carrying amount, an excess of miscellaneous other accruals of EUR 5 million would have resulted.

## 17 Liabilities.

millions of €	Dec. 31, 2011				Dec. 31, 2010			
	Total	of which			Total	of which		
		Due within 1 year	Due > 1 ≤ 5 years	Due > 5 years		Due within 1 year	Due > 1 ≤ 5 years	Due > 5 years
<b>Debt</b>								
Bonds and debentures	1,946	-	893	1,053	1,926	50	593	1,283
Liabilities to banks	5,207	2,273	2,804	130	4,785	1,955	2,507	323
	<b>7,153</b>	<b>2,273</b>	<b>3,697</b>	<b>1,183</b>	<b>6,711</b>	<b>2,005</b>	<b>3,100</b>	<b>1,606</b>
<b>Other liabilities</b>								
Advances received	75	75	-	-	-	-	-	-
Trade accounts payable	330	330	-	-	331	331	-	-
Payables to subsidiaries	20,866	8,813	5,462	6,591	22,177	10,430	4,564	7,183
Liabilities to associated and related companies	156	156	-	-	318	318	-	-
Other liabilities	5,058	1,983	2,293	782	5,205	2,197	1,793	1,215
of which: from taxes	220	220	-	-	224	224	-	-
of which: from social security	32	13	16	3	40	17	19	4
	<b>26,485</b>	<b>11,357</b>	<b>7,755</b>	<b>7,373</b>	<b>28,031</b>	<b>13,276</b>	<b>6,357</b>	<b>8,398</b>
<b>Total liabilities</b>	<b>33,638</b>	<b>13,630</b>	<b>11,452</b>	<b>8,556</b>	<b>34,742</b>	<b>15,281</b>	<b>9,457</b>	<b>10,004</b>

**Bonds and debentures** relate to treasury notes (EUR 1,053 million), bonds (EUR 299 million), and medium-term notes (EUR 594 million).

The structure of bonds and debentures is as shown below. The variable-interest bonds are assigned in accordance with the most recent interest rate fixing valid at December 31, 2011.

Due by December 31 millions of €	up to 2%	up to 3%	up to 4%	up to 7%	up to 8%	Total
2012	-	-	-	-	-	-
2013	123	205	-	-	-	328
2014	-	-	265	-	-	265
2015	-	-	-	-	-	-
2016	-	300	-	-	-	300
2017 to 2020	-	-	-	-	1,053	1,053
<b>Total</b>	<b>123</b>	<b>505</b>	<b>265</b>	<b>-</b>	<b>1,053</b>	<b>1,946</b>

The year-on-year increase of EUR 422 million in **liabilities to banks** compared with December 31, 2010 was mainly due to the issue of long-term loans.

The EUR 1.1 billion decrease was primarily attributable to the higher level of repayments compared with the level of new debt issued.

**Payables to subsidiaries** consisted particularly of financial liabilities of EUR 14.7 billion (December 31, 2010: EUR 14.7 billion) and liabilities arising from cash pooling of EUR 5.4 billion (December 31, 2010: EUR 6.6 billion). Of payables to subsidiaries, EUR 13.1 billion (December 31, 2010: EUR 14.3 billion) relates to liabilities to Deutsche Telekom International Finance B.V., Amsterdam.

Deutsche Telekom International Finance B.V., Amsterdam, (DT IF) issues bonds and medium-term notes that it passes on to Group companies. The resulting liabilities of Deutsche Telekom to DT IF are as shown below. In individual cases, the year in which DT IF issues financial liabilities outside the Group is not the same as the year in which they are passed on to Deutsche Telekom.

2002 tranche	Nominal amount in currency	Interest rate in %	Term
GBP	250,000,000	7.195	2012

2003 tranche	Nominal amount in currency	Interest rate in %	Term
USD	626,865,000	5.335	2013
EUR	500,000,000	6.706	2018
EUR	500,000,000	7.580	2033

2005 tranche	Nominal amount in currency	Interest rate in %	Term
GBP	250,000,000	4.950	2014
EUR	1,588,801,384	4.075	2015

2006 tranche	Nominal amount in currency	Interest rate in %	Term
EUR	666,563,254	4.575	2013
EUR	500,000,000	4.825	2016

2008 tranche	Nominal amount in currency	Interest rate in %	Term
EUR	200,000,000	5.926	2023

2009 tranche	Nominal amount in currency	Interest rate in %	Term
EUR	425,000,000	4.450	2014
EUR	2,000,000,000	6.075	2017
EUR	350,000,000	5.450	2021
GBP	700,000,000	6.575	2022

2010 tranche	Nominal amount in currency	Interest rate in %	Term
GBP	250,000,000	7.195	2012
GBP	250,000,000	7.455	2019
EUR	462,246,714	4.375	2020
GBP	300,000,000	7.715	2030
EUR	300,000,000	4.625	2030

2011 tranche	Nominal amount in currency	Interest rate in %	Term
USD	1,250,000,000	3.250	2016

The following table shows the composition of other liabilities:

millions of €	Dec. 31, 2011	Dec. 31, 2010
Liabilities from early retirement arrangements	2,352	2,329
Liabilities from loan notes	1,146	1,146
Liabilities from collateral	629	625
Liabilities from interest	339	359
Tax liabilities	220	224
Liabilities from derivatives	194	120
Liabilities to employees	18	18
Miscellaneous other liabilities	160	384
	<b>5,058</b>	<b>5,205</b>

**Liabilities from early retirement arrangements for civil servants** exist vis-à-vis BPS-PT and arise from payment obligations under agreements that had already been concluded. The obligations are payable in up to seven annual installments. The increase is the result of greater use of early retirement arrangements.

**Liabilities from loan notes** relate to insurance companies and other institutional investors. These are secured by the Federal Republic of Germany, with the exception of the loans received since 2002 totaling EUR 673 million.

**Collateral** is used to hedge the credit risk from derivative financial instruments. In this case, Deutsche Telekom receives collateral in the form of cash from its contracting parties if the fair values of the derivatives exceed a certain allowance.

**Liabilities from interest** almost exclusively related to deferred interest on interest rate derivatives, loan notes, and medium-term notes.

**Tax liabilities** comprised income tax liabilities amounting to EUR 5 million (December 31, 2010: EUR 5 million) and liabilities from other taxes amounting to EUR 215 million (December 31, 2010: EUR 217 million) which in turn consisted primarily of value-added tax still to be paid from ordinary business activities relating to the fiscal entity parent company amounting to EUR 197 million and wage tax liabilities of EUR 14 million.

**Liabilities from derivatives** almost exclusively related to settlement gains and losses from expired hedge transactions for revolving hedging (roll-over gains or losses).

**Liabilities to employees** resulted in particular from severance agreements concluded in connection with the staff restructuring program.

The decrease in **miscellaneous other liabilities** compared with December 31, 2010 of EUR 224 million to EUR 160 million is primarily caused by the settlement of purchase price liabilities recorded in the prior year for the acquisition of the stake in PTC, Polska Telefonia Cyfrowa S.A., Warsaw.

## 18 Deferred income.

The year-on-year decline in **deferred income** of EUR 50 million was almost exclusively a result of the amortization of agio on loans from DT IF.

## 19 Deferred taxes.

**Deferred tax assets** exceeded deferred tax liabilities in the reporting year. Deutsche Telekom does not exercise the option according to § 274 (1) HGB of recognizing the resulting tax relief as deferred tax assets. Deferred tax assets and liabilities mainly related to differences between carrying amounts for tax purposes and carrying amounts under German GAAP in the balance sheet items intangible assets, property, technical equipment and machinery, and accruals, and to loss carryforwards. When determining deferred taxes, an effective tax rate of 30.7 percent was used which covers corporate income tax, the solidarity surcharge, and trade taxes.

# Notes to the statement of income.

## 20 Net revenue.

### Revenue by area of activity.

millions of €	2011	2010
Revenue from hiring out employees	1,300	1,462
Revenue from renting and leasing out property	1,212	1,235
Revenue from fixed network	1,156	1,324
Revenue from training services (Telekom Training), prior year incl. further training	156	248
	<b>3,824</b>	<b>4,269</b>

**Revenue from hiring out employees** amounted to EUR 1.3 billion (2010: EUR 1.5 billion) and resulted from hiring employees out to other companies. Employees were placed with internal and external employers on loan and temporary work contracts, and civil servants by means of assignment or temporary leave.

**Revenue from renting and leasing out property** amounting to EUR 1.2 billion (2010: EUR 1.2 billion) were generated using the rent including utilities model. Deutsche Telekom leased real estate centrally from GMG Generalmietgesellschaft mbH, Bonn, and then rented it out to its German subsidiaries together with facility management services in the form of standardized facility products.

**Fixed-network revenues** amounting to EUR 1.2 billion (2010: EUR 1.3 billion) were mainly generated through wholesale services for international carriers, to which Deutsche Telekom made available, for instance, international voice and data connections. Revenues were also generated from the Internet business areas Inform&Entertain (e.g., Musicload, Gamesload), advertising ("T-Online.de") and from the T-Online Shop.

**Revenue from training services** in the reporting year consisted of training services for junior staff in Germany and seminars and overnight stays. The prior year included revenues from further training services which were reported under Deutsche Telekom Training GmbH, Bonn in the reporting year following the transfer of the Telekom further training unit with economic effect as of January 1, 2011.

### Revenue by geographic area.

millions of €	2011	2010
Domestic	3,196	3,632
International	628	637
	<b>3,824</b>	<b>4,269</b>

Revenue generated abroad of EUR 628 million (2010: EUR 637 million) resulted from International Carrier Sales & Solutions (ICSS) and was largely attributable to wholesale services for international carriers. Revenues were mainly generated through international voice and data connections.

## 21 Changes in inventories and other own capitalized costs.

millions of €	2011	2010
Own capitalized costs	0	7
	<b>0</b>	<b>7</b>

In the 2011 financial year, **own capitalized costs** at Deutsche Telekom were immaterial.

## 22 Other operating income.

millions of €	2011	2010
Cost transfers/reimbursements	1,601	1,698
Income from derivatives	713	939
Foreign currency transaction gains	694	1,336
Income from other services	298	286
Income from the reversal of accruals	247	124
Income from the use of accruals for contingent losses	115	143
Income from the disposal of noncurrent assets	61	34
Income from write-ups of noncurrent assets	43	50
Other income	3,770	536
	<b>7,542</b>	<b>5,146</b>

**Income from cost transfers/reimbursements** included in particular rental and lease income from renting out property to GMG Generalmietgesellschaft mbH, Bonn, income from the billing of services provided centrally to subsidiaries (cross charging), income from the transfer of research, development, provisioning and operating costs to Telekom Deutschland, income from the transfer of licensing fees, income from the billing of IT services and income from the billing of administration costs including to Deutsche Telekom Accounting GmbH, Bonn, and the service companies.

**Income from derivatives** related to exchange rate effects from currency derivatives.

**Foreign currency transaction gains** of EUR 532 million resulted mainly from exchange rate effects realized upon the maturity of loans granted/taken out.

**Income from other services** in the reporting year was mainly generated in connection with Deutsche Telekom's service offering for its subsidiaries, including services provided by HR Services Telekom, health management, the legal service, and the occupational safety service, as well as commissions.

**Income from the reversal of accruals** in the reporting year related mainly to the reversal of accruals for litigation costs amounting to EUR 57 million (2010: EUR 2 million), accruals for other obligations amounting to EUR 50 million (2010: EUR 0 million), accruals for employee expenses amounting to EUR 23 million (2010: EUR 28 million), accruals for loss contingencies amounting to EUR 23 million (2010: EUR 17 million) and accruals for outstanding invoices amounting to EUR 21 million (2010: EUR 37 million).

**Other income** amounting to EUR 3.8 billion resulted mainly from the compensation paid or granted by AT&T Inc., Dallas, to Deutsche Telekom in connection with the non-completion of the sale of T-Mobile USA Inc., Bellevue. Income was also included from the reassignment within the Group from the shares held in PTC, Polska Telefonia Cyfrowa S.A.

Pursuant to § 277 (4) HGB, EUR 241 million (2010: EUR 157 million) of income relating to another period are included in other operating income in the reporting year, mainly attributable to income from the reversal of accruals, income from the disposal of noncurrent assets, and write-ups of noncurrent assets.

## 23 Goods and services purchased.

millions of €	2011	2010
<b>Goods purchased</b>		
Raw materials and supplies	1	2
Goods purchased	64	184
	<b>65</b>	<b>186</b>
<b>Services purchased</b>		
Interconnection rates (Germany)	24	5
Interconnection rates (international)	742	780
Other services	573	625
	<b>1,339</b>	<b>1,410</b>
	<b>1,404</b>	<b>1,596</b>

**Goods purchased** amounting to EUR 64 million in the reporting year consisted particularly of expenses for goods marketed via the T-Online Shop. Expenses for prepaid mobile communications cards of other network operators were also included in the 2010 financial year. EUR 97 million of the year-on-year decrease in goods purchased was attributable to the discontinuation of sales of the cash card product effective December 31, 2010.

The year-on-year decrease of EUR 38 million in **international interconnection rates** as an upstream service for the international wholesale services offered by the International Carrier Sales & Solutions unit to EUR 742 million was mainly attributable to the price decrease for services purchased.

**Other services** primarily include EUR 394 million of expenses for upstream services related to renting and leasing out property incurred under the rent-including-utilities model. Other services also included expenses related to upstream services for the Internet business areas Inform&Entertain (e.g., Musicload, Gamesload), advertising ("T-Online.de"), and expenses for upstream services related to energy and training. The latter declined EUR 49 million year-on-year as a result of the spin-off of the Telekom Training unit to Deutsche Telekom Training GmbH, Bonn, as of January 1, 2011.

## 24 Personnel costs/Average number of employees.

millions of €	2011	2010
<b>Wages and salaries</b>	<b>2,577</b>	<b>2,438</b>
<b>Social security contributions and expenses for pension plans and benefits</b>		
Expenses for pension plans for civil servants	620	684
Social security contributions	97	102
Support allowances	81	114
Expenses for pension plans for non-civil servants	23	56
	<b>821</b>	<b>956</b>
	<b>3,398</b>	<b>3,394</b>

**Personnel costs** increased by a total of EUR 4 million year-on-year as a result of an increase in wages and salaries of EUR 139 million, which was offset by a decline in social security contributions and expenses for pension plans and benefits of EUR 135 million.

The increase in **wages and salaries** was primarily the result of higher expenses for staff adjustment measures totaling EUR 754 million (2010: EUR 485 million), due almost exclusively to the use of early retirement arrangements for civil servants.

As part of the **civil servant pension plans**, Deutsche Telekom maintained a special pension fund up until the 2000 reporting year. By way of a notarized agreement dated December 7, 2000, this fund was merged with the special pension funds of Deutsche Post AG, Bonn, and Deutsche Postbank AG, Bonn, to form the joint pension fund Bundes-Pensions-Service für Post und Telekom-munikation e.V. (BPS-PT). On January 11, 2001, the fund was entered in the Register of Associations with retroactive effect from July 1, 2000. The registered office of BPS-PT is Bonn. BPS-PT works for the funds of all three companies and also handles the financial administration of the pension plan for the Federal Republic on a trust basis. It carries out all transactions for pension and allowance payments in respect of civil servants for Deutsche Post AG, Deutsche Postbank AG, and Deutsche Telekom. In accordance with the provisions of the German Posts and Telecommunications Reorganization Act (Postneuordnungsgesetz - PTNeuOG), BPS-PT makes pension and allowance payments to retired employees and their surviving dependents who are entitled to pension payments as a result of their civil-servant status.

Under PTNeuOG, the Federal Republic compensates the special pension fund for differences between the ongoing payment obligations of BPS-PT, amounts received from Deutsche Telekom AG, and returns on assets, and guarantees that BPS-PT is always in a position to fulfill the obligations it has assumed. The Federal Republic cannot demand reimbursement from Deutsche Telekom of any amounts it pays to BPS-PT in accordance with this provision.

The level of Deutsche Telekom's payment obligations to BPS-PT is stipulated in § 16 of the Act concerning the Legal Provisions for the Former Deutsche Bundespost Staff (Postpersonalrechtsgesetz - PostPersRG). Since 2000, Deutsche Telekom has been required by law to pay to BPS-PT an annual amount equal in each case to 33 percent of the active and notional gross compensation of eligible civil servants on leave of absence, which is recognized as an expense in the year in which it is paid. In the reporting year this amounted to EUR 610 million (2010: EUR 676 million). The year-on-year decline in costs was primarily due to the reduction in the number of active civil servants (departures as a result of reaching retirement age and take-up of early retirement options).

The decrease in expenses for **pension plans for non-civil servants** was due to the reduction in actuarial losses compared with the prior year.

The average number of employees (full-time equivalents) developed as follows:

FTEs	2011	2010
Civil servants	24,810	28,066
Non-civil servants	9,917	9,355
	<b>34,727</b>	<b>37,421</b>
Trainees and student interns	8,596	8,934

The decrease in the number of employees is mainly attributable to the use of early retirement arrangements for civil servants.



## 25 Depreciation, amortization and write-downs.

millions of €	2011	2010
<b>Depreciation and amortization</b>		
Amortization of intangible assets	77	88
Depreciation of property, plant and equipment	341	345
	<b>418</b>	<b>433</b>
<b>Write-downs</b>		
in accordance with § 253 (3) sentence 3 HGB	73	92
	<b>491</b>	<b>525</b>

EUR 72 million of the **amortization of intangible assets** related to the amortization of software licenses (2010: EUR 76 million).

EUR 225 million of the **depreciation of property, plant and equipment** related to buildings (2010: EUR 232 million).

In the reporting year, **write-downs** consisted almost entirely of write-downs of real estate to the lower of cost or market value, amounting to EUR 73 million (2010: EUR 89 million).

Write-downs on financial assets are recorded in net financial income/expense.

## 26 Other operating expenses.

millions of €	2011	2010
Rental and leasing expenses	1,087	1,101
Expenses arising from derivatives	970	651
Foreign currency transaction losses	655	1,354
Legal and consulting fees	361	348
Research and development	274	337
IT support	253	236
Marketing expenses	230	333
Additions to accruals for contingent losses	226	104
Other employee-related costs	202	252
Cleaning, transport, surveillance	150	132
Maintenance and repair	132	121
Reimbursements	92	117
Expenses arising from a collateral promise for pension and partial retirement obligations	55	142
Other expenses	534	853
	<b>5,221</b>	<b>6,081</b>

**Rental and leasing expenses** were incurred in particular under the rent-including-utilities model and mainly included the proportion of internal use by Deutsche Telekom.

The year-on-year increase of EUR 319 million in **expenses arising from derivatives** was primarily due to exchange rate effects from the measurement and management of currency derivatives.

**Foreign currency transaction losses** amounted to EUR 452 million and resulted mainly from exchange rate effects realized upon the maturity of loans granted/taken out.

**Legal and consulting fees** encompassed in particular expenses for technical and business consulting, expenses for legal counseling, and expenses for the preparation and audit of annual financial statements.

**Expenses for research and development** mainly comprised expenses for the development of software and expenses for university partnership programs.

