

Deutsche Telekom AG
Annual financial statements
as of December 31, 2010

Life is for sharing.



Contents.

Annual financial statements of Deutsche Telekom AG

6	Statement of income
7	Balance sheet
8	Notes to the financial statements
8	Summary of accounting policies
16	Notes to the statement of income
23	Notes to the balance sheet
40	Other disclosures

72	Responsibility statement
----	--------------------------

73	Auditor's Report
----	------------------

Further Information

76	List of abbreviations
78	Contacts

A combined management report has been produced for Deutsche Telekom AG and the Deutsche Telekom Group and is published in our 2010 Annual Report.

Deutsche Telekom AG's single-entity financial statements and the combined management report for the 2010 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	Statement of income
7	Balance sheet
8	Notes to the financial statements
8	Summary of accounting policies
16	Notes to the statement of income
23	Notes to the balance sheet
40	Other disclosures

Statement of income.

millions of €	Note	2010	2009
Net revenue	1	4,269	18,220
Changes in inventories and other own capitalized costs	2	7	37
Total operating performance		4,276	18,257
Other operating income	3	5,146	7,160
Goods and services purchased	4	(1,596)	(6,935)
Personnel costs	5	(3,394)	(3,979)
Depreciation, amortization and write-downs	6	(525)	(3,526)
Other operating expenses	7	(6,081)	(9,160)
Financial income (expense), net	8	4,738	3,183
Results from ordinary business activities		2,564	5,000
Extraordinary income (expense)	9	(24)	(329)
Taxes	10	443	(161)
Income after taxes		2,983	4,510
Unappropriated net income carried forward from previous year		3,035	1,911
Income from capital decrease		102	-
Transfer to additional paid-in capital		(102)	-
Transfer from retained earnings		400	-
Expense from the retirement of shares		(400)	-
Unappropriated net income	11	6,018	6,421

Balance sheet.

millions of €	Note	Dec. 31, 2010	Dec. 31, 2009
ASSETS			
Noncurrent assets			
Intangible assets		206	1,275
Property, plant and equipment		5,034	17,282
Financial assets		80,876	75,759
		86,116	94,316
Current assets			
Inventories, materials and supplies	13	10	84
Receivables	14	11,571	9,356
Other assets	15	869	1,112
Marketable securities	16	14	226
Cash and cash equivalents	17	754	2,732
		13,218	13,510
Prepaid expenses and deferred charges	18	738	516
Difference between plan assets and partial retirement liabilities	19	12	-
Total assets		100,084	108,342
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Capital stock	21	11,058	11,165
Contingent capital of € 1,132 million			
Additional paid-in capital	22	26,752	26,650
Retained earnings	23	15,500	15,900
Unappropriated net income		6,018	6,421
		59,328	60,136
Accruals			
Pensions and similar obligations	25	2,662	2,769
Taxes	26	124	547
Other accruals	27	2,903	4,598
		5,689	7,914
Liabilities			
Debt	28	6,711	6,195
Other liabilities		28,031	33,891
		34,742	40,086
Deferred income	29	325	206
Total shareholders' equity and liabilities		100,084	108,342

Notes to the financial statements.

Summary of accounting policies.

Description of business activities.

Deutsche Telekom AG¹, Bonn, (hereinafter also referred to as Deutsche Telekom or the Company) operates as a provider of telecommunications services, information technology (IT), multimedia, information and entertainment, security services, as well as sales and agency services via its subsidiaries. Deutsche Telekom performs its activities both in and outside Germany. The Company has various branch offices in the Federal Republic of Germany.

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

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

The fixed-network business operated by the Company (hereinafter referred to as the T-Home business unit) was spun off and merged into Telekom Deutschland GmbH, Bonn (hereinafter referred to as Telekom Deutschland, formerly T-Mobile Deutschland GmbH and hereinafter referred to as T-Mobile Deutschland) with economic effect as of January 1, 2010. The fixed-network business activities that were spun off included voice and data communication based on fixed-network and broadband technology.

Description of the relationship with the Federal Republic of Germany.

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

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

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

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

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.

Comparability with prior-year figures on account of organizational changes and first-time application of the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz – BilMoG).

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, 2010 and the statement of income for the period January 1 to December 31, 2010.

On account of the spin-off of the T-Home business unit described, the figures 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).

The German Accounting Law Modernization Act was applied in full for the first time in the reporting year (in accordance with Art. 66 of Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch – EGHGB)). Pursuant to Art. 67 (8) sentence 2 EGHGB, prior-year figures were not restated.

Where the effects of the spin-off of the T-Home business unit into Telekom Deutschland and the first-time application of BilMoG are material and expedient for better comprehension of the business figures, they will be presented in the notes to individual items in the balance sheet and statement of income.

Basis of preparation.

The annual financial statements and the management report of Deutsche Telekom, which is combined with the Group management report, are prepared in accordance with German GAAP, as specified in HGB in the version provided in BilMoG, and the German Stock Corporation Act.

From the reporting year onward, Deutsche Telekom has for the first time prepared a management report that is combined with the Group management report in accordance with § 315 (3) HGB in conjunction with § 298 (3) HGB. Deutsche Telekom will therefore not prepare a separate management report.

The balance sheet and the statement of income are prepared in accordance with the classification requirements of § 266 and § 275 HGB. The statement of income is prepared using the total cost method in accordance with § 275 (2) HGB. Unless otherwise stated, all amounts shown are in millions of euros (€/EUR). 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. Reporting begins with the statement of income.

Accounting policies.

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.

After spinning off the fixed-network business, the Company focussed on the provision of services to other Group companies. For this reason, the income from rendering these services is classified as revenues and, unlike in previous years, is no longer reported under other operating income.

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

Research and development costs are expensed as incurred.

Pension costs include expenditures in connection with an appropriation of accruals for current employees as well as expenditures for ongoing payments to the joint pension fund at Deutsche Post AG, Deutsche Postbank AG and Deutsche Telekom (Bundes-Pensions-Service für Post und Telekommunikation – BPS-PT) on behalf of employed civil servants. The pension obligations are calculated using the projected unit credit method (BilMoG-related change). The Company exercises the option provided in Art. 67 (1) sentence 1 EGHGB of aggregating the shortfall in the pension obligations resulting from the revaluation to at least one 15th in each reporting year up to December 31, 2024 at the latest.

Income tax expense includes current payable taxes on income. Deutsche Telekom does not exercise its option to recognize deferred tax assets in accordance with § 274 (1) HGB (BilMoG-related change).

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

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

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

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.

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

The following specific useful lives are applied to depreciation:

	Years
Software	2 to 4
Buildings	25 to 50
Data communications equipment, telephone network and ISDN switching equipment, transmission equipment, radio transmission equipment	3 to 10
Telecommunications power facilities	10
Other equipment, plant and office equipment	3 to 23

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

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

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

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

As a consequence of the application of IDW ERS HFA 13 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.

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

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

Receivables, other assets, cash and cash equivalents and prepaid expenