

DEUTSCHE TELEKOM AG
ANNUAL FINANCIAL
STATEMENTS
AS OF DECEMBER 31, 2013



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CONTENTS

ANNUAL FINANCIAL STATEMENTS OF DEUTSCHE TELEKOM AG

6	Balance sheet
7	Statement of income
8	Notes to the financial statements
8	Summary of accounting policies
13	Notes to the balance sheet
29	Notes to the statement of income
35	Other disclosures

RESPONSIBILITY STATEMENT

INDEPENDENT AUDITOR'S REPORT

FURTHER INFORMATION

66	List of abbreviations
68	Contacts

A combined management report has been produced for Deutsche Telekom AG and the Deutsche Telekom Group and is published in our 2013 Annual Report.

Deutsche Telekom AG's single-entity financial statements and the combined management report for the 2013 financial year are published in the electronic Federal Gazette (elektronischer Bundesanzeiger) and can also be accessed on the website of the register of companies.

ANNUAL FINANCIAL STATEMENTS OF DEUTSCHE TELEKOM AG

- 6 Balance sheet
- 7 Statement of income
- 8 Notes to the financial statements
 - 8 Summary of accounting policies
- 13 Notes to the balance sheet
- 29 Notes to the statement of income
- 35 Other disclosures

BALANCE SHEET

millions of €	Note	Dec. 31, 2013	Dec. 31, 2012
ASSETS			
NONCURRENT ASSETS			
	1		
Intangible assets		285	197
Property, plant and equipment		3,921	4,266
Financial assets		86,215	81,632
		90,421	86,095
CURRENT ASSETS			
Inventories	2	3	2
Receivables	3	10,888	8,302
Other assets	4	1,654	942
Cash and cash equivalents	5	1,122	997
		13,667	10,243
PREPAID EXPENSES AND DEFERRED CHARGES			
	6	603	470
DIFFERENCE BETWEEN PLAN ASSETS AND PARTIAL RETIREMENT LIABILITIES			
	7	7	9
TOTAL ASSETS			
		104,698	96,817
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
	8		
Capital stock	9	11,395	11,063
Less the imputed value of treasury shares		(54)	(6)
Issued capital		11,341	11,057
Contingent capital of € 1,100 million			
Additional paid-in capital	10	27,604	26,752
Retained earnings	11	9,546	9,548
Unappropriated net income		2,877	3,050
		51,368	50,407
ACCRUALS			
Pensions and similar obligations	13	1,879	1,986
Tax accruals	14	257	352
Other accruals	15	2,894	3,127
		5,030	5,465
LIABILITIES			
	16		
Debt		5,307	5,540
Other liabilities		42,764	35,157
		48,071	40,697
DEFERRED INCOME			
	17	229	248
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
		104,698	96,817

STATEMENT OF INCOME

millions of €	Note	2013	2012
Net revenue	19	3,765	3,817
Other own capitalized costs	20	12	2
TOTAL OPERATING PERFORMANCE		3,777	3,819
Other operating income	21	3,254	5,296
Goods and services purchased	22	(1,405)	(1,456)
Personnel costs	23	(3,062)	(3,327)
Depreciation, amortization and write-downs	24	(459)	(496)
Other operating expenses	25	(4,184)	(4,489)
Financial income (expense), net	26	5,046	(3,710)
RESULTS FROM ORDINARY BUSINESS ACTIVITIES		2,967	(4,363)
Extraordinary income (expense)	27	(17)	(17)
Taxes	28	(113)	(165)
INCOME AFTER TAXES (2012: LOSS AFTER TAXES)		2,837	(4,545)
Unappropriated net income carried forward from previous year		40	1,645
Transfer from retained earnings		-	5,950
UNAPPROPRIATED NET INCOME	29	2,877	3,050

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS ACTIVITIES

Deutsche Telekom AG¹, Bonn, (hereinafter 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.

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

In the reporting year, various direct and indirect shareholdings of Deutsche Telekom were primarily transferred to other subsidiaries at their carrying amounts with the aim of bundling the Europe operating segment together in a holding structure. This had no material impact on Deutsche Telekom's results of operations, financial position or cash flows.

DESCRIPTION OF THE RELATIONSHIP WITH THE FEDERAL REPUBLIC OF GERMANY

The Federal Republic's total shareholding in Deutsche Telekom amounted to 31.9 percent at the end of the reporting period, of which 17.4 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 Deutsche Bundespost Federal Posts and Telecommunications Agency, Bonn (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 (Postbeamtenkrankenkasse – PBeaKK), the recreation service (Erholungswerk), the supplementary retirement pensions institution (Versorgungsanstalt der Deutschen Bundespost – VAP), and the welfare service (Betreuungswerk), among others.

Up to and including the 2012 reporting year, Deutsche Telekom maintained a joint pension fund, Bundes-Pensions-Service für Post und Telekommunikation e.V., Bonn (BPS-PT), together with Deutsche Post AG and Deutsche Postbank AG for civil servant pension plans. The Act on the Reorganization of the Civil Service Pension Fund (Gesetz zur Neuordnung der Postbeamtenversorgungs-kasse – PVKNeuG) transferred the functions of BPS-PT relating to civil servant pensions (organized within the Civil Service Pension Fund) to the existing Federal Agency effective January 1, 2013. The civil servant pension functions are therefore performed by the Civil Service Pension Fund as an integral part of the Federal Agency. This joint Civil Service Pension Fund 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.

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 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.

COMPARABILITY WITH PRIOR-YEAR FIGURES ON ACCOUNT OF ORGANIZATIONAL CHANGES

In accordance with § 265 (2) sentence 1 of the German Commercial Code (Handelsgesetzbuch – HGB), the comparative figures from the Company's preceding financial year have been presented for the balance sheet as of December 31, 2013 and the statement of income for the period January 1 to December 31, 2013.

In the prior year, Deutsche Telekom transferred key IT units and support units to the new Telekom IT unit within T-Systems International GmbH, Frankfurt am Main (T-Systems), with effect from July 1, 2012. As a result of this reorganization, T-Systems became the main IT service provider in the Deutsche Telekom Group. Also effective July 1, 2012, the software transferred in the process was licensed back to Deutsche Telekom, provided these are the users of the software. On account of this transfer, the figures relating to these business areas in the statement of income are not comparable with the amounts for the previous year (§ 265 (2) sentence 2 HGB). Prior-year amounts were not restated (§ 265 (2) sentence 3 HGB).

Where the effects of the transfer of the IT business to T-Systems in the prior year are material and expedient for better comprehension of the business figures, they will be presented in the disclosures on individual items in the statement of income.

¹ 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 (millions of €/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.

ACCOUNTING POLICIES

Purchased **intangible assets** are carried at acquisition cost and are amortized on a straight-line basis over their estimated useful lives. Write-downs to the lower of cost or market value are charged if an impairment of assets is assumed to be permanent.

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 cost. 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.

If the reasons for write-downs no longer exist in subsequent years, either in whole or in part, a write-up is made in the amount of the reversal recognized; this may not, however, exceed the value that would have been recognized if the write-down had not been carried out.

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 annual financial statements. Deutsche Telekom exercises the option to retain the existing carrying amounts in accordance with Art. 67 (4) sentence 1 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch – 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
Acquired software	3 to 4
Other rights of use and licenses	As contractually agreed
Buildings	25 to 50
Transmission, switching 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.

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. The accounting for structured financial instruments is in accordance with standard IDW RS HFA 22 issued by the Institute of Public Auditors in Germany.

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 assets drawn is hence recognized in the statement of income.

Merchandise is 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 moving weighted average value.

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.

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.

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.

As part of **stock-based compensation plans**, mid-term incentive plans (MTIP), 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). In addition, under the performance-related salary component, Variable I, the Board of Management and the business leader team are also 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 of 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 from Deutsche Telekom's holding of treasury shares 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 of Variable I and for Variable II; the associated personnel costs will be spread over the respective minimum duration.

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 exercised the option in such a way that the annual addition corresponds to one 15th of the total amount being added.

In the past, Deutsche Telekom concluded **partial retirement arrangements** with varying terms and conditions largely based on what is known as the block model. Two types of obligations, both measured at their present value in accordance with actuarial principles using the 2005 G life expectancy tables published by Prof. Klaus Heubeck, 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 arrangements concluded in previous years were mainly to be considered severance instruments, step-up payments were recognized in full as soon as the obligation arose. In current partial retirement arrangements where the focus is on the future performance of work, the top-up payments are thus 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 long-term credits and pension obligations, as well as accruals for outstanding settlement amounts relating to obligations from partial retirement, 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 item (§ 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 dictated by 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 became necessary in the 2010 financial year on the basis of the introduction of the BilMoG and the resulting changes in measurement, Deutsche Telekom 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).

Liabilities are recognized at the 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 average spot rate at the balance sheet date in accordance with § 256a HGB.

In line with the imparity principle, unrealized losses relating to non-derivative and derivative financial instruments are expensed when incurred. This principle is also applied to derivatives that are embedded in structured financial instruments and that have to be accounted for separately. 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.

Unrealized 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 the appropriation of accruals for current employees as well as expenditures for ongoing payments to the Federal Agency 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 rights to use software, licenses and prepayments. The increase in intangible assets by EUR 88 million to EUR 285 million was primarily attributable to additions to licenses and rights of use. Of these additions, rights of use amounting to EUR 130 million were sublicensed to subsidiaries in the reporting year.

Property, plant and equipment decreased by EUR 345 million to EUR 3.9 billion in the reporting period, largely due to depreciation and amortization in the 2013 financial year amounting to EUR 382 million, of which EUR 298 million relates to depreciation on real estate. Investments in property, plant and equipment in the 2013 financial year totaled EUR 76 million (2012: EUR 84 million), the majority of which related to other equipment, plant and office equipment of EUR 39 million. The decrease in property, plant and equipment at net carrying amounts is primarily related to real estate which accounted for EUR 84 million.

As of the balance sheet date, **financial assets** increased by EUR 4.6 billion compared with December 31, 2012.

The increase of EUR 266 million in **investments in subsidiaries** was due in particular to an addition of EUR 139 million from the acquisition of Sireo Immobilienfonds No.1 GmbH & Co. KG, Frankfurt/Main, as well as capital increases at Deutsche Telekom Venture Funds GmbH, Bonn (EUR 76 million). Additions and disposals were largely the result of a reallocation of companies within the Group with the aim of bundling certain European subsidiaries into a new holding structure. Furthermore, as part of the restructuring of the T-Venture group, Deutsche Telekom contributed interests in limited partnerships to Deutsche Telekom Venture Funds GmbH, Bonn at fair values amounting to EUR 77 million. This generated income of EUR 9 million. Write-downs on financial assets totaling EUR 142 million were made in the 2013 financial year.

Loans to subsidiaries at December 31, 2013 mainly consisted of loans to Telekom Deutschland GmbH, Bonn (EUR 5.1 billion), T-Mobile US, Inc., Bellevue (T-Mobile US) (EUR 4.3 billion), Scout24 Holding GmbH, Munich (EUR 322 million), Magyar Telekom Nyrt., Budapest (EUR 237 million), Sireo Immobilienfonds No.1 GmbH & Co. KG, Frankfurt/Main (EUR 233 million), and DeTeFleetServices GmbH, Bonn (EUR 191 million). The increase of EUR 4.3 billion is mainly attributable to the refinancing of T-Mobile USA in connection with the contribution of T-Mobile USA to MetroPCS Communications, Inc., Dallas (MetroPCS).

Write-downs on financial assets are recorded in net financial income/expense (please refer to Note 26).

For the statement of investment holdings in accordance with § 285 No. 11 HGB, please refer to Note 40.

Statement of noncurrent assets

	Acquisition costs								Balance at Dec. 31, 2013
	Balance at Jan. 1, 2013	Additions	Additions from transfers from Group companies	Additions from mergers and similar transactions	Disposals	Disposals from transfers to Group companies	Disposals from mergers and similar transactions	Reclassi- fications	
millions of €									
I. INTANGIBLE ASSETS									
1. Purchased concessions, industrial property and similar rights and assets, and licenses in such rights and assets	242	282	-	-	(185)	(2)	-	54	391
2. Advance payments	64	26	-	-	(3)	-	-	(54)	33
	306	308	-	-	(188)	(2)	-	-	424
II. PROPERTY, PLANT AND EQUIPMENT									
1. Land and equivalent rights and buildings including buildings on land owned by third parties	10,903	16	-	-	(473)	-	-	5	10,451
2. Technical equipment and machinery	504	10	-	-	(16)	(1)	-	9	506
3. Other equipment, plant and office equipment	827	39	1	-	(40)	(8)	-	(1)	818
4. Advance payments and construction in progress	17	11	-	-	-	-	-	(13)	15
	12,251	76	1	-	(529)	(9)	-	-	11,790
III. FINANCIAL ASSETS									
1. Investments in subsidiaries	79,856	390	-	11,606	-	-	(12,830)	-	79,022
2. Loans to subsidiaries	6,155	8,953	-	-	(4,638)	-	-	-	10,470
3. Investments in associated and related companies	227	-	-	-	(1)	-	-	-	226
4. Other long-term loans	11	2	-	-	-	-	-	-	13
	86,249	9,345	-	11,606	(4,639)	-	(12,830)	-	89,731
NONCURRENT ASSETS	98,806	9,729	1	11,606	(5,356)	(11)	(12,830)	-	101,945

Depreciation, amortization and write-downs								Net carrying amounts		
Balance at Jan. 1, 2013	Additions	Additions from transfers from Group companies	Disposals	Disposals from transfers to Group companies	Disposals from mergers and similar transactions	Reclassi- fications	Write-ups	Balance at Dec. 31, 2013	Balance at Dec. 31, 2013	Balance at Dec. 31, 2012
(109)	(77)	-	46	1	-	-	-	(139)	252	133
-	-	-	-	-	-	-	-	-	33	64
(109)	(77)	-	46	1	-	-	-	(139)	285	197
(6,896)	(298)	-	389	-	-	1	51	(6,753)	3,698	4,007
(432)	(31)	-	16	1	-	(4)	-	(450)	56	72
(657)	(53)	(1)	36	6	-	3	-	(666)	152	170
-	-	-	-	-	-	-	-	-	15	17
(7,985)	(382)	(1)	441	7	-	-	51	(7,869)	3,921	4,266
(4,509)	(142)	-	-	-	1,233	-	9	(3,409)	75,613	75,347
(6)	-	-	1	-	-	-	-	(5)	10,465	6,149
(102)	-	-	-	-	-	-	-	(102)	124	125
-	-	-	-	-	-	-	-	-	13	11
(4,617)	(142)	-	1	-	1,233	-	9	(3,516)	86,215	81,632
(12,711)	(601)	(1)	488	8	1,233	-	60	(11,524)	90,421	86,095

2 INVENTORIES

millions of €	Dec. 31, 2013	Dec. 31, 2012
Merchandise	3	2
	3	2

3 RECEIVABLES

millions of €	Dec. 31, 2013	Dec. 31, 2012
Trade accounts receivable of which: with a remaining maturity of more than one year € 0 million (Dec. 31, 2012: € 0 million)	114	90
Receivables from subsidiaries of which: with a remaining maturity of more than one year € 36 million (Dec. 31, 2012: € 42 million)	10,738	8,169
Receivables from associated and related companies of which: with a remaining maturity of more than one year € 0 million (Dec. 31, 2012: € 0 million)	36	43
	10,888	8,302

Trade accounts receivable relate in particular to receivables at the International Carrier Sales & Solutions business unit relating regarding network operator services and network services for international carriers as well as to the Products & Innovation unit for consumers and business customers. The increase in receivables was mainly the result of the successful marketing of e-readers and tablets.

Receivables from subsidiaries consist of receivables related to intercompany cash management amounting to EUR 8,917 million (December 31, 2012: EUR 6,843 million), other receivables of EUR 613 million (December 31, 2012: EUR 402 million), intercompany trade accounts receivable amounting to EUR 610 million (December 31, 2012: EUR 610 million) and financial receivables amounting to EUR 598 million (December 31, 2012: EUR 314 million).

Receivables from associated and related companies relate almost exclusively to receivables from EE Limited, Hatfield. Trade accounts receivable from associated and related companies amounted to EUR 1 million in the reporting year (December 31, 2012: EUR 0 million).

4 OTHER ASSETS

millions of €	Dec. 31, 2013	Dec. 31, 2012
TAX RECEIVABLES		
Income tax receivables		
Corporate income tax	2	6
Trade income tax	0	1
Solidarity surcharge	-	0
Other taxes	33	-
	35	7
Receivables from collateral	941	246
Receivables from reimbursements	276	265
Accrued interest	218	265
Receivables from derivatives	130	117
Receivables from employees	6	5
Miscellaneous other assets	48	37
	1,619	935
	1,654	942

Tax receivables relate to the prior year and were primarily a result of receivables for the reimbursement of VAT in accordance with § 45h of the German Telecommunications Act (Telekommunikationsgesetz – TKG) and the corporate income tax credits recognized in the balance sheet pursuant to § 37 of the German Corporation Tax Act (Körperschaftsteuergesetz – KStG).

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. The increase was a result of the usual fluctuations in the market value of derivatives, in particular to expired and newly concluded derivatives in U.S. dollars, largely in connection with the refinancing of T-Mobile USA.

Receivables from reimbursements mainly consist of interoperator discount services in connection with roaming agreements with foreign mobile communications providers. Deutsche Telekom's subsidiaries are entitled to, and will be credited with, the reimbursements received, which are initially bundled by Deutsche Telekom.

Accrued interest was almost exclusively from interest rate derivatives.

Receivables from derivatives mainly relate to unrealized settlement gains and losses from expired hedge transactions for revolving hedging (roll-over gains or losses).

Miscellaneous other assets include receivables from the Federal Agency and from the provision of staff.

Of the receivables reported under other assets, EUR 133 million (December 31, 2012: EUR 120 million) have a remaining maturity of more than one year.

5 CASH AND CASH EQUIVALENTS

millions of €	Dec. 31, 2013	Dec. 31, 2012
Cash in hand, cash in banks, checks	1,122	997
	1,122	997

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

6 PREPAID EXPENSES AND DEFERRED CHARGES

millions of €	Dec. 31, 2013	Dec. 31, 2012
Personnel costs	419	292
Discounts of loans	97	87
Other prepaid expenses	87	91
	603	470

Deferred personnel costs in the reporting period mainly comprise prepaid expenses to the Civil Service Pension Fund for 2014 and advance payments.

7 DIFFERENCE BETWEEN PLAN ASSETS AND PARTIAL RETIREMENT LIABILITIES

millions of €	Dec. 31, 2013	Dec. 31, 2012
Settlement amount of the netted liabilities from partial retirement agreements and long-term credits	93	92
Fair value of the CTA assets	100	101
Acquisition costs of the CTA assets	102	102
Netted expenses	3	0
Netted income	1	3
Excess of assets above obligations from outstanding settlement amounts from partial retirement agreements and long-term credits	7	9

The **difference between plan assets and partial retirement liabilities** amounting to EUR 7 million relates exclusively to the netting of marketable securities and cash in banks in the amount of EUR 100 million with the outstanding settlement amounts for accruals for partial retirement and long-term credits amounting to EUR 93 million. The marketable securities and cash in banks that were transferred to a trustee serve as security for entitlements from partial retirement agreements and employees' long-term credits under the CTA. The fair value of the CTA assets covers in full Deutsche Telekom's discounted outstanding settlement amounts relating to obligations from partial retirement and long-term credits at December 31, 2013. The acquisition cost of the CTA asset for long-term credits is lower than its fair value. The resulting difference of approximately EUR 1 million is subject to a restriction on distribution. Income from the assets is generally netted with the corresponding expenses in net interest income/expense.