**Expenses for IT support** related almost entirely to the provision of computing and network services.

**Marketing expenses** in the reporting year related in particular to expenses for sponsorship, trade fairs and conferences, as well as other agency fees.

The increase in **additions to accruals for contingent losses** was largely a result of losses expected from the exercise of a call option on the acquisition of shares in a real estate fund amounting to EUR 121 million.

**Other employee-related costs** of EUR 202 million included expenses of EUR 84 million arising from the allocation of administration costs payable to the Federal Agency as well as compensation payments of EUR 20 million related to the placement of civil servants with various federal authorities.

When the Deutsche Telekom service companies were established in 2007, the pension and partial retirement obligations relating to the employees affected by the transfer of operations were also transferred to the new companies. Deutsche Telekom assumed economic liability for the pension and partial retirement obligations by declaration of a collateral promise and performance obligation, and recognized an accrual for this purpose. Ongoing additions to these accruals amounted to an expense of EUR 55 million in the reporting year.

In the reporting year **other expenses** consisted in particular of expenses for risk provisioning relating to ongoing legal disputes, travel expenses, insurance policies, postal and freight charges, and temporary employment.

Pursuant to § 277 (4) HGB, EUR 20 million in expenses relating to another period were included in other operating expenses in the reporting year. This largely relates to expenses from the disposal of noncurrent assets, and to the write-off of receivables.

## 27 Financial income/expense, net.

millions of €	2011	2010
Income related to subsidiaries, associated and related companies of which: from subsidiaries € 218 million (2010: € 299 million)	219	300
Income from profit transfer agreements	6,583	8,078
Expenses arising from loss transfers	(3,853)	(1,498)
<b>Income/loss related to subsidiaries, associated and related companies</b>	<b>2,949</b>	<b>6,880</b>
Income from long-term loans from noncurrent financial assets of which: from subsidiaries € 296 million (2010: € 0 million)	296	-
Other interest and similar income of which: from subsidiaries € 298 million (2010: € 511 million) of which: from the discounting of accruals € 2 million (2010: € 2 million)	563	670
Interest and similar expenses of which: to subsidiaries € 1 billion (2010: € 1.6 billion) of which: from interest added back to accruals € 251 million (2010: € 195 million)	(1,956)	(1,830)
<b>Net interest expense</b>	<b>(1,097)</b>	<b>(1,160)</b>
<b>Write-downs of financial assets and marketable securities</b>	<b>(638)</b>	<b>(982)</b>
	<b>1,214</b>	<b>4,738</b>

**Income related to subsidiaries, associated, and related companies** mainly comprised dividends from Hrvatski Telekom d.d., Zagreb (EUR 128 million), Slovak Telekom a.s., Bratislava (EUR 66 million), and Hellenic Telecommunications Organization S.A. (OTE), Athens (EUR 17 million).

**Income from profit transfer agreements** recognized in the reporting year related primarily to the transfer of profits from Telekom Deutschland GmbH, Bonn (EUR 5.7 billion), DFMG Holding GmbH, Bonn (EUR 312 million), T-Mobile Global Holding Nr. 2 GmbH, Bonn (EUR 181 million), and MagyarCom Holding GmbH, Bonn (EUR 119 million).

**Expenses arising from loss transfers** primarily related to T-Mobile Global Zwischenholding GmbH, Bonn (EUR 3.3 billion), Vivento Customer Services GmbH, Bonn (EUR 183 million), T-Systems International GmbH, Frankfurt/Main (EUR 141 million) and Deutsche Telekom Accounting GmbH, Bonn (EUR 61 million).

Income from profit transfers and expenses arising from loss transfers were both influenced to a certain extent by special factors.

**Income from long-term loans from noncurrent financial assets and other interest and similar income from subsidiaries** largely related to interest from loans issued to Telekom Deutschland GmbH, Bonn.

**Interest expenses** to subsidiaries primarily resulted from loan relationships with Deutsche Telekom International Finance B.V., Amsterdam.

**Write-downs of financial assets** related mainly to the write-down of the investment in Hellenic Telecommunications Organization S.A. (OTE), Athens (EUR 511 million) and in T-Mobile Global Zwischenholding GmbH, Bonn (EUR 109 million).

## 28 Extraordinary income/expense.

millions of €	2011	2010
Extraordinary income from foreign currency measurement	-	4
Extraordinary expense from measurement of accruals	(19)	(18)
Other extraordinary expenses	-	(10)
	<b>(19)</b>	<b>(24)</b>

**Extraordinary expenses** in the reporting year were a result of the adjustment of the measurement of pension accruals in line with BilMoG. The Company exercises the option to spread the addition pursuant to Art 67 (1) sentence 1 EGHGB such that the annual addition equals exactly one 15th of the total amount being added.

## 29 Taxes.

millions of €	2011	2010
Income taxes	(378)	463
Other taxes	(21)	(20)
	<b>(399)</b>	<b>443</b>

The majority of **income taxes** related to current taxes in the financial year, which were payable despite loss carryforwards as a result of minimum taxation.

Reported income tax expense included income of EUR 21 million relating to previous years which is attributable to other reporting periods pursuant to § 277 (4) HGB.

**Other taxes** mainly comprised real estate tax expenses.

## 30 Reconciliation of income after taxes to unappropriated net income.

**Income after taxes** generated in the 2011 financial year amounted to EUR 1,648 million. Together with unappropriated net income from 2010 of EUR 3,008 million after dividend payments (net profit from the prior year of EUR 6,018 million less dividend payments totaling EUR 3,010 million), **unappropriated net income** totaled EUR 4,656 million.

# Other disclosures.

## 31 Guarantees and commitments and transactions not included in the balance sheet in accordance with § 285 No. 3 HGB, and reasons underlying the evaluation of the risk of utilization of guarantees and commitments in accordance with § 285 No. 27 HGB.

millions of €	Dec. 31, 2011	Dec. 31, 2010
Liabilities from guarantees	680	780
Liabilities arising from warranty agreements of which: to subsidiaries € 0 million (Dec. 31, 2010: € 0 million)	20,369	27,044
	<b>21,049</b>	<b>27,824</b>

**Guarantees** include litigation and security deposit guarantees, and warranties. Liabilities arising from warranty agreements relate to third parties and in some cases were incurred for subsidiaries.

**Liabilities** arising from warranty agreements include guarantees and comfort letters, and relate predominantly to Deutsche Telekom International Finance B.V. (DT IF), Amsterdam (EUR 15.4 billion), Telekom Deutschland GmbH, Bonn (EUR 1.1 billion), Everything Everywhere Ltd., Hatfield (EUR 1.1 billion) and T-Systems International GmbH, Frankfurt/Main (EUR 415 million). Guarantees in particular relate to loan collateral guarantees. Deutsche Telekom guarantees the liabilities of DT IF to external third parties – mostly originating from bonds and medium-term notes. In cases where the funds are not passed on to Deutsche Telekom and therefore recognized as a liability, an obligation arising from warranty agreements has to be recorded.

Deutsche Telekom acquired a bond issued by Everything Everywhere Ltd., Hatfield, for a nominal amount of EUR 224 million. Deutsche Telekom is obliged to continue putting the full amount, which is due on November 16, 2012, at the joint venture's disposal until the end of March 2013 and grant follow-up financing at normal market conditions, possibly in the form of a guarantee. The nominal amount of EUR 224 million is the maximum default risk associated with this commitment.

Deutsche Telekom signed a framework purchasing agreement with STRABAG Property and Facility Services GmbH, Münster, in 2008. Deutsche Telekom was thus able to establish a long-term contractual relationship with a highly specialized service provider for real estate management and maintenance of technical installations. Under the terms of this agreement, Deutsche Telekom guarantees to purchase from STRABAG PFS services to be used either by Deutsche Telekom directly or by its domestic subsidiaries until the end of 2018. Deutsche Telekom took over the risk of an unconditional payment obligation if the equivalent value of the services ordered falls short of the equivalent value of the agreed minimum purchase quantity. In this case, Deutsche Telekom may assert claims against its domestic subsidiaries, to the extent they are responsible for this shortfall. The equivalent value of the agreed minimum purchase quantity of EUR 1.9 billion is reported under liabilities arising from warranty agreements.

In the arbitration proceedings between the principle members of the Toll Collect consortium (Daimler Financial Services AG, Berlin, Deutsche Telekom, and the consortium company Toll Collect GbR, Berlin) on the one hand and the Federal Republic of Germany on the other regarding disputes relating to the truck toll collection system, Deutsche Telekom received the Federal Republic's statement of claim on August 2, 2005. In the statement of claim, the Federal Republic claimed to have lost toll revenues of approximately EUR 3.5 billion plus interest owing to a delay in the commencement of operations. The total claim for contractual penalties amounted to EUR 1.7 billion plus interest. The contractual penalty claims are based on alleged violations of the operator agreement (alleged lack of consent to subcontracting, allegedly delayed provision of on-board units and monitoring equipment). In a letter dated May 16, 2008, the Federal Republic recalculated its claim for damages for lost toll revenues and reduced it by EUR 169 million. The new claim is approximately EUR 3.3 billion plus interest. The main claims by the Federal Republic (including the contractual penalty claims) amount to around EUR 5.0 billion.

A first hearing took place in June 2008 during which the arbitration court discussed legal issues with the parties, yet this shed no light on the possible outcome of the case. Various witnesses and experts were heard at another hearing in December 2010. We expect the proceedings to continue in 2012.

**Bank loans guarantee.** Deutsche Telekom guarantees to third parties bank loans of up to a maximum amount of EUR 74 million granted to Toll Collect GmbH. These guarantees for bank loans will expire on May 31, 2012 and on June 15, 2012, respectively.

**Equity maintenance undertaking.** The consortium partners have the obligation, on a joint and several basis, to provide Toll Collect GmbH with additional equity in order to ensure a minimum equity ratio of 15 percent (in the single-entity financial statements prepared in accordance with German GAAP) (equity maintenance undertaking). This obligation ends when the operating agreement expires on August 31, 2015, or earlier if the operating agreement is terminated prematurely.

In June 2006, the Federal Republic of Germany began to partially offset its monthly advance payments for operating fees to Toll Collect GmbH of EUR 8 million against the contractual penalty claims that are already subject of the aforementioned arbitration proceedings. As a result, it may become necessary for the consortium members to provide Toll Collect GmbH with further liquidity.

The risks and obligations of Compagnie Financière et Industrielle des Autoroutes S.A., Sèvres Cedex (Cofiroute, which holds a 10-percent stake in Toll Collect) are limited to EUR 70 million. Deutsche Telekom and Daimler Financial Services AG, Berlin, have the obligation, on a joint and several basis, to indemnify Cofiroute against further claims.

Deutsche Telekom believes the claims of the Federal Republic of Germany are unfounded. Furthermore, the amount of a possible settlement attributable to the equity maintenance undertaking or the arbitration proceedings described, which may be material, cannot be estimated because of the aforementioned uncertainties.

Guarantees to the benefit of subsidiaries and contingent liabilities arising from warranty agreements entered into with third parties are not recognized as liabilities as the underlying obligation can be fulfilled by the Company's subsidiaries, meaning utilization is unlikely.

#### **Follow-up liability in accordance with § 133 UmwG.**

In accordance with § 133 UmwG, Deutsche Telekom is jointly and severally liable for the obligations of the T-Home business unit that was spun off with economic effect as of January 1, 2010. The joint and several liability applies to obligations that were established prior to the spin-off. It ends five years after the announcement of the entry of the spin-off in the commercial register – which occurred on March 30, 2010. The spin-off agreement specified that Deutsche Telekom and Telekom Deutschland release each other from any and all legally prescribed co-responsibility for obligations for which they are the principally liable party under the terms of the spin-off agreement.

#### **Transactions not included in the balance sheet.**

The aforementioned guarantees and commitments are among the transactions not included in the balance sheet.

## 32 Other financial obligations.

	Dec. 31, 2011			Dec. 31, 2010		
	Total	of which due		Total	of which due	
		in the following financial year	from the second financial year after the balance sheet date		in the following financial year	from the second financial year after the balance sheet date
millions of €						
Present value of payments to BPS-PT	5,308	600	4,708	5,831	660	5,171
Obligations under rental and lease agreements of which: to subsidiaries € 9.2 billion (Dec. 31, 2010: € 9.2 billion)	9,438	1,598	7,840	9,429	1,585	7,844
Purchase commitments arising from future expenditure and investments of which: to subsidiaries € 171 million (Dec. 31, 2010: € 192 million)	540	483	57	512	422	90
Commitments arising from unpaid contributions and from pending transactions of which: to subsidiaries € 1.5 billion (Dec. 31, 2010: € 1.3 billion)	1,956	558	1,398	1,274	511	763
	<b>17,242</b>	<b>3,239</b>	<b>14,003</b>	<b>17,046</b>	<b>3,178</b>	<b>13,868</b>

The **present value** of payments that Deutsche Telekom is required to make in accordance with PTNeuOG to BPS-PT on the basis of the 2005 G tables published by Prof. Klaus Heubeck amounted to EUR 5.3 billion as of December 31, 2011. The year-on-year decrease is attributable to the reduction in the number of active civil servants, in particular as a result of early retirement.

**Obligations under rental and lease agreements** include obligations to subsidiaries in the amount of EUR 9.2 billion consisting of EUR 9.1 billion to GMG Generalmietgesellschaft mbH, Bonn, EUR 144 million to DeTeFleetServices GmbH, Bonn, and EUR 3 million to T-Systems International GmbH, Frankfurt/Main.

**Purchase commitments** arising from future expenditure and investments were largely composed of commitments for non-capital amounting to EUR 484 million.

**Unpaid and uncalled contributions** related in particular to Vivento Customer Services GmbH, Bonn (EUR 96 million), T-Mobile Venture Fund II GmbH & Co. KG, Bonn (EUR 69 million), Vivento Technical Services GmbH, Bonn (EUR 31 million), T-Online Venture Fund GmbH & Co. KG, Bonn (EUR 28 million), T-Com Venture Fund GmbH & Co. KG, Bonn (EUR 25 million), T-Mobile Venture Fund GmbH & Co. KG, Bonn (EUR 16 million), and T-Corporate Venture Fund GmbH & Co. KG, Bonn (EUR 15 million).

**Commitments arising from pending transactions** related in particular to commitments arising from transactions with Vivento Customer Services GmbH, Bonn (EUR 622 million), P&I Holding GmbH, Darmstadt (EUR 328 million), GMG Generalmietgesellschaft mbH, Bonn (EUR 189 million), Deutsche Telekom Accounting GmbH, Bonn (EUR 81 million), and Deutsche Telekom Venture Funds GmbH, Bonn (EUR 63 million).

Deutsche Telekom sold 11 items of real estate to Sireo Immobilienfonds No. 1 GmbH & Co. KG, Frankfurt/Main (referred to in the following as Sireo) in 2002 to strategically optimize its real estate portfolio. Sireo Immobilienfond's shareholders were granted put options for their shares in the company. In return, Deutsche Telekom received call options on the shares in Sireo Immobilienfonds, one of which it exercised via a declaration of acceptance on November 15, 2011 in order to acquire the majority of shares. The acquisition takes effect as of January 1, 2013 and involves a payment obligation of EUR 386 million which, as a pending transaction, has not yet been recognized as a liability. In addition, as of the reporting date the shareholder of Sireo Immobilienfonds had one remaining put option on the residual shares which entails a risk for Deutsche Telekom of a possible further payment obligation of EUR 27 million.

Deutsche Telekom is a party to a number of lawsuits and other proceedings and issues arising from the general conduct of its business. Fees for legal counseling and forecasted costs in connection with a negative outcome of proceedings were included in the accruals for litigation risks and/or in miscellaneous other operating expenses.

### 33 Derivative financial instruments.

Hedge transactions not included under valuation units as of the reporting date were as follows:

millions of €	Nominal amounts	Fair values
	Dec. 31, 2011	Dec. 31, 2011
Interest-related instruments		
Interest rate swaps	8,080	(149)
	<b>8,080</b>	<b>(149)</b>
Currency instruments		
Future exchange transactions	56	0
	<b>56</b>	<b>0</b>
Other instruments		
Copper derivatives	10	0
	<b>10</b>	<b>0</b>
	<b>8,146</b>	<b>(149)</b>

The fair values shown above were all determined using the discounted cash flow method, which uses the relevant market data as input parameters for calculation as of December 31, 2011.

Receivables, liabilities and accruals for derivatives were reported under the following balance sheet items:

millions of €	Dec. 31, 2011
Receivables from subsidiaries	252
Other assets	224
Payables to subsidiaries	(555)
Liabilities	(276)
Other accruals	(761)
	<b>(1,116)</b>

The Company uses derivatives for the purpose of hedging exposures to interest rate, currency and price risks that arise from its ongoing business operations. The top priority in all cases in which derivatives are used is to limit the risk of the underlyings. Derivative financial instruments may therefore only be used to eliminate risk exposures, and may never be used to enter into new risks for speculative reasons.

Derivatives are designed to offset changes in the fair values and interest payments of the financial assets and liabilities to which they are allocated. Such derivatives are reviewed regularly for their effectiveness as hedge instruments. Derivative financial instruments are subject to internal controls.

As a rule, the nominal amounts of the derivative financial instruments are merely the basis for determining the interest payment (nominal amounts only represent a receivable or liability in the case of interest rate and cross currency swaps). The nominal amounts are generally not material to the value of a derivative. In contrast, the main material influences on the market value of derivatives are interest rates, exchange rates and other conditions.

Interest rate swaps are entered into to transform the coupons on bonds, and the interest rates on loans, in accordance with a mix of fixed and floating rate interest instruments that is fixed once a year.

The Company uses foreign currency forward contracts and non-deliverable forwards (NDFs) to hedge exchange rates, and cross-currency and interest rate swaps to eliminate currency and, if relevant, interest rate risks, as well as risks related to financing.

Foreign currency forward contracts and hedged items are assigned to foreign currency hedge valuation units categorized by foreign currency type and marked to market as of the balance sheet date. Foreign currency forward contracts are valued at the forward exchange rate on the balance sheet date; cross-currency and interest rate swaps are recognized at the present value of future payments. Measurement gains and losses are netted valuation unit for valuation unit. An accrual for loss contingencies from pending transactions is established for each valuation unit for the amount of the excess loss. Net gains are not recognized.

The cross-currency and interest rate swaps are primarily used to transform the original currencies of bonds, drawings on medium-term notes, and loan notes into Deutsche Telekom's target currencies (EUR and USD). In addition, various cross-currency and interest rate swaps are used to hedge currency risks in the financing of subsidiaries.

Copper derivatives are used to hedge the price risk from the sale of recovered copper that is no longer required.

Hedging risk through units:

Type of hedged item	Type of hedged risk	Value of the hedged item (carrying amount, expected value) millions of €
Assets		
	Currency risk	337
Liabilities		
	Interest rate risk	(5,131)
	Interest rate / currency risk	(2,550)
	Currency risk	(5,457)
Highly probable forecasted transactions		
	Interest rate risk	(6,050)
	Currency risk	939
		<b>(17,912)</b>

The valuation units always took the form of micro hedges.

In all cases, the hedging relationships were extremely effective, as the main risk-determining parameters matched for the hedged item and hedge transaction.