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

8 SHAREHOLDERS' EQUITY

millions of €	Dec. 31, 2013	Dec. 31, 2012
Capital stock	11,395	11,063
Less the imputed value of treasury shares	(54)	(6)
Issued capital	11,341	11,057
Additional paid-in capital	27,604	26,752
	27,604	26,752
Retained earnings		
other retained earnings	9,546	9,548
	9,546	9,548
Unappropriated net income	2,877	3,050
	51,368	50,407

Shareholders' equity increased by EUR 961 million year-on-year. The changes are described in detail in the following sections.

9 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, 2012	4,321,319	11,062,577	865,000	2,214,400	442,115	1,131,813
Use of 2009 authorized capital I (capital increase)	129,856	332,431	(129,856)	(332,431)	-	-
Cancellation of 2009 authorized capital I	-	-	(720,144)	(1,843,569)	-	-
Issue of 2013 authorized capital	-	-	850,000	2,176,000	-	-
Cancellation of contingent capital II	-	-	-	-	(12,427)	(31,813)
AS OF DEC. 31, 2013	4,451,175	11,395,008	865,000	2,214,400	429,688	1,100,000

Deutsche Telekom's **capital stock** at December 31, 2013 totaled EUR 11.4 billion. The capital stock is divided into 4,451,175,103 registered no par value shares. Each share entitles the holder to one vote.

The resolution on the dividend payout of EUR 0.70 per share for the 2012 financial year gave shareholders the choice between payment in cash or having their dividend entitlement converted into Deutsche Telekom shares. Dividend entitlements of Deutsche Telekom shareholders amounting to EUR 1.1 billion for shares from authorized capital (2009 authorized capital I) were contributed in June 2013 and thus did not have an impact on cash flows. Deutsche Telekom carried out an increase in capital stock of EUR 332 million against contribution of dividend entitlements for this purpose in June 2013. Additional paid-in capital increased by EUR 804 million in this context. The number of shares increased by 129,856 thousand.

As of December 31, 2013, 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.

The shareholding of shareholder BlackRock, Inc., New York, NY, which is subject to notification obligations, changed in the course of the year. Its stake in Deutsche Telekom was 5.001 percent on September 10, 2013. According to the latest notification by BlackRock published on September 13, 2013, the notification threshold of 5 percent of voting rights has been exceeded.

	Dec. 31, 2013	
	thousands of shares	%
Federal Republic of Germany	646,575	14.5
KfW Bankengruppe, Frankfurt/Main, Germany	774,897	17.4
BlackRock, Inc., New York, NY, United States	269,182	6.1

Authorized capital

The 2009 authorized capital II and 2013 authorized capital were as follows at December 31, 2013:

	thousands of €	thousands of shares	Purpose	Authorization until
2009 Authorized capital II	38,400	15,000	Employee shares	April 29, 2014
2013 Authorized capital	2,176,000	850,000	Capital increase against cash contribution/contribution in kind	May 15, 2018

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 could be exercised either in full or in one or several partial amounts. The Board of Management was authorized, subject to the approval of the Supervisory Board, to disapply shareholders' subscription 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 was also authorized, subject to the approval of the Supervisory Board, to determine the rights accruing to the shares in the future and the conditions for issuing shares.

The shareholders' meeting resolved on May 16, 2013 to cancel the 2009 authorized capital I to the extent it still existed, effective the entry of the 2013 authorized capital described below. Following the increase in capital stock against contribution of dividend entitlements, 2009 authorized capital I amounted to EUR 1,843,568,903.68. The cancellation of the remaining 2009 authorized capital I was entered in the commercial register on June 25, 2013.

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' subscription 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, subject to the approval of the Supervisory Board, to determine the rights accruing to the shares in the future and the conditions for issuing shares.

2013 Authorized capital

The shareholders' meeting on May 16, 2013 also 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 cash and/or non-cash contributions in the period ending May 15, 2018. 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 exclude residual amounts from shareholders' subscription rights. Furthermore, the Board of Management is authorized, subject to the approval of the Supervisory Board, to disapply shareholders' subscription rights in the event of capital increases against non-cash contributions 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 also authorized, subject to the approval of the Supervisory Board, to determine the rights accruing to the shares in the future and the conditions for issuing shares.

The shareholders' meeting on May 16, 2013 instructed the Board of Management to enter the 2013 authorized capital described above in the commercial register only when (a) the existing 2009 authorized capital I (in the necessary partial amount) has been utilized to grant the shareholders the possibility described under item 2 of the agenda of the shareholders' meeting on May 16, 2013 to opt for shares instead of a cash dividend payment and the related capital increase has been entered, or (b) the dividend has been paid out in full in cash. 2013 authorized capital was entered in the commercial register on June 25, 2013 after the condition specified under (a) had been met.

Contingent capital

As of December 31, 2013, Deutsche Telekom had the following contingent capital:

	thousands of €	thousands of shares	Purpose
2010 contingent capital	1,100,000	429,688	Servicing convertible bonds and/or bonds with warrants issued on or before May 2, 2015

2010 contingent capital

The capital stock was contingently increased by up to EUR 1,100,000,000 as of December 31, 2013, 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 (4) 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 53.7 million at December 31, 2013. This equates to 0.5 percent of the capital stock. At 20,978,340 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)
Share Matching Plan	580,021
Shares deposited with a trustee	18,516,811
	20,978,340

Buy-back of Deutsche Telekom shares and shares allocable to Deutsche Telekom in the same way as treasury shares

The shareholders' meeting resolved on May 24, 2012 to authorize the Board of Management to purchase shares in the Company by May 23, 2017, with the amount of capital stock accounted for by these shares totaling up to EUR 1,106,257,715.20, 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 § 71d and § 71e 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 may be used for one or several of the purposes permitted by the authorization granted by the shareholders' meeting on May 24, 2012 under item 7 on the agenda. The shares may also be used for purposes involving an exclusion of subscription rights. They may also be sold on the stock market or by way of an offer to all shareholders, or withdrawn. The shares may also be used 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.

Under the resolution of the shareholders' meeting on May 24, 2012, the Board of Management is also authorized to acquire the shares through the use of equity derivatives.

As part of this authorization, the Board of Management decided on December 18, 2012 to acquire a total of 268 thousand shares. From January 2, 2013 to January 16, 2013, shares were acquired in accordance with the authorization for a total acquisition price of EUR 2,394 thousand (excluding transaction costs) with an average purchase price of EUR 8.92 per share. The treasury shares resulting from the share buy-back accounted for less than 0.01 percent, or EUR 687 thousand, of capital stock as at December 31, 2013.

Furthermore, a total of 2 thousand shares were reallocated in January and March 2013 as part of the share matching plan and transferred free of charge to the depots of eligible participants of the share matching plan who are not members of the Board of Management. As of December 31, 2013, the decrease in treasury shares resulting from the transfers accounted for less than 0.001 per mill, or EUR 5 thousand, of capital stock.

As part of the acquisition of VoiceStream Wireless Corp., Bellevue, and Powertel Inc., Bellevue, in 2001 Deutsche Telekom issued new shares from authorized capital to a trustee, for the benefit of holders of warrants, options and conversion rights, among others. These options and conversion rights fully expired in the reporting year. As a result, the trustee no longer has any obligation to fulfill any claims in accordance with the purpose of the deposit. The 18,517 thousand deposited shares are accounted for in the same way as treasury shares in accordance with § 272 (1a) HGB. This equates to 0.4 percent, or EUR 48 million, of Deutsche Telekom's capital stock. No acquisition costs were incurred for Deutsche Telekom in this context.

Overall, the share buy-back, the transfers, and the allocation of shares resulted in changes of EUR 48 million in Deutsche Telekom's issued capital, EUR 48 million in additional paid-in capital, and EUR 2 million in retained earnings.

10 ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital increased by EUR 852 million in the 2013 financial year. This was partly due to an addition of EUR 804 million from a capital increase against the contribution of dividend entitlements and partly to the addition of 18,517 thousand shares of Deutsche Telekom, which increased additional paid-in capital by the imputed value of the shares.

11 RETAINED EARNINGS

Retained earnings include the transfers from income after taxes from prior years to other retained earnings. Retained earnings decreased by EUR 1,707 thousand as a result of the share buy-back in January 2013. The transfers of treasury shares held by Deutsche Telekom to depots of participants in the share matching plan increased retained earnings by EUR 13 thousand.

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

The amount that is subject to a restriction on distribution in accordance with § 268 (8) sentence 3 HGB is attributable to the measurement of the CTA assets for accruals for pensions and similar obligations at fair value amounting to EUR 60 million and to the measurement of the CTA asset for long-term credits amounting to approximately EUR 1 million. Unappropriated net income can be distributed in full as the amount of EUR 61 million that is subject to a restriction on distribution is covered entirely by freely available reserves.

12 STOCK-BASED COMPENSATION PLANS

Deutsche Telekom AG Mid-Term Incentive Plan (MTIP)

Deutsche Telekom's 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 to the beneficiaries by the respective employers 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.

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 prices of the T-Share (on the basis of the T-Share closing price 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 the T-Share has outperformed the Dow Jones EURO STOXX® Total Return Index on a percentage basis during the term of the individual plan. The benchmark is the non-weighted average of the T-Share (on the basis of the T-Share closing price 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® Total Return Index during the last 20 trading days prior to the beginning and end of the plan.

With the exception of Board of Management members who did not switch to the new compensation system for the Board of Management, the MTIP was issued for the last time in 2010 and replaced by Variable II.

Since the absolute and relative plan targets for the MTIP 2010 tranche were not met, no payment was made.

Deutsche Telekom MTIP ¹						
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	
2011 MTIP	3	1	9.79	12.73	9.79	441.12

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

Share Matching Plan

In the 2011 financial year, specific executives were contractually obliged to invest a minimum of 10 percent and a maximum of 33.3 percent of their variable short-term remuneration component, which is based on the achievement of targets set for each person for the financial year (Variable I), in Deutsche Telekom AG shares. Deutsche Telekom AG will award one additional share for every share acquired as part of this executive's aforementioned personal investment (share matching plan). These shares will be allotted to the beneficiaries of this plan on expiration of the four-year lock-up period.

Variable II

Deutsche Telekom's MTIP was replaced by Variable II in 2010. 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.

13 ACCRUALS FOR PENSIONS AND SIMILAR OBLIGATIONS

millions of €	Dec. 31, 2013	Dec. 31, 2012
Direct pension obligations of which: parallel obligation: € 1.3 billion; (Dec. 31, 2012: € 1.2 billion)	1,852	1,739
Indirect pension obligations	25	245
	1,877	1,984
Obligations in accordance with Article 131 GG	2	2
	1,879	1,986

Indirect pension obligations amounting to EUR 241 million were converted into direct pension obligations in the reporting year.

The decrease in total accruals for pensions is largely attributable to the appropriation of the plan assets amounting to EUR 134 million, which is netted with the settlement amount of the accrual.

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 Deutsche 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 form of implementation 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.

Pension accruals are 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 transitional provisions (Art. 67 (1) sentence 1 EGHGB) of BilMoG.

Pension accruals not shown in the balance sheet at December 31, 2013 as a consequence of the transitional provisions of BilMoG amounted to EUR 152 million (December 31, 2012: EUR 166 million) for direct pension obligations and EUR 31 million (December 31, 2012: EUR 34 million) for indirect pension obligations.

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

%	2013
Notional interest rate	4.89
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. Klaus Heubeck.

Based on the actuarial reports, an accrual for direct pension obligations amounting to EUR 1,852 million is recognized at the balance sheet date (December 31, 2012: EUR 1,739 million).

This figure is the result of the netting of the settlement amount of direct pension obligations at December 31, 2013 of EUR 2,837 million (December 31, 2012: EUR 2,576 million) with the fair value of the plan assets measured at market values of EUR 833 million (December 31, 2012: EUR 671 million) and the remaining addition (BilMoG) amounting to EUR 152 million. The acquisition cost of the plan assets totaled EUR 773 million (December 31, 2012: EUR 639 million) and was lower than the fair value. The difference of EUR 60 million by which the fair value exceeds the acquisition cost of the asset is subject to a restriction on distribution. The resulting income from the assets offset of EUR 28 million in the reporting year (2012: EUR 26 million) is subject to a restriction on distribution and was netted with expenses amounting to EUR 173 million (2012: EUR 147 million) in net interest expense.

14 TAX ACCRUALS

millions of €	Dec. 31, 2013	Dec. 31, 2012
Trade income tax	41	153
Corporate income tax	91	139
Other taxes	125	60
	257	352

Income tax accruals related in particular to current taxes in the 2013 financial year, which were payable despite loss carryforwards as a result of minimum taxation.

The majority of other taxes related to value-added tax from prior years.

15 OTHER ACCRUALS

millions of €	Dec. 31, 2013	Dec. 31, 2012
EMPLOYEE BENEFITS		
Civil Service Health Insurance Fund	234	198
Partial retirement arrangement	36	40
Early retirement (Civil Service Pension Fund)	4	12
Miscellaneous obligations	236	197
OTHER OBLIGATIONS		
Accruals for collateral promise for pension and partial retirement obligations	1,542	1,511
Loss contingencies from pending transactions	295	432
Outstanding invoices	164	154
Loss contingencies from interest rate derivatives	99	262
Litigation risks	71	125
Miscellaneous other accruals	213	196
	2,894	3,127

The **accrual for the Civil Service Health Insurance Fund** (Postbeamten-krankenkasse – 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 progression of employees into the passive phase of partial retirement. The accrual for partial retirement of EUR 36 million is completely related to the step-up amount.

The **accruals for collateral promise for pensions and partial retirement obligations** amounting to EUR 1.5 billion primarily 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 Technik GmbH, Bonn, and Deutsche Telekom Kundenservice GmbH, Bonn).

As in the prior year, **accruals for loss contingencies 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. The decrease in accruals for loss contingencies arising from pending transactions as at December 31, 2013 is primarily attributable to the utilization of the accrual in the amount of EUR 142 million due to the exercise of the call option for the acquisition of fund shares.

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

The decrease of EUR 163 million in **accruals for loss contingencies from interest rate derivatives** to EUR 99 million at December 31, 2013 was mainly attributable to the development of the market value of interest rate and cross currency interest rate swaps.

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

Miscellaneous other accruals included accruals for environmental clean-up expenses, accruals for contributions to professorships sponsored by Deutsche Telekom, accruals for archiving expenses, and accruals for interest claims by third parties.

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 2 million would have resulted.

16 LIABILITIES

millions of €	Dec. 31, 2013				Dec. 31, 2012			
	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
DEBT								
Bonds and debentures	2,037	265	563	1,209	2,284	328	828	1,128
Liabilities to banks	3,270	1,407	1,663	200	3,256	316	2,810	130
	5,307	1,672	2,226	1,409	5,540	644	3,638	1,258
OTHER LIABILITIES								
Advances received	0	0	-	-	75	75	-	-
Trade accounts payable	215	215	0	-	203	203	-	-
Payables to subsidiaries	37,588	14,583	9,279	13,726	29,011	15,736	6,689	6,586
Liabilities to associated and related companies	233	233	-	-	426	426	-	-
Other liabilities	4,728	1,936	2,116	676	5,442	2,362	2,345	735
of which: from taxes	225	225	-	-	255	255	-	-
of which: from social security	17	8	7	2	25	12	11	2
	42,764	16,967	11,395	14,402	35,157	18,802	9,034	7,321
TOTAL LIABILITIES	48,071	18,639	13,621	15,811	40,697	19,446	12,672	8,579

Bonds and debentures relate to treasury notes (EUR 1,209 million) and medium-term notes (EUR 828 million).

The structure of bonds and debentures is as shown below:

Due by December 31 millions of €	up to 3 %	up to 4 %	up to 6 %	up to 7 %	up to 8 %	Total
2014	-	265	-	-	-	265
2015	-	-	-	-	-	-
2016	300	-	-	-	-	300
2017	-	165	98	-	-	263
2018	-	-	-	-	-	-
2019 to 2020	-	-	-	-	1,209	1,209
	300	430	98	-	1,209	2,037

Payables to subsidiaries consisted primarily of financial liabilities of EUR 26.1 billion (December 31, 2012: EUR 15.8 billion) and liabilities arising from cash management of EUR 10.6 billion (December 31, 2012: EUR 12.4 billion). Payables to subsidiaries for trade accounts payable in the reporting year amounted to EUR 445 million (December 31, 2012: EUR 443 million). Of payables to subsidiaries, EUR 26.3 billion (December 31, 2012: EUR 15.3 billion) relates to liabilities to Deutsche Telekom International Finance B.V., Amsterdam (DT IF). The increase in payables to subsidiaries is attributable in particular to the loan taken out by DT IF for EUR 11.1 billion in connection with the refinancing of T-Mobile USA as a result of it being contributed to MetroPCS.

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. The interest rate of variable-interests liabilities as depicted are assigned in accordance with the most recent interest rate fixing valid at December 31, 2013.

2003 tranche	Nominal amount in currency	Interest rate in %	Term
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	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	7.455	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
2012 tranche	Nominal amount in currency	Interest rate in %	Term
USD	1,000,000,000	2.375	2017
EUR	500,000,000	2.125	2019
EUR	650,000,000	2.875	2024
USD	1,000,000,000	5.000	2042

2013 tranche	Nominal amount in currency	Interest rate in %	Term
USD	637,500,000	2.690	2014
USD	750,000,000	4.950	2014
USD	370,412,137	2.478	2014
USD	589,737,863	2.478	2014
USD	1,904,865,000	2.627	2015
USD	1,000,000,000	5.825	2016
USD	850,000,000	8.195	2018
USD	750,000,000	6.075	2019
EUR	1,250,000,000	2.255	2021
EUR	1,250,000,000	4.375	2022
EUR	500,000,000	5.000	2025
EUR	750,000,000	3.380	2028
USD	1,815,000,000	8.023	2030
USD	1,685,000,000	6.800	2030
USD	500,000,000	9.330	2032

Liabilities to associated and related companies include trade accounts payable amounting to EUR 12 million (December 31, 2012: EUR 7 million).

The following table shows the composition of other liabilities:

millions of €	Dec. 31, 2013	Dec. 31, 2012
Liabilities from early retirement arrangements	2,075	2,305
Liabilities from loan notes	1,120	1,161
Liabilities from interest	504	413
Liabilities from interoperator discount services	334	238
Tax liabilities	225	255
Liabilities from derivatives	283	238
Liabilities to employees	37	26
Liabilities from collateral	31	705
Miscellaneous other liabilities	119	101
	4,728	5,442

Liabilities from early retirement arrangements for civil servants exist vis-à-vis the Civil Service Pension Fund and arise from payment obligations under agreements that had already been concluded. The obligations are payable in up to seven annual installments. Civil servants working at Deutsche Telekom who have reached the age of 55 and fulfill all the criteria set out in the Act on the Staff Structure at the Residual Special Asset of the Federal Railways and

the Successor Companies of the Former Deutsche Bundespost (Gesetz zur Verbesserung der personellen Struktur beim Bundeseisenbahnvermögen und in den Postnachfolgeunternehmen) enacted in 1993 as amended on November 21, 2012 can apply for early retirement. Deutsche Telekom offsets the resulting reduced retirement pension payments for civil servants by advance payments on account to the Civil Service Pension Fund as well as other expenses. The Act on the Reorganization of the Civil Service Pension Fund (Gesetz zur Neuordnung der Postbeamtenversorgungskasse) extended the provisions for early retirement for civil servants until December 31, 2016. On January 8, 2013 the Board of Management resolved to exercise the early retirement provision for the 2013 financial year.

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 668 million.

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

Liabilities from interoperator discount services mainly relate to roaming discount business in connection with roaming agreements with foreign mobile communications providers. The obligations are initially bundled by Deutsche Telekom and then passed on to Deutsche Telekom's subsidiaries.

Tax liabilities comprised income tax liabilities amounting to EUR 9 million (December 31, 2012: EUR 5 million) and liabilities from other taxes amounting to EUR 216 million (December 31, 2012: EUR 250 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 203 million and wage tax liabilities of EUR 13 million.

Liabilities from derivatives mainly relate to unrealized settlement gains and losses from expired hedge transactions for revolving hedging (roll-over gains or losses).