The risks hedged with valuation units amounted to (averted need for accrual for contingent losses, deferred write-up of foreign currency liabilities, and deferred write-downs on foreign currency receivables):

millions of €	Dec. 31, 2011
Interest rate risk	420
Interest rate / currency risk	333
Currency risk	788
<b>Total hedged risks</b>	<b>1,541</b>

The offsetting changes in value and cash flows are expected to largely cancel each other out by October 31, 2032, in terms of both interest rate and currency hedges.

The effectiveness of the hedge relationships in terms of the hedged risk at the balance sheet date was determined using the critical terms match method. In the case of revolving hedges, effectiveness was measured using an analysis of changes in fair value based on spot price components (dollar offset method). In these cases, the ineffective portion of the change in value calculated in this way was recorded directly in the statement of income in line with the imparity principle.

The hedged items with interest rate exposure recognized under liabilities and amounting to EUR 5.1 billion break down into underlyings of EUR 1.7 billion for cash flow hedges and EUR 3.4 billion for fair value hedges.

Highly probable forecast transactions of EUR 6 billion relate to planned financing measures in 2012 and 2014. The values underlying the hedge were determined based on the Group's medium-term plan, hence their occurrence is highly probable. Additionally, currency hedging transactions were concluded for the planned transfer of FCC licenses to T-Mobile USA Inc., Bellevue, to hedge against fluctuations in the U.S. dollar exchange rate.



## 34 Exchange rates.

€	Annual average rate		Rate at the reporting date	
	2011	2010	Dec. 31, 2011	Dec. 31, 2010
100 Swiss francs (CHF)	81.10730	72.41340	82.17540	79.90000
100 Czech korunas (CZK)	4.06830	3.95536	3.87758	3.98728
1 Pound sterling (GBP)	1.15203	1.16553	1.19583	1.15979
100 Hong Kong dollars (HKD)	9.22376	9.70505	9.94384	9.61029
100 Croatian kuna (HRK)	13.44360	13.72000	13.28090	13.54730
100 Hungarian forints (HUF)	0.35810	0.36302	0.31888	0.36000
100 Japanese yen (JPY)	0.90077	0.85989	0.99837	0.91882
100 Polish zlotys (PLN)	24.27060	25.03330	22.39550	25.25810
100 Singapore dollars (SGD)	57.16410	55.35540	59.44490	58.27070
1 U.S. dollar (USD)	0.71801	0.75398	0.77246	0.74698

## 35 Auditor's fees and services.

The total fees charged by the external auditor for the financial year as defined in § 285 No. 17 HGB are detailed in the relevant note in the consolidated financial statements.

## 36 Members of the Board of Management of Deutsche Telekom AG in 2011 including seats on the supervisory boards of other companies.

### René Obermann.

Chairman of the Board of Management since November 13, 2006

- E.ON AG, Düsseldorf (since 5/2011)

#### Member of the supervisory boards of the following subsidiaries, associated and related companies:

- T-Mobile USA Inc., Bellevue, United States, (since 1/2003), Chairman of the Board of Directors (since 12/2006)
- T-Systems International GmbH, Frankfurt/Main, Chairman of the Supervisory Board (since 12/2006)

### Dr. Manfred Balz.

Board member responsible for Data Privacy, Legal Affairs and Compliance since October 22, 2008

- Arcandor AG (insolvent), Essen (since 4/2009)

### Reinhard Clemens.

Board member responsible for T-Systems since December 1, 2007

– no other seats –

### Niek Jan van Damme.

Board member responsible for Germany since July 1, 2009

Acting Board member responsible for Europe from April 1, 2010 to September 30, 2011

#### Member of the supervisory boards of the following subsidiaries, associated and related companies:

- Deutsche Telekom Kundenservice GmbH, Bonn (since 8/2009)
- Deutsche Telekom Technischer Service GmbH, Bonn (since 9/2009), Chairman of the Supervisory Board (since 12/2009)
- Telekom Shop Vertriebsgesellschaft mbH, Bonn (since 8/2009), Chairman of the Supervisory Board (since 9/2009)

### Timotheus Höttges.

Board member responsible for Finance since March 1, 2009

- FC Bayern München AG, Munich (since 2/2010)

#### Member of the supervisory boards of the following subsidiaries, associated and related companies:

- Everything Everywhere Limited, Hatfield, United Kingdom, Chairman of the Board of Directors (since 4/2010)
- HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE S.A.), Maroussi, Athens, Greece (since 12/2011)
- Telekom Deutschland GmbH, Bonn (since 4/2005), Chairman of the Supervisory Board (since 7/2009)

### Claudia Nemat.

Board member responsible for Europe since October 1, 2011

#### Member of the supervisory boards of the following subsidiaries, associated and related companies:

- Everything Everywhere Limited, Hatfield, United Kingdom (since 10/2011)
- HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE S.A.), Maroussi, Athens, Greece (since 10/2011)

### Thomas Sattelberger.

Board member responsible for Human Resources from May 3, 2007 to May 2, 2012

#### Member of the supervisory boards of the following subsidiaries, associated and related companies:

- Telekom Deutschland GmbH, Bonn (since 7/2009)
- T-Systems International GmbH, Frankfurt/Main (since 6/2007)

#### Board members who left during 2011:

##### Guido Kerkhoff.

Board member responsible for Europe from April 1, 2010 to March 31, 2011

##### Member of the supervisory boards of the following subsidiaries, associated and related companies:

- HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE S.A.), Maroussi, Athens, Greece (from 3/2009 to 3/2011)
- Hrvatski Telekom d.d., Zagreb, Croatia, Chairman of the Supervisory Board (from 4/2009 to 3/2011)
- Magyar Telekom Nyrt., Budapest, Hungary, Board of Directors (from 4/2009 to 3/2011)
- PTC, Polska Telefonia Cyfrowa S.A., Warsaw, Poland (from 7/2010 to 3/2011)
- T-Mobile Austria GmbH, Vienna, Austria, Chairman of the Supervisory Board (from 4/2010 to 3/2011)
- T-Mobile Austria Holding GmbH, Vienna, Austria, Chairman of the Supervisory Board (from 4/2010 to 3/2011)
- Everything Everywhere Limited, Hatfield, United Kingdom, Board of Directors (from 7/2010 to 3/2011)

##### Edward R. Kozel.

Board member responsible for Technology and Innovation from May 3, 2010 to December 31, 2011

##### Member of the supervisory boards of the following subsidiaries, associated and related companies:

- BUYIN SA, Brussels, Belgium, Member of the Board of Directors (from 10/2011 to 1/2012)
- ChooChee Inc., Mountain View, California, United States, Member of the Board of Directors (from 9/2010 to 1/2012)
- Deutsche Telekom Venture Funds GmbH, Bonn (since 6/2010), Chairman of the Supervisory Board (since 9/2010)
- T-Venture Holding GmbH, Bonn (since 6/2010), Chairman of the Supervisory Board (since 9/2010)

## 37 Members of the Supervisory Board of Deutsche Telekom AG in 2011 including seats on the supervisory boards of other companies.

##### Prof. Dr. Ulrich Lehner.

Member of the Supervisory Board since April 17, 2008

Chairman of the Supervisory Board since April 25, 2008

Member of the Shareholders' Committee of Henkel AG & Co. KGaA, Düsseldorf

- Porsche Automobil Holding SE, Stuttgart (since 11/2007)
- E.ON AG, Düsseldorf (since 4/2003)
- Henkel Management AG, Düsseldorf (since 2/2008)
- HSBC Trinkaus & Burkhardt AG, Düsseldorf (from 6/2004 to 6/2011)
- ThyssenKrupp AG, Düsseldorf (since 1/2008)

##### Member of comparable supervisory bodies of companies in Germany or abroad:

- Dr. August Oetker KG, Bielefeld, Member of the Advisory Board (since 3/2000)
- Novartis AG, Basle, Switzerland, Member of the Board of Directors (since 3/2002)

##### Lothar Schröder.

Member of the Supervisory Board since June 22, 2006

Deputy Chairman of the Supervisory Board since June 29, 2006

Member of the ver.di National Executive Board, Berlin

- Telekom Deutschland GmbH, Bonn (since 8/2003), Deputy Chairman of the Supervisory Board (since 9/2003)
- Vereinigte Postversicherung VVaG, Stuttgart (since 6/2011)

##### Hermann Josef Becker.

Member of the Supervisory Board since January 1, 2008

Member of the management of Deutsche Telekom Direct Sales and Consulting and Chairman of the Group Executive Staff Representation Committee and Executive Staff Representation Committee at Deutsche Telekom AG, Bonn

– no other seats –

##### Dr. Wulf H. Bernotat.

Member of the Supervisory Board since January 1, 2010

Former Chairman of the Board of Management of E.ON AG, Düsseldorf

- Allianz SE, Munich (since 4/2003)
- Bertelsmann AG, Gütersloh (since 5/2006)
- Metro AG, Düsseldorf (since 5/2003)

### **Dr. Hans Bernhard Beus.**

Member of the Supervisory Board since December 15, 2011

State Secretary, Federal Ministry of Finance, Berlin

- Deutsche Bahn AG, Berlin (since 3/2010)
- Deutsche Bahn Mobility Logistics AG, Berlin (since 3/2010)
- KfW IPEX-Bank GmbH, Frankfurt/Main (since 3/2010)

#### **Member of comparable supervisory bodies of companies in Germany or abroad:**

- Institute for Federal Real Estate, Bonn, agency under public law (not a commercial enterprise within the meaning of § 100 (2), Sentence 1, no. 1 AktG (German Stock Corporation Act)), Chairman of the Board of Governors (purely advisory body) (since 5/2011)

### **Monika Brandl.**

Member of the Supervisory Board since November 6, 2002

Chairwoman of the Central Works Council at Deutsche Telekom AG, Bonn

– no other seats –

### **Hans Martin Bury.**

Member of the Supervisory Board since May 15, 2008

Managing Partner, HERING SCHUPPENER Consulting

Corporate Affairs & Public Strategies GmbH, Düsseldorf

– no other seats –

### **Dr. Hubertus von Grünberg.**

Member of the Supervisory Board since May 25, 2000

Chairman of the Board of Directors of ABB Ltd., Zurich, Switzerland

- Allianz Versicherungs-AG, Munich (since 5/1998)

#### **Member of comparable supervisory bodies of companies in Germany or abroad:**

- ABB Ltd., Zurich, Switzerland, Chairman of the Board of Directors (since 5/2007)
- Schindler Holding AG, Hergiswil, Switzerland, Board of Directors (since 5/1999)
- Sapinda Holding B.V., Netherlands, Chairman of the Advisory Board (since 2/2011)

### **Lawrence H. Guffey.**

Member of the Supervisory Board since June 1, 2006

Senior Managing Director, The Blackstone Group International Partners Ltd., London, United Kingdom

#### **Member of comparable supervisory bodies of companies in Germany or abroad:**

- Axtel S.A.B. de C.V., San Pedro Garza Garcia, Mexico, Member of the Consejo de Administración (Board of Directors) (since 4/2000)
- The Paris Review Foundation Inc., New York, United States, Member of the Board of Directors (since 7/2006)
- TDC A/S, Copenhagen, Denmark, Member of the Bestyrelsen (Board of Directors) (since 2/2006)

### **Sylvia Hauke (née Kühnast).**

Member of the Supervisory Board since May 3, 2007

Member of the Central Works Council's executive committee at Telekom Deutschland GmbH, Hanover

- Telekom Deutschland GmbH, Bonn (since 1/2011)

### **Ulrich Hocker.**

Member of the Supervisory Board since October 14, 2006

President of Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW), Düsseldorf, since November 21, 2011

Manager in Chief, Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW), Düsseldorf until November 20, 2011

- E.ON AG, Düsseldorf (since 6/2000)
- Feri Finance AG, Bad Homburg (since 12/2001), Deputy Chairman of the Supervisory Board (since 12/2005)
- Gildemeister AG, Bielefeld (since 5/2010)

#### **Member of comparable supervisory bodies of companies in Germany or abroad:**

- Gartmore SICAV, Luxembourg, Luxembourg (from 5/2005 to 6/2011)
- Phoenix Mecano AG, Stein am Rhein, Switzerland (since 8/1988), President of the Administrative Board (since 7/2003)

### **Lothar Holzwarth.**

Member of the Supervisory Board since November 6, 2002

Chairman of the Central Works Council at Telekom Deutschland GmbH, Bonn (since 6/2010)

- PSD Bank RheinNeckarSaar eG (since 1/1996), Deputy Chairman of the Supervisory Board (since 6/2008)
- Telekom Deutschland GmbH, Bonn (since 3/2010)

**Hans-Jürgen Kallmeier.**

Member of the Supervisory Board since October 15, 2008

Chairman of the Central Works Council, T-Systems International GmbH, Frankfurt/Main

- T-Systems International GmbH, Frankfurt/Main (since 12/2010)

**Waltraud Litzenberger.**

Member of the Supervisory Board since June 1, 1999

Chairwoman of the Group Works Council and the European Works Council at Deutsche Telekom AG, Bonn

– no other seats –

**Michael Löffler.**

Member of the Supervisory Board since January 1, 1995

Member of the Works Council at Deutsche Telekom Netzproduktion GmbH, Bonn, Technical Infrastructure Branch Office, Central/Eastern District

– no other seats –

**Prof. h.c. (CHN), Dr.-Ing. E. h. Dr. Ulrich Middelmann.**

Member of the Supervisory Board since January 1, 2010

Former Vice Chairman of the Executive Board, ThyssenKrupp AG, Duisburg and Essen

- Commerzbank AG, Frankfurt/Main (since 4/2006)
- LANXESS AG, Leverkusen (since 3/2005)
- LANXESS Deutschland GmbH, Leverkusen (since 3/2005)
- ThyssenKrupp Materials International GmbH<sup>1</sup>, Düsseldorf (from 10/2009 to 12/2011)
- ThyssenKrupp Steel Europe AG<sup>1</sup>, Duisburg (from 9/1997 to 12/2011)

**Member of comparable supervisory bodies of companies in Germany or abroad:**

- Hoberg & Driesch GmbH, Düsseldorf (since 2/2001), Chairman of the Advisory Board (since 5/2004)

**Dr. Ulrich Schröder.**

Member of the Supervisory Board since October 1, 2008

Chairman of the Board of Managing Directors of KfW, Frankfurt/Main

- DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH<sup>1</sup>, Cologne (since 10/2009)
- Deutsche Post AG, Bonn (since 9/2008)
- KfW IPEX-Bank GmbH<sup>1</sup>, Frankfurt/Main (from 10/2009 to 3/2011)
- 2020 European Fund for Energy, Climate Change and Infrastructure (Fonds Marguerite), Luxembourg, Luxembourg (since 11/2009)

**Michael Sommer.**

Member of the Supervisory Board since April 15, 2000

Chairman of the German Confederation of Trade Unions (DGB), Berlin

**Member of comparable supervisory bodies of companies in Germany or abroad:**

- KfW, Frankfurt/Main, Board of Supervisory Directors (since 1/2003)

**Sibylle Spoo.**

Member of the Supervisory Board since May 4, 2010

Lawyer, Trade Union Secretary at the ver.di Federal Administration, Berlin

– no other seats –

**Dr. h.c. Bernhard Walter.**

Member of the Supervisory Board since May 27, 1999

Former Chairman of the Board of Managing Directors, Dresdner Bank AG, Frankfurt/Main

- Bilfinger Berger SE, Mannheim (since 7/1998), Chairman of the Supervisory Board (since 5/2006)
- Daimler AG, Stuttgart (since 5/1998)
- Henkel AG & Co. KGaA, Düsseldorf (since 5/1998)

**The following individuals resigned from the Supervisory Board in 2011:**

**Jörg Asmussen.**

Member of the Supervisory Board from July 1, 2008 to December 14, 2011

State Secretary, Federal Ministry of Finance, Berlin

- Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) (formerly Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ)), Frankfurt/Main (from 9/2008 to 12/2011)

<sup>1</sup> Supervisory board seats in companies that are part of the same group, as defined in § 100 (2), Sentence 2 AktG (German Stock Corporation Act).

## 38 Compensation of the Board of Management and the Supervisory Board.

### Compensation of the Board of Management.

The following information concerning the compensation of the Board of Management comprises the notes pursuant to the German Commercial Code (§ 285 HGB), the German Accounting Standard No. 17 (GAS-17), as well as the information specified in the guidelines set out in the German Corporate Governance Code.

### Changes in the composition of the Board of Management and contract extensions.

On February 23, 2011, the Supervisory Board agreed to Guido Kerkhoff's request to resign from the Board of Management effective midnight on March 31, 2011.

At its meeting on July 4, 2011, the Supervisory Board appointed Claudia Nemat as a new member of Deutsche Telekom's Board of Management for five years effective October 1, 2011. She is responsible for the Europe Board department. At the same meeting, the Supervisory Board appointed Prof. Marion Schick as a new member of Deutsche Telekom's Board of Management, responsible for Human Resources, effective May 3, 2012.

Edward R. Kozel asked the Supervisory Board to release him from his duties as Board member with effect from midnight on December 31, 2011. The Supervisory Board agreed to this request at its meeting on December 15, 2011. The contract of Reinhard Clemens was extended for five years at the same meeting.

Composition of the Board of Management as of December 31, 2011.

Members of the Board of Management	Department
René Obermann	Chairman of the Board of Management (CEO) / USA
Dr. Manfred Balz	Data Privacy, Legal Affairs and Compliance
Reinhard Clemens	T-Systems
Niek Jan van Damme	Germany
Timotheus Höttges	Finance (CFO)
Edward R. Kozel (until December 31, 2011)	Technology and Innovation
Claudia Nemat	Europe
Thomas Sattelberger	Human Resources

### Change in Board of Management compensation.

On February 24, 2010, the Supervisory Board resolved on a new system for the compensation of the Board of Management members, taking into account the provisions specified in the German Act on the Appropriateness of Management Board Remuneration (Gesetz zur Angemessenheit der Vorstandsvergütung – VorstAG) that has been in effect since August 5, 2009. The shareholders' meeting of Deutsche Telekom on May 3, 2010 approved this new system. Pursuant to the VorstAG explanatory memorandum (document 16/13433), the contracts of the Board of Management members that were in existence before the Act entered into force enjoy vested rights protection. These Board of Management members nevertheless have the option of voluntarily changing over to the new compensation system. At December 31, 2011, Board of Management members René Obermann, Reinhard Clemens, Niek Jan van Damme, Timotheus Höttges, Claudia Nemat, and Edward R. Kozel had changed over to the new system while the other members remained with the old system, the vast majority of whose provisions have already been brought in line with the requirements of VorstAG. The new and old systems are explained below.

### Basis of Board of Management compensation.

The compensation of Board of Management members is comprised of various components. Under the terms of their service contracts, members of the Board of Management are entitled to an annual fixed remuneration and annual variable performance-based remuneration, a long-term variable remuneration component, as well as fringe benefits and deferred benefits based on a company pension entitlement. The Supervisory Board defines the structure of the compensation system for the Board of Management and reviews this structure and the appropriateness of compensation at regular intervals.

The fixed annual remuneration is determined for all Board of Management members based on market conditions in accordance with the requirements of stock corporation law. It is ensured that Board of Management compensation is oriented toward the sustained development of the Company and that there is a multi-year measurement base in the new system for the variable components.