Liabilities to employees resulted almost exclusively from severance agreements.

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. The year-on-year decline in liabilities was a result of the usual fluctuations in the market value of derivatives, in particular to expired and newly concluded derivatives in U.S. dollars, largely in connection with the refinancing of T-Mobile USA.

Miscellaneous other liabilities consisted in part of liabilities from the recognition of disposal gains on an accrual basis and resulted from the transfer of intangible assets in the 2012 financial year as part of the combination of significant IT units and supporting units within the Group to form the Telekom IT unit at T-Systems, as well as liabilities from the staff restructuring (e.g., transfer premiums for civil servants).

17 DEFERRED INCOME

The year-on-year decline in **deferred income** of EUR 19 million was predominantly a result of the amortization of agio on loans from DT IF.

18 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, 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

19 NET REVENUE

Revenue by area of activity

millions of €	2013	2012
Revenue from renting and leasing out property	1,204	1,205
Revenue from hiring out employees	1,197	1,245
Revenue from fixed network	1,162	1,203
Revenue from training services	202	164
	3,765	3,817

Revenues from renting and leasing out property totaled EUR 1.2 billion (2012: EUR 1.2 billion) and were generated under 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.

Revenue from hiring out employees amounted to EUR 1.2 billion (2012: EUR 1.2 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.

Fixed-network revenues amounting to EUR 1.2 billion (2012: EUR 1.2 billion) were mainly generated through wholesale services for international carriers, to which Deutsche Telekom made available, for instance, international voice and data connections. Revenue was also made with the sales of e-readers and with the Internet business areas of Advertising (placing advertisements in portals) and Inform&Entertain (e.g., Musicload, Gamesload), among others.

Revenue from training services consisted of training services for junior staff in Germany and overnight stays and conference services.

Revenue by geographic area

millions of €	2013	2012
Domestic	3,136	3,115
International	629	702
	3,765	3,817

20 OTHER OWN CAPITALIZED COSTS

millions of €	2013	2012
Other own capitalized costs	12	2
	12	2

21 OTHER OPERATING INCOME

millions of €	2013	2012
Cost transfers/reimbursements	1,180	1,217
Foreign currency transaction gains	676	603
Income from other services	361	463
Income from derivatives	292	730
Income from the reversal of accruals	139	190
Income from the disposal of noncurrent assets	80	150
Income from write-ups of noncurrent assets	60	26
Other income	466	1,917
	3,254	5,296

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 costs for brand licenses, and income from the billing of administration costs including to Deutsche Telekom Accounting GmbH, Bonn and the service companies.

Foreign currency transaction gains mainly included exchange rate effects of EUR 457 million 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 Business Services, health management, and the legal service, as well as commissions.

Income from derivatives relates to income from currency hedging in connection with foreign currency transactions.

Income from the reversal of accruals in the reporting year related mainly to the reversal of accruals for outstanding invoices amounting to EUR 35 million (2012: EUR 35 million), accruals for litigation costs amounting to EUR 31 million (2012: EUR 28 million), accruals for employee expenses amounting to EUR 15 million (2012: EUR 30 million), accruals for Federal Agency services amounting to EUR 8 million (2012: EUR 3 million) and accruals for contingent losses amounting to EUR 8 million (2012: EUR 17 million). Income of EUR 26 million from the reversal of accruals for transaction costs in connection with M&A activities was reported in the prior year.

Income from the disposal of noncurrent assets amounting to EUR 80 million was largely attributable to sales of land and buildings totaling EUR 44 million. Income from the disposal of noncurrent assets also includes the reversal of liabilities from the allocation of disposal gains to different periods (EUR 13 million), recognized in profit or loss, over the useful economic life of the intangible assets that were licensed back. The sale of financial assets generated income of EUR 22 million.

The decline in **other income** resulted mainly from the realization of hidden reserves in the prior year in connection with the transfer of the shares in T-Mobile Polska S.A., Warsaw (formerly PTC, Polska Telefonía Cyfrowa S.A., Warsaw) from Telekom Deutschland to T-Mobile Poland Holding GmbH, Bonn (formerly Omega Telekommunikationsdienste GmbH, Bonn). Other income reported in the reporting year included EUR 140 million from contractual compensation payments and income of EUR 9 million from contributions to subsidiaries at fair value.

Pursuant to § 277 (4) HGB, EUR 219 million (2012: EUR 309 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.

22 GOODS AND SERVICES PURCHASED

millions of €	2013	2012
GOODS PURCHASED		
Raw materials and supplies	1	1
Goods purchased	78	49
	79	50
SERVICES PURCHASED		
Interconnection rates	744	825
Other services	582	581
	1,326	1,406
	1,405	1,456

Expenditure of EUR 78 million for **goods purchased** in the reporting year related in particular to e-readers and tablets.

The decrease of EUR 81 million in **expenses for interconnection rates** to EUR 744 million as a wholesale upstream service for international carriers is mainly attributable to the reduction in prices imposed by the regulator and a decrease in the volume of call minutes.

Other services primarily include EUR 406 million of expenses for upstream services related to renting and leasing out property incurred under the rent including utilities model. Other services also include expenses related to upstream services for the Internet business areas Inform&Entertain and Advertising as well as telecommunications services for IT infrastructure operations (e.g., for operating data centers) and expenses for upstream services related to energy and training.

23 PERSONNEL COSTS/AVERAGE NUMBER OF EMPLOYEES

millions of €	2013	2012
WAGES AND SALARIES	2,205	2,500
SOCIAL SECURITY CONTRIBUTIONS AND EXPENSES FOR PENSION PLANS AND BENEFITS		
Expenses for pension plans for civil servants	590	614
Social security contributions	128	99
Support allowances	116	82
Expenses for pension plans for non-civil servants	23	32
	857	827
	3,062	3,327

Personnel costs decreased by a total of EUR 265 million year-on-year. Of this decrease, EUR 295 million related to wages and salaries and to a decrease in expenses for pension plans for civil servants and non-civil servants amounting to EUR 33 million, which was offset by an increase in social security contributions and expenses for pension plans and benefits totaling EUR 63 million.

The decrease in **wages and salaries** of EUR 295 million is almost exclusively attributable to the lower number of employees.

The Act on the Reorganization of the Civil Service Pension Fund (Gesetz zur Neuordnung der Postbeamtenversorgungskasse) which came into force on January 1, 2013 transferred the functions of BPS-PT in terms of the Civil Service Pension Fund as described in §§ 14 to 16 of the Act concerning the Legal Provisions for the Former Deutsche Bundespost Staff (Postpersonalrechtsgesetz – PostPersRG) for **pension plans for civil servants** at Deutsche Bundespost and its successor companies from BPS-PT to the already existing Federal Agency. 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), the Civil Service Pension Fund makes pension and allowance payments to retired employees and their surviving dependents who are entitled to pension payments as a result of civil-servant status.

Under PTNeuOG, the Federal Republic compensates the special pension fund for differences between the ongoing payment obligations of the Civil Service Pension Fund, amounts received from Deutsche Telekom AG, and returns on assets, and guarantees that the Civil Service Pension Fund 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 the Civil Service Pension Fund in accordance with this provision.

Pursuant to § 16 PostPersRG, Deutsche Telekom is required to make contributions to the federal government, represented by the Civil Service Pension Fund, equal to 33 percent, respectively, of the gross emoluments of active civil servants and the notional pensionable gross emoluments of civil servants on temporary leave from civil servant status; these contributions are recognized as ongoing expenses in the respective year. The announcement by the Federal Ministry of Finance on November 19, 2012 stipulated an advance payment in connection with civil service pensions of EUR 592 million for the contribution for 2013. Deutsche Telekom has already made the payment in full. Only EUR 567 million (2012: 592 million) of the advance payment was recognized as an expense due to the lower number of active civil servants and civil servants on leave of absence in the reporting year. 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 average number of employees (full-time equivalents) developed as follows:

Number	2013	2012
Civil servants	21,282	22,920
Non-civil servants	9,012	9,315
	30,294	32,235
Trainees and student interns	8,095	8,283

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

24 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

millions of €	2013	2012
DEPRECIATION AND AMORTIZATION		
Amortization of intangible assets	77	64
Depreciation of property, plant and equipment	325	339
	402	403
WRITE-DOWNS		
in accordance with § 253 (3) sentence 3 HGB	57	93
	459	496

EUR 71 million of the **amortization of intangible assets** related to the amortization of rights to use software (2012: EUR 64 million).

EUR 241 million of the **depreciation of property, plant and equipment** in the reporting year related to buildings (2012: EUR 240 million).

In the reporting year, **write-downs** consisted entirely of write-downs of real estate to the lower of cost or market value, amounting to EUR 57 million (2012: EUR 93 million).

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

25 OTHER OPERATING EXPENSES

millions of €	2013	2012
Rental and leasing expenses	1,041	1,066
Foreign currency transaction losses	698	628
Expenses arising from derivatives	413	714
Other employee-related costs	207	173
Marketing expenses	206	192
Legal and consulting fees	185	281
Research and development	143	185
IT support	132	172
Additions to accruals for contingent losses	124	135
Cleaning, transport, surveillance	111	132
Maintenance and repair	95	98
Expenses arising from reimbursements	53	135
Expenses arising from a collateral promise for pension and partial retirement obligations	14	51
Other expenses	762	527
	4,184	4,489

Rental and leasing expenses were incurred in particular under the rent including utilities model and comprise almost entirely the proportion of internal use by Deutsche Telekom.

Foreign currency transaction losses mainly included exchange rate effects of EUR 481 million realized upon the maturity of loans granted/taken out.

The year-on-year decrease of EUR 301 million in **expenses arising from derivatives** was primarily due to exchange rate effects from the measurement and management of currency derivatives.

Other employee-related costs of EUR 207 million include expenses of EUR 69 million arising from the allocation of administration costs payable to the Federal Agency, compensation payments of EUR 34 million related to the placement of civil servants with various federal authorities, EUR 23 million in staff development costs and EUR 11 million for conferences.

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

Legal and consulting fees encompass 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 comprise expenses for the development of software and expenses for university partnership programs.

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

Additions to accruals for contingent losses are mainly the result of 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.

Expenses arising from reimbursements largely comprise expenses relating to the cross-charging of services rendered by subsidiaries. The figure for the previous year included EUR 62 million of reimbursement obligations to T-Systems which had a claim for the reimbursement of costs by Deutsche Telekom in connection with the combination of significant IT units and supporting units to form the Telekom IT unit at T-Systems.

In the reporting year **other expenses** included travel expenses, insurance policies, freight charges, and ad-hoc temporary employment, among others.

Pursuant to § 277 (4) HGB, EUR 76 million (2012: EUR 23 million) of expenses relating to another period are included in other operating expenses in the reporting year. This largely relates to expenses from the disposal of noncurrent assets.

26 FINANCIAL INCOME/EXPENSE, NET

millions of €	2013	2012
Income related to subsidiaries, associated and related companies of which: from subsidiaries € 151 million (2012: € 173 million)	152	176
Income from profit transfer agreements	6,383	5,123
Expenses arising from loss transfers	(507)	(7,887)
INCOME (LOSS) RELATED TO SUBSIDIARIES, ASSOCIATED AND RELATED COMPANIES	6,028	(2,588)
Income from long-term loans from noncurrent financial assets of which: from subsidiaries € 582 million (2012: € 295 million)	582	295
Other interest and similar income of which: from subsidiaries € 142 million (2012: € 226 million) of which: from the discounting of accruals € 0 million (2012: € 3 million)	445	617
Interest and similar expenses of which: to subsidiaries € 1.2 billion (2012: € 0.9 billion) of which: from interest added back to accruals € 305 million (2012: € 249 million)	(1,867)	(1,613)
NET INTEREST EXPENSE	(840)	(701)
WRITE-DOWNS OF FINANCIAL ASSETS AND MARKETABLE SECURITIES	(142)	(421)
	5,046	(3,710)

Income related to subsidiaries, associated, and related companies mainly comprises dividends from Hrvatski Telekom d.d., Zagreb (EUR 115 million) and Slovak Telekom a.s., Bratislava (EUR 36 million).

Income from profit transfer agreements recognized in the reporting year related primarily to the transfer of profits from Telekom Deutschland (EUR 4.7 billion), Scout24 Holding GmbH, Munich (EUR 439 million), DFMG Holding GmbH, Bonn (EUR 315 million), T-Mobile Global Holding Nr. 2 GmbH, Bonn (EUR 296 million), T-Mobile Global Zwischenholding GmbH, Bonn (EUR 270 million), and PASM Power and Air Condition Solution Management GmbH, Munich (EUR 226 million).

Expenses arising from loss transfers primarily related to T-Systems (EUR 337 million), Vivento Customer Services GmbH, Bonn (EUR 105 million), and Deutsche Telekom Venture Funds GmbH, Bonn (EUR 22 million). In the prior year, expenses arising from loss transfers were primarily a result of the loss transfer from T-Mobile Global Zwischenholding GmbH, Bonn (EUR 7.1 billion).

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 and interest from long-term loans to T-Mobile USA.

Interest expenses to subsidiaries primarily resulted from loan relationships with DT IF.

In the reporting period, expenses amounting to EUR 176 million (2012: EUR 147 million) were netted with income from the CTA assets offset of EUR 29 million (2012: EUR 26 million) in finance costs.

Write-downs of financial assets related almost entirely to write-downs of the investment in Sireo Immobilienfonds No.1 GmbH & Co. KG, Frankfurt/Main (EUR 142 million).

27 EXTRAORDINARY INCOME/EXPENSE

millions of €	2013	2012
Extraordinary expense from measurement of accruals	(17)	(17)
	(17)	(17)

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

28 TAXES

millions of €	2013	2012
Income taxes	93	145
Other taxes	20	20
	113	165

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.

Income tax expense includes income relating to other periods amounting to EUR 28 million in accordance with § 277 (4) HGB.

Other taxes mainly comprised real estate tax expenses.

29 RECONCILIATION OF INCOME AFTER TAXES TO UNAPPROPRIATED NET INCOME

Income after taxes generated in the 2013 financial year amounted to EUR 2,837 million. Together with unappropriated net income carried forward from 2012 of EUR 40 million after dividend payments (unappropriated net income from the prior year of EUR 3,050 million less dividend payments totaling EUR 3,010 million), this resulted in **unappropriated net income** of EUR 2,877 million.

OTHER DISCLOSURES

30 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, 2013	Dec. 31, 2012
Liabilities from guarantees	995	836
Liabilities arising from warranty agreements of which: to subsidiaries € 0 million (Dec. 31, 2012: € 0 million)	5,179	16,667
	6,174	17,503

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 Telekom Deutschland (EUR 944 million), EE Limited, Hatfield (EUR 872 million), T-Systems (EUR 393 million) and T-Mobile USA, Inc., Bellevue (EUR 363 million). Guarantees relate to loan collateral guarantees in particular. 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; such an obligation to DT IF was recorded as of December 31, 2013 in the amount of EUR 830 million.

Deutsche Telekom signed a framework purchasing agreement with STRABAG Property and Facility Services GmbH, Münster (STRABAG PFS) 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 services from STRABAG PFS to be used either by Deutsche Telekom directly or by its domestic subsidiaries until the end of 2018. Deutsche Telekom takes 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 1.3 billion is reported under liabilities arising from warranty agreements.

The principal members of the Toll Collect consortium are Daimler Financial Services AG and Deutsche Telekom. In the arbitration proceedings between these principle shareholders and the consortium company Toll Collect GbR on one side and the Federal Republic of Germany on the other, concerning

disputes in connection with the truck toll collection system, Deutsche Telekom received the Federal Republic of Germany's statement of claim on August 2, 2005. In this statement, the Federal Republic claimed to have lost toll revenues of approximately EUR 3.51 billion plus interest owing to a delay in the commencement of operations. The total claims for contractual penalties amount to EUR 1.65 billion plus interest; these 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 now approximately EUR 3.33 billion plus interest. The main claims by the Federal Republic – including the contractual penalty claims – thus amount to around EUR 4.98 billion plus interest. The proceedings are to continue in spring 2014.

Bank loans guarantee. Deutsche Telekom guarantees to third parties bank loans of up to a maximum amount of EUR 110 million granted to Toll Collect GmbH. These guarantees for bank loans will expire on October 15, 2015.

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.

31 OTHER FINANCIAL OBLIGATIONS

	Dec. 31, 2013			Dec. 31, 2012		
	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 the Civil Service Pension Fund	4,552	540	4,012	5,009	570	4,439
Obligations under rental and lease agreements of which: to subsidiaries € 9.4 billion (Dec. 31, 2012: € 9.4 billion)	9,529	1,618	7,911	9,604	1,624	7,980
Purchase commitments arising from future expenditure and investments of which: to subsidiaries € 473 million (Dec. 31, 2012: € 609 million)	749	504	245	929	719	210
Commitments arising from unpaid contributions and from pending transactions of which: to subsidiaries € 486 million (Dec. 31, 2012: € 642 million)	1,059	1,032	27	1,034	1,007	27
	15,889	3,694	12,195	16,576	3,920	12,656

The **present value** of payments that Deutsche Telekom is required to make in accordance with PTNeuOG to the Civil Service Pension Fund on the basis of the 2005 G tables published by Prof. Klaus Heubeck amounted to EUR 4.6 billion as of December 31, 2013. 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 9.4 billion. These consist in particular of EUR 9.3 billion to GMG Generalmietgesellschaft mbH, Bonn, and EUR 87 million to DeTeFleetServices GmbH, Bonn.

Purchase commitments arising from future expenditure and investments were largely composed of commitments for non-capital expenditure of EUR 617 million. The decline in purchase commitments was largely a result of the reduction in the commitment in connection with IT business at T-Systems.

Unpaid and uncalled contributions relate in particular to Vivento Customer Services GmbH, Bonn (EUR 96 million).

Commitments arising from pending transactions with affiliated companies relate mainly to profit and loss transfers from T-Systems (EUR 144 million), Vivento Customer Services GmbH, Bonn (EUR 141 million) and ClickandBuy Holding GmbH, Darmstadt (EUR 52 million). Additionally, at the beginning of November 2013 Deutsche Telekom concluded an agreement with a consortium of international private equity firms to take over the GTS Central Europe group (GTS) for EUR 546 million. The takeover is still subject to approval by the responsible authorities.

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.

32 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments not included under valuation units as of the reporting date were as follows:

millions of €	Nominal amounts	Fair values
	Dec. 31, 2013	Dec. 31, 2013
INTEREST-RELATED INSTRUMENTS		
Interest rate swaps	(8,923)	(188)
Embedded derivatives ¹	4,065	13
	(4,858)	(175)
CURRENCY INSTRUMENTS		
Future exchange transactions	(318)	(1)
	(318)	(1)
OTHER INSTRUMENTS		
Diesel derivatives	47	0
	47	0
	(5,129)	(176)

¹ Repricing element that is not closely related to the economic characteristics and risks of the host contract.

The fair values shown above were determined using discounted cash flow models and option pricing models, which use the relevant market data as input parameters for calculation as of December 31, 2013.

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

millions of €	Dec. 31, 2013
Receivables from subsidiaries	126
Other assets	217
Other accruals	(104)
Payables to subsidiaries	(413)
Liabilities	(397)
	(571)

The Company uses derivatives for the purpose of hedging exposures to interest rate, currency and raw material price risks. 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 cash flow risks associated with 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 changes in 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 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 (primarily EUR and USD). In addition, various cross-currency and interest rate swaps are used to hedge currency risks in the financing of subsidiaries.

Diesel derivatives are used to hedge the price risk resulting from the purchase of diesel fuel for Deutsche Telekom's vehicle fleet.

Hedging risk through valuation units:

Type of hedged item	Type of hedged risk	Value of the hedged item (carrying amount, expected value) millions of €
ASSETS		
	Currency risk	5,447
	Interest rate/ currency risk	118
LIABILITIES		
	Interest rate risk	(10,456)
	Interest rate/ currency risk	(7,379)
	Currency risk	(7,018)
HIGHLY PROBABLE FORECASTED TRANSACTIONS		
	Interest rate risk	(4,250)
PENDING TRANSACTIONS		
	Interest rate risk	(28)
		(23,566)

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, 2013
Interest rate risk	1,238
Interest rate/currency risk	878
Currency risk	553
	2,669

The offsetting changes in value and cash flows are expected to largely cancel each other out by March 6, 2042, 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 10.5 billion break down into underlyings of EUR 3.1 billion for cash flow hedges and EUR 7.4 billion for fair value hedges.

Highly probable forecast transactions of EUR 4.3 billion relate to planned financing measures in 2014 and 2015. The values underlying the hedge were determined based on the Group's medium-term plan, hence their occurrence is highly probable.

33 EXCHANGE RATES

€	Annual average rate		Rate at the reporting date	
	2013	2012	Dec. 31, 2013	Dec. 31, 2012
100 Swiss francs (CHF)	81.23780	82.96930	81.49130	82.83260
100 Czech korunas (CZK)	3.85018	3.97740	3.64929	3.98309
1 Pound sterling (GBP)	1.17714	1.23292	1.20086	1.22643
100 Hong Kong dollars (HKD)	9.70653	10.03208	9.36264	9.78560
100 Croatian kuna (HRK)	13.19720	13.29600	13.12490	13.23580
100 Hungarian forints (HUF)	0.33677	0.34582	0.33659	0.34178
100 Japanese yen (JPY)	0.77181	0.97599	0.69150	0.88025
100 Polish zlotys (PLN)	23.82270	23.89580	24.08060	24.48640
100 Singapore dollars (SGD)	60.16870	62.27390	57.46090	62.08160
1 U.S. dollar (USD)	0.75289	0.77820	0.72597	0.75845

34 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.

35 MEMBERS OF THE BOARD OF MANAGEMENT OF DEUTSCHE TELEKOM AG IN 2013

René Obermann

Chairman of the Board of Management
 from November 13, 2006 to December 31, 2013

Seats on the supervisory bodies of other companies:

- E.ON SE, Düsseldorf (since 5/2011)
- ThyssenKrupp AG, Duisburg and Essen (since 11/2013)

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

- T-Mobile USA Inc., Bellevue, United States (from 1/2003 to 5/2013),
 Chairman of the Board of Directors (from 12/2006 to 5/2013)
- T-Mobile US, Inc., Bellevue, United States,
 Member of the Board of Directors (from 5/2013 to 11/2013)
- T-Systems International GmbH, Frankfurt/Main,
 Chairman of the Supervisory Board (from 12/2006 to 12/2013)

Timotheus Höttges

Chairman of the Board of Management since January 1, 2014
 Board member responsible for Finance
 from March 1, 2009 to December 31, 2013
 Deputy Chairman of the Board of Management
 from January 1, 2013 to December 31, 2013

Seats on the supervisory bodies of other companies:

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

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

- T-Mobile US, Inc., Bellevue, United States,
 Chairman of the Board of Directors (since 5/2013)
- EE Limited, Hatfield, United Kingdom,
 Member of the Board of Directors (since 4/2012)
- 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)

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

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)

Thomas Dannenfeldt

Board member responsible for Finance since January 1, 2014

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

- BUYIN S.A., Brussels, Belgium,
 Member of the Board of Directors (since 2/2014)
- congstar GmbH, Cologne,
 Deputy Chairman of the Supervisory Board (from 3/2010 to 6/2013)
- EE Limited, Hatfield, United Kingdom,
 Member of the Board of Directors (since 2/2014)
- T-Mobile US, Inc., Bellevue, United States,
 Member of the Board of Directors (since 11/2013)
- T-Systems International GmbH, Frankfurt/Main,
 Chairman of the Supervisory Board (since 1/2014)

Dr. Thomas Kremer

Board member responsible for Privacy, Legal Affairs and Compliance
 since June 1, 2012
 – no other seats –

Claudia Nemat

Board member responsible for Europe and Technology since January 1, 2012
 Board member responsible for Europe since October 1, 2011

Seats on the supervisory bodies of other companies:

- Lanxess AG, Leverkusen (since 7/2013)

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

- BUYIN S.A., Brussels, Belgium (since 10/2011),
 Chairwoman of the Board of Directors (from 1/2013 to 12/2013)
- EE Limited, Hatfield, United Kingdom (from 10/2011 to 2/2014)
- HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE S.A.),
 Maroussi, Athens, Greece (since 10/2011)

Prof. Marion Schick

Board member responsible for Human Resources since May 3, 2012

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

- T-Systems International GmbH, Frankfurt/Main (since 5/2012)
- Telekom Deutschland GmbH, Bonn (since 5/2012)

36 MEMBERS OF THE SUPERVISORY BOARD OF DEUTSCHE TELEKOM AG IN 2013

Prof. 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

Seats on the supervisory bodies of other companies:

- Porsche Automobil Holding SE, Stuttgart (since 11/2007)
- E.ON SE, Düsseldorf (since 4/2003)
- Henkel Management AG, Düsseldorf (from 2/2008 to 3/2013)
- ThyssenKrupp AG, Duisburg and Essen (since 1/2008),
Chairman of the Supervisory Board (since 3/2013)

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, Basel, Switzerland,
Member of the Board of Directors (since 3/2002),
Chairman of the Board of Directors (from 2/2013 to 7/2013)

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

Seats on the supervisory bodies of other companies:

- Vereinigte Postversicherung VVaG, Stuttgart (since 6/2011)

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

- Telekom Deutschland GmbH, Bonn (since 8/2003),
Deputy Chairman of the Supervisory Board (since 9/2003)

Sari Baldauf

Member of the Supervisory Board since November 1, 2012

Non-Executive Director and Chairwoman of the Board of Directors of Fortum Oyj, Espoo, Finland

Seats on the supervisory bodies of other companies:

- Akzo Nobel N.V., Amsterdam, Netherlands (since 4/2012)
- Daimler AG, Stuttgart (since 2/2008)

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

- F-Secure Oyj, Helsinki, Finland,
Member of the Board of Directors (since 3/2005)

Josef Bednarski

Member of the Supervisory Board since November 26, 2013

Deputy Chairman of the Group Works Council at Deutsche Telekom AG, Bonn, and

Chairman of the Central Works Council at Deutsche Telekom Kundenservice GmbH, Bonn

Seats on the supervisory bodies of other companies:

- Deutsche Telekom Kundenservice GmbH, Bonn (since 11/2007)

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

Seats on the supervisory bodies of other companies:

- Allianz SE, Munich (since 4/2003)
- Bertelsmann SE & Co. KGaA, Gütersloh (since 5/2006)
- Bertelsmann Management SE, Gütersloh (since 5/2012)
- Deutsche Annington Immobilien SE, Düsseldorf,
Chairman of the Supervisory Board (since 6/2013)
- Metro AG, Düsseldorf (since 5/2003)

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 –

Johannes Geismann

Member of the Supervisory Board since February 6, 2014

State Secretary, Federal Ministry of Finance, Berlin

– 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

Seats on the supervisory bodies of other companies:

- Allianz Versicherungs-AG, Munich (from 5/1998 to 4/2013)

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,
Member of the Board of Directors (since 5/1999)
- Sapinda Holding B.V., Schiphol, Netherlands,
Chairman of the Advisory Board (since 2/2011)

Klaus-Dieter Hanas

Member of the Supervisory Board since June 1, 2012
Chairman of the Works Council at Deutsche Telekom
Kundenservice GmbH, Central-Eastern District, Bonn

Seats on the supervisory bodies of other companies:

- PSD-Bank Braunschweig eG, Braunschweig (since 11/1999),
Deputy Chairman of the Supervisory Board (since 7/2011)

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

- Deutsche Telekom Kundenservice GmbH, Bonn (from 11/2007 to 11/2013)

Sylvia Hauke

Member of the Supervisory Board since May 3, 2007
Member of the Central Works Council's executive committee at
Telekom Deutschland GmbH, Bonn

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

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

Lars Hinrichs

Member of the Supervisory Board since October 1, 2013
CEO of Cinco Capital GmbH, Hamburg
– no other seats –

Hans-Jürgen Kallmeier

Member of the Supervisory Board since October 15, 2008
Chairman of the Central Works Council at T-Systems International GmbH,
Frankfurt/Main

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

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

Dagmar P. Kollmann

Member of the Supervisory Board since May 24, 2012
Entrepreneur, Deputy Chairwoman of the Supervisory Board,
Hypo Real Estate Holding AG, Unterschleißheim
Former CEO of Morgan Stanley Bank, Frankfurt/Main
Former Member of the Board of Directors,
Morgan Stanley Bank International Limited, London, United Kingdom

Seats on the supervisory bodies of other companies:

- Hypo Real Estate Holding AG, Unterschleißheim,
Deputy Chairwoman of the Supervisory Board (since 8/2009)
- Deutsche Pfandbriefbank AG, Unterschleißheim,
Deputy Chairwoman of the Supervisory Board (since 8/2009)
- KfW IPEX-Bank GmbH, Frankfurt/Main (since 5/2012)

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

- Bank Gutmann Aktiengesellschaft, Vienna, Austria,
Member of the Supervisory Board (since 9/2010)
- Landeskreditbank Baden-Württemberg – Förderbank (L-Bank)
(regional state bank/development bank of Baden-Württemberg), Karlsruhe,
agency under public law (not a commercial enterprise within the meaning
of § 100 (2), Sentence 1, no. 1 AktG),
Member of the Advisory Board, purely advisory body (since 7/2004)
- Member of the Monopolies Commission (since 1/2012)

Petra Steffi Kreusel

Member of the Supervisory Board since January 1, 2013
Head of Executive Programs and Support at T-Systems International GmbH,
Frankfurt/Main
Deputy Chairwoman of the Group Executive Staff Representation Committee of
Deutsche Telekom AG, Bonn
Deputy Chairwoman of the Executive Staff Representation Committee of
T-Systems International GmbH, Frankfurt/Main

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

- 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 at Deutsche Telekom AG, Bonn
– no other seats –

Dr. Ulrich Schröder

Member of the Supervisory Board since October 1, 2008
Chairman of the Board of Managing Directors, KfW Bankengruppe, Frankfurt/Main

Seats on the supervisory bodies of other companies:

- DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne* (since 10/2009)
- Deutsche Post AG, Bonn (since 9/2008)
- 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, Member of the 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 –

Karl-Heinz Streibich

Member of the Supervisory Board since October 1, 2013
CEO of Software AG, Darmstadt

Seats on the supervisory bodies of other companies:

- Deutsche Messe AG, Hanover (since 1/2013)
- Dürr AG, Bietigheim-Bissingen (since 5/2011)
- MANN+HUMMEL GMBH, Ludwigsburg (since 6/2013)**
- MANN+HUMMEL HOLDING GMBH, Ludwigsburg (since 6/2013)**

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

Seats on the supervisory bodies of other companies:

- Bilfinger Berger SE, Mannheim (since 7/1998), Chairman of the Supervisory Board (since 5/2006)
- Daimler AG, Stuttgart (since 5/1998)

Supervisory Board members who left in 2013

Lawrence H. Guffey

Member of the Supervisory Board from June 1, 2006 to September 30, 2013
Senior Managing Director, The Blackstone Group International Partners LLP, 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) (from 4/2000 to 6/2013)
- 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) (from 2/2006 to 6/2013)

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

- T-Mobile US, Inc., Bellevue, United States, Member of the Board of Directors (since 5/2013)

Lothar Holzwarth

Member of the Supervisory Board from November 6, 2002 to November 26, 2013
Chairman of the Central Works Council at Telekom Deutschland GmbH, Bonn

Seats on the supervisory bodies of other companies:

- PSD Bank RheinNeckarSaar eG, Stuttgart (since 1/1996), Chairman of the Supervisory Board (since 6/2011)

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

- Telekom Deutschland GmbH, Bonn (from 3/2010 to 11/2013)

Prof. h.c. (CHN) Dr.-Ing. E. h. Dr. Ulrich Middelman

Member of the Supervisory Board from January 1, 2010 to July 2, 2013 (†)
Former Vice Chairman of the Executive Board, ThyssenKrupp AG, Duisburg and Essen

Seats on the supervisory bodies of other companies:

- Commerzbank AG, Frankfurt/Main (from 4/2006 to 7/2013 †)
- LANXESS AG, Leverkusen (from 3/2005 to 7/2013 †)
- LANXESS Deutschland GmbH, Leverkusen (from 3/2005 to 7/2013 †)

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

- Hoberg & Driesch GmbH, Düsseldorf (from 2/2001 to 7/2013 †), Chairman of the Advisory Board (from 5/2004 to 7/2013 †)

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

** Committees with identical memberships which convene in the same meeting.

Supervisory Board members who left in 2014

Dr. Hans Bernhard Beus

Member of the Supervisory Board from December 15, 2011 to February 5, 2014
 State Secretary, Federal Ministry of Finance, Berlin, until January 8, 2014

Seats on the supervisory bodies of other companies:

- Deutsche Bahn AG, Berlin (from 3/2010 to 1/2014)
- Deutsche Bahn Mobility Logistics AG, Berlin (from 3/2010 to 1/2014)
- Gesellschaft für Entwicklung, Beschaffung und Betrieb mbH, Cologne (from 8/2012 to 1/2014)
- KfW IPEX-Bank GmbH, Frankfurt/Main (from 3/2010 to 1/2014)

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

- Bundesanstalt für Immobilienaufgaben (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, Chairman of the Board of Governors, purely advisory body (from 5/2011 to 1/2014)

37 COMPENSATION OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

Compensation of the Board of Management

The following disclosures on Board of Management compensation are in accordance with § 285 of the German Commercial Code (Handelsgesetzbuch – HGB) and German Accounting Standard No. 17 (GAS 17).

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

Effective January 1, 2014 Timotheus Höttges succeeded René Obermann as Chairman of the Board of Management. The Supervisory Board appointed Timotheus Höttges Chairman of the Board of Management until December 31, 2018 at its meeting on May 15, 2013. At the same meeting, Thomas Dannenfeldt was appointed member of the Board of Management responsible for the Finance department, effective January 1, 2014. Thomas Dannenfeldt was appointed until December 31, 2018. Likewise at the meeting on May 15, 2013, Niek Jan van Damme's term of office as a member of the Board of Management was extended for another five years until February 28, 2019.

Composition of the Board of Management as of December 31, 2013:

Members of the Board of Management	Department
René Obermann (until December 31, 2013)	Chairman of the Board of Management (CEO)/United States
Reinhard Clemens	T-Systems
Niek Jan van Damme	Germany
Timotheus Höttges	Finance (CFO)
Dr. Thomas Kremer	Data Privacy, Legal Affairs and Compliance
Claudia Nemat	Europe & Technology
Prof. Marion Schick	Human Resources

Basis of 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. The compensation of Board of Management members comprises 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 incapacity for work is established.

Variable performance-based remuneration

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, revenue from growth areas, 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 variable remuneration set by the plenary session of the Supervisory Board must be invested in shares of Deutsche Telekom; these shares must be held by the respective Board member for a period of at least four years.

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.

In the 2013 financial year, the following absolute nominal amounts were pledged to the Board of Management members for their participation in the 2013 tranche of Variable II in the event of 100-percent target achievement.

		Nominal amount of Variable II (on the basis of 100-percent target achievement)
René Obermann	2013 tranche	1,092,000 ¹
	2012 tranche	1,092,000
Reinhard Clemens	2013 tranche	650,000
	2012 tranche	650,000
Niek Jan van Damme	2013 tranche	550,000
	2012 tranche	550,000
Timotheus Höttges	2013 tranche	760,500
	2012 tranche	650,000
Dr. Thomas Kremer	2013 tranche	550,000
	2012 tranche	492,708
Claudia Nemat	2013 tranche	675,000
	2012 tranche	675,000
Prof. Marion Schick	2013 tranche	550,000
	2012 tranche	550,000

¹ René Obermann's award amount relates to the entire four-year term of the 2013 tranche. Since René Obermann left the Company prematurely, he will only receive a quarter of the amount on a pro-rata basis for the term in which he was Chairman of the Board of Management of Deutsche Telekom.

Information on the share matching plan

In the 2013 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. Deutsche Telekom will grant one additional share for every share acquired as part of the by the Board of Management member'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 2013 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 current financial year. The fair value of the matching shares at grant date shown in the following table does not represent a component of remuneration for the Board of Management members in 2013. It is an imputed value of the entitlements to matching shares determined on the basis of relevant accounting policies. The following table is based on expected target achievement for the 2013 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 2013 financial year may be higher or lower than the amounts estimated here. The total share-based payment expense for matching shares to be recognized for the financial years 2010 through 2012 and 2013 is included in the two last columns of the following table.

Under the termination agreement concluded with René Obermann, all existing entitlements to matching shares were terminated without replacement of compensation. This resulted in income of EUR 0.5 million for the financial year as shown in the table.

	Number of entitlements granted to matching shares since 2010 at the beginning of the financial year	Number of new entitlements to matching shares granted in 2013	Fair value of the matching shares at grant date €	Cumulative total share-based payment expense in 2013 for matching shares for the years 2010 through 2013 €	Cumulative total share-based payment expense in 2012 for matching shares for the years 2010 through 2012 €
René Obermann	184,399	0	0	(539,728)	258,458
Reinhard Clemens	93,193	25,610	174,153	166,907	129,381
Niek Jan van Damme	85,340	21,670	147,360	153,160	109,567
Timotheus Höttges	110,444	29,965	203,759	202,328	157,625
Dr. Thomas Kremer	13,057	21,670	147,360	38,270	8,753
Claudia Nemat	35,262	26,595	180,851	79,415	34,786
Prof. Marion Schick	22,862	21,670	147,360	56,276	20,249

By December 31, 2013, Deutsche Telekom had acquired 363,857 shares for the purpose of awarding matching shares to Board of Management members as part of the share matching plan.

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 include a severance cap in case of premature termination without good cause allowing a compensation payment that, 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 entails 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 incapacity for 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.

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 plan with a contribution-based promise 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. For pension agreements signed before December 31, 2011, Board of Management 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 plans with contribution-based promises.

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 incapacity for work (invalidity), the beneficiary is entitled to the pension fund.

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 2013	Defined benefit obligation Dec. 31, 2013	Additions to pension accruals 2012	Defined benefit obligation Dec. 31, 2012
René Obermann	4,511,847	10,998,530	905,748	6,548,635
Reinhard Clemens	511,542	2,556,718	467,678	2,046,049
Niek Jan van Damme	319,244	1,394,562	334,138	1,074,646
Timotheus Höttges	2,005,084	3,909,233	378,241	1,910,369
Dr. Thomas Kremer	233,668	368,088	134,420	134,420
Claudia Nemat	213,310	475,372	212,931	262,062
Prof. Marion Schick	227,737	446,148	218,411	218,411

An annual contribution of EUR 290,000 was allocated to Niek Jan van Damme in accordance with the provisions of the new company pension plan. The amounts for Dr. Thomas Kremer, Claudia Nemat and Prof. Marion Schick total EUR 250,000 for each year of service.

The expensed additions to pension accruals for active members of the Board of Management amounted to EUR 8,022,432 (2012: EUR 3,134,610).

Board of Management compensation for the reporting year

In reliance on legal requirements and other guidelines, a total of EUR 15.6 million (2012: EUR 15.0 million) is reported as total compensation for the 2013 financial year for the members of the Board of Management.

The Board of Management compensation comprises the fixed annual remuneration as well as other benefits, non-cash benefits and remuneration in kind, short-term variable remuneration (Variable I), fully earned tranches of long-term variable remuneration (Variable II), 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.

The fixed annual remuneration and other remuneration are totally unrelated to performance.