At its discretion and after due consideration, the Supervisory Board may also reward extraordinary performance by individual or all Board of Management members in the form of a special bonus.

In accordance with market-oriented and corporate standards, the Company grants all members of the Board of Management additional benefits under the terms of their service contracts, some of which are viewed as non-cash benefits and taxed accordingly. This mainly includes being furnished with a company car and accident and liability insurance and reimbursements in connection with maintaining a second household.

Sideline employment generally requires prior approval. Generally, no additional compensation is paid for being a member of the management or supervisory board of other Group entities.

In the event of temporary incapacity for work caused by illness, accident or any other reason for which the respective Board of Management member is not responsible, the fixed basic remuneration continues to be paid for a maximum of three months following the end of the month in which the Board of Management member's permanent inability to work is established.

#### Variable performance-based remuneration (old system).

The annual short-term variable performance-based remuneration of Board of Management members is based on the achievement of targets set by the Supervisory Board of Deutsche Telekom for each member of the Board of Management prior to commencement of the financial year. The set of targets is composed of corporate targets and personal targets for the individual members of the Board of Management, based on the parameters revenue, EBITDA adjusted for special factors, and free cash flow. The level of target achievement is determined by the Supervisory Board for the respective financial year.

Members of the Board of Management participating in the old plan also participate in the Deutsche Telekom mid-term incentive plan (MTIP) first introduced in the 2004 financial year (please refer to the information on the MTIP under Note 13).

#### Incentive-based compensation from the MTIP.

€ <sup>1</sup>	2011 MTIP Award amount	2011 MTIP Fair value at grant date	Total expense for share-based payments in 2011	2010 MTIP Award amount	Total expense for share-based payments in 2010 <sup>2</sup>
René Obermann	0	0	0	0	181,341
Dr. Manfred Balz	330,000	10,190	85,581	330,000	61,375
Reinhard Clemens	0	0	0	0	101,551
Niek Jan van Damme	0	0	0	0	22,737
Timotheus Höttges	0	0	0	0	108,805
Guido Kerkhoff	0	0	0	0	46,776
Thomas Sattelberger	515,000	15,902	133,558	515,000	163,652
	<b>845,000</b>	<b>26,092</b>	<b>219,139</b>	<b>845,000</b>	<b>686,237</b>

<sup>1</sup> Fair value calculated using the so-called Monte Carlo model.

<sup>2</sup> Amounts relating to Board of Management members who left the Company in the course of 2010 are no longer included in the table.

#### Variable performance-based remuneration (new system).

The variable remuneration of the members of the Board of Management is divided into Variables I and II. Variable I contains both short-term and long-term components consisting of the realization of budget figures for specific performance indicators, the implementation of strategy and adherence to the Group's Guiding Principles. Variable II is oriented solely toward the long term. This ensures that the variable remuneration is oriented toward the sustained development of the Company and that there is a predominantly long-term incentive effect.

##### Variable I.

The annual variable remuneration of Board of Management members is based on the achievement of targets set by the Supervisory Board of Deutsche Telekom for each member of the Board of Management at the beginning of the financial year. The set of targets is composed of corporate targets (50 percent)

related to revenue, EBITDA adjusted for special factors and free cash flow, as well as personal targets for the individual members of the Board of Management. The personal targets consist of targets oriented toward the sustained success of the Company concerning the implementation of strategy (30 percent) and adherence to the Guiding Principles, which accounts for 20 percent. The agreement on targets and the level of target achievement for the respective financial year are determined by the plenary session of the Supervisory Board. Levels of target achievement exceeding 100 percent are rewarded on a straight-line basis, capped at 150 percent of the award amount. Any higher levels of target achievement will not be taken into consideration. To further ensure the long-term incentive effect and orientation toward the sustained development of the Company, a third of the annual variable remuneration set by the plenary session of the Supervisory Board must be invested in shares of Deutsche Telekom within a defined period of time; these shares must be held by the respective Board member for a period of at least four years. Deutsche Telekom will grant one additional share for every share acquired as part of this Board of Management member's aforementioned personal investment (share matching plan).

## Variable II.

The exclusively long-term-oriented Variable II is measured based on the fulfillment of four equally weighted performance parameters (adjusted operational return on capital employed (ROCE), adjusted earnings per share (EPS), customer satisfaction, and employee satisfaction). Each parameter determines a quarter of the award amount. Levels of target achievement exceeding 100 percent are rewarded on a straight-line basis, capped at 150 percent of the award amount. The assessment period is four years, with the assessment being based on average target achievement across the four years planned at the time the tranche was determined. The award amount is decoupled from other remuneration components and is set for each member of the Board of Management individually.

## Information on matching shares.

In the 2011 financial year, the Board of Management members who fall under the new Board of Management compensation system, as described above, were contractually obliged to invest a third of Variable I in shares of Deutsche Telekom AG. Deutsche Telekom will grant one additional share for every share acquired as part of the Board of Management's aforementioned personal investment (share matching plan) that will be allotted to the beneficiaries of this plan on expiration of the four-year lock-up period. This ensures that the shares granted by the Company can only be sold after the four-year period, and that this element of the compensation system rewards only the members' continued service to the Company. GAS 17 requires disclosure not only of the total expense related to share-based payment from matching shares in the 2011 financial year and the fair value of the matched shares at their grant date, but also of the number of entitlements to matching shares and their development in the financial year. The following table is based on expected target achievement for the 2011 financial year and thus on the estimated amount of the personal investment to be made by the respective Board of Management member to establish his or her entitlements to matching shares. The final number of entitlements to matching shares identified for the 2011 financial year may differ from the amounts estimated here.

	Number of entitlements granted to matching shares at the beginning of the financial year	Number of new entitlements to matching shares granted in 2011	Fair value of the matching shares at grant date €	Total share-based payment expense for matching shares 2011 €	Total share-based payment expense for matching shares 2010 €
René Obermann	86,567	43,223	315,958	202,898	78,372
Reinhard Clemens	44,134	22,476	164,298	105,101	40,937
Niek Jan van Damme	36,822	19,018	139,021	85,516	34,461
Timotheus Höttges	50,655	25,934	189,575	118,168	47,023
Guido Kerkhoff	18,601	0	0	(23,958)	23,958
Edward R. Kozel	22,693	0	0	(32,143)	32,143
Claudia Nemat	0	5,835	42,654	2,246	0

By December 31, 2011, Deutsche Telekom had acquired 232,169 shares for the purpose of awarding matching shares to Board of Management members as part of the share matching plan.

A total of 41,294 entitlements to matching shares were forfeited in the 2011 financial year as a result of Guido Kerkhoff's and Edward R. Kozel's departure from the Board of Management. In both cases, agreement was reached that these entitlements would forfeit without replacement or compensation.

### Arrangements in the event of termination of a position on the Board of Management.

Service contracts for members of the Board of Management concluded since the 2009 financial year or changed on account of a changeover to the new compensation system include a severance cap in case of premature termination without good cause allowing a compensation payment which, in line with

the recommendations of the German Corporate Governance Code, is limited to a maximum of two years' remuneration (severance cap) and may not exceed the remuneration due for the remaining term of the service contract.

The service contracts for members of the Board of Management at Deutsche Telekom do not include any benefits in the event of the termination of a position on the Board of Management as a result of a change of control.

Board of Management member service contracts generally stipulate a post-contractual prohibition of competition. Pursuant to these provisions, members of the Board of Management are prohibited from rendering services to or on behalf of a competitor for the duration of one year following their departure. As compensation for this restricted period, they receive either a payment of 50 percent of the last fixed annual remuneration and 50 percent of the most recent Variable I on the basis of 100-percent target achievement, or 100 percent of the last fixed annual remuneration.



### Company pension plan.

#### Company pension plan (existing entitlement).

The members of the Board of Management are entitled to a company pension. Benefits from the company pension plan are in direct relation to the beneficiary's annual salary. The Board of Management members receive company pension benefits based on a fixed percentage of their last fixed annual salary for each year of service rendered prior to their date of retirement. The pension payments may be in the form of a life-long retirement pension upon reaching the age of 62 or in the form of an early retirement pension upon reaching the age of 60. Opting for the early retirement pension scheme is connected with actuarial deductions, however. The company pension is calculated by multiplying a basic percentage rate of 5 percent (6 percent for René Obermann) by the number of years of service as a member of the Board of Management. After ten years of service, the maximum pension level of 50 percent (60 percent for René Obermann) of the last fixed annual remuneration will be attained.

The pension payments to be made increase dynamically, at a rate of 1 percent, 3 percent for René Obermann. In addition, the pension agreements include arrangements for pensions for surviving dependents in the form of entitlements for widows and orphans. In specifically provided exceptional cases, entitlement to a widow's pension is excluded. The standard criteria for eligibility in the pension arrangements are in line with market conditions. In the event of a permanent inability to work (invalidity), the respective period of service through the scheduled end of the current period of appointment serves as the basis for the period of service eligible for calculating the pension.

Changes in the pension accrual for each member of the Board of Management are shown in the following table:

€	Development of pension accruals for current members of the Board of Management			
	Additions to pension accruals 2011	Present value of the defined benefit obligation Dec. 31, 2011	Additions to pension accruals 2010	Present value of the defined benefit obligation Dec. 31, 2010
René Obermann	408,622	5,704,839	1,545,357	5,358,169
Dr. Manfred Balz	269,545	900,691	269,896	613,412
Reinhard Clemens	347,675	1,579,244	504,857	1,232,442
Niek Jan van Damme	274,023	739,836	232,886	465,141
Timotheus Höttges	236,814	1,538,348	551,297	1,307,754
Guido Kerkhoff	69,698	0 <sup>1</sup>	356,876	431,504
Edward R. Kozel	0	0	146,567	146,567
Claudia Nemat	49,131	49,131	0	0
Thomas Sattelberger	599,610	5,328,810	935,252	4,751,293

<sup>1</sup> Due to the fact that Guido Kerkhoff resigned from office in the course of the year, the corresponding present value as of December 31, 2011 is included in the disclosures on previous Board of Management members who left the Group.

An annual contribution of EUR 290,000 was credited to the pension accounts of Guido Kerkhoff and Niek Jan van Damme in accordance with the provisions of the new company pension plan; EUR 270,000 was credited to the account of Dr. Manfred Balz. Claudia Nemat and Edward R. Kozel each received an annual credit of EUR 250,000. The contributions for Claudia Nemat and Guido Kerkhoff for 2011 were defined pro rata temporis for the period of their office

In addition, the Company makes contributions, including the related taxes, for term life insurance with standard coverage (EUR 1.3 million) for one Board of Management member. The related expenses are included in the figures for non-cash benefits.

#### Company pension plan (new entitlement).

A defined contribution plan in the form of a one-time capital payment upon retirement is set up for all Board of Management members with a new entitlement to a company pension. A contribution is paid into the Board member's pension account for each year of service at an interest rate corresponding to market levels. Annual additions to the pension account have no effect on cash or cash equivalents. The cash outflow is only effective upon the Board member's retirement. As a rule, the date of retirement is the beneficiary's 62nd birthday. Board members can also opt to draw early retirement benefits from their 60th birthday, subject to corresponding actuarial deductions. The amount to be provided annually is individualized and decoupled from other remuneration components. The exact definition of the contribution is based on a comparison with peer companies which are suitable for benchmarking and also offer defined contribution plans.

In addition, the pension agreements include arrangements for pensions for surviving dependents in the form of entitlements for widows and orphans. In the event of a permanent inability to work (invalidity), the beneficiary is entitled to the pension fund.

as a member of the Board. The pension benefit rights of Edward R. Kozel were not yet vested at his date of resignation and were therefore forfeited without replacement or compensation.

The expensed additions to pension accruals for active members of the Board of Management amounted to EUR 2,255,118 (2010: EUR 4,542,988).

### Stock option plan.

Deutsche Telekom no longer issues any stock option plans. Several Board of Management members, however, still hold stock options from the 2002 tranche of the 2001 Stock Option Plan.

Timotheus Höttges and René Obermann continue to participate in the 2002 tranche as a result of their prior activities at T-Mobile. Dr. Manfred Balz still participates in the Stock Option Plan as a result of his employment relationship prior to being appointed to the Board of Management.

The stock options that have been granted can be exercised under the terms of the stock option plans. However, no options have yet been exercised.

The 2001 tranche of the 2001 Stock Option Plan expired in the 2011 financial year. The decrease in stock options in this tranche compared with the prior year exclusively results from the entitlements of the 2001 tranche that were forfeited.

### Incentive-based compensation from stock option plans.

		Options 2001 SOP 2001 tranche Number	Value of options on issue (2001) €	Options 2001 SOP 2002 tranche Number	Value of options on issue (2002) €	Weighted average exercise price of stock options €
René Obermann	2011	0		28,830	3.79	12.36
	2010	48,195	4.87	28,830	3.79	23.40
Dr. Manfred Balz	2011	0		17,360	3.79	12.36
	2010	32,130	4.87	17,360	3.79	23.81
Timotheus Höttges	2011	0		17,050	3.79	12.36
	2010	0		17,050	3.79	12.36
Guido Kerkhoff	2011	0		0		
	2010	0		4,650	3.79	12.36
	2011	0		63,240		
	2010	80,325		67,890		

Due to the expiry of the 2001 tranche in the 2011 financial year, no range of exercise prices can be specified, as only the 2002 tranche still exists. All Board of Management members participating in this tranche can exercise their options at an exercise price of EUR 12.36.

The average remaining term of the outstanding options for Board of Management members as of December 31, 2011 is 0.5 years.

According to the termination agreement signed with Guido Kerkhoff, his options from the 2001 tranche were revoked without replacement or compensation.

Please also refer to the explanations regarding stock option plans under Note 13.

### Board of Management compensation for the reporting year.

In reliance on legal requirements and other guidelines, a total of EUR 13.6 million (2010: EUR 14.4 million) is reported in the following table as total compensation for the 2011 financial year for the members of the Board of Management.

This compensation comprises the fixed annual remuneration for Board of Management members who have changed over to the new Board of Management compensation system, as well as other benefits, non-cash benefits and remuneration in kind, short-term variable remuneration (Variable I), and the fair value of the matching shares. This was calculated on the basis of the estimated amount of Variable I at the grant date and the resulting number of entitlements to matching shares.

For Board of Management members in the old compensation system, this compensation comprises the fixed annual remuneration, other benefits, non-cash benefits, remuneration in kind, the short-term variable remuneration for the 2011 financial year, and the fair value of the 2011 MTIP at the grant date.

All other remuneration is totally unrelated to performance.

**Total compensation.**

The compensation of the Board of Management is shown in detail in the following table.

€		Fixed annual remuneration	Other remuneration	Short-term variable remuneration	Long-term variable remuneration (fair value) <sup>1</sup>	Total
René Obermann	2011	1,450,000	28,683	1,471,250	315,958	<b>3,265,891</b>
	2010	1,350,000	35,790	1,346,250	628,943	3,360,983
Dr. Manfred Balz	2011	800,000	16,102	355,700	10,190	<b>1,181,992</b>
	2010	687,097	18,292	391,716	22,489	1,119,594
Reinhard Clemens	2011	840,000	26,800	628,550	164,298	<b>1,659,648</b>
	2010	795,000	25,064	665,000	328,255	1,813,319
Niek Jan van Damme	2011	700,000	20,125	527,450	139,021	<b>1,386,596</b>
	2010	570,000	24,502	542,080	276,523	1,413,105
Timotheus Höttges	2011	900,000	21,214	870,250	189,575	<b>1,981,039</b>
	2010	825,000	22,265	775,500	377,363	2,000,128
Guido Kerkhoff (until March 31, 2011)	2011	175,000	4,331	135,919	-	<b>315,250</b>
	2010	610,000	20,322	606,480	138,949	1,375,751
Edward R. Kozel (until December 31, 2011)	2011	900,000	81,856	641,925	-	<b>1,623,781</b>
	2010	595,161	43,960	420,623	225,115	1,284,859
Claudia Nemat (since October 1, 2011)	2011	225,000	10,900	166,219	42,654	<b>444,773</b>
	2010	-	-	-	-	-
Thomas Sattelberger	2011	800,000	4,762	941,417	15,902	<b>1,762,081</b>
	2010	800,000	4,582	908,417	35,097	1,748,096
	2011	<b>6,790,000</b>	<b>214,773</b>	<b>5,738,680</b>	<b>877,598</b>	<b>13,621,051</b>
	2010 <sup>2</sup>	<b>6,232,258</b>	<b>194,777</b>	<b>5,656,066</b>	<b>2,032,734</b>	<b>14,115,835</b>

<sup>1</sup> This column shows the fair value both of the matching shares and for participation in the 2011 MTIP.

<sup>2</sup> Remuneration relating to Board of Management members who left the Company in the course of 2010 are no longer included in the table.

Under the termination agreement concluded with Guido Kerkhoff effective March 31, 2011, all existing entitlements to stock options, the granting of matching shares and the outstanding tranches of Variable II were terminated without replacement or compensation. The same applies to the post-contractual prohibition of competition. The proportionate fixed basic remuneration and the proportionate other remuneration were paid for the period up to March 31, 2011. The proportionate entitlement to short-term variable remuneration based on average target achievement over the previous two financial years was determined for the same period. Pension benefit rights acquired by March 31, 2011 are vested and thus remain.

Edward R. Kozel resigned from the Board of Management at Deutsche Telekom effective midnight on December 31, 2011. The short-term variable performance-based remuneration (Variable I) to be paid out for the 2011 financial year is determined for the entire twelve months of 2011. Under the termination agreement concluded, all entitlements to the granting of matching shares and the outstanding tranches of long-term variable performance-based remuneration (Variable II) are forfeited without replacement or compensation. The same applies to the post-contractual prohibition of competition. Pension benefit rights acquired are not yet vested and are thus forfeited without compensation.

No member of the Board of Management received benefits or corresponding commitments from a third party for his activity as a Board of Management member during the past financial year.

### **Former members of the Board of Management.**

A total of EUR 5.0 million (2010: EUR 5.4 million) was recorded for payments to and entitlements for former members of the Board of Management and their surviving dependents.

Accruals totaling EUR 94.7 million (2010: EUR 90.3 million) were recognized for current pensions and vested rights to pensions for this group of persons and their surviving dependents. Pension accruals not shown in the balance sheet for this group of persons as a consequence of the transitional provisions of BilMoG amounted to EUR 8.4 million at the balance sheet date (2010: EUR 9.0 million).

Several former Board of Management members are entitled to a civil servant pension from the Civil Service Pension Fund (BPS-PT). In the reporting year, there was no expense incurred in this regard. The present value of the estimated pensions of these Board of Management members amounts to EUR 3.1 million as of December 31, 2011 (2010: EUR 2.7 million).

### **Other.**

The Company has not granted any advances or loans to current or former Board of Management members, nor were any other financial obligations to the benefit of this group of people entered into.

### **Compensation of the Supervisory Board.**

The compensation received by the members of the Supervisory Board is specified under § 13 of the Articles of Incorporation of Deutsche Telekom. Supervisory Board members receive fixed annual remuneration of EUR 40,000.00 plus variable, performance-related remuneration depending on the development of net income per share.

The performance-related annual remuneration with long-term incentive effect amounts to EUR 1,000.00 for every EUR 0.02 by which the net income per no par value share in the second financial year following the financial year in question (reference year) exceeds the net income per no par value share in the financial year preceding the financial year in question. The performance-related annual remuneration as a long-term incentive is limited to a maximum of EUR 40,000.00. The 2011 variable remuneration becomes due upon the end of the 2014 ordinary shareholders' meeting, provided the terms and conditions for the granting of such remuneration are met.

Since the terms and conditions for the payment of the performance-based variable remuneration were not met as of December 31, 2011, the 2009 performance-based remuneration was not paid out.

The chairperson of the Supervisory Board receives double, and the deputy chairperson one and a half times the remuneration of an ordinary member of the Supervisory Board. Total compensation also increases by 50 percent for each membership of a Supervisory Board committee (with the exception of the Mediation Committee and the Nomination Committee), by 100 percent for membership of the Audit Committee, and by a further 50 percent for each Supervisory Board committee chaired. Members of the Supervisory Board who were not in office for the entire financial year receive one twelfth of the remuneration for each month or part thereof that they held a seat. This applies both to fixed annual remuneration and to annual remuneration with a long-term incentive.

Members of the Supervisory Board receive an attendance fee amounting to EUR 1,000.00 for each meeting of the Supervisory Board or its committees that they have attended. The Company reimburses value-added tax payable on remuneration and expenses.

The total compensation of the members of the Supervisory Board in 2011 amounted to EUR 1,809,333.33 (plus VAT).

No loans were granted to the members of the Supervisory Board.

The compensation of the individual members of the Supervisory Board for 2011 is as follows:

Member of the Supervisory Board	Fixed remuneration incl. attendance fee €
Asmussen, Jörg (until December 14, 2011)	71,000.00
Becker, Hermann Josef	118,000.00
Dr. Bernotat, Wulf	72,000.00
Dr. Beus, Hans Bernhard (since December 15, 2011)	6,333.33
Brandl, Monika	70,000.00
Bury, Hans Martin	95,000.00
Dr. von Grünberg, Hubertus	83,000.00
Guffey, Lawrence H.	96,000.00
Hauke, Sylvia <sup>a</sup>	51,000.00
Hocker, Ulrich	62,000.00
Holzwarth, Lothar <sup>b</sup>	73,000.00
Kallmeier, Hans-Jürgen <sup>c</sup>	107,000.00
Prof. Dr. Lehner, Ulrich (Chairman)	175,000.00
Litzenberger, Waltraud	149,000.00
Löffler, Michael	51,000.00
Prof. Dr. Middelman, Ulrich	93,000.00
Schröder, Lothar (Deputy Chairman) <sup>d</sup>	157,000.00
Dr. Schröder, Ulrich	71,000.00
Sommer, Michael	45,000.00
Spoo, Sibylle	50,000.00
Dr. h.c. Walter, Bernhard	114,000.00
	<b>1,809,333.33</b>

<sup>a</sup> Sylvia Hauke received compensation of EUR 12,500.00 from Telekom Deutschland GmbH, Bonn, a wholly owned subsidiary of Deutsche Telekom, for the 2011 financial year for a mandate as member of the supervisory board of this company.

<sup>b</sup> Lothar Holzwarth received compensation of EUR 15,000.00 from Telekom Deutschland GmbH, Bonn, a wholly owned subsidiary of Deutsche Telekom, for the 2011 financial year for a mandate as member of the supervisory board of this company.

<sup>c</sup> Hans-Jürgen Kallmeier received compensation of EUR 10,000.00 from T-Systems International GmbH, Frankfurt/Main, a wholly owned subsidiary of Deutsche Telekom, for the 2011 financial year for a mandate as member of the supervisory board of this company.

<sup>d</sup> Lothar Schröder received compensation of EUR 20,000.00 from Telekom Deutschland GmbH, Bonn, a wholly owned subsidiary of Deutsche Telekom, for the 2011 financial year for a mandate as member of the supervisory board of this company.

### 39 Declaration of conformity with the German Corporate Governance Code in accordance with § 161 AktG.

In accordance with § 161 AktG, the Board of Management and the Supervisory Board of Deutsche Telekom have submitted the mandatory declaration of conformity and made it available to shareholders on Deutsche Telekom's website. The full text of the Declaration of Conformity can be found on the Deutsche Telekom website ([www.telekom.com](http://www.telekom.com)) under Investor Relations in the Corporate Governance section.

### 40 Proposal for the appropriation of net income.

The Board of Management of Deutsche Telekom proposes that a dividend of EUR 0.70 per no par value share carrying dividend rights be paid from the unappropriated net income amounting to EUR 4,656 million, and that the remaining balance be carried forward.

The final amount of the total dividend payment depends on the number of no par value shares carrying dividend rights as of the date of the resolution on the appropriation of net income as adopted on the day of the shareholders' meeting.

The valuation of the CTA assets for accruals for pensions and similar obligations at fair value resulted in a restriction on distribution in accordance with § 268 (8) sentence 3 HGB in the amount of EUR 6.2 million. As this is covered by the available additional paid-in capital, the net income can be distributed in full.

## 41 Statement of investment holdings in accordance with § 285 No.11 HGB.

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
<b>1. Subsidiaries</b>										
1.	3.T-Venture Beteiligungsgesellschaft mbH (3. TVB), Bonn	1.186.	100.00		25,000	EUR	6,557,066	79,212	EUR	e)
2.	Accumio Finance Services GmbH, Heidelberg	1.158.	100.00		2,001,000	EUR	9,696,656	-	EUR	a) e)
3.	Aesop Telekommunikationsdienste GmbH, Bonn	1.295.	100.00		25,000	EUR	26,857	(333)	EUR	
4.	Albania Mobile Communications Sh.A, Tirana	1.23.	14.76		813,821,916	ALL	59,909,067,235	6,249,509,274	LEK	b)
4.	Albania Mobile Communications Sh.A, Tirana	1.36.	85.00		813,821,916	ALL	59,909,067,235	6,249,509,274	LEK	b)
5.	Ariviakom (Proprietary) Limited, Midrand	1.278.	100.00		1,540,400	ZAR	21,562,000	2,288,000	EUR	e)
6.	Ariviakom Consulting (Proprietary) Limited, Midrand	1.5.	100.00		1	ZAR	(489,000)	(489,000)	EUR	e)
7.	Atrada Trading Network AG, Nuremberg			100.00	146,302	EUR	1,028,377	558,167	EUR	e)
8.	Atrada Trading Network Limited, Manchester	1.7.	100.00		1	GBP	1	-	GBP	
9.	AutoScout24 AS GmbH, Vienna	1.13.	100.00		35,000	EUR	232,400	190,720	EUR	e)
10.	AutoScout24 Belgium S.A., Brussels	1.13.	100.00		62,000	EUR	560,888	1,150,532	EUR	e)
11.	AutoScout24 España S.A., Madrid	1.13.	100.00		153,388	EUR	630,181	518,029	EUR	e)
12.	AutoScout24 France SAS, Trappes	1.13.	100.00		95,280	EUR	(242,431)	(2,338,463)	EUR	e)
13.	AutoScout24 GmbH, Munich	1.165.	100.00		1,269,950	EUR	48,168,716	-	EUR	a) e)
14.	AutoScout24 Italia S.R.L., Padua	1.13.	100.00		97,000	EUR	3,098,674	2,553,718	EUR	e)
15.	AutoScout24 Nederland B.V., Amsterdam	1.13.	100.00		36,400	EUR	1,445,304	822,392	EUR	e)
16.	AutoScout24 d.o.o., Zagreb	1.13.	75.00		40,000	HRK	-	-	HRK	e)
17.	BERCOS Gesellschaft für Kommunikationstechniken mbH, Bonn	1.59.	100.00		400,000	DEM	234,000	1,000	EUR	e)
18.	Budakalász KTV Kft., Budakalász	1.123.	100.00		70,000,000	HUF	71,640,000	22,043,000	HUF	e)
19.	CBS GmbH, Cologne	1.25.	100.00		838,710	EUR	18,054,711	-	EUR	a) e)
20.	CMobil B.V., Amsterdam	1.194.	100.00		30,403	EUR	753,473,051	189,791,729	EUR	b) e)
21.	COMBIS, usluge integracija informatickih tehnologija, d.o.o., Zagreb	1.103.	100.00		3,703,600	HRK	37,506,307	12,096,000	HRK	b) e)
22.	COSMO-ONE HELLAS MARKET SITE SOCIETE ANONYME OF ELECTRONIC COMMERCE SERVICES, Athens	1.101.	30.87		5,391,100	EUR	1,097,287	(282,775)	EUR	b)
22.	COSMO-ONE HELLAS MARKET SITE SOCIETE ANONYME OF ELECTRONIC COMMERCE SERVICES, Athens	1.23.	30.87		5,391,100	EUR	1,097,287	(230,155)	EUR	b) e)
23.	COSMOTE S.A., Maroussi, Athens	1.101.	100.00		157,899,931	EUR	-	-		
24.	ClickandBuy (International) Limited, London	1.25.	100.00		1,301,002	GBP	(7,626,717)	(7,674,360)	EUR	b) e)
25.	ClickandBuy Holding GmbH, Darmstadt			100.00	25,000	EUR	98,037,000	-	EUR	a) e)
26.	ClickandBuy Marketing AG, Baar	1.25.	100.00		100,000	CHF	11,387,535	4,877,770	CHF	e)
27.	ClickandBuy Marketing Inc., New York, NY	1.87.	100.00		5	USD	(2,929,903)	132,458	USD	e)
28.	ClickandBuy Private Limited, Hyderabad	1.87.	99.62		1,609,920	INR	28,036,521	4,736,551	INR	d)
29.	Combridge S.R.L., Bucharest	1.123.	100.00		29,801,490	RON	31,735,010	3,297,731	RON	e)
30.	Compargo Kft., Budapest	1.118.	80.00		3,000,000	HUF	57,754,000	15,350,000	HUF	e)
31.	Compendo GmbH, Nuremberg	1.7.	100.00		25,000	EUR	27,773	(178)	EUR	
32.	Cook Inlet/VS GSM IV PCS Holdings, LLC, Bellevue	1.191.	99.00		1	USD	121,418,963	(1,840,929)	USD	e)
32.	Cook Inlet/VS GSM IV PCS Holdings, LLC, Bellevue	1.228.	1.00		1	USD	121,418,963	(1,840,929)	USD	e)
33.	Cook Inlet/VS GSM VII PCS Holding, LLC, Bellevue	1.204.	49.90		1	USD	246,396,651	8,158,225	USD	e)
34.	Cook Inlet/VS GSM VII PCS LLC, Bellevue	1.33.	100.00		1	USD	246,396,651	8,158,225	USD	e)
35.	Cosmo Bulgaria Mobile EAD, Sofia	1.23.	100.00		490,664,220	BGN	896,998,321	92,259,689	BGN	b)
36.	Cosmo Holding Albania Societe Anonyme, Maroussi, Athens	1.23.	97.00		64,722,000	EUR	102,204,013	53,339	EUR	b)
37.	Cosmoholding Cyprus Limited, Limassol	1.23.	100.00		190,000	EUR	1,417,248,742	(54,672)	EUR	b)
38.	Cosmoholding Romania Ltd., Limassol	1.23.	100.00		30,000	EUR	202,000,716	3,976,140	EUR	b)
39.	Cosmote Romanian Mobile Telecommunications S.A., Bucharest	1.23.	70.00		1,593,747,500	RON	(213,152,256)	(135,133,131)	RON	b)
39.	Cosmote Romanian Mobile Telecommunications S.A., Bucharest	1.159.	30.00		1,593,747,500	RON	(225,944,089)	(141,915,048)	RON	e)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
40.	Crnogorski Telekom a.d. Podgorica, Podgorica	1.123.	76.53		140,996,394	EUR	167,936,936	19,431,619	EUR	e) b)
41.	Cronon AG, Berlin	1.162.	100.00		51,129	EUR	56,242	-	EUR	a) e)
42.	Csiper Consulting (Proprietary) Limited, Midrand	1.5.	100.00		1,001	ZAR	1,051,000	794,000	EUR	e)
43.	DATEN-KONTOR Számítástechnikai Fejlesztő és Szolgáltató Kft., Budapest	1.123.	100.00		200,000,000	HUF	960,658,000	201,917,000	HUF	e)
44.	DFMG Deutsche Funkturm GmbH, Münster	1.295.	16.67		30,000	EUR	7,726,925	-	EUR	a) e)
44.	DFMG Deutsche Funkturm GmbH, Münster	1.45.	83.33		30,000	EUR	7,726,925	-	EUR	a) e)
45.	DFMG Holding GmbH, Bonn			100.00	26,000	EUR	53,751	-	EUR	a) e)
46.	DIERGASIA Interim Employment S.A., Athens	1.141.	100.00		180,000	EUR	-	-		
47.	Data Migration Consulting AG, Kreuzlingen	1.273.	100.00		100,000	CHF	-	-		
48.	Dataplex Infokommunikációs Infrastruktúra Szolgáltató és Ingatlanhasznosító Korlátolt Felelősségű Társaság, Budapest	1.123.	100.00		1,850,000,000	HUF	3,021,113,000	570,527,000	HUF	e)
49.	Dataware Szolgáltató Kft., Budapest	1.107.	100.00		80,000,000	HUF	313,000	11,000	EUR	e)
50.	DeTeAsia Holding GmbH, Bonn			100.00	50,000	DEM	49,378	-	EUR	a) e)
51.	DeTeAssekuranz – Deutsche Telekom Assekuranz-Vermittlungsgesellschaft mbH, Monheim			100.00	1,000,000	EUR	1,000,000	-	EUR	a) e)
52.	DeTeFleetServices GmbH, Bonn			100.00	5,000,000	EUR	220,262,853	-	EUR	a) e)
53.	DeTeMedien, Deutsche Telekom Medien GmbH, Frankfurt/Main			100.00	23,008,135	EUR	24,572,258	-	EUR	a) e)
54.	Detecon (Schweiz) AG, Zurich	1.59.	100.00		1,000,000	CHF	9,796,000	2,838,000	EUR	e)
55.	Detecon Asia-Pacific Ltd., Bangkok	1.59.	100.00		49,000,000	THB	739,000	(154,000)	EUR	e)
56.	Detecon Consulting Austria GmbH, Vienna	1.235.	100.00		72,673	EUR	109,000	(3,000)	EUR	e)
57.	Detecon Consulting España S.A., Madrid	1.59.	100.00		250,000	EUR	(988,000)	(16,000)	EUR	e)
57.	Detecon Consulting España S.A., Madrid	1.17.	0.00		250,000	EUR	(988,000)	(16,000)	EUR	e)
58.	Detecon Consulting FZ-LLC, Dubai	1.59.	100.00		500,000	AED	-	-		
59.	Detecon International GmbH, Bonn	1.258.	100.00		19,430,100	EUR	28,940,000	9,510,000	EUR	e)
60.	Detecon Vezetési Tanácsadó Kft., Budapest	1.59.	100.00		4,600,000	HUF	17,000	-	EUR	e)
61.	Detecon Inc., San Francisco, CA	1.59.	100.00		1,872,850	USD	473,000	111,000	EUR	e)
62.	Deutsche TELEKOM Asia Pte Ltd., Singapore			100.00	137,777,793	SGD	3,053,140	(136,279,546)	SGD	e)
63.	Deutsche TELEKOM Ltd., London			100.00	240,000	GBP	2,182,482	(22,301)	GBP	e)
64.	Deutsche Telekom (UK) Limited, Hatfield			100.00	30,100,000	GBP	45,221,000	(6,263,000)	GBP	e)
65.	Deutsche Telekom Accounting GmbH, Bonn			100.00	100,000	EUR	100,000	-	EUR	a) e)
66.	Deutsche Telekom BK-Holding GmbH, Bonn			100.00	500,000,000	DEM	255,645,941	-	EUR	a) h)
67.	Deutsche Telekom Glasfaser Service GmbH, Bonn	1.295.	100.00		25,000	EUR	28,686	(363)	EUR	
68.	Deutsche Telekom Holding B.V., Amsterdam			100.00	18,151	EUR	50,930	(192)	EUR	e)
69.	Deutsche Telekom International Finance B.V., Amsterdam			100.00	453,780	EUR	367,505,000	25,662,000	EUR	e)
70.	Deutsche Telekom K.K.i.L., Tokyo			100.00	120,000,000	JPY	95,270,149	(44,592,263)	JPY	e)
71.	Deutsche Telekom Kundenservice GmbH, Bonn	1.295.	100.00		25,000	EUR	19,110,240	-	EUR	a) e)
72.	Deutsche Telekom Netzproduktion GmbH, Bonn	1.295.	100.00		27,000	EUR	29,651,556	-	EUR	a) e)
73.	Deutsche Telekom North America Inc., Wilmington, DW	1.268.	100.00		30	USD	2,291,000	(9,000)	EUR	e)
74.	Deutsche Telekom Shared Services s.r.o., Bratislava	1.237.	0.01		6,520,000	EUR	6,602,058	(17,942)	EUR	b)
74.	Deutsche Telekom Shared Services s.r.o., Bratislava	1.65.	99.99		6,520,000	EUR	6,602,058	(17,942)	EUR	b)
75.	Deutsche Telekom Technischer Service GmbH, Bonn	1.295.	100.00		27,000	EUR	56,964,589	-	EUR	a) e)
76.	Deutsche Telekom Training GmbH, Bonn			100.00	102,300	EUR	124,988	-	EUR	a) e)
77.	Deutsche Telekom Value Added Services Austria GmbH, Vienna	1.295.	100.00		100,000	EUR	112,703,283	(1,396,116)	EUR	e)
78.	Deutsche Telekom Venture Funds GmbH, Bonn			100.00	25,000	EUR	37,816,546	-	EUR	a) e)
79.	Deutsche Telekom Inc., New York, NY			100.00	100	USD	6,404,538	460,202	USD	e)
80.	E-Value Collection Ltd., Agios Stefanos	1.81.	100.00		350,010	EUR	427,617	87,584	EUR	b)
81.	E-Value Societe Anonyme of Direct Marketing and Customer Support Services, Agios Stefanos	1.92.	100.00		5,105,062	EUR	3,348,449	(999)	EUR	b)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
82.	EURACCOUNT Kft. i.L., Budapest	1.123.	99.00		450,000,000	HUF	465,868,000	15,867,000	HUF	e)
82.	EURACCOUNT Kft. i.L., Budapest	1.115.	1.00		450,000,000	HUF	465,868,000	15,867,000	HUF	e)
83.	Erste DFMG Deutsche Funkturm Vermögens-GmbH, Heusenstamm			100.00	100,000	EUR	170,272,893	-	EUR	a) e)
84.	Eutelis Consult GmbH i.L., Ratingen	1.59.	60.00		1,360,000	DEM	-	-		
85.	FMPF Verwaltungsgesellschaft mbH, Munich	1.165.	100.00		728,823	EUR	3,559,481	-	EUR	a) e)
86.	Fal Dete Telecommunications S.A.L., Furn El Chebbak	1.59.	51.00		150,000,000	LBP	-	-		
87.	Firstgate Holding AG, Zug	1.26.	100.00		2,335,505	CHF	131,499,783	96,314,313	CHF	f)
88.	Firstgate Internet SAS, Paris	1.87.	100.00		100,000	EUR	(597,841)	(34,870)	EUR	h)
89.	FriendScout24 GmbH, Munich	1.165.	100.00		1,500,000	EUR	4,535,642	-	EUR	a) e)
90.	GEMAPPS Gesellschaft für mobile Lösungen mbH, Hamburg	1.258.	100.00		25,000	EUR	125,000	(15,000)	EUR	e)
91.	GMG Generalmietgesellschaft mbH, Bonn			100.00	51,130,000	EUR	51,423,214	-	EUR	a) e)
92.	Germanos Societe Anonyme Industrial & Commercial Company of Electronic Telecommunication Material & Services, Agios Stefanos	1.37.	100.00		29,600,892	EUR	306,722,862	(967,807)	EUR	b)
93.	Germanos Telecom Bulgaria AD, Sofia	1.92.	100.00		5,400,000	BGN	7,917,358	(147,251)	BGN	b)
94.	Germanos Telecom Romania S.A., Ilfov County, Voluntari	1.92.	99.99		77,100,310	RON	(951,716)	(28,022,444)	RON	b)
95.	Global TIMES Ventures Administration GmbH (GTV), Bonn	1.288.	100.00		100,000	EUR	178,912	11,999	EUR	e)
96.	Global TIMES Ventures GmbH & Co. KG, Bonn	1.288.	60.00		47,500	EUR	468,046	61,753	EUR	e)
97.	HATWAVE Hellenic-American Telecommunications Wave Ltd., Donetsk	1.101.	52.67		100	CYP	-	-		
98.	HELLAS-SAT Consortium Ltd., Nicosia	1.101.	99.05		191,235,884	EUR	141,512,144	8,489,480	EUR	e) b)
99.	HELLAS-SAT S.A. Satellite System Services & Communications, Maroussi, Athens	1.98.	99.99		4,606,640	EUR	6,678,943	80,848	EUR	e) b)
99.	HELLAS-SAT S.A. Satellite System Services & Communications, Maroussi, Athens	1.137.	0.01		4,606,640	EUR	-	-		
100.	Hellascom International A.E., Athens	1.101.	100.00		750,000	EUR	7,692,918	(1,130,106)	EUR	e)
101.	Hellenic Telecommunications Organization S.A. (OTE), Athens			40.00	1,171,459,430	EUR	3,370,400,000	60,900,000	EUR	e)
102.	Horaz Telekommunikationsdienste GmbH, Bonn	1.258.	100.00		25,000	EUR	24,000	-	EUR	e)
103.	Hrvatski Telekom d.d., Zagreb			51.00	8,188,853,500	HRK	13,591,000,000	1,864,000,000	HRK	e)
104.	I.T.E.N.O.S. International Telecom Network Operation Services GmbH, Bonn	1.258.	100.00		3,000,000	EUR	6,410,000	-	EUR	a) e)
105.	IQSYS Informatikai és Tanácsadó Zártkörűen Működő Részvénytársaságként, Budapest	1.123.	100.00		1,001,500,000	HUF	3,636,331,000	64,403,000	HUF	e)
106.	ISH International System House Informatika Kft., Budapest	1.123.	100.00		3,000,000	HUF	2,439,824,000	550,734,000	HUF	e)
107.	IT Services Hungary Szolgáltató Kft., Budapest	1.258.	100.00		150,100,000	HUF	17,403,000	8,287,000	EUR	e)
108.	ImmoCom Verwaltungs GmbH, Heusenstamm	1.91.	100.00		50,000	DEM	(5,402,536)	34,016,879	EUR	e)
109.	Immobilien Scout Deutschland GmbH, Berlin	1.110.	100.00		50,000	DEM	21,010	(135)	EUR	c)
110.	Immobilien Scout GmbH, Berlin	1.166.	60.10		144,250	EUR	4,115,566	-	EUR	a) e)
110.	Immobilien Scout GmbH, Berlin	1.165.	39.90		144,250	EUR	4,115,566	-	EUR	a) e)
111.	Infovan (Proprietary) Limited, Midrand	1.278.	100.00		2,000	ZAR	8,801,000	1,461,000	EUR	e)
112.	Interactive Media CCSP GmbH, Darmstadt			100.00	901,000	EUR	2,484,000	-	EUR	a) e)
113.	International System House Kereskedelmi és Szoftverfejlesztő Kft., Budapest	1.123.	100.00		3,000,000	HUF	2,232,000	101,000	HUF	e)
114.	Intersolve Health Informatics (Proprietary) Limited i.L., Midrand	1.5.	100.00		100	ZAR	(26,000)	158,000	EUR	e)
115.	Investel Magyar Távközlési Befektetési Zrt., Budapest	1.123.	100.00		4,453,000,000	HUF	5,207,406,000	250,984,000	HUF	e)
116.	Iskon Internet d.d., Zagreb	1.103.	100.00		272,902,200	HRK	(163,264,731)	37,558,829	HRK	e)
117.	JobScout24 International Holding AG, Baar	1.165.	100.00		1,540,000	CHF	9,380,350	(2,214,393)	CHF	e)
118.	KFKI Rendszerintegrációs Zártkörűen Működő Részvénytársaság, Budapest	1.123.	100.00		2,001,000,000	HUF	4,842,812,000	2,645,815,000	HUF	e)
119.	KIBU Innováció Nonprofit Kft., Budapest	1.123.	99.20		40,000,000	HUF	49,603,000	15,393,000	HUF	e)
119.	KIBU Innováció Nonprofit Kft., Budapest	1.115.	0.80		40,000,000	HUF	49,603,000	15,393,000	HUF	e)