Total compensation

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

€		Non-performance-based compensation		Performance-based compensation			Total compensation	
		Fixed annual remuneration	Other remuneration	Short-term variable remuneration	Long-term variable performance-based remuneration (Variable II)	Long-term variable performance-based remuneration (fair value of matching shares)		
	René Obermann	2013	1,450,000	29,758	1,370,460	655,200	-	3,505,418
		2012	1,450,000	51,711	1,299,480	709,800	266,961	3,777,952
	Reinhard Clemens	2013	840,000	22,366	755,950	390,000	174,153	2,182,469
		2012	840,000	22,596	688,350	422,500	158,905	2,132,351
	Niek Jan van Damme	2013	794,355	24,555	647,900	330,000	147,360	1,944,170
		2012	700,000	26,023	716,100	357,500	134,458	1,934,081
	Timotheus Höttges	2013	1,037,500	23,972	953,667	390,000	203,759	2,608,898
		2012	900,000	22,415	762,450	422,500	158,905	2,266,270
	Dr. Thomas Kremer	2013	700,000	60,508	627,000	130,625	147,360	1,665,493
		2012	408,333	28,996	351,954	-	74,698	863,981
	Claudia Nemat	2013	900,000	49,602	722,925	227,813	180,851	2,081,191
		2012	900,000	54,749	750,600	-	165,017	1,870,366
	Prof. Marion Schick	2013	700,000	23,272	568,150	137,500	147,360	1,576,282
		2012	462,903	17,969	397,664	-	134,458	1,012,994
		2013	6,421,855	234,033	5,646,052	2,261,138	1,000,843	15,563,921
		2012 ¹	5,661,236	224,459	4,966,598	1,912,300	1,093,402	13,857,995

¹ Remuneration relating to Board of Management members who left the Company in the course of 2012 is no longer included in the table.

The amounts shown in the "Long-term variable performance-based remuneration (Variable II)" column were pledged to the eligible Board of Management members in the 2010 financial year. As they joined the Company after the commencement of the current plan tranches of Variable II, pro-rata pledges were granted to Claudia Nemat in 2011 and to Prof. Marion Schick and Dr. Thomas Kremer in 2012.

The Supervisory Board agreed to René Obermann's request to terminate his appointment to the Board of Management prematurely and concluded a termination agreement effective December 31, 2013 with the following provisions: René Obermann shall receive the full Variable I for the 2013 financial year in line with his individual level of overall target achievement. The same applies for the

2010 tranche of Variable II, which expired on December 31, 2013. René Obermann also participates in the 2011, 2012 and 2013 tranches of Variable II, each of which runs for four years, on a pro-rata basis for the length of time, during the term of the tranche, when he was Chairman of the Board of Management of Deutsche Telekom AG. All entitlements to matching shares were forfeited without replacement or compensation. The pension benefit rights accrued by René Obermann were already legally vested at the time he left the Company, meaning they are retained at December 31, 2013. Effective January 1, 2014, René Obermann shall receive one fixed annual salary as agreed compensation for the prohibition of competition.

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

Former members of the Board of Management and those who left in the reporting year

A total of EUR 7.3 million (2012: EUR 7.2 million) was paid out regarding payments to and entitlements for former members of the Board of Management and their surviving dependents and for those and their surviving dependents who left in the reporting year.

Accruals totaling EUR 104.4 million (2012: EUR 103.0 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 6.8 million at the balance sheet date (2012: EUR 7.4 million).

Several former Board of Management members are entitled to a civil servant pension from the Civil Service Pension Fund. In the reporting, there was no expense incurred in this regard. The present value of the estimated pensions of these Board of Management members amounts to EUR 3.2 million as of December 31, 2013 (2012: EUR 3.2 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. Under the new compensation system that came into effect on January 1, 2013, members of the Supervisory Board receive fixed annual compensation of EUR 70,000.00.

The Chairman of the Supervisory Board receives a further EUR 70,000.00 and the Deputy Chairman EUR 35,000.00. Members of the Supervisory Board also receive compensation as follows for activities on Supervisory Board committees:

- a) The Chairman of the Audit Committee receives EUR 80,000.00, ordinary members of the Audit Committee EUR 40,000.00.
- b) The Chairman of the General Committee receives EUR 35,000.00, ordinary members of the General Committee EUR 25,000.00.
- c) The Chairman of any other committee receives EUR 30,000.00, ordinary members of any other committee EUR 20,000.00.

Chairmanship and membership of the Nomination Committee and the Mediation Committee are not remunerated. 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. Under the old compensation system in place until December 31, 2012, members of the Supervisory Board may still be awarded variable, performance-related remuneration for the 2011 and 2012 financial years depending on the development of net income per no par value 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.

Since the terms and conditions for the payment of the performance-based variable remuneration were not met as of December 31, 2013, the 2011 performance-based remuneration was not paid out.

The total compensation of the members of the Supervisory Board in 2013 amounted to EUR 2,596,666.67 (plus VAT).

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

The compensation of the individual members of the Supervisory Board for 2013 is as follows:

Member of the Supervisory Board	Remuneration €	Meeting attendance fee €	Total €
Baldauf, Sari	90,000.00	10,000.00	100,000.00
Bednarski, Josef (since November 26, 2013)	13,333.34	2,000.00	15,333.34
Dr. Bernotat, Wulf	105,000.00	12,000.00	117,000.00
Dr. Beus, Hans Bernhard	101,666.67	19,000.00	120,666.67
Brandl, Monika	105,000.00	13,000.00	118,000.00
Dr. von Grünberg, Hubertus	100,000.00	10,000.00	110,000.00
Guffey, Lawrence H. (until September 30, 2013)	82,500.00	7,000.00	89,500.00
Hanas, Klaus-Dieter	70,000.00	9,000.00	79,000.00
Hauke, Sylvia ^a	90,000.00	11,000.00	101,000.00
Hinrichs, Lars (since October 1, 2013)	20,833.33	4,000.00	24,833.33
Holzwarth, Lothar ^b (until November 26, 2013)	97,500.00	11,000.00	108,500.00
Kallmeier, Hans-Jürgen ^c	130,000.00	17,000.00	147,000.00
Kollmann, Dagmar P.	130,000.00	19,000.00	149,000.00
Kreusel, Petra Steffi ^d (since January 1, 2013)	110,000.00	14,000.00	124,000.00
Prof. Lehner, Ulrich (Chairman)	232,500.00	27,000.00	259,500.00
Litzenberger, Waltraud	155,000.00	27,000.00	182,000.00
Prof. Middelmann, Ulrich (until July 2, 2013)	70,000.00	4,000.00	74,000.00
Schröder, Lothar ^e (Deputy Chairman)	195,000.00	25,000.00	220,000.00
Dr. Schröder, Ulrich	94,166.67	9,000.00	103,166.67
Sommer, Michael	83,333.33	6,000.00	89,333.33
Spoo, Sibylle	70,000.00	9,000.00	79,000.00
Streibich, Karl-Heinz (since October 1, 2013)	20,833.33	3,000.00	23,833.33
Dr. h.c. Walter, Bernhard	150,000.00	12,000.00	162,000.00
	2,316,666.67	280,000.00	2,596,666.67

^a In addition to remuneration for her activities as a member of the Supervisory Board of Deutsche Telekom, Sylvia Hauke also received other remuneration amounting to EUR 13,000.00 (including meeting attendance fees) in the 2013 financial year (for her mandate as member of the supervisory board of Telekom Deutschland GmbH).

^b In addition to remuneration for his activities as a member of the Supervisory Board of Deutsche Telekom, Lothar Holzwarth also received other remuneration amounting to EUR 14,666.67 (including meeting attendance fees) in the 2013 financial year (for his mandate as member of the supervisory board of Telekom Deutschland GmbH).

^c In addition to remuneration for his activities as a member of the Supervisory Board of Deutsche Telekom, Hans-Jürgen Kallmeier also received other remuneration amounting to EUR 13,500.00 (including meeting attendance fees) in the 2013 financial year (for his mandate as member of the supervisory board of T-Systems International GmbH).

^d In addition to remuneration for her activities as a member of the Supervisory Board of Deutsche Telekom, Petra Steffi Kreusel also received other remuneration amounting to EUR 11,500.00 (including meeting attendance fees) in the 2013 financial year (for her mandate as member of the supervisory board of T-Systems International GmbH).

^e In addition to remuneration for his activities as a member of the Supervisory Board of Deutsche Telekom, Lothar Schröder also received other remuneration amounting to EUR 36,500.00 (including meeting attendance fees) in the 2013 financial year (EUR 21,500.00 for his mandate as member of the supervisory board of Telekom Deutschland GmbH and EUR 15,000.00 as Chairman of the Data Privacy Advisory Council).

38 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) under Investor Relations in the Corporate Governance section.

39 PROPOSAL FOR THE APPROPRIATION OF NET INCOME

The Board of Management of Deutsche Telekom proposes that a dividend of EUR 0.50 per no par value share carrying dividend rights be paid from the

unappropriated net income amounting to EUR 2,877 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 amount that is subject to a restriction on distribution in accordance with § 268 (8) sentence 3 HGB is attributable to the measurement of the CTA assets for accruals for pensions and similar obligations at fair value amounting to EUR 60 million and to the measurement of the CTA asset for long-term credits amounting to approximately EUR 1 million. Unappropriated net income can be distributed in full as the amount of EUR 61 million that is subject to a restriction on distribution is covered entirely by freely available reserves.

40 STATEMENT OF INVESTMENT HOLDINGS IN ACCORDANCE WITH § 285 NO. 11 HGB

1. Subsidiaries

No.	Name and registered office	Via	Indi- rectly %	Directly %	Total nominal value	Cur- rency	Shareholders' equity	Net income/ net loss	Cur- rency	Note
1.	3.T-Venture Beteiligungsgesellschaft mbH (3.TVB), Bonn	1.75.	100.00		25,000	EUR	6,145,297	44,169	EUR	h)
2.	Accumio Finance Services GmbH, Heidelberg	1.310.	100.00		2,001,000	EUR	9,696,656	0	EUR	h) a)
3.	Aesop Telekommunikationsdienste GmbH, Bonn	1.310.	100.00		25,000	EUR	26,857	0	EUR	h) a)
4.	Albanian Mobile Communications Sh.A, Tirana	1.26.	14.76		813,821,916	ALL	67,009,672,000	3,047,139,000	ALL	h) b)
4.	Albanian Mobile Communications Sh.A, Tirana	1.33.	85.00		813,821,916	ALL	67,009,672,000	3,047,139,000	ALL	h) b)
5.	Ariviakom (Proprietary) Limited i.L., Midrand	1.295.	100.00		1	ZAR	-	-	ZAR	
6.	Ariviakom Consulting (Proprietary) Limited i.L., Midrand	1.5.	100.00		1	ZAR	-	-	ZAR	
7.	Atrada Trading Network AG, Nuremberg			100.00	146,302	EUR	2,180,977	257,404	EUR	h)
8.	Atrada Trading Network Limited, Manchester	1.7.	100.00		1	GBP	1	0	GBP	c)
9.	AutoScout24 AS GmbH, Vienna	1.13.	100.00		35,000	EUR	(79,129)	(360,015)	EUR	h)
10.	AutoScout24 Belgium S.A., Brussels	1.13.	100.00		62,000	EUR	3,653,695	1,637,286	EUR	h)
11.	AutoScout24 España S.A., Madrid	1.13.	100.00		153,388	EUR	1,144,849	163,581	EUR	h)
12.	AutoScout24 France S.A.S., Boulogne Billincourt	1.13.	100.00		101,759	EUR	(28,385)	(1,044,172)	EUR	h)
13.	AutoScout24 GmbH, Munich	1.181.	100.00		1,269,950	EUR	48,168,716	0	EUR	h) a)
14.	AutoScout24 Italia S.R.L., Padua	1.13.	100.00		97,000	EUR	3,167,804	2,623,195	EUR	h)
15.	AutoScout24 Nederland B.V., Amsterdam	1.13.	100.00		36,400	EUR	1,470,948	848,010	EUR	h)
16.	AutoScout24 d.o.o., Zagreb	1.13.	75.00		40,000	HRK	0	0	HRK	h)
17.	BENOCs GmbH, Bonn	1.311.	100.00		25,000	EUR	25,185	(1,815)	EUR	h)
18.	BERCOS Gesellschaft für Kommunikationstechniken mbH, Bonn	1.54.	100.00		400,000	DEM	234,200	17,900	EUR	c) l)
19.	CA INTERNET d.o.o., Zagreb	1.111.	100.00		20,000	HRK	60,840	40,840	HRK	h)
20.	CBS GmbH, Cologne	1.29.	100.00		838,710	EUR	18,054,711	0	EUR	h) a)
21.	CMobil B.V., Maastricht	1.216.	100.00		67,005	EUR	753,476,060	159,196,910	EUR	h)
22.	COMBIS – IT Usluge d.o.o., Belgrade	1.24.	100.00		49,136	RSD	218,352	6,156	EUR	h)
23.	COMBIS d.o.o. Sarajevo, Sarajevo	1.24.	100.00		2,000	BAM	2,643,845	869,297	BAM	h)
24.	COMBIS, usluge integracija informatickih tehnologija d.o.o., Zagreb	1.99.	100.00		31,271,200	HRK	86,269,567	27,567,605	HRK	h) b)
25.	COSMO-ONE HELLAS MARKET SITE SOCIETE ANONYME OF ELECTRONIC COMMERCE SERVICES, Athens	1.96.	30.87		5,391,100	EUR	860,546	38,617	EUR	h) b)
25.	COSMO-ONE HELLAS MARKET SITE SOCIETE ANONYME OF ELECTRONIC COMMERCE SERVICES, Athens	1.26.	30.87		5,391,100	EUR	860,546	38,617	EUR	h) b)
26.	COSMOTE Mobile Telecommunications S.A., Maroussi, Athens	1.96.	100.00		157,899,931	EUR	1,966,287	384,554,000	EUR	h) b)
27.	Ceris Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	26,648	0	EUR	f)
28.	ClickandBuy Services India Private Limited, Hydrabad	1.86.	99.62		1,609,920	INR	26,619,219	5,243,856	INR	g)
29.	ClickandBuy Holding GmbH, Darmstadt			100.00	25,000	EUR	33,025,000	0	EUR	h) a)
30.	ClickandBuy International Limited, London	1.29.	100.00		1,301,006	GBP	16,474,025	(11,596,567)	EUR	h) b)
31.	Combridge S.R.L., Sfântu Gheorghe	1.123.	100.00		29,801,490	RON	36,280,336	5,559,372	RON	h)
32.	Compendo GmbH, Nuremberg	1.7.	100.00		25,000	EUR	27,242	(153)	EUR	c)
33.	Cosmo Holding Albania Societe Anonyme, Maroussi, Athens	1.26.	100.00		64,722,000	EUR	102,119,000	(47,000)	EUR	h) b)
34.	Cosmoholding Romania Ltd., Limassol	1.26.	100.00		30,000	EUR	209,673,485	3,599,726	EUR	h) b)
35.	Cosmote Romanian Mobile Telecommunications S.A., Bucharest	1.26.	70.00		1,593,747,500	RON	(391,947,482)	43,829,091	RON	h)
35.	Cosmote Romanian Mobile Telecommunications S.A., Bucharest	1.174.	30.00		1,593,747,500	RON	(391,947,482)	43,829,091	RON	h)
36.	Crnogorski Telekom a.d. Podgorica, Podgorica	1.123.	76.53		140,996,394	EUR	169,875,184	19,940,004	EUR	h)
37.	Cronon AG, Berlin	1.177.	100.00		51,129	EUR	56,242	0	EUR	h) a)

No.	Name and registered office	Via	Indi- rectly %	Directly %	Total nominal value	Cur- rency	Shareholders' equity	Net income/ net loss	Cur- rency	Note
38.	Csiper Consulting (Proprietary) Limited i.L., Midrand	1.5.	100.00		1	ZAR	-	-	ZAR	
39.	DFMG Deutsche Funkturm GmbH, Münster	1.310.	16.67		30,000	EUR	7,726,925	0	EUR	h) a)
39.	DFMG Deutsche Funkturm GmbH, Münster	1.40.	83.33		30,000	EUR	7,726,925	0	EUR	h) a)
40.	DFMG Holding GmbH, Bonn			100.00	26,000	EUR	53,751	0	EUR	h) a)
41.	DIERGASIA Interim Employment S.A., Athens	1.156.	100.00		180,000	EUR	25,140	(35,510)	EUR	h) b)
42.	DIGI SLOVAKIA s.r.o., Bratislava	1.189.	100.00		5,152,230	EUR	10,603,812	5,349,805	EUR	h)
43.	Data Migration Consulting AG, Kreuzlingen	1.290.	100.00		100,000	CHF	6,658,980	1,537,300	CHF	c) l)
44.	Dataware Szolgáltató Kft. i.L., Budapest	1.102.	100.00		80,000,000	HUF	318,400	(2,560)	HUF	c) l)
45.	DeTeAsia Holding GmbH, Bonn			100.00	50,000	DEM	49,378	0	EUR	h) a)
46.	DeTeAssekuranz – Deutsche Telekom Assekuranz- Vermittlungsgesellschaft mbH, Cologne			100.00	1,000,000	EUR	1,000,000	0	EUR	h) a)
47.	DeTeFleetServices GmbH, Bonn			100.00	5,000,000	EUR	129,262,853	0	EUR	h) a)
48.	DeTeMedien, Deutsche Telekom Medien GmbH, Frankfurt/Main			100.00	23,008,135	EUR	24,572,258	0	EUR	h) a)
49.	Detecon (Schweiz) AG, Zurich	1.54.	100.00		1,000,000	CHF	6,680,300	(103,800)	CHF	c) l)
50.	Detecon Asia-Pacific Ltd., Bangkok	1.54.	100.00		49,000,000	THB	979,800	664,200	THB	c) l)
51.	Detecon Consulting Austria GmbH, Vienna	1.49.	100.00		72,673	EUR	99,000	(4,000)	EUR	c) l)
52.	Detecon Consulting España S.A. i.L., Madrid	1.54.	100.00		250,000	EUR	15,000	(10,000)	EUR	c) l)
52.	Detecon Consulting España S.A. i.L., Madrid	1.18.	0.00		250,000	EUR	15,000	(10,000)	EUR	c) l)
53.	Detecon Consulting FZ-LLC, Dubai	1.54.	100.00		500,000	AED	167,200	46,200	AED	c) l)
54.	Detecon International GmbH, Cologne	1.276.	100.00		8,700,000	EUR	6,149,390	(2,550,210)	EUR	c) l)
55.	Detecon Vezetési Tanácsadó Kft., Budapest	1.54.	100.00		4,600,000	HUF	18,000	0	HUF	c) l)
56.	Detecon, Inc., Wilmington, DE	1.54.	100.00		1,872,850	USD	55,900	(479,900)	USD	c) l)
57.	Deutsche TELEKOM Asia Pte. Ltd., Singapore			100.00	137,777,793	SGD	3,743,505	447,595	SGD	h)
58.	Deutsche TELEKOM Ltd., London			100.00	240,000	GBP	2,149,394	(16,554)	GBP	h)
59.	Deutsche Telekom (UK) Limited, Hatfield			100.00	30,100,000	GBP	36,362,000	(3,091,000)	GBP	h)
60.	Deutsche Telekom Accounting GmbH, Bonn			100.00	100,000	EUR	100,000	0	EUR	h) a)
61.	Deutsche Telekom BK-Holding GmbH, Bonn			100.00	25,000	EUR	275,000	0	EUR	h)
62.	Deutsche Telekom Business Services S.R.L., Bucharest			100.00	13,198,200	RON	-	-	RON	
63.	Deutsche Telekom Europe Holding B.V., Maastricht	1.216.	100.00		25,000	EUR	0	0	EUR	h)
64.	Deutsche Telekom Glasfaser Service GmbH, Bonn	1.310.	100.00		25,000	EUR	31,000	0	EUR	h) a)
65.	Deutsche Telekom Holding B.V., Maastricht	1.215.	100.00		20,500	EUR	8,830,290,799	(12,934)	EUR	c)
66.	Deutsche Telekom Hosted Business Services, Inc., Wilmington, DE	1.119.	99.81		5,306	USD	6,899,021	(12,369,481)	USD	i)
66.	Deutsche Telekom Hosted Business Services, Inc., Wilmington, DE	1.75.	0.19		5,306	USD	6,899,021	(12,369,481)	USD	i)
67.	Deutsche Telekom International Finance B.V., Amsterdam			100.00	453,780	EUR	431,265,000	(49,648,000)	EUR	h) b)
68.	Deutsche Telekom Kundenservice GmbH, Bonn	1.310.	100.00		25,000	EUR	19,110,240	0	EUR	h) a)
69.	Deutsche Telekom North America, Inc., Wilmington, DE	1.286.	100.00		30	USD	8,415,000	1,066,470	USD	c) l)
70.	Deutsche Telekom Regional Services and Solutions GmbH, Frankfurt/Main	1.310.	100.00		25,000	EUR	415,270	0	EUR	h) a)
71.	Deutsche Telekom Shared Services s.r.o., Bratislava	1.256.	0.01		6,520,000	EUR	2,362,830	(2,106,906)	EUR	c)
71.	Deutsche Telekom Shared Services s.r.o., Bratislava	1.60.	99.99		6,520,000	EUR	2,362,830	(2,106,906)	EUR	c)
72.	Deutsche Telekom Technik GmbH, Bonn	1.310.	100.00		27,000	EUR	29,651,556	0	EUR	h) a)
73.	Deutsche Telekom Technischer Service GmbH, Bonn	1.310.	100.00		27,000	EUR	56,964,589	0	EUR	h) a)
74.	Deutsche Telekom Training GmbH, Bonn			100.00	102,300	EUR	124,988	0	EUR	h) a)
75.	Deutsche Telekom Venture Funds GmbH, Bonn			100.00	25,000	EUR	103,961,546	0	EUR	h) a)
76.	Deutsche Telekom, Inc., New York, NY			100.00	100	USD	5,144,390	464,879	USD	h)
77.	Digital Media Audience Products GmbH, Bonn	1.311.	100.00		25,000	EUR	26,648	0	EUR	f)
78.	E-Tours d.o.o., Zagreb	1.99.	100.00		20,000	HRK	2,678,594	167,257	HRK	h)
79.	E-Value Collection Ltd., Agios Stefanos	1.80.	100.00		350,010	EUR	1,953,726	602,696	EUR	h) b)
80.	E-Value Societe Anonyme of Direct Marketing and Customer Support Services, Agios Stefanos	1.91.	100.00		5,105,062	EUR	3,573,433	654,188	EUR	h) b)
81.	Erste DFMG Deutsche Funkturm Vermögens-GmbH, Heusenstamm			100.00	100,000	EUR	170,272,893	0	EUR	h) a)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Currency	Note
82.	Euronet Communications B.V., The Hague	1.230.	100.00		450	EUR	45,398,022	-	EUR	i)
83.	Eutelis Consult GmbH i.L., Ratingen	1.54.	60.00		1,360,000	DEM	-	-	EUR	
84.	FMPP Verwaltungsgesellschaft mbH, Munich	1.181.	100.00		728,823	EUR	3,559,481	0	EUR	h) a)
85.	Fal Dete Telecommunications S.A.L., Furn El Chebbak	1.54.	51.00		150,000,000	LBP	-	-	LBP	
86.	Firstgate Holding AG, Baar	1.29.	100.00		2,391,677	CHF	(6,938,069)	(121,830)	CHF	h)
87.	FriendScout24 GmbH, Munich	1.181.	100.00		1,500,000	EUR	4,535,642	0	EUR	h) a)
88.	GEMAPPS Gesellschaft für mobile Lösungen mbH, Hamburg	1.276.	100.00		25,000	EUR	208,000	1,000	EUR	c) l)
89.	GMG Generalmietgesellschaft mbH, Bonn			100.00	51,130,000	EUR	51,423,214	0	EUR	h) a)
90.	GSV, LLC, Bellevue	1.247.	100.00		0	USD	0	0	USD	h)
91.	Germanos S.A. Instrustrial & Commercial Company of Electronic Telecommunicationmaterial & Services, Agios Stefanos	1.26.	100.00		29,600,892	EUR	295,803,050	3,866,326	EUR	h) b)
92.	Germanos Telecom Romania S.A., Bucharest	1.91.	99.99		77,100,310	RON	(111,682,285)	(52,810,559)	RON	h)
93.	Global TIMES Ventures Administration GmbH (GTV), Bonn	1.303.	100.00		100,000	EUR	199,785	8,965	EUR	h)
94.	Global TIMES Ventures GmbH & Co. KG, Bonn	1.303.	60.00		47,500	EUR	392,286	(40,481)	EUR	h)
95.	HATWAVE Hellenic-American Telecommunications Wave Ltd., Donetsk	1.96.	52.67		100	CYP	-	-	CYP	
96.	Hellenic Telecommunications Organization S.A. (OTE), Athens			40.00	1,171,459,430	EUR	2,777,800,000	(163,200,000)	EUR	h) b)
97.	HfTL Trägergesellschaft mbH, Bonn			100.00	25,000	EUR	26,010	(990)	EUR	h)
98.	Horaz Telekommunikationsdienste GmbH, Bonn	1.289.	100.00		25,000	EUR	26,000	0	EUR	c) l)
99.	Hrvatski Telekom d.d., Zagreb	1.21.	51.00		8,188,853,500	HRK	10,899,000,000	1,696,000,000	HRK	h) b)
100.	HÄVG Rechenzentrum GmbH, Cologne	1.289.	25.00		100,000	EUR	1,058,910	(948,100)	EUR	c) l)
101.	I.T.E.N.O.S. International Telecom Network Operation Services GmbH, Bonn	1.276.	100.00		3,000,000	EUR	6,410,000	0	EUR	a) c) l)
102.	IT Services Hungary Szolgáltató Kft., Budapest	1.276.	100.00		150,100,000	HUF	33,659,120	6,933,400	HUF	c) l)
103.	ImmoCom Verwaltungs GmbH, Heusenstamm	1.89.	100.00		50,000	DEM	(5,712,119)	(184,907)	EUR	h)
104.	Immobilien Scout Deutschland GmbH, Berlin	1.183.	100.00		26,600	EUR	20,886	(234)	EUR	f)
105.	Immobilien Scout GmbH, Berlin	1.181.	39.90		144,250	EUR	4,115,586	0	EUR	h)
105.	Immobilien Scout GmbH, Berlin	1.104.	60.10		144,250	EUR	4,115,586	0	EUR	h)
106.	Infovan (Proprietary) Limited, Midrand	1.295.	100.00		2,000	ZAR	7,599,810	904,670	ZAR	c) l)
107.	InteractiveMedia CCSP GmbH, Darmstadt			100.00	901,000	EUR	2,484,000	0	EUR	h) a)
108.	International System House Kereskedelmi és Szoftverfejlesztő Kft., Budapest	1.123.	100.00		3,000,000	HUF	23,705,000	19,209,000	HUF	h)
109.	Intersolve Health Informatics (Proprietary) Limited i.L., Midrand	1.5.	100.00		100	ZAR	-	-	ZAR	
110.	Investel Magyar Távközlési Befektetési ZRt., Budapest	1.123.	100.00		1,113,000,000	HUF	1,514,498,000	213,078,000	HUF	h)
111.	Iskon Internet d.d., Zagreb	1.99.	100.00		272,902,200	HRK	37,576,822	2,017,208	HRK	h)
112.	JobScout24 International Holding AG, Baar	1.181.	100.00		1,540,000	CHF	39,233,940	182,425	CHF	h)
113.	KIBU Innováció Nonprofit Kft., Budapest	1.123.	99.20		40,000,000	HUF	75,352,000	14,056,000	HUF	h)
113.	KIBU Innováció Nonprofit Kft., Budapest	1.110.	0.80		40,000,000	HUF	75,352,000	14,056,000	HUF	h)
114.	Kabelsko distributivni sustav d.o.o., Čakovec	1.99.	100.00		1,229,600	HRK	4,667,554	23,304	HRK	h)
115.	KalászNet Kft., Budapest	1.123.	100.00		200,000,000	HUF	152,290,000	69,695,000	HUF	h)
116.	Kappa Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	0	EUR	h) a)
117.	Kolga Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	27,000	0	EUR	h) a)
118.	Kristall Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	25,993	(1,007)	EUR	h)
119.	Lambda Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	29,231,678	0	EUR	h) a)
120.	Lite Elements GmbH, Bonn	1.311.	100.00		25,000	EUR	26,648	0	EUR	f)
121.	Loki Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	27,000	0	EUR	h) a)
122.	MAGYARCOM SZOLGÁLTATÓ KOMMUNIKÁCIÓS Kft., Budapest			100.00	50,000,000	HUF	706,484	95,612	HUF	h)
123.	Magyar Telekom Nyrt., Budapest	1.21.	59.23		104,274,254,300	HUF	375,513,000,000	30,792,000,000	HUF	h) b)
124.	Makedonski Telekom A.D. Skopje, Skopje	1.194.	56.67		9,583,887,760	MKD	17,169,567,000	5,646,607,000	MKD	h)
125.	Med-RZ Medizinisches Rechenzentrum GmbH, Cologne	1.289.	50.00		25,000	EUR	48,000	(88,000)	EUR	c) l)
126.	Mercurius Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	26,648	0	EUR	f)

No.	Name and registered office	Via	Indi- rectly %	Directly %	Total nominal value	Cur- rency	Shareholders' equity	Net income/ net loss	Cur- rency	Note
127.	MetroPCS California, LLC, Bellevue	1.247.	100.00		1	USD	(249,689,242)	(301,630,312)	USD	c)
128.	MetroPCS Florida, LLC, Bellevue	1.247.	100.00		1	USD	(351,791,638)	(439,765,309)	USD	c)
129.	MetroPCS Georgia, LLC, Bellevue	1.247.	100.00		1	USD	(43,729,573)	(39,846,261)	USD	c)
130.	MetroPCS Massachusetts, LLC, Bellevue	1.247.	100.00		1	USD	39,073,511	89,490,301	USD	c)
131.	MetroPCS Michigan, LLC, Bellevue	1.247.	100.00		0	USD	(28,397,807)	(24,456,761)	USD	c)
132.	MetroPCS Networks California, LLC, Bellevue	1.134.	100.00		1	USD	28,662,330	36,240,667	USD	c)
133.	MetroPCS Networks Florida, LLC, Bellevue	1.134.	100.00		1	USD	3,611,862	5,917,095	USD	c)
134.	MetroPCS Networks, LLC, Bellevue	1.247.	100.00		1	USD	(1)	43,635	USD	c)
135.	MetroPCS Nevada, LLC, Bellevue	1.247.	100.00		1	USD	3,490,369	15,971,588	USD	c)
136.	MetroPCS New York, LLC, Bellevue	1.247.	100.00		1	USD	(820,122)	31,285,528	USD	c)
137.	MetroPCS Pennsylvania, LLC, Bellevue	1.247.	100.00		1	USD	18,367,842	43,911,456	USD	c)
138.	MetroPCS Texas, LLC, Bellevue	1.247.	100.00		1	USD	263,595,782	238,142,903	USD	c)
139.	Minerva Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	26,648	0	EUR	f)
140.	Mobilbeep Telecommunications One Person Limited Liability, Maroussi, Athens	1.26.	100.00		620,100	EUR	238,759	(24,220)	EUR	h) b)
141.	Mobilna Sp. z o.o., Warsaw	1.239.	100.00		5,000	PLN	(50,952)	(36,254)	PLN	h)
142.	Modultechnika Kereskedelmi és Szolgáltató Kft. v.a., Budapest	1.123.	100.00		500,000	HUF	62,270,000	(758,000)	HUF	d)
143.	Motionlogic GmbH, Berlin	1.311.	100.00		25,000	EUR	26,325	(675)	EUR	h)
144.	Neptun Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	26,648	0	EUR	f)
145.	NextGen Communications S.R.L., Bucharest	1.174.	100.00		227,824,020	RON	98,380,727	(10,833,181)	RON	h) b)
146.	Novatel EOOD, Sofia	1.123.	100.00		5,190,000	BGN	-	-	BGN	
147.	Novatel Ukraine Ltd. i.L., Kiev	1.123.	99.94		1,656,900	UAH	0	0	UAH	j)
147.	Novatel Ukraine Ltd. i.L., Kiev	1.110.	0.06		1,656,900	UAH	0	0	UAH	j)
148.	ORBIT Gesellschaft für Applikations- und Informationssysteme mbH, Bonn	1.54.	100.00		128,000	EUR	1,360,500	(163,100)	EUR	c) l)
149.	OTE Academy S.A., Maroussi, Athens	1.96.	100.00		1,761,030	EUR	(776,523)	69,404	EUR	h) b)
149.	OTE Academy S.A., Maroussi, Athens	1.180.	0.00		1,761,030	EUR	(776,523)	69,404	EUR	h) b)
150.	OTE Estate S.A., Athens	1.96.	100.00		455,987,091	EUR	1,056,721,240	(100,981,969)	EUR	h) b)
150.	OTE Estate S.A., Athens	1.156.	0.00		455,987,091	EUR	1,056,721,240	(100,981,969)	EUR	h) b)
151.	OTE Insurance Agency S.A., Athens	1.96.	99.90		86,000	EUR	576,340	192,415	EUR	h) b)
151.	OTE Insurance Agency S.A., Athens	1.156.	0.10		86,000	EUR	576,340	192,415	EUR	h) b)
152.	OTE International Investments Limited, Limassol	1.96.	100.00		477,366,811	EUR	492,778,348	1,207,506	EUR	h) b)
153.	OTE International Solutions S.A., Maroussi, Athens	1.96.	100.00		163,697,462	EUR	174,105,929	14,845,207	EUR	h) b)
153.	OTE International Solutions S.A., Maroussi, Athens	1.180.	0.00		163,697,462	EUR	174,105,929	14,845,207	EUR	h) b)
154.	OTE Investment Services S.A., Maroussi, Athens	1.152.	100.00		3,400,000	EUR	3,120,197	289,524	EUR	h) b)
155.	OTE Plc., London	1.96.	100.00		50,000	GBP	28,145,250	12,120,970	EUR	h) b)
156.	OTEplus Technical & Business Solutions S.A., Athens	1.96.	100.00		4,587,002	EUR	6,126,902	518,026	EUR	h) b)
157.	Omikron Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	0	EUR	h) a)
158.	One2One Personal Communications Ltd., Hatfield	1.221.	100.00		1	GBP	1	0	GBP	h)
159.	One2One Limited, Hatfield	1.221.	100.00		2	GBP	2	0	GBP	h)
160.	Origo Média és Kommunikációs Szolgáltató ZRt., Budapest	1.123.	100.00		300,330,000	HUF	666,292,000	(684,849,000)	HUF	h)
161.	P & I Holding GmbH, Darmstadt			100.00	30,000	EUR	85,351	0	EUR	h) a)
162.	PASm Power and Air Condition Solution Management Beteiligungs GmbH, Bonn			100.00	25,000	EUR	38,442	1,647	EUR	h)
163.	PASm Power and Air Condition Solution Management GmbH, Munich			100.00	10,025,000	EUR	137,787,476	0	EUR	h) a)
164.	Pamona Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	26,648	0	EUR	f)
165.	Pan-Infom Kutatás-Fejlesztési és Innovációs Kft., Balatonfüred	1.280.	20.00		500,000	HUF	(22,648,000)	(26,514,000)	HUF	h)
166.	Pelsoft Informatika Kft., Balatonfüred	1.280.	16.67		600,000	HUF	9,235,000	(44,351,000)	HUF	h)
167.	PosAm spol. s.r.o., Bratislava	1.189.	51.00		170,000	EUR	8,501,487	2,444,327	EUR	h)
168.	PowerTel Memphis Licenses, Inc., Bellevue	1.169.	100.00		1	USD	177,024,908	(1,422,605)	USD	h)
169.	PowerTel Memphis, Inc., Bellevue	1.247.	100.00		32,262	USD	217,308,984	(95,405,678)	USD	h)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Currency	Note
170.	Qingdao DETECON Consulting Co. Ltd., Beijing	1.54.	100.00		2,000,000	USD	64,900	(169,400)	USD	c) l)
171.	REGICA.NET d.o.o., Zagreb	1.111.	100.00		28,000	HRK	201,950	173,950	HRK	h)
172.	Residenzpost GmbH & Co. Liegenschafts KG, Heusenstamm			100.00	1	EUR	1	158,102	EUR	h)
173.	Rho Telekommunikationsdienste GmbH, Bonn	1.310.	100.00		25,000	EUR	26,633	(367)	EUR	h)
174.	SC Romtelecom S.A., Bucharest	1.152.	54.01		5,975,037,351	RON	3,561,835,000	233,814,000	RON	h) b)
175.	SCOUT Business Services GmbH, Munich	1.182.	100.00		69,100	EUR	69,219	(3,206)	EUR	h)
176.	SCS Personalberatung GmbH, Düsseldorf			100.00	100,000	DEM	51,129	0	EUR	h) a)
177.	STRATO AG, Berlin	1.234.	100.00		6,033,345	EUR	9,716,049	0	EUR	h) a)
178.	Sallust Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	27,000	0	EUR	h) a)
179.	Saphir Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,010	(990)	EUR	h)
180.	Satellite and Maritime Telecommunications S.A., Athens	1.96.	94.08		5,463,750	EUR	8,397,189	583,968	EUR	h) b)
180.	Satellite and Maritime Telecommunications S.A., Athens	1.156.	0.01		5,463,750	EUR	8,397,189	583,968	EUR	h) b)
181.	Scout24 AG, Baar	1.183.	100.00		532,081	CHF	165,357,486	(520,681)	CHF	h)
182.	Scout24 GmbH, Munich	1.183.	100.00		38,350	EUR	724,965	0	EUR	h) a)
183.	Scout24 Holding GmbH, Munich			100.00	1,000,000	EUR	244,456,120	0	EUR	h) a)
184.	Scout24 International Management AG, Baar	1.183.	100.00		250,000	CHF	53,130,639	10,345,195	CHF	h)
185.	Scout24 Services GmbH, Munich	1.183.	100.00		25,000	EUR	5,042,677	0	EUR	h) a)
186.	Sigma Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	0	EUR	h) a)
187.	Sireo Immobilienfonds No. 1 Verwaltungsgesellschaft mbH, Frankfurt/Main	1.188.	100.00		25,000	EUR	40,952	2,596	EUR	h)
188.	Sireo Immobilienfonds No.1 GmbH & Co. KG, Frankfurt/Main			94.90	6,858,242	EUR	192,036,855	0	EUR	h)
189.	Slovak Telekom a.s., Bratislava	1.21.	51.00		864,113,000	EUR	1,612,678,000	62,218,000	EUR	h)
190.	Software Daten Service Gesellschaft m.b.H., Vienna	1.276.	100.00		290,691	EUR	19,157,000	3,911,000	EUR	c) l)
191.	Soluciones y Proyectos Consulting, S.L., Barcelona	1.272.	100.00		3,006	EUR	163,740	(4,220)	EUR	c) l)
192.	SoundCall GmbH, Berlin	1.311.	100.00		25,000	EUR	26,325	(675)	EUR	h)
193.	Spontacts GmbH, Munich	1.185.	77.90		28,947	EUR	-	-	EUR	
194.	Stonebridge Communication A.D. i.L., Skopje	1.123.	100.00		21,194,506,100	MKD	28,891,759,000	3,684,125,000	MKD	h)
195.	SunCom Wireless Holdings, Inc., Bellevue	1.247.	100.00		1	USD	767,042,463	(869,412,319)	USD	h)
196.	SunCom Wireless Investment Co., LLC, Bellevue	1.195.	100.00		1	USD	2,250,412,174	0	USD	h)
197.	SunCom Wireless License Co., LLC, Bellevue	1.323.	100.00		1	USD	77,824,306	(299,255,368)	USD	h)
198.	SunCom Wireless Management Co., Inc., Bellevue	1.201.	100.00		1	USD	(26,779,559)	1,814,612	USD	h)
199.	SunCom Wireless Operating Co., LLC, Bellevue	1.323.	100.00		1	USD	0	0	USD	h)
200.	SunCom Wireless Property Co., LLC, Bellevue	1.323.	100.00		1	USD	0	0	USD	h)
201.	SunCom Wireless, Inc., Bellevue	1.196.	100.00		1	USD	2,225,315,813	(127,219)	USD	h)
202.	Sunlight Romania - Filiala Bucuresti S.R.L., Bucharest	1.92.	100.00		12,700,000	RON	(12,810,267)	(2,833,757)	RON	h)
203.	SureNow situationally intelligent solutions GmbH, Bonn	1.311.	100.00		25,000	EUR	-	-	EUR	
204.	T SYSTEMS TELEKOMÜNİKASYON LIMITED SIRKETI, Istanbul	1.256.	0.60		385,600	TRY	2,811,000	810,000	TRY	c) l)
204.	T SYSTEMS TELEKOMÜNİKASYON LIMITED SIRKETI, Istanbul	1.276.	99.40		385,600	TRY	2,811,000	810,000	TRY	c) l)
205.	T-Infrastruktur Holding GmbH, Vienna	1.211.	100.00		35,000	EUR	42,000	0	EUR	c)
206.	T-Infrastruktur Services GmbH, Vienna	1.205.	100.00		35,000	EUR	35,000	0	EUR	c)
207.	T-Mobile (UK Properties), Inc., Denver, CO	1.221.	100.00		1	USD	-	-	USD	
208.	T-Mobile (UK) Ltd., Hatfield	1.221.	100.00		1	GBP	1	0	GBP	h)
209.	T-Mobile (UK) Retail Limited, Hatfield	1.221.	100.00		105	GBP	0	0	GBP	h)
210.	T-Mobile Airtime Funding, LLC, Bellevue	1.238.	100.00		0	USD	-	-	USD	
211.	T-Mobile Austria GmbH, Vienna	1.212.	100.00		60,000,000	EUR	528,038,096	23,700,244	EUR	c)
212.	T-Mobile Austria Holding GmbH, Vienna	1.21.	100.00		15,000,000	EUR	1,550,172,451	94,398	EUR	h)
213.	T-Mobile Central, LLC, Bellevue	1.247.	100.00		1	USD	7,583,507,723	820,166,247	USD	h)
214.	T-Mobile Czech Republic a.s., Prague	1.21.	60.77		520,000,000	CZK	26,896,000,000	8,663,000,000	CZK	h)
215.	T-Mobile Global Holding GmbH, Bonn	1.220.	100.00		50,000	EUR	15,867,248,961	0	EUR	h) a)
216.	T-Mobile Global Holding Nr. 2 GmbH, Bonn			100.00	29,000	EUR	2,742,147,975	0	EUR	h) a)
217.	T-Mobile Global Holding Nr. 3 GmbH, Bonn			100.00	25,000	EUR	14,560	(7,932)	EUR	h)