No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
120.	Kabelsko distributivni sustav d.o.o., Cakovec	1.103.	100.00		1,229,600	HRK	4,397,804	236,775	HRK	e)
121.	Kappa Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	-	EUR	a) e)
122.	MAGYARCOM SZOLGÁLTATÓ KOMMUNIKÁCIÓS Kft., Budapest			100.00	50,000,000	HUF	495,553,000	54,514,000	HUF	e)
123.	Magyar Telekom Távközlési Nyilvánosan Működő Részvénytársaság (Magyar Telekom Telecommunications Public Limited Company), Budapest	1.124.	59.23		104,274,254,300	HUF	594,712,000,000	77,371,000,000	HUF	b) e)
124.	MagyarCom Holding GmbH, Bonn			100.00	316,009,000	EUR	2,344,520,428	-	EUR	a) e)
125.	Makedonski Telekom A.D. Skopje, Skopje	1.175.	56.67		9,583,887,760	MKD	21,479,895,000	5,972,860,000	MKD	b) e)
126.	Mindentudás Egyeteme Tudományos Közhasznú Nonprofit Kft., Budapest	1.123.	60.00		5,000,000	HUF	17,319,000	3,302,000	HUF	e)
127.	Mobilbeep Telecommunications One Person Limited Liability, Maroussi, Athens	1.37.	100.00		620,100	EUR	(24,546)	(51,336)	EUR	b)
128.	Modultechnika Kereskedelmi és Szolgáltató Kft., Budapest	1.123.	100.00		500,000	HUF	120,955,000	(11,394,000)	HUF	e)
129.	NextGen Communications SRL, Bucharest	1.159.	100.00		227,824,020	RON	26,489,080	(39,330,026)	RON	e)
130.	Novatel EOOD, Sofia	1.123.	100.00		5,190,000	BGN	8,620,000	1,057,000	BGN	b) e)
131.	Novatel Ukraine Ltd. i.L., Kiev	1.123.	99.94		1,656,900	UAH	(5,003,000)	(512,000)	UAH	e)
131.	Novatel Ukraine Ltd. i.L., Kiev	1.115.	0.06		1,656,900	UAH	(5,003,000)	(512,000)	UAH	e)
132.	ORBIT Gesellschaft für Applikations- und Informationssysteme mbH, Bonn	1.59.	100.00		128,000	EUR	944,000	474,000	EUR	e)
133.	OTE Academy S.A., Maroussi, Athens	1.101.	100.00		1,761,030	EUR	23,301	(1,759,484)	EUR	b) e)
133.	OTE Academy S.A., Maroussi, Athens	1.164.	0.00		1,761,030	EUR	-	-		
134.	OTE Estate S.A., Athens	1.101.	100.00		455,987,091	EUR	1,291,758,754	(217,959,955)	EUR	b) e)
134.	OTE Estate S.A., Athens	1.141.	0.00		455,987,091	EUR	1,291,758,754	(217,959,955)	EUR	b) e)
135.	OTE Insurance Agency S.A., Athens	1.101.	99.90		86,000	EUR	217,875	111,421	EUR	b)
135.	OTE Insurance Agency S.A., Athens	1.141.	0.10		86,000	EUR	-	-		
136.	OTE International Investments Limited, Limassol	1.101.	100.00		382,862,721	EUR	544,951,937	14,734,551	EUR	b) e)
137.	OTE International Solutions S.A., Maroussi, Athens	1.101.	100.00		163,697,462	EUR	160,160,606	3,017,211	EUR	b) e)
137.	OTE International Solutions S.A., Maroussi, Athens	1.164.	0.00		163,697,462	EUR	-	-		
138.	OTE Investment Services S.A., Maroussi, Athens	1.136.	100.00		3,400,000	EUR	-	-		
139.	OTE Plc., London	1.101.	100.00		50,000	GBP	22,570,517	(9,614,210)	GBP	d)
140.	OTE Properties S.A., Athens	1.134.	100.00		30,000,000	EUR	29,856,552	18,533	EUR	e)
141.	OTEplus Technical & Business Solutions S.A., Athens	1.101.	100.00		3,837,002	EUR	6,338,486	284,633	EUR	b)
142.	Omega Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	-	EUR	a) e)
143.	Omikron Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	-	EUR	a) e)
144.	One2One Personal Communications Ltd., Hatfield	1.199.	100.00		1	GBP	1	-	GBP	e)
145.	One2One Limited, Hatfield	1.199.	100.00		2	GBP	2	-	GBP	e)
146.	P & I Holding GmbH, Darmstadt			100.00	30,000	EUR	85,351	9,924	EUR	k)
147.	PASM Power and Air Condition Solution Management Beteiligungs GmbH, Bonn			100.00	25,000	EUR	33,357	1,624	EUR	e)
148.	PASM Power and Air Condition Solution Management GmbH & Co. KG, Munich			100.00	10,025,000	EUR	273,020,072	(62,631,183)	EUR	e)
149.	PTC, Polska Telefonia Cyfrowa Sp.z o.o., Warsaw	1.295.	100.00		471,000,000	PLN	10,209,595,252	1,419,888,340	PLN	e)
150.	PosAm spol. s.r.o., Bratislava	1.172.	51.00		170,000	EUR	6,874,318	2,994,609	EUR	e)
151.	Powertel Memphis Licenses, Inc., Bellevue	1.152.	100.00		1	USD	179,889,891	-	USD	e)
152.	Powertel/Memphis, Inc., Bellevue	1.225.	100.00		32,262	USD	364,697,845	9,229,542	USD	e)
153.	Pro-M Zrt., Budapest	1.123.	100.00		5,200,000,000	HUF	7,768,728,000	(462,814,000)	HUF	e)
154.	Qingdao DETECON Consulting Co. Ltd., Beijing	1.59.	100.00		1,230,000	USD	5,000	(133,000)	EUR	e)
155.	Residenzpost GmbH & Co. Liegenschafts KG, Heusenstamm			100.00	1	EUR	90,217	90,216	EUR	e)
156.	Revl Internet Services GmbH, Munich	1.166.	100.00		38,350	EUR	724,962	-	EUR	a) e)
157.	Revl Marketing & Sales GmbH, Bonn			100.00	25,000	EUR	4,026,546	-	EUR	a) e)
158.	SAF Forderungsmanagement GmbH, Heidelberg	1.295.	100.00		4,101,000	EUR	11,796,656	-	EUR	a) e)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
159.	SC Romtelecom S.A., Bucharest	1.136.	54.01		5,975,037,351	RON	-	-		
160.	SCOUT Business Services GmbH, Munich	1.156.	100.00		69,100	EUR	73,967	(1,818)	EUR	e)
161.	SCS Personalberatung GmbH, Düsseldorf			100.00	100,000	DEM	51,129	-	EUR	a) e)
162.	STRATO AG, Berlin	1.212.	100.00		6,033,345	EUR	9,716,049	-	EUR	a) e)
163.	Sallust Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	27,000	-	EUR	a) e)
164.	Satellite and Maritime Telecommunications S.A., Athens	1.101.	94.08		5,463,750	EUR	8,724,519	1,650,782	EUR	b) e)
164.	Satellite and Maritime Telecommunications S.A., Athens	1.141.	0.01		5,463,750	EUR	-	-		
165.	Scout24 AG, Baar	1.166.	100.00		532,081	CHF	218,782,296	(1,815,427)	CHF	e)
166.	Scout24 Holding GmbH, Munich			100.00	1,000,000	EUR	244,456,120	-	EUR	a) e)
167.	Scout24 International Management AG, Baar	1.166.	100.00		250,000	CHF	45,096,981	2,285,428	CHF	e)
168.	Scout24 Schweiz AG, Flamatt	1.169.	85.04		224,600	CHF	17,239,684	13,246,911	CHF	e)
168.	Scout24 Schweiz AG, Flamatt	1.167.	14.96		224,600	CHF	17,239,684	13,246,911	CHF	e)
169.	Scout24 Schweiz Holding AG, Wünnewil-Flamatt	1.167.	50.10		980,000	CHF	17,206,092	11,671,354	CHF	e)
170.	Scout24 Services GmbH, Munich	1.166.	100.00		25,000	EUR	45,160	(1,864)	EUR	e)
171.	Sigma Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	-	EUR	a) e)
172.	Slovak Telekom, a.s., Bratislava			51.00	864,113,000	EUR	1,667,070,000	286,114,000	EUR	e)
173.	Software Daten Service Gesellschaft m.b.H., Vienna	1.258.	100.00		290,691	EUR	8,562,000	418,000	EUR	e)
174.	Soluciones y Proyectos Consulting, S.L., Barcelona	1.254.	100.00		3,006	EUR	182,000	(1,000)	EUR	e)
175.	Stonebridge Communication A.D. i.L., Skopje	1.123.	100.00		21,194,506,100	MKD	27,980,448,000	3,774,776,000	MKD	b) e)
176.	SunCom Wireless Holdings Inc., Bellevue	1.225.	100.00		1	USD	1,935,440,125	47,315,410	USD	e)
177.	SunCom Wireless Investment Co., LLC, Bellevue	1.176.	100.00		1	USD	2,341,159,580	47,315,410	USD	e)
178.	SunCom Wireless License Co., LLC, Bellevue	1.306.	100.00		1	USD	526,392,306	-	USD	e)
179.	SunCom Wireless Management Co., Inc., Bellevue	1.182.	100.00		1	USD	(25,774,323)	(2,382,768)	USD	e)
180.	SunCom Wireless Operating Co., LLC, Bellevue	1.306.	100.00		1	USD	-	-	USD	e)
181.	SunCom Wireless Property Co., LLC, Bellevue	1.306.	100.00		1	USD	-	-	USD	e)
182.	SunCom Wireless, Inc., Bellevue	1.177.	100.00		1	USD	2,335,645,549	47,315,410	USD	e)
183.	Sunlight Romania - Filiala Bucuresti S.R.L., Ilfov County, Voluntari	1.94.	100.00		12,700,000	RON	6,104,701	(2,199,716)	RON	b)
184.	T SYSTEMS TELEKOMÜNİKASYON LIMITED SIRKETI, Istanbul	1.237.	0.60		385,600	TRY	1,976,000	420,000	EUR	e)
184.	T SYSTEMS TELEKOMÜNİKASYON LIMITED SIRKETI, Istanbul	1.258.	99.40		385,600	TRY	1,976,000	420,000	EUR	e)
185.	T-Com Venture Fund GmbH & Co. KG, Bonn			98.02	50,500	EUR	10,450,745	(1,916,963)	EUR	e)
185.	T-Com Venture Fund GmbH & Co. KG, Bonn	1.289.	1.98		50,500	EUR	10,450,745	(1,916,963)	EUR	e)
186.	T-Corporate Venture Fund GmbH & Co. KG, Bonn			99.00	100,000	EUR	9,023,015	(353,206)	EUR	e)
186.	T-Corporate Venture Fund GmbH & Co. KG, Bonn	1.289.	1.00		100,000	EUR	9,023,015	(353,206)	EUR	e)
187.	T-Mobile (UK Properties), Inc., Denver, CO	1.199.	100.00		1	USD	1	-	GBP	e)
188.	T-Mobile (UK) Limited, Hatfield	1.199.	100.00		1	GBP	1	-	GBP	e)
189.	T-Mobile Austria GmbH, Vienna	1.190.	100.00		60,000,000	EUR	453,046,781	84,453,432	EUR	
190.	T-Mobile Austria Holding GmbH, Vienna	1.194.	100.00		15,000,000	EUR	1,549,685,105	127,425,793	EUR	e)
191.	T-Mobile Central LLC, Bellevue	1.225.	100.00		1	USD	6,849,040,648	1,059,321,841	USD	e)
192.	T-Mobile Czech Republic a.s., Prague	1.20.	60.77		520,000,000	CZK	753,473,051	189,791,729	EUR	b) e)
193.	T-Mobile Global Holding GmbH, Bonn	1.198.	100.00		50,000	EUR	17,701,393,430	-	EUR	a) e)
194.	T-Mobile Global Holding Nr. 2 GmbH, Bonn			100.00	25,000	EUR	2,742,147,975	-	EUR	a) e)
195.	T-Mobile Global Holding Nr. 3 GmbH, Bonn			100.00	25,000	EUR	22,934	(629)	EUR	e)
196.	T-Mobile Global Holding Nr. 4 GmbH, Bonn			100.00	25,000	EUR	22,338	(624)	EUR	e)
197.	T-Mobile Global Holding Nr. 5 GmbH, Bonn			100.00	25,000	EUR	21,758	(646)	EUR	e)
198.	T-Mobile Global Zwischenholding GmbH, Bonn			100.00	26,000	EUR	24,675,847,754	-	EUR	a) e)
199.	T-Mobile Holdings Limited, Hatfield	1.193.	100.00		706,540,268	GBP	4,903,281,780	322,963,543	GBP	e)
200.	T-Mobile HotSpot GmbH, Bonn			100.00	25,000	EUR	8,042,329	614,765	EUR	e)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
201.	T-Mobile International Austria GmbH, Vienna	1.189.	100.00		37,000	EUR	646,404	71,475	EUR	
202.	T-Mobile International Limited, Hatfield	1.199.	100.00		1	GBP	1	-	GBP	e)
203.	T-Mobile International UK Pension Trustee Limited, Hatfield	1.64.	100.00		1	GBP	1	-	GBP	b) e)
204.	T-Mobile License LLC, Bellevue	1.225.	100.00		1	USD	726,017,138	(21,137,294)	USD	e)
205.	T-Mobile Ltd., Hatfield	1.199.	100.00		1	GBP	1	-	GBP	e)
206.	T-Mobile Macedonia A.D. Skopje, Skopje	1.125.	100.00		2,344,377,000	MKD	7,858,007,000	4,082,462,000	MKD	b) e)
207.	T-Mobile Netherlands B.V., 's-Gravenhage	1.208.	100.00		1,250,628	EUR	2,050,347,000	402,885,000	EUR	e)
208.	T-Mobile Netherlands Holding B.V., The Hague	1.193.	100.00		90,756,042	EUR	847,092,000	355,590,000	EUR	e)
209.	T-Mobile Netherlands Klantenservice B.V., The Hague	1.207.	100.00		1,116,950	EUR	(276,537,976)	(45,886,334)	EUR	e)
210.	T-Mobile Netherlands Retail B.V., The Hague	1.207.	100.00		18,000	EUR	(246,729,236)	(98,722,529)	EUR	e)
211.	T-Mobile Newco Nr. 3 GmbH, Bonn			100.00	25,000	EUR	25,000	-	EUR	a) e)
212.	T-Mobile Newco Nr. 4 GmbH, Bonn			100.00	25,000	EUR	27,000	-	EUR	a) e)
213.	T-Mobile No. 1 Limited, Hatfield	1.199.	100.00		1	GBP	1	-	GBP	e)
214.	T-Mobile No. 5 Limited, Hatfield	1.199.	100.00		1	GBP	1	-	GBP	e)
215.	T-Mobile Northeast LLC, Bellevue	1.225.	100.00		1	USD	6,822,849,643	1,260,105,090	USD	e)
216.	T-Mobile PCS Holdings, LLC, Bellevue	1.225.	100.00		1	USD	(8,511,911,887)	(2,518,503,941)	USD	e)
217.	T-Mobile Puerto Rico Holdings, LLC, Bellevue	1.306.	100.00		1	USD	697,817,715	21,074,860	USD	e)
218.	T-Mobile Puerto Rico LLC, Bellevue	1.217.	100.00		1	USD	697,817,715	21,074,860	USD	e)
219.	T-Mobile Resources Corporation, Bellevue	1.216.	100.00		1	USD	23,698,690	(10,546,731)	USD	e)
220.	T-Mobile Retail Limited, Hatfield	1.199.	100.00		105	GBP	105	-	GBP	e)
221.	T-Mobile Service GmbH, Vienna	1.194.	100.00		35,000	EUR	86,726	(9,286)	EUR	e)
222.	T-Mobile South LLC, Bellevue	1.225.	100.00		1	USD	3,306,409,011	516,723,925	USD	e)
223.	T-Mobile Subsidiary IV Corporation, Bellevue	1.225.	100.00		1	USD	(8,791)	(60)	USD	e)
224.	T-Mobile Subsidiary V Corporation, Bellevue	1.225.	100.00		-	USD	-	-	USD	e)
225.	T-Mobile USA, Inc., Bellevue	1.193.	100.00		292	USD	20,492,000,000	1,354,000,000	USD	e)
226.	T-Mobile Venture Fund GmbH & Co. KG, Bonn			99.00	100,000	EUR	21,298,427	(746,692)	EUR	e)
226.	T-Mobile Venture Fund GmbH & Co. KG, Bonn	1.289.	1.00		100,000	EUR	21,298,427	(746,692)	EUR	e)
227.	T-Mobile Venture Fund II GmbH & Co. KG, Bonn			99.00	100,000	EUR	13,452,651	(1,611,538)	EUR	e)
227.	T-Mobile Venture Fund II GmbH & Co. KG, Bonn	1.289.	1.00		100,000	EUR	13,452,651	(1,611,538)	EUR	e)
228.	T-Mobile West Corporation, Bellevue	1.225.	100.00		1,000	USD	13,373,016,473	2,273,707,211	USD	e)
229.	T-Mobile Worldwide Holding GmbH, Bonn			100.00	25,000	EUR	1,977,990,187	-	EUR	a) e)
230.	T-Online Beteiligungs GmbH, Darmstadt			100.00	25,000	EUR	26,004	(307)	EUR	
231.	T-Online Travel GmbH, Darmstadt			100.00	4,000,000	EUR	(5,785,447)	(39,947)	EUR	e)
232.	T-Online Venture Fund GmbH & Co. KG, Bonn			99.00	100,000	EUR	43,003,340	5,081,166	EUR	e)
232.	T-Online Venture Fund GmbH & Co. KG, Bonn	1.289.	1.00		100,000	EUR	43,003,340	5,081,166	EUR	e)
233.	T-Online Verwaltungs GmbH, Darmstadt			100.00	25,000	EUR	26,544	(316)	EUR	
234.	T-Systems Argentina S.A., Buenos Aires	1.237.	2.00		8,802,500	ARS	1,091,000	160,000	EUR	e)
234.	T-Systems Argentina S.A., Buenos Aires	1.258.	98.00		8,802,500	ARS	1,091,000	160,000	EUR	e)
235.	T-Systems Austria GesmbH, Vienna	1.258.	100.00		185,000	EUR	40,738,000	13,289,000	EUR	e)
236.	T-Systems Belgium NV, Groot-Bijgaarden	1.266.	0.65		4,731,000	EUR	2,717,000	(747,000)	EUR	e)
236.	T-Systems Belgium NV, Groot-Bijgaarden	1.258.	99.35		4,731,000	EUR	2,717,000	(747,000)	EUR	e)
237.	T-Systems Beteiligungsverwaltungsgesellschaft mbH, Frankfurt/Main	1.258.	100.00		25,600	EUR	27,000	-	EUR	e)
238.	T-Systems Bulgaria EOOD, Sofia	1.258.	100.00		5,000	BGN	-	-		
239.	T-Systems CIS, Moscow	1.258.	100.00		4,630,728	RUB	9,069,000	1,771,000	EUR	e)
240.	T-Systems Canada, Inc., Toronto	1.268.	100.00		2,031,554	CAD	4,837,000	1,651,000	EUR	e)
241.	T-Systems China Limited, Hong Kong	1.258.	100.00		24,000,000	HKD	4,271,000	769,000	EUR	e)
242.	T-Systems Czech Republic a.s., Prague	1.258.	100.00		251,300,000	CZK	74,735,000	8,160,000	EUR	e)
243.	T-Systems DDM GmbH, Weingarten	1.258.	100.00		154,400	EUR	3,789,000	-	EUR	a) e)
244.	T-Systems Eltec, S.L., Barcelona	1.254.	100.00		665,400	EUR	1,071,000	(6,889,000)	EUR	e)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
245.	T-Systems France SAS, Saint Denis	1.258.	100.00		2,000,000	EUR	6,501,000	(52,048,000)	EUR	e)
246.	T-Systems GEI GmbH, Aachen	1.258.	100.00		11,301,600	EUR	11,589,000	-	EUR	a) e)
247.	T-Systems Hosting Services GmbH, Bonn	1.258.	100.00		25,000	EUR	25,000	-	EUR	a) e)
248.	T-Systems ICT Romania S.R.L., Bucharest	1.237.	5.00		200	RON	-	-		
248.	T-Systems ICT Romania S.R.L., Bucharest	1.258.	95.00		200	RON	-	-		
249.	T-Systems IT Epsilon GmbH, Bonn	1.258.	100.00		25,000	EUR	25,000	-	EUR	a) e)
250.	T-Systems IT Eta GmbH, Bonn	1.258.	100.00		25,000	EUR	25,000	-	EUR	a) e)
251.	T-Systems IT Gamma GmbH, Bonn	1.258.	100.00		25,000	EUR	25,000	-	EUR	a) e)
252.	T-Systems IT Theta GmbH, Bonn	1.258.	100.00		25,000	EUR	24,000	-	EUR	e)
253.	T-Systems IT Zeta GmbH, Bonn	1.258.	100.00		25,000	EUR	25,000	-	EUR	a) e)
254.	T-Systems ITC Iberia, S.A., Barcelona	1.258.	100.00		1,242,100	EUR	6,441,000	(1,336,000)	EUR	e)
255.	T-Systems Individual Desktop Solutions GmbH, Frankfurt/Main	1.258.	100.00		25,000	EUR	69,000	-	EUR	a) e)
256.	T-Systems Information and Communication Technology E.P.E., Athens	1.237.	1.00		18,000	EUR	299,000	13,000	EUR	e)
256.	T-Systems Information and Communication Technology E.P.E., Athens	1.258.	99.00		18,000	EUR	299,000	13,000	EUR	e)
257.	T-Systems Information and Communication Technology India Private Limited, Pune	1.237.	0.00		34,500,000	INR	403,000	(159,000)	EUR	e)
257.	T-Systems Information and Communication Technology India Private Limited, Pune	1.258.	100.00		34,500,000	INR	403,000	(159,000)	EUR	e)
258.	T-Systems International GmbH, Frankfurt/Main			100.00	154,441,900	EUR	1,342,825,861	-	EUR	a) e)
259.	T-Systems Italia S.p.A., Vicenza	1.258.	100.00		1,000,000	EUR	1,185,000	(9,305,000)	EUR	e)
260.	T-Systems Japan K.K., Tokyo	1.258.	100.00		495,000,000	JPY	6,280,000	4,343,000	EUR	e)
261.	T-Systems Limited, London	1.258.	100.00		550,001	GBP	20,273,000	(11,174,000)	EUR	e)
262.	T-Systems Luxembourg S.A., Luxembourg	1.237.	0.02		1,500,000	EUR	3,585,000	266,000	EUR	e)
262.	T-Systems Luxembourg S.A., Luxembourg	1.258.	99.98		1,500,000	EUR	3,585,000	266,000	EUR	e)
263.	T-Systems Malaysia Sdn. Bhd., Kuala Lumpur	1.258.	100.00		4,000,000	MYR	2,347,000	1,641,000	EUR	e)
264.	T-Systems Mexico, S.A. de C.V., Puebla	1.258.	100.00		32,000,000	MXN	4,699,000	2,903,000	EUR	e)
265.	T-Systems Multimedia Solutions GmbH, Dresden	1.258.	100.00		4,090,400	EUR	4,090,000	-	EUR	a) e)
266.	T-Systems Nederland B.V., Vianen (Utrecht)	1.258.	100.00		908,000	EUR	83,662,000	(12,405,000)	EUR	e)
267.	T-Systems Nordic A/S, Farum	1.258.	100.00		5,500,000	DKK	(645,000)	(2,015,000)	EUR	e)
268.	T-Systems North America, Inc., Wilmington, DW	1.258.	100.00		34	USD	32,803,000	7,771,000	EUR	e)
269.	T-Systems P.R. China Ltd., Beijing	1.258.	100.00		24,000,000	EUR	(4,236,000)	(1,709,000)	EUR	e)
270.	T-Systems Polska Sp. z o.o., Wroclaw	1.258.	100.00		8,327,000	PLN	6,501,000	109,000	EUR	e)
271.	T-Systems Regional Services and Solutions GmbH, Frankfurt/Main	1.258.	100.00		25,000	EUR	91,000	-	EUR	a) e)
272.	T-Systems SFPH GmbH, Düsseldorf	1.258.	100.00		511,300	EUR	2,161,000	-	EUR	a) e)
273.	T-Systems Schweiz AG, Münchenbuchsee	1.258.	100.00		13,000,000	CHF	20,159,000	8,744,000	EUR	e)
274.	T-Systems Singapore Pte. Ltd., Singapore	1.258.	100.00		38,905,000	SGD	7,829,000	(663,000)	EUR	e)
275.	T-Systems Slovakia s.r.o., Kosice	1.237.	2.50		258,581	EUR	15,347,000	7,143,000	EUR	e)
275.	T-Systems Slovakia s.r.o., Kosice	1.258.	97.50		258,581	EUR	15,347,000	7,143,000	EUR	e)
276.	T-Systems Solutions (Proprietary) Limited, Midrand	1.278.	100.00		4,000	ZAR	1,890,000	715,000	EUR	e)
277.	T-Systems Solutions for Research GmbH, Weßling	1.258.	100.00		5,000,000	EUR	5,427,000	-	EUR	a) e)
278.	T-Systems South Africa (Proprietary) Limited, Midrand	1.279.	70.00		4,000	ZAR	(47,084,000)	(26,722,000)	EUR	e)
279.	T-Systems South Africa Holdings (Proprietary) Limited, Midrand	1.258.	100.00		4,100,085	ZAR	74,345,000	1,916,000	EUR	e)
280.	T-Systems Spring Italia S.r.l., Fiumicino	1.258.	100.00		494,000	EUR	1,577,000	56,000	EUR	e)
281.	T-Systems TMT Limited, Milton Keynes	1.261.	100.00		500,000	GBP	580,000	-	EUR	e)
282.	T-Systems Telecomunicacoes e Servicos Ltda., Sao Paulo	1.285.	100.00		4,182,560	BRL	2,241,000	186,000	EUR	e)
282.	T-Systems Telecomunicacoes e Servicos Ltda., Sao Paulo	1.237.	0.00		4,182,560	BRL	2,241,000	186,000	EUR	e)
283.	T-Systems Venture Fund GmbH & Co. KG, Bonn	1.258.	99.00		50,000	EUR	9,484,000	(420,000)	EUR	e)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
283.	T-Systems Venture Fund GmbH & Co. KG, Bonn	1.289.	1.00		50,000	EUR	9,484,000	(420,000)	EUR	e)
284.	T-Systems d.o.o. i.L., Sarajevo	1.258.	100.00		2,000	KM	55,000	(12,000)	EUR	e)
285.	T-Systems do Brasil Ltda., Sao Paulo	1.237.	0.01		15,000,000	BRL	23,318,000	445,000	EUR	e)
285.	T-Systems do Brasil Ltda., Sao Paulo	1.258.	99.99		15,000,000	BRL	23,318,000	445,000	EUR	e)
286.	T-Systems on site services GmbH, Berlin	1.258.	100.00		154,000	EUR	154,000	-	EUR	a) e)
287.	T-Systems, informacijski sistemi, d.o.o., Ljubljana	1.258.	100.00		8,763	EUR	52,000	9,000	EUR	e)
288.	T-Venture Holding GmbH, Bonn			100.00	10,225,900	EUR	5,518,860	11,044,187	EUR	e)
289.	T-Venture Telekom Funds Beteiligungs-GmbH, Bonn	1.288.	100.00		25,100	EUR	3,619,859	-	EUR	e)
290.	T-Venture of America, Inc., Foster City	1.288.	100.00		100	USD	381,777	79,463	USD	e)
291.	TAMBURO Telekommunikationsdienste GmbH, Heusenstamm			100.00	25,000	EUR	52,277	(124)	EUR	e)
292.	TMUS Assurance Corporation, Honolulu	1.225.	100.00		10	USD	30,747,871	30,747,871	USD	e)
293.	TOB T-Systems Ukraine, Kiev	1.237.	0.10		35,000	UAH	42,000	23,000	EUR	e)
293.	TOB T-Systems Ukraine, Kiev	1.258.	99.90		35,000	UAH	42,000	23,000	EUR	e)
294.	Tele-Data Távközlési Adatfeldolgozó és Hirdetésszervező Kft., Budaörs	1.123.	50.98		38,640,000	HUF	83,673,000	5,375,000	HUF	e)
295.	Telekom Deutschland GmbH, Bonn			100.00	1,515,000,000	EUR	3,679,000,000	-	EUR	a) e)
296.	Telekom New Media Zrt., Budapest	1.123.	100.00		1,669,930,000	HUF	1,726,288,000	209,210,000	HUF	e)
297.	Telekom Sec, s.r.o., Bratislava	1.172.	100.00		6,639	EUR	2,527	(3,481)	EUR	
298.	Telekom Shop Vertriebsgesellschaft mbH, Bonn	1.295.	100.00		10,000,000	EUR	44,258,116	-	EUR	a) e)
299.	Telemacedonia A.D., Skopje	1.123.	100.00		621,300	MKD	71,400,000	1,792,000	MKD	b) e)
300.	Telemobil S.A., Bucharest	1.38.	100.00		228,090,000	RON	(324,388,656)	(150,526,245)	RON	b)
301.	Theta Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	-	EUR	a) e)
302.	Tibull Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	27,000	-	EUR	a) e)
303.	Transparent Goods GmbH, Cologne	1.258.	100.00		800,000	EUR	(6,000,000)	(6,000)	EUR	e)
304.	Traviata Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,592	-	EUR	a) e)
305.	Triton PCS Finance Co, Inc., Bellevue	1.182.	100.00		1	USD	1,453,851,198	44,267,675	USD	e)
306.	Triton PCS Holdings Company, LLC, Bellevue	1.182.	100.00		1	USD	497,122,503	3,973,019	USD	e)
307.	Tulip 2 B.V., 's-Gravenhage	1.208.	100.00		124,105	EUR	124,105	-	EUR	e)
308.	Tulip B.V., The Hague	1.208.	100.00		45,398,022	EUR	45,398,022	-	EUR	e)
309.	VIOLA Kabelgesellschaft (Deutschland) mbH, Bonn	1.45.	100.00		1,000,000	EUR	1,000,000	-	EUR	a) e)
310.	VOICENET Limited Company Telecommunications Services & Infrastructures SA, Athens	1.101.	100.00		5,650,050	EUR	2,350,014	54,470	EUR	b) e)
311.	Vidamet Zrt., Győr	1.123.	67.50		2,000,000,000	HUF	5,037,629,000	109,467,000	HUF	e)
311.	Vidamet Zrt., Győr	1.115.	22.50		2,000,000,000	HUF	5,037,629,000	109,467,000	HUF	e)
312.	Vivento Customer Services GmbH, Bonn			100.00	100,000	EUR	122,173,009	-	EUR	a) e)
313.	Vivento Technical Services GmbH, Bonn			100.00	100,000	EUR	38,373,789	-	EUR	a) e)
314.	VoiceStream PCS Iowa Corporation, Bellevue	1.225.	100.00		1	USD	36,756,356	4,648,697	USD	e)
315.	VoiceStream Pittsburgh General Partner, Inc., Bellevue	1.225.	100.00		100	USD	(4,812,505)	7,964,608	USD	e)
316.	VoiceStream Pittsburgh, L.P, Bellevue	1.315.	54.00		1	USD	(225,806,443)	15,038,127	USD	e)
316.	VoiceStream Pittsburgh, L.P, Bellevue	1.215.	46.00		1	USD	(225,806,443)	15,038,127	USD	e)
317.	ZODIAC Telekommunikationsdienste GmbH, Bonn			100.00	25,600	EUR	9,990	(254)	EUR	e)
318.	Zoznam Mobile, s.r.o., Bratislava	1.172.	100.00		6,639	EUR	368,266	59,657	EUR	
319.	Zoznam, s.r.o., Bratislava	1.172.	100.00		6,639	EUR	1,648,142	(326,307)	EUR	e)
320.	Zweite DFMG Deutsche Funkturm Vermögens-GmbH, Heusenstamm	1.295.	100.00		100,000	EUR	37,124,753	-	EUR	a) e)
321.	[origo] Média és Kommunikációs Zrt., Budapest	1.123.	100.00		300,230,000	HUF	1,855,382,000	(1,330,302,000)	HUF	e)
322.	congstar GmbH, Cologne	1.295.	100.00		250,000	EUR	3,747,047	-	EUR	a) e)
323.	d-Core NETWORK IBERIA, S.L., Tarragona	1.254.	100.00		3,010	EUR	29,000	(56,000)	EUR	e)
324.	operational services Beteiligungs-GmbH, Frankfurt/Main	1.325.	100.00		25,000	EUR	31,000	1,000	EUR	e)
325.	operational services GmbH & Co. KG, Frankfurt/Main	1.258.	50.00		250,000	EUR	3,127,000	1,151,000	EUR	e)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
<b>2. Associated and other related companies</b>										
1.	4 MNO Sp.z o.o., Warsaw	1.149.	25.00		440,000	PLN	113,700	(31,428)	PLN	e)
2.	AMC-IT (Proprietary) Limited i.L., Midrand	1.5.	35.00		1,000	ZAR	-	-	EUR	e)
3.	ASPM Holding B.V., Amsterdam	1.13.	49.00		18,000	EUR	2,724,000	(1,028)	EUR	e)
4.	Atypical silent partnership in Deutscher Adreßbuchverlag für Wirtschaft und Verkehr GmbH, Hamburg	1.53.	28.30		-	EUR	-	-		
5.	BUYIN S.A., Brussels			50.00	123,000	EUR	-	-		
6.	BodyTel Europe GmbH, Bad Wildungen	1.78.	25.00		1,100,000	EUR	(2,205,093)	(1,664,356)	EUR	h)
7.	CTDI GmbH, Malsch (Karlsruhe district)	1.295.	49.00		2,500,000	EUR	37,471,824	5,140,717	EUR	e)
8.	Callahan Nordrhein-Westfalen GmbH i.L., Cologne	1.309.	45.00		2,595,000	EUR	-	-		
9.	Central Georgian Communications Co. Ltd., Roustavi	1.100.	25.00		280,000	GEL	7,417,767	1,454,726	GEL	e)
10.	ChooChee Inc., Wilmington, DE	1.157.	38.02		526	USD	4,198,312	(1,051,688)	USD	e)
10.	ChooChee Inc., Wilmington, DE	1.78.	1.90		526	USD	4,198,312	(1,051,688)	USD	e)
11.	Cittadino GmbH, Düsseldorf	1.283.	46.95		52,034	EUR	(421,000)	(884,000)	EUR	h)
12.	CoreMedia AG, Hamburg	1.232.	27.31		3,786,106	EUR	4,552,746	745,364	EUR	g)
13.	Cost Xpert AG, Gersthofen	1.78.	30.00		71,429	EUR	116,311	297,300	EUR	e)
14.	Cyworld Europe GmbH i.L., Frankfurt/Main	1.232.	49.80		25,000	EUR	1,565,573	(4,068,317)	EUR	i)
15.	DETECON AL SAUDIA Co. Ltd., Riyadh	1.59.	46.50		4,000,000	SAR	20,593,000	6,469,000	EUR	e)
16.	DT-FT Italian Holding GmbH i.L., Bonn			50.00	50,000	DEM	-	-		
17.	Das Telefonbuch-Servicegesellschaft mbH, Frankfurt/Main	1.53.	25.10		500,000	EUR	590,062	893	EUR	e)
18.	DasÖrtliche Service- und Marketinggesellschaft mbH, Frankfurt/Main	1.53.	25.10		500,000	EUR	696,842	30,539	EUR	e)
19.	Deutscher Adreßbuchverlag für Wirtschaft und Verkehr GmbH (DAV), Frankfurt/Main	1.53.	25.10		700,000	DEM	(832,000)	(288,000)	EUR	e)
20.	Devas Multimedia Private Limited, Bangalore	1.62.	20.73		177,313	INR	-	-		
21.	Donbass Telecom Ltd., Donetsk	1.100.	49.00		342,700	UAH	-	-		
22.	EDEKT-OTE Asset management S.A., Athens	1.101.	40.00		2,935,000	EUR	-	-		
23.	Electrocyling Anlagen GmbH, Goslar	1.295.	25.00		9,000,000	DEM	5,307,149	373,793	EUR	e)
24.	Electrocyling GmbH, Goslar	1.295.	25.50		1,500,000	EUR	8,961,156	4,624,456	EUR	e)
25.	European Center for Information and Communications Technologies – EICT GmbH, Berlin			20.00	25,000	EUR	860,682	306,376	EUR	e)
26.	Everything Everywhere Limited, Hatfield	1.199.	50.00		22,050,306	GBP	6,117,383,100	(41,907,010)	GBP	b) e)
27.	Gelbe Seiten Marketing Gesellschaft mbH, Frankfurt/Main	1.53.	25.10		500,000	EUR	1,014,815	193,383	EUR	e)
28.	HWW-Höchstleistungsrechner für Wissenschaft und Wirtschaft Betriebsgesellschaft mbH, Stuttgart	1.258.	20.00		50,000	EUR	939,000	74,000	EUR	e)
28.	HWW-Höchstleistungsrechner für Wissenschaft und Wirtschaft Betriebsgesellschaft mbH, Stuttgart	1.277.	20.00		50,000	EUR	939,000	74,000	EUR	e)
29.	HiProCall, Inc., Wilmington, DE	1.185.	43.06		567	USD	(510,151)	(2,288,318)	USD	h)
30.	Hrvatska posta d.o.o., Mostar	1.103.	30.29		26,335,069	BAM	25,401,331	321,622	BAM	b) e)
31.	Hrvatske telekomunikacije d.d. Mostar, Mostar	1.103.	39.10		315,863,250	BAM	323,442,404	7,572,819	BAM	b) e)
32.	IGA Worldwide Inc., Wilmington, DE	1.78.	23.53		85,000	USD	(8,234,000)	(1,063,000)	USD	e)
33.	Intelligent Apps GmbH, Hamburg	1.78.	31.91		120,752	EUR	395,945	(317,000)	EUR	e)
34.	Iowa Wireless Services LLC, Bellevue	1.314.	37.74		38,746,002	USD	59,553,638	8,275,815	USD	e)
35.	JVL Ventures, LLC, Little Rock	1.225.	20.00		137,249,368	USD	17,075,204	(28,563,505)	USD	e)
36.	Jamii GmbH, Berlin	1.78.	24.72		42,389	EUR	84,969	(65,031)	EUR	e)
37.	LOCANIS AG, Unterföhring	1.283.	40.61		495,263	EUR	(7,225,000)	(2,530,000)	EUR	h)
38.	MGRID B.V., Amsterdam	1.78.	21.05		22,800	EUR	313,616	(68,188)	EUR	e)
39.	MNP Deutschland GbR, Düsseldorf	1.295.	16.67		-	EUR	2,030,525	5,156	EUR	e)
40.	Metasonic AG, Pfaffenhofen-Hettenshausen	1.78.	45.17		486,705	EUR	1,858,911	(2,242,390)	EUR	e)
41.	MindMatics AG, Munich	1.226.	21.79		185,879	EUR	27,805,800	684,164	EUR	e)
42.	Mixaroo Inc., Dover	1.78.	22.08		136	USD	-	-		