No.	Name and registered office	Via	Indi- rectly %	Directly %	Total nominal value	Cur- rency	Shareholders' equity	Net income/ net loss	Cur- rency	Note
218.	T-Mobile Global Holding Nr. 4 GmbH, Bonn			100.00	25,000	EUR	15,464	(6,661)	EUR	h)
219.	T-Mobile Global Holding Nr. 5 GmbH, Bonn			100.00	25,000	EUR	14,873	(6,666)	EUR	h)
220.	T-Mobile Global Zwischenholding GmbH, Bonn			100.00	26,000	EUR	24,675,847,754	0	EUR	h) a)
221.	T-Mobile Holdings Limited, Hatfield	1.215.	100.00		706,540,268	GBP	4,903,208,000	366,948,000	GBP	h)
222.	T-Mobile HotSpot GmbH, Bonn			100.00	25,000	EUR	7,146,143	(891,590)	EUR	h)
223.	T-Mobile International Austria GmbH, Vienna	1.211.	100.00		37,000	EUR	1,281,178	437,693	EUR	c)
224.	T-Mobile International Limited, Hatfield	1.221.	100.00		1	GBP	1	0	GBP	h)
225.	T-Mobile International UK Pension Trustee Limited, Hatfield	1.59.	100.00		1	GBP	1	0	GBP	h)
226.	T-Mobile License, LLC, Bellevue	1.247.	100.00		1	USD	1,793,491,451	204,732,465	USD	h)
227.	T-Mobile Ltd., Hatfield	1.221.	100.00		1	GBP	1	0	GBP	h)
228.	T-Mobile Macedonia A.D. Skopje, Skopje	1.124.	100.00		2,344,377,000	MKD	5,812,313,000	2,462,569,000	MKD	h)
229.	T-Mobile Netherlands B.V., 's-Gravenhagen	1.230.	100.00		1,250,628	EUR	2,212,254,000	149,473,276	EUR	i)
230.	T-Mobile Netherlands Holding B.V., The Hague	1.21.	100.00		90,756,042	EUR	1,134,107,000	156,866,000	EUR	
231.	T-Mobile Netherlands Klantenservice B.V., The Hague	1.229.	100.00		1,116,950	EUR	(294,862,820)	(41,019,096)	EUR	i)
232.	T-Mobile Netherlands Retail B.V., The Hague	1.229.	100.00		18,000	EUR	(361,083,486)	(112,715,156)	EUR	i)
233.	T-Mobile Newco Nr. 3 GmbH, Bonn			100.00	25,000	EUR	-	-	EUR	
234.	T-Mobile Newco Nr. 4 GmbH, Bonn			100.00	25,000	EUR	27,000	0	EUR	h) a)
235.	T-Mobile No. 1 Limited, Hatfield	1.221.	100.00		1	GBP	-	-	GBP	
236.	T-Mobile No. 5 Limited, Hatfield	1.221.	100.00		1	GBP	-	-	GBP	
237.	T-Mobile Northeast, LLC, Bellevue	1.247.	100.00		1	USD	6,888,534,044	515,723,666	USD	h)
238.	T-Mobile PCS Holdings, LLC, Bellevue	1.247.	100.00		1	USD	(6,116,813,582)	(2,118,110,223)	USD	h)
239.	T-Mobile Polska S.A., Warsaw	1.216.	100.00		471,000,000	PLN	2,746,550	629,020	PLN	h)
240.	T-Mobile Puerto Rico Holdings, LLC, Bellevue	1.323.	100.00		1	USD	0	0	USD	h)
241.	T-Mobile Puerto Rico, LLC, Bellevue	1.240.	100.00		1	USD	437,128,055	(267,489,682)	USD	h)
242.	T-Mobile Resources Corporation, Bellevue	1.238.	100.00		1	USD	8,027,346	(8,576,861)	USD	h)
243.	T-Mobile Service GmbH, Vienna	1.216.	100.00		35,000	EUR	69,412	1,185	EUR	c)
244.	T-Mobile South, LLC, Bellevue	1.247.	100.00		1	USD	3,211,312,303	308,491,434	USD	h)
245.	T-Mobile Subsidiary IV Corporation, Bellevue	1.247.	100.00		1	USD	0	(781)	USD	h)
246.	T-Mobile US, Inc., Bellevue	1.65.	66.75		5,353	USD	14,244,881,834	34,793,417	USD	c) m)
247.	T-Mobile USA, Inc., Bellevue	1.246.	100.00		293	USD	6,115,000,000	(7,336,000,000)	USD	h) m)
248.	T-Mobile West, LLC, Bellevue	1.247.	100.00		1,000	USD	7,979,492,821	1,273,396,191	USD	h)
249.	T-Mobile Worldwide Holding GmbH, Bonn			100.00	25,000	EUR	1,977,990,187	0	EUR	h) a)
250.	T-Online Beteiligungs GmbH, Darmstadt			100.00	25,000	EUR	24,643	(1,361)	EUR	h)
251.	T-Online Travel GmbH, Darmstadt			100.00	4,000,000	EUR	(5,858,881)	(39,815)	EUR	h)
252.	T-Online Verwaltungs GmbH, Darmstadt			100.00	25,000	EUR	25,179	(1,365)	EUR	h)
253.	T-Systems Argentina S.A., Buenos Aires	1.256.	2.00		2,424,250	ARS	187,000	(90,000)	ARS	c) l)
253.	T-Systems Argentina S.A., Buenos Aires	1.276.	98.00		2,424,250	ARS	187,000	(90,000)	ARS	c) l)
254.	T-Systems Austria GesmbH, Vienna	1.276.	100.00		185,000	EUR	39,274,000	4,463,000	EUR	c) l)
255.	T-Systems Belgium N.V., Groot-Bijgaarden	1.284.	0.65		4,731,000	EUR	902,000	(1,480,000)	EUR	c) l)
255.	T-Systems Belgium N.V., Groot-Bijgaarden	1.276.	99.35		4,731,000	EUR	902,000	(1,480,000)	EUR	c) l)
256.	T-Systems Beteiligungsverwaltungsgesellschaft mbH, Frankfurt/Main	1.276.	100.00		25,600	EUR	27,000	0	EUR	c) l)
257.	T-Systems Bulgaria EOOD, Sofia	1.276.	100.00		5,000	BGN	270,000	(11,000)	BGN	c) l)
258.	T-Systems CIS, Moscow	1.276.	100.00		4,630,728	RUB	6,195,000	(260,000)	RUB	c) l)
259.	T-Systems Canada, Inc., Saint John	1.286.	100.00		2,031,554	CAD	6,873,130	461,940	CAD	c) l)
260.	T-Systems China Limited, Hong Kong	1.276.	100.00		24,000,000	HKD	3,398,000	(74,000)	HKD	c) l)
261.	T-Systems Czech Republic a.s., Prague	1.214.	100.00		251,300,000	CZK	1,976,000,000	321,000,000	CZK	h) b)
262.	T-Systems DDM GmbH, Weingarten	1.276.	100.00		154,400	EUR	3,788,750	0	EUR	a) c) l)
263.	T-Systems Eltec, S.L., Barcelona	1.272.	100.00		667,400	EUR	3,035,360	(4,418,610)	EUR	c) l)
264.	T-Systems France S.A.S., Saint Denis	1.276.	100.00		2,000,000	EUR	2,741,000	(72,023,000)	EUR	c) l)
265.	T-Systems GEI GmbH, Aachen	1.276.	100.00		11,301,600	EUR	14,606,000	0	EUR	a) c) l)
266.	T-Systems ICT Romania S.R.L., Bucharest	1.256.	5.00		200	RON	273,000	118,000	RON	c) l)
266.	T-Systems ICT Romania S.R.L., Bucharest	1.276.	95.00		200	RON	273,000	118,000	RON	c) l)
267.	T-Systems IT Epsilon GmbH, Bonn	1.276.	100.00		25,000	EUR	25,000	0	EUR	a) c) l)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Currency	Note
268.	T-Systems IT Eta GmbH, Bonn	1.276.	100.00		25,000	EUR	25,000	0	EUR	a) c) I)
269.	T-Systems IT Gamma GmbH, Bonn	1.276.	100.00		25,000	EUR	25,000	0	EUR	a) c) I)
270.	T-Systems IT Theta GmbH, Bonn	1.276.	100.00		25,000	EUR	23,000	0	EUR	c) I)
271.	T-Systems IT Zeta GmbH, Bonn	1.276.	100.00		25,000	EUR	25,000	0	EUR	a) c) I)
272.	T-Systems ITC Iberia, S.A., Barcelona	1.276.	100.00		1,244,100	EUR	7,663,600	(16,438,230)	EUR	c) I)
273.	T-Systems Individual Desktop Solutions GmbH, Frankfurt/Main	1.276.	100.00		25,000	EUR	258,000	0	EUR	a) c) I)
274.	T-Systems Information and Communication Technology E.P.E., Athens	1.256.	1.00		18,000	EUR	543,000	155,000	EUR	c) I)
274.	T-Systems Information and Communication Technology E.P.E., Athens	1.276.	99.00		18,000	EUR	543,000	155,000	EUR	c) I)
275.	T-Systems Information and Communication Technology India Private Limited, Pune	1.256.	0.00		34,500,000	INR	207,265	(182,444)	INR	c) I)
275.	T-Systems Information and Communication Technology India Private Limited, Pune	1.276.	100.00		34,500,000	INR	207,265	(182,444)	INR	c) I)
276.	T-Systems International GmbH, Frankfurt/Main			100.00	154,441,900	EUR	1,343,000	0	EUR	h)
277.	T-Systems Japan K.K., Tokyo	1.276.	100.00		495,000,000	JPY	1,498,500	(1,977,480)	JPY	c) I)
278.	T-Systems Limited, London	1.276.	100.00		550,001	GBP	29,600,000	11,086,000	GBP	c) I)
279.	T-Systems Luxembourg S.A., Münsbach	1.256.	0.02		1,500,000	EUR	5,226,000	620,000	EUR	c) I)
279.	T-Systems Luxembourg S.A., Münsbach	1.276.	99.98		1,500,000	EUR	5,226,000	620,000	EUR	c) I)
280.	T-Systems Magyarország ZRt., Budapest	1.123.	100.00		2,002,000,000	HUF	19,175,765,000	356,176,000	HUF	h)
281.	T-Systems Malaysia Sdn. Bhd., Kuala Lumpur	1.276.	100.00		4,000,000	MYR	13,216,243	2,963,524	MYR	c) I)
282.	T-Systems Mexico, S.A. de C.V., Puebla	1.276.	100.00		32,000,000	MXN	11,134,380	7,313,360	USD	c) I)
283.	T-Systems Multimedia Solutions GmbH, Dresden	1.276.	100.00		4,090,400	EUR	4,090,000	0	EUR	a) c) I)
284.	T-Systems Nederland B.V., Vianen (Utrecht)	1.276.	100.00		908,000	EUR	65,724,000	627,000	EUR	c) I)
285.	T-Systems Nordic A/S, Ballerup	1.276.	100.00		5,500,000	DKK	912,293	(2,432,240)	DKK	c) I)
286.	T-Systems North America, Inc., Wilmington, DE	1.276.	100.00		34	USD	14,174,390	360	USD	c) I)
287.	T-Systems P.R. China Ltd., Beijing	1.276.	100.00		31,500,000	EUR	2,677,120	(3,292,790)	EUR	c) I)
288.	T-Systems Polska Sp. z o.o., Wrocław	1.276.	100.00		8,327,000	PLN	7,719,000	445,000	PLN	c) I)
289.	T-Systems SFPH GmbH, Düsseldorf	1.276.	100.00		511,300	EUR	2,160,800	0	EUR	a) c) I)
290.	T-Systems Schweiz AG, Münchenbuchsee	1.276.	100.00		13,000,000	CHF	22,370,970	(7,474,750)	CHF	c) I)
291.	T-Systems Singapore Pte. Ltd., Singapore	1.276.	100.00		38,905,000	SGD	28,274,900	(1,366,200)	SGD	c) I)
292.	T-Systems Slovakia s.r.o., Kosice	1.256.	2.50		258,581	EUR	26,610,000	3,206,000	EUR	c) I)
292.	T-Systems Slovakia s.r.o., Kosice	1.276.	97.50		258,581	EUR	26,610,000	3,206,000	EUR	c) I)
293.	T-Systems Solutions (Proprietary) Limited i.L., Midrand	1.295.	100.00		1	ZAR	-	-	ZAR	
294.	T-Systems Solutions for Research GmbH, Weßling	1.276.	100.00		5,000,000	EUR	5,473,590	0	EUR	a) c) I)
295.	T-Systems South Africa (Proprietary) Limited, Midrand	1.296.	70.00		6,000	ZAR	19,794,370	3,746,450	ZAR	c) I)
296.	T-Systems South Africa Holdings (Proprietary) Limited, Midrand	1.276.	100.00		4,100,085	ZAR	55,628,300	(433,570)	ZAR	c) I)
297.	T-Systems Spring Italia S.r.l., Rozzano	1.276.	100.00		594,000	EUR	900,000	(4,731,000)	EUR	c) I)
298.	T-Systems TMT Limited, Milton Keynes	1.278.	100.00		500,000	GBP	600,000	0	GBP	c) I)
299.	T-Systems Telecomunicacoes e Servicos Ltda., Sao Paulo	1.300.	100.00		4,182,560	BRL	2,662,385	667,500	BRL	c) I)
299.	T-Systems Telecomunicacoes e Servicos Ltda., Sao Paulo	1.256.	0.00		4,182,560	BRL	2,662,385	667,500	BRL	c) I)
300.	T-Systems do Brasil Ltda., Sao Paulo	1.256.	0.01		15,000,000	BRL	39,093,000	5,635,000	BRL	c) I)
300.	T-Systems do Brasil Ltda., Sao Paulo	1.276.	99.99		15,000,000	BRL	39,093,000	5,635,000	BRL	c) I)
301.	T-Systems on site services GmbH, Berlin	1.276.	100.00		154,000	EUR	154,000	0	EUR	a) c) I)
302.	T-Systems, informacijski sistemi, d.o.o., Ljubljana	1.276.	100.00		8,763	EUR	404,000	145,000	EUR	c) I)
303.	T-Venture Holding GmbH, Bonn			100.00	10,225,900	EUR	15,371,004	4,055,232	EUR	h)
304.	T-Venture of America, Inc., San Francisco, CA	1.303.	100.00		100	USD	627,651	82,758	USD	c)
305.	TAMBURO Telekommunikationsdienste GmbH, Heusenstamm			100.00	25,000	EUR	52,016	(315)	EUR	h)
306.	TMUS Assurance Corporation, Honolulu	1.247.	100.00		10	USD	88,776,000	73,559,000	USD	h)
307.	TOB T-Systems Ukraine, Kiev	1.256.	0.10		35,000	UAH	98,000	9,000	UAH	c) I)
307.	TOB T-Systems Ukraine, Kiev	1.276.	99.90		35,000	UAH	98,000	9,000	UAH	c) I)
308.	Tau Telekommunikationsdienste GmbH, Bonn	1.310.	100.00		25,000	EUR	26,634	(366)	EUR	h)