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
43.	Mobile Telephony Companies Association, Maroussi, Athen	1.23.	33.33		2,806,656	EUR	327,242	336,114	EUR	
44.	Moviepilot GmbH, Berlin	1.78.	21.65		62,600	EUR	385,613	(501,714)	EUR	e)
45.	NetWorkSI Sp.z o.o., Warsaw	1.149.	50.00		30,000,000	PLN	-	-		
46.	Pie Digital Inc., Newark	1.185.	30.16		27	USD	(3,034,135)	(7,219,389)	USD	e)
47.	Portavita B.V., Amsterdam	1.78.	21.05		22,800	EUR	1,960,146	(344,263)	EUR	e)
48.	SEARCHTEQ GmbH, Frankfurt/Main	1.53.	25.10		7,239,000	EUR	4,661,423	76,677	EUR	e)
49.	Scortel-FMS Ltd., Sofia	1.100.	44.00		55,000	BGN	55,000	(6,178)	BGN	e)
50.	Sones GmbH, Leipzig	1.232.	23.14		48,640	EUR	2,030,363	(820,996)	EUR	e)
51.	South Eastern Europe Telecommunications & Informatics Research Institute S.A., Thessaloniki	1.101.	10.56		1,320,060	EUR	338,326	(982,424)	EUR	e)
51.	South Eastern Europe Telecommunications & Informatics Research Institute S.A., Thessaloniki	1.100.	10.56		1,320,060	EUR	-	-		
52.	T-Systems Telecomunicaciones de Mexico, S.A. de C.V., Puebla	1.258.	49.00		50,000	MXN	1,000	-	EUR	e)
53.	TVG Telefon- und Verzeichnisverlag GmbH & Co. KG, Frankfurt/Main	1.53.	25.10		2,501,000	EUR	5,107,740	1,979,027	EUR	e)
54.	Tele-Auskunft Online GmbH, Frankfurt/Main	1.53.	25.32		250,000	EUR	1,711,248	238,703	EUR	e)
55.	TeleOp Gesellschaft mit beschränkter Haftung, Oberpfaffenhofen	1.258.	32.40		25,000	EUR	125,000	14,000	EUR	e)
56.	Telekom Srbija a.d. Belgrade, Belgrade	1.101.	20.00		82,512,552,000	RSD	-	-		
57.	Telesens KSCL AG i.L., Cologne	1.288.	24.09		23,588,222	EUR	574,505,000	(70,283,001)	DEM	j)
58.	Toll Collect GbR, Berlin			45.00	-	EUR	80,138,000	(14,247,000)	EUR	e)
59.	Toll Collect GmbH, Berlin			45.00	5,000,000	EUR	80,138,000	(14,247,000)	EUR	e)
60.	Trans Jordan For Communication Services Company Ltd., Amman	1.101.	40.00		3,500,000	JOD	-	-		
60.	Trans Jordan For Communication Services Company Ltd., Amman	1.100.	10.00		3,500,000	JOD	-	-		
61.	Ukrainian Wave Ltd., Lviv	1.97.	48.80		100	UAH	-	-		
62.	VeliQ B.V., Barendrecht	1.78.	33.06		98,620	EUR	(271,667)	(97,464)	EUR	e)
63.	Vivento Interim Services GmbH, Eschborn			49.02	51,000	EUR	2,640,030	2,587,030	EUR	e)
64.	Yemen Public Payphone Company Ltd., Sana'a	1.101.	10.00		2,960,000	USD	-	-		
64.	Yemen Public Payphone Company Ltd., Sana'a	1.100.	15.00		2,960,000	USD	-	-		
65.	Zimory GmbH, Berlin	1.186.	20.57		105,912	EUR	199,814	(783,605)	EUR	e)
66.	apprupt GmbH, Hamburg	1.78.	20.55		57,941	EUR	249,716	(985,732)	EUR	e)
67.	e-fellows.net GmbH & Co. KG, Munich			33.33	150,000	EUR	150,000	2,104,383	EUR	e)
68.	e-fellows.net Verwaltungs-GmbH, Munich			33.33	30,000	EUR	30,000	447	EUR	e)
69.	iesy Holdings GmbH, Oberursel (Taunus)	1.309.	35.00		1,000,000	EUR	-	-		
70.	mediapeers GmbH, Berlin	1.232.	24.10		44,890	EUR	984,307	(321,719)	EUR	e)
71.	myON-ID Media GmbH, Munich	1.232.	39.89		98,380	EUR	506,103	(385,409)	EUR	e)
72.	solute holding GmbH & Co. KG, Hanover	1.53.	25.10		1,000,000	EUR	13,000,000	488,176	EUR	e)
73.	wwg worldwidegames GmbH, Hamburg	1.78.	23.82		162,105	EUR	3,719,872	(1,334,865)	EUR	e)

<sup>a)</sup>Net income/loss taking into account profit and loss transfer agreements

<sup>b)</sup>Shareholders' equity and net income/loss as under IFRS

<sup>c)</sup>Shareholders' equity and net income/loss as of June 30, 2011

<sup>d)</sup>Shareholders' equity and net income/loss as of Mar. 31, 2011

<sup>e)</sup>Shareholders' equity and net income/loss as of Dec. 31, 2010

<sup>f)</sup>Shareholders' equity and net income/loss as of Sept. 30, 2010

<sup>g)</sup>Shareholders' equity and net income/loss as of Jun. 30, 2010

<sup>h)</sup>Shareholders' equity and net income/loss as of Dec. 31, 2009

<sup>i)</sup>Shareholders' equity and net income/loss as of Dec. 31, 2007

<sup>j)</sup>Shareholders' equity and net income/loss as of Dec. 31, 2000

<sup>k)</sup>Net income/loss taking into account existing profit and loss transfer agreement, no transfer due to loss carryforward from prior years





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66	Responsibility statement
67	Independent auditor's report

# Responsibility statement.

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report of Deutsche Telekom AG, which is combined with the Group manage-

ment report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Bonn, February 6, 2012

**Deutsche Telekom AG**  
**Board of Management**

René Obermann

Dr. Manfred Balz

Reinhard Clemens

Niek Jan van Damme

Timotheus Höttges

Claudia Nemat

Thomas Sattelberger

# Independent auditor's report.

To Deutsche Telekom AG, Bonn.

## Report on the annual financial statements.

We have audited the accompanying annual financial statements of Deutsche Telekom AG, Bonn, which comprise the balance sheet, the statement of income and the notes to the financial statements, together with the bookkeeping system, for the financial year from January 1 to December 31, 2011.

**Board of Management's responsibility for the financial statements.** The Board of Management of Deutsche Telekom AG, Bonn, is responsible for the maintenance of the books and records and the preparation of these annual financial statements. This responsibility includes that these annual financial statements are prepared in accordance with German commercial law and supplementary provisions of the Articles of Incorporation and that these annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The Board of Management is also responsible for the internal controls as the Board of Management determines are necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility.** Our responsibility is to express an opinion on these annual financial statements, together with the bookkeeping system, based on our audit. We conducted our audit in accordance with § (Article) 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standards on Auditing (ISA). Accordingly, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The selection of audit procedures depends on the auditor's professional judgment. This includes the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In assessing those risks, the auditor considers the internal control system relevant to the Company's preparation of annual financial statements that give a true and fair view. The aim of this is to plan and perform audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Audit opinion.** According to § 322 (3) sentence 1 HGB, we state that our audit of the annual financial statements has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply, in all material respects, with the legal requirements and supplementary provisions of the Articles of Incorporation and give a true and fair view of the net assets and financial position of the Company as at December 31, 2011 as well as the results of operations for the financial year then ended, in accordance with (German) principles of proper accounting.

## Report on the management report.

We have audited the accompanying management report of Deutsche Telekom AG, Bonn, which is combined with the group management report, for the financial year from January 1 to December 31, 2011. The Board of Management is responsible for the preparation of the combined management report in accordance with the legal requirements. We conducted our audit in accordance with § 317 (2) HGB and German generally accepted standards for the audit of the combined management report promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Accordingly, we are required to plan and perform the audit of the combined management report to obtain reasonable assurance about whether the combined management report is consistent with the annual financial statements and the audit findings, as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

According to § 322 (3) sentence 1 HGB we state, that our audit of the combined management report has not led to any reservations.

In our opinion based on the findings of our audit of the annual financial statements and combined management report, the combined management report is consistent with the annual financial statements, as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt/Main, February 6, 2012

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Harald Kayser  
Wirtschaftsprüfer

Thomas Tandetzki  
Wirtschaftsprüfer



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# List of abbreviations.

AG	Aktiengesellschaft (stock corporation under German law)	e.V.	eingetragener Verein (registered association under German law)
AktG	Aktengesetz (German Stock Corporation Act)	FCC	Federal Communications Commission
BilMoG	Bilanzrechtsmodernisierungsgesetz (German Accounting Law Modernization Act)	Federal Agency	Bundesanstalt für Post und Telekomminkation (Federal Posts and Telecommunications Agency)
BNetzA	Bundesnetzagentur (Federal Network Agency)	FTE	Full-time equivalent(s)
BPS-PT	Bundes-Pensions-Service für Post und Telekommu- nikation e.V., Bonn (joint pension fund for civil servants of Deutsche Post AG, Deutsche Postbank AG and Deutsche Telekom)	GAS	German Accounting Standards
BVerwG	Bundesverwaltungsgericht (Federal Administrative Court)	GBP	Pound sterling
CEO	Chief Executive Officer	GbR	Gesellschaft bürgerlichen Rechts (non-trading partnership under German law)
CFO	Chief Financial Officer	GG	Grundgesetz (German Basic Law)
Cofiroute	Compagnie Financière et Industrielle des Autoroutes S.A., Sèvres Cedex	GmbH	Gesellschaft mit beschränkter Haftung (Limited liability company under German law)
COO	Chief Operating Officer	HGB	Handelsgesetzbuch (German Commercial Code)
CTA	Contractual Trust Arrangement	HRB	Handelsregister, Abteilung B (Commercial register, section B)
DTBS	Deutsche Telekom Betriebsrenten-Service e.V., Bonn	ICSS	International Carrier Sales & Solutions
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization	IFRS	International Financial Reporting Standard
EGHGB	Einführungsgesetz zum Handelsgesetzbuch (Introductory Act of the German Commercial Code)	i.L.	in liquidation
ESTG	Einkommensteuergesetz (German Income Tax Act)	incl.	including
etc.	et cetera	IP	Internet Protocol
EUR	Euro	ISDN	Integrated Service Digital Network
		IT	Information technology
		KfW	KfW Bankengruppe, Frankfurt/Main
		KG	Kommanditgesellschaft (limited partnership under German law)

M&A	Mergers & Acquisitions
MTIP	Mid-Term Incentive Plan
NDFs	Non-deliverable forwards
No.	Number
PBeaKK	Postbeamtenkrankenkasse (Civil Service Health Insurance Fund)
PTNeuOG	Postneuordnungsgesetz (Posts and Telecommunications Reorganization Act)
SAR	Stock appreciation right
SE	Societas Europea
SOP	Stock option plan
T-Share	Deutsche Telekom share
UK	United Kingdom
UmwG	Umwandlungsgesetz (German Reorganization and Transformation Act)
United States	United States of America
VAP	Versorgungsanstalt der Deutschen Bundespost (special pension fund of Deutsche Bundespost)
ver.di	Vereinte Dienstleistungsgewerkschaft (service industry trade union)
VorstAG	Gesetz zur Angemessenheit der Vorstandsvergütung (German Act on the Appropriateness of Management Board Remuneration)
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)
Xetra trading	Xetra trading at Deutsche Börse AG, Frankfurt/Main

# Contacts.

Deutsche Telekom AG  
Corporate Communications  
Postfach 2000, 53105 Bonn, Germany  
Phone: +49 228 181 4949  
Fax: +49 228 181 94004

Further information on Deutsche Telekom  
is available at: [www.telekom.com](http://www.telekom.com)

Investor Relations:  
Phone: +49 228 181 88880  
Fax: +49 228 181 88899  
E-mail: [investor.relations@telekom.de](mailto:investor.relations@telekom.de)

Additional copies of this report  
are available at:  
Phone: +49 228 181 88333  
Fax: +49 228 181 88339  
E-mail: [forum-taktie@telekom.de](mailto:forum-taktie@telekom.de)

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