No.	Name and registered office	Via	Indi- rectly %	Directly %	Total nominal value	Cur- rency	Shareholders' equity	Net income/ net loss	Cur- rency	Note
309.	Tele-Data Távközlési Adatfeldolgozó és Hirdetésszervező Kft., Budaörs	1.123.	50.98		38,640,000	HUF	87,027,000	8,548,000	HUF	h)
310.	Telekom Deutschland GmbH, Bonn			100.00	1,515,000,000	EUR	2,103,000,000	0	EUR	h) a)
311.	Telekom Innovation Pool GmbH, Bonn			100.00	26,000	EUR	53,592	0	EUR	h) a)
312.	Telekom New Media ZRt., Budapest	1.123.	100.00		669,930,000	HUF	918,003,000	248,073,000	HUF	h)
313.	Telekom Sec s.r.o., Bratislava	1.189.	100.00		11,639	EUR	3,641	(1,338)	EUR	c)
314.	Telekom Shop Vertriebsgesellschaft mbH, Bonn	1.310.	100.00		10,000,000	EUR	44,258,116	0	EUR	h) a)
315.	Telemacedónia A.D., Skopje	1.123.	100.00		621,300	MKD	29,511,000	(4,371,000)	MKD	h)
316.	Telemobil S.A., Bucharest	1.34.	100.00		360,090,000	RON	(475,051,143)	(174,128,766)	RON	h)
317.	Tellus Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	26,648	0	EUR	f)
318.	Theta Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	0	EUR	h) a)
319.	Thor Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	27,000	0	EUR	h) a)
320.	Tibull Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	27,000	0	EUR	h) a)
321.	Transparent Goods GmbH, Cologne	1.276.	100.00		800,000	EUR	(5,994,920)	19,790	EUR	c) l)
322.	Triton PCS Finance Co., Inc., Bellevue	1.201.	100.00		1	USD	1,495,985,366	28,853,790	USD	h)
323.	Triton PCS Holdings Company, LLC, Bellevue	1.201.	100.00		1	USD	(51,269,634)	(333,208,451)	USD	h)
324.	Trust2Core GmbH, Berlin	1.311.	100.00		25,000	EUR	-	-	EUR	
325.	Tulip 2 B.V., 's-Gravenhagen	1.230.	100.00		124,105	EUR	124,105	0	EUR	i)
326.	Türkis Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,010	(990)	EUR	h)
327.	VIOLA Kabelgesellschaft (Deutschland) mbH, Bonn	1.40.	100.00		1,000,000	EUR	1,000,000	0	EUR	i)
328.	VOICENET Limited Company Telecommunications Services & Infrastructures S.A., Athens	1.96.	100.00		5,650,050	EUR	2,260,588	(54,118)	EUR	h) b)
329.	Vesta Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	26,648	0	EUR	f)
330.	Vidanet ZRt., Győr	1.123.	67.50		2,000,000,000	HUF	5,130,863,000	120,710,000	HUF	h)
330.	Vidanet ZRt., Győr	1.110.	22.50		2,000,000,000	HUF	5,130,863,000	120,710,000	HUF	h)
331.	Vivento Customer Services GmbH, Bonn			100.00	100,000	EUR	97,173,009	0	EUR	h) a)
332.	VoiceStream PCS Iowa Corporation, Bellevue	1.247.	100.00		1	USD	53,330,252	(1,961,333)	USD	h)
333.	VoiceStream Pittsburgh General Partner, Inc., Bellevue	1.247.	100.00		100	USD	8,776,402	94,804,571	USD	h)
334.	VoiceStream Pittsburgh, LP, Bellevue	1.333.	54.00		1	USD	94,804,571	8,776,401	USD	h)
334.	VoiceStream Pittsburgh, LP, Bellevue	1.237.	46.00		1	USD	94,804,571	8,776,401	USD	h)
335.	Vulcanus Telekommunikationsdienste GmbH, Bonn	1.311.	100.00		25,000	EUR	26,648	0	EUR	f)
336.	ZODIAC Telekommunikationsdienste GmbH, Bonn			100.00	25,600	EUR	27,356	(341)	EUR	h)
337.	Zoznam Mobile s.r.o., Bratislava	1.189.	100.00		6,639	EUR	457,837	74,584	EUR	c)
338.	Zoznam s.r.o., Bratislava	1.189.	100.00		6,639	EUR	2,113,592	342,575	EUR	h)
339.	Zweite DFMG Deutsche Funkturm Vermögens-GmbH, Heusenstamm	1.310.	100.00		100,000	EUR	37,124,753	0	EUR	h) a)
340.	bodyconcept GmbH, Hamburg	1.311.	65.00		71,429	EUR	-	-	EUR	
341.	congstar GmbH, Cologne	1.310.	100.00		250,000	EUR	3,747,047	0	EUR	h) a)
342.	congstar Services GmbH, Cologne	1.341.	100.00		30,000	EUR	4,091,854	0	EUR	a) c)
343.	d-Core NETWORK IBERIA, S.L., Tarragona	1.272.	100.00		3,010	EUR	305,690	(60,910)	EUR	c) l)
344.	operational services Beteiligungs-GmbH, Frankfurt/Main	1.345.	100.00		25,000	EUR	35,000	1,000	EUR	c) l)
345.	operational services GmbH & Co. KG, Frankfurt/Main	1.276.	50.00		250,000	EUR	12,351,310	3,504,770	EUR	c) l)
346.	xpllosion interactive GmbH, Bonn	1.311.	100.00		100,000	EUR	100,000	0	EUR	h)

2. Associated and other related companies

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Currency	Note
1.	AMC-IT (Proprietary) Limited i.L., Midrand	1.5.	35.00		1,000	ZAR	-	-	ZAR	
2.	ASPM Holding B.V., Amsterdam	1.13.	49.00		18,000	EUR	6,054,692	(1,689)	EUR	h)
3.	Asa NewCo GmbH, Munich			30.00	25,000	EUR	-	-	EUR	
4.	BUYIN S.A., Brussels			50.00	123,000	EUR	125,302	2,302	EUR	h)
5.	Blinks Labs GmbH, Berlin	1.75.	20.30		33,256	EUR	90,411	(80,144)	EUR	h)
6.	BodyTel Europe GmbH, Bad Wildungen	1.75.	42.47		261,163	EUR	0	(1,578,037)	EUR	h)
7.	CTDI GmbH, Malsch (Karlsruhe district)	1.310.	49.00		2,500,000	EUR	37,251,966	3,246,598	EUR	h)
8.	Callahan Nordrhein-Westfalen GmbH i.L., Cologne	1.327.	45.00		2,595,000	EUR	-	-	EUR	
9.	Central Georgian Communications Co. Ltd., Roustavi	1.156.	25.00		280,000	GEL	-	-	GEL	
10.	Cittadino GmbH, Düsseldorf	1.75.	46.95		52,034	EUR	0	392,084	EUR	h)
11.	Clipkit GmbH, Berlin	1.75.	30.01		95,520	EUR	25,396	(475,105)	EUR	h)
12.	CoreMedia AG, Hamburg	1.75.	26.23		3,942,106	EUR	6,502,387	951,568	EUR	f)
13.	Cost Xpert AG, Gersthofen	1.75.	46.00		71,429	EUR	972,551	(1,880,163)	EUR	h)
14.	DETECON AL SAUDIA Co. Ltd., Riyadh	1.54.	46.50		4,000,000	SAR	26,877,130	7,231,700	SAR	c)l)
15.	Das Telefonbuch-Servicegesellschaft mbH, Frankfurt/Main	1.48.	25.10		500,000	EUR	529,437	(3,972)	EUR	h)
16.	Das Örtliche Service- und Marketing GmbH, Frankfurt/Main	1.48.	25.10		500,000	EUR	718,713	3,219	EUR	h)
17.	Deutscher Adreßbuchverlag für Wirtschaft und Verkehr GmbH i.L. (DAV), Frankfurt/Main	1.48.	25.10		700,000	DEM	0	0	EUR	e)
18.	Devas Multimedia Private Limited, Bangalore	1.57.	20.73		177,313	INR	3,516,810,263	(645,539,336)	INR	h)
19.	Donbass Telecom Ltd., Donetsk	1.156.	49.00		342,700	UAH	-	-	UAH	
20.	EE Limited, Hatfield	1.221.	50.00		22,050,306	GBP	4,223,000,000	(296,000,000)	GBP	h)
21.	Electrocyling Anlagen GmbH, Goslar	1.310.	25.00		9,000,000	DEM	5,783,994	605,684	EUR	h)
22.	Electrocyling GmbH, Goslar	1.310.	25.50		1,500,000	EUR	10,652,424	4,602,268	EUR	h)
23.	Gelbe Seiten Marketing Gesellschaft mbH, Frankfurt/Main	1.48.	25.10		500,000	EUR	616,235	10,669	EUR	h)
24.	Gini GmbH, Munich	1.75.	29.30		41,408	EUR	533,187	(604,910)	EUR	h)
25.	HMM Deutschland GmbH, Moers			38.46	197,758	EUR	18,750,153	(60,439)	EUR	h)
25.	HMM Deutschland GmbH, Moers	1.75.	10.97		197,758	EUR	18,750,153	(60,439)	EUR	h)
26.	HWW – Höchstleistungsrechner für Wissenschaft und Wirtschaft GmbH, Stuttgart	1.276.	20.00		50,000	EUR	812,460	31,420	EUR	c)l)
26.	HWW – Höchstleistungsrechner für Wissenschaft und Wirtschaft GmbH, Stuttgart	1.294.	20.00		50,000	EUR	812,460	31,420	EUR	c)l)
27.	HiProCall, Inc., Wilmington, DE	1.75.	44.10		554	USD	0	(1,649,081)	USD	h)
28.	Hrvatska posta d.o.o., Mostar	1.99.	30.29		26,335,069	BAM	23,607,843	(1,888,626)	BAM	h)b)
29.	Hrvatske telekomunikacije d.d. Mostar, Mostar	1.99.	39.10		315,863,250	BAM	339,611,747	17,950,995	BAM	h)b)
30.	IGA Worldwide, Inc., Wilmington, DE	1.75.	23.53		85,000	USD	(8,234,000)	(1,063,000)	USD	k)
31.	Intelligent Apps GmbH, Hamburg	1.75.	30.32		197,822	EUR	4,496,993	(3,944,314)	EUR	h)
32.	Iowa Wireless Services, LLC, Bellevue	1.332.	44.68		64,751,961	USD	0	0	USD	h)
33.	JVL Ventures, LLC, Little Rock	1.247.	20.00		515,499,999	USD	0	0	USD	h)
34.	Jamii GmbH, Berlin	1.75.	33.00		47,627	EUR	36,766	(998,455)	EUR	h)
35.	Közbringa Kft., Budapest	1.280.	25.00		20,000,000	HUF	-	-	HUF	
36.	LOCANIS AG, Unterföhring	1.75.	49.99		588,139	EUR	(4,540,299)	197,376	EUR	h)
37.	MGRID B.V., Amsterdam	1.75.	21.05		22,800	EUR	225,101	(88,515)	EUR	i)
38.	MNP Deutschland GbR, Düsseldorf	1.310.	16.67		0	EUR	-	-	EUR	
39.	Metasonic AG, Pfaffenhofen-Hettenshausen	1.75.	49.75		541,924	EUR	0	(5,045,297)	EUR	h)
40.	MindMatics Secure Messaging GmbH, Munich	1.75.	21.81		25,000	EUR	-	-	EUR	
41.	Mobile Telephony Companies Association, Maroussi, Athens	1.26.	33.33		2,806,656	EUR	944,970	(699,654)	EUR	h)b)
42.	Moviepilot GmbH, Berlin	1.75.	28.90		95,812	EUR	1,532,309	(2,216,859)	EUR	h)
43.	NetWorkS! Sp. z o.o., Warsaw	1.239.	50.00		30,000,000	PLN	42,976,770	10,021,814	PLN	h)b)
44.	PROPERTYGURU PTE. LTD., Singapore	1.105.	41.38		20,487,517	SGD	585,024	479,077	SGD	i)
45.	Pie Digital, Inc., Newark	1.75.	49.99		57	USD	(3,034,135)	(7,219,389)	USD	k)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/net loss	Currency	Note
46.	Portavita B.V., Amsterdam	1.75.	21.05		22,800	EUR	1,605,421	76,276	EUR	h)
47.	Radial Network Corp., Wilmington, DE	1.75.	35.83		11,800	USD	-	-	USD	
48.	SEARCHTEQ GmbH, Frankfurt/Main	1.48.	25.10		7,239,000	EUR	4,627,366	(472,585)	EUR	h)
49.	Scortel-FMS Ltd., Sofia	1.156.	44.00		55,000	BGN	-	-	BGN	
50.	Scout24 Schweiz AG, Flamatt	1.184.	14.96		224,600	CHF	50,043,264	37,384,250	CHF	h)
51.	Scout24 Schweiz Holding AG, Wünnewil-Flamatt	1.184.	50.10		980,000	CHF	77,689,655	71,404,254	CHF	h)
52.	Sones GmbH i.L., Leipzig	1.75.	23.14		48,640	EUR	2,030,363	(820,996)	EUR	k)
53.	South Eastern Europe Telecommunications & Informatics Research Institute S.A., Thessaloniki	1.96.	10.56		1,320,060	EUR	-	-	EUR	
53.	South Eastern Europe Telecommunications & Informatics Research Institute S.A., Thessaloniki	1.156.	10.56		1,320,060	EUR	-	-	EUR	
54.	Streetlight Data, Inc., San Francisco, CA	1.75.	23.03		3,574	USD	-	-	USD	
55.	T-Mobile USA Tower, LLC, Wilmington, DE	1.247.	100.00		1	USD	(630,441,935)	326,938	USD	h)
56.	T-Mobile West Tower, LLC, Wilmington, DE	1.248.	100.00		1	USD	(724,513,830)	473,129	USD	h)
57.	T-Systems Telecomunicaciones de Mexico, S.A. de C.V. i.L., Puebla	1.276.	49.00		50,000	MXN	1,000	0	USD	c) l)
58.	TVG Telefonbuch- und Verzeichnisverlag GmbH & Co. KG, Frankfurt/Main	1.48.	25.10		2,501,000	EUR	4,684,314	642,695	EUR	h)
59.	Tele-Auskunft Online GmbH, Frankfurt/Main	1.48.	25.32		250,000	EUR	2,539,499	538,473	EUR	h)
60.	TeleOp Gesellschaft mit beschränkter Haftung, Oberpfaffenhofen	1.276.	32.40		25,000	EUR	174,000	18,000	EUR	c) l)
61.	Telesens KSCL AG i.L., Cologne	1.303.	24.09		23,588,222	EUR	-	-	EUR	
62.	Toll Collect GbR, Berlin			45.00	0	EUR	23,203,000	(32,164,000)	EUR	h) b)
63.	Toll Collect GmbH, Berlin			45.00	5,000,000	EUR	23,203,000	(32,164,000)	EUR	h) b)
64.	Trans Jordan For Communication Services Company Ltd., Amman	1.96.	40.00		3,500,000	JOD	-	-	JOD	
64.	Trans Jordan For Communication Services Company Ltd., Amman	1.156.	10.00		3,500,000	JOD	-	-	JOD	
65.	Tripodo GmbH, Munich	1.75.	20.75		43,547	EUR	0	(27,446)	EUR	i)
66.	VeliQ B.V., Barendrecht	1.75.	34.44		141,480	EUR	93,243	(1,473,057)	EUR	h)
67.	VibeSec Ltd., Haifa	1.75.	25.33		5,418	ILS	220,000	(1,513,000)	ILS	h)
68.	Vivento Interim Services GmbH, Bonn			49.02	51,000	EUR	2,627,688	632,387	EUR	h)
69.	Yemen Public Payphone Company Ltd., Sana'a	1.96.	10.00		2,960,000	USD	-	-	-	
69.	Yemen Public Payphone Company Ltd., Sana'a	1.156.	15.00		2,960,000	USD	-	-	-	
70.	apprupt GmbH, Hamburg	1.75.	21.08		62,582	EUR	328,157	(1,350,926)	EUR	i)
71.	iesy Holdings GmbH, Oberursel (Taunus)	1.327.	35.00		1,000,000	EUR	-	-	EUR	
72.	mediapeers GmbH, Berlin	1.75.	24.10		44,890	EUR	996,746	117,572	EUR	h)
73.	mopay AG, Munich	1.75.	21.79		185,879	EUR	4,451,254	342,684	EUR	h)
74.	myONHD Media GmbH, Munich	1.75.	39.89		98,380	EUR	581,508	(1,166,446)	EUR	h)
75.	solute holding GmbH & Co. KG, Hanover	1.48.	25.10		1,000,000	EUR	13,000,000	277,850	EUR	h)

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

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

c) Shareholders' equity and net income/loss as of Dec. 31, 2013

d) Shareholders' equity and net income/loss as of Oct. 30, 2013

e) Shareholders' equity and net income/loss as of July 31, 2013

f) Shareholders' equity and net income/loss as of June 30, 2013

g) Shareholders' equity and net income/loss as of Mar. 8, 2013

h) Shareholders' equity and net income/loss as of Dec. 31, 2012

i) Shareholders' equity and net income/loss as of Dec. 31, 2011

j) Shareholders' equity and net income/loss as of Sept. 8, 2011

k) Shareholders' equity and net income/loss as of Dec. 31, 2010

l) Shareholders' equity and net income/loss in euros

m) Shareholders' equity and net income/loss, consolidated figures

RESPONSIBILITY STATEMENT

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 management

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 18, 2014

Deutsche Telekom AG
Board of Management *

Timotheus Höttges

Reinhard Clemens

Niek Jan van Damme

Thomas Dannenfeldt

Dr. Thomas Kremer

Claudia Nemat

* Prof. Marion Schick is not available.

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, 2013.

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, 2013 as well as the results of operations for the business 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, 2013. 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 18, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Harald Kayser
Wirtschaftsprüfer

Uwe Schwalm
Wirtschaftsprüfer

FURTHER INFORMATION

- 66 List of abbreviations
- 68 Contacts

LIST OF ABBREVIATIONS

AG	Aktiengesellschaft (stock corporation under German law)	GBP	Pound sterling
AktG	Aktiengesetz (German Stock Corporation Act)	GbR	Gesellschaft bürgerlichen Rechts (non-trading partnership under German law)
BilMoG	Bilanzrechtsmodernisierungsgesetz (German Accounting Law Modernization Act)	GG	Grundgesetz (German Basic Law)
BPS-PT	Bundes-Pensions-Service für Post und Telekommunikation e.V., Bonn (joint pension fund for civil servants of Deutsche Post AG, Deutsche Postbank AG and Deutsche Telekom)	GmbH	Gesellschaft mit beschränkter Haftung (limited liability company under German law)
CEO	Chief Executive Officer	GmbH & Co. KG	Gesellschaft mit beschränkter Haftung & Compagnie Kommanditgesellschaft (limited company)
CFO	Chief Financial Officer	HGB	Handelsgesetzbuch (German Commercial Code)
Cofiroute	Compagnie Financière et Industrielle des Autoroutes S.A., Sèvres Cedex	HRB	Handelsregister, Abteilung B (commercial register, section B) in liquidation
CTA	Contractual trust arrangement	i.L.	
DT IF	Deutsche Telekom International Finance B.V., Amsterdam	IDW ERS HFA	Accounting standard (draft) prepared by the Expert Committee of the Institute of Public Auditors in Germany (IDW)
DTBS	Deutsche Telekom Betriebsrenten-Service e.V., Bonn	IDW RS HFA	Accounting standard prepared by the Expert Committee of the Institute of Public Auditors in Germany (IDW)
e.g.	for example	IFRS	International Financial Reporting Standard
e.V.	eingetragener Verein (registered association under German law)	Inc.	Incorporated
EBITDA	Earnings before interest, tax, depreciation and amortization	IT	Information technology
eG	eingetragene Genossenschaft (registered cooperative under German law)	KfW	KfW Bankengruppe, Frankfurt/Main
EGHGB	Einführungsgesetz zum Handelsgesetzbuch (Introductory Act of the German Commercial Code)	KG	Kommanditgesellschaft (limited partnership under German law)
EPS	Earnings per share	KGaA	Kommanditgesellschaft auf Aktien (limited partnership)
etc.	et cetera	KStG	Körperschaftsteuergesetz (German Corporate Income Tax Act)
EUR	Euro	Ltd.	Limited
Federal Agency	Bundesanstalt für Post und Telekommunikation Deutsche Bundespost (Federal Posts and Telecommunications Agency)	M&A	Mergers & Acquisitions
GAAP	Generally Accepted Accounting Principles	mbH	mit beschränkter Haftung (limited liability)
GAS	German Accounting Standards	MTIP	Mid-term incentive plan
		No.	Number

PBeaKK	Postbeamtenkrankenkasse (Civil Service Health Insurance Fund)
PostPersRG	Postpersonalrechtsgesetz (German Act on the Legal Provisions for the Former Deutsche Bundespost Staff)
PTC	PTC, Polska Telefonia Cyfrowa S.A., Warsaw
PTNeuOG	Postneuordnungsgesetz (German Posts and Telecommunications Reorganization Act)
PVKNeuG	Gesetz zur Neuordnung der Postbeamtenversorgungskasse (German Act on the Reorganization of the Civil Service Pension Fund)
ROCE	Return on capital employed
SE	Societas Europea
STRABAG PFS	STRABAG Property and Facility Services GmbH, Münster
T-Share	Deutsche Telekom share
TKG	Telekommunikationsgesetz (German Telecommunications Act)
UK	United Kingdom
UmwG	Umwandlungsgesetz (German Reorganization and Transformation Act)
USD	U.S. dollar
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)
VVaG	Versicherungsverein auf Gegenseitigkeit (mutual insurance association)
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)
Xetra-Handel	Xetra trading at Deutsche Börse AG, Frankfurt/Main

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is available at: www.telekom.com

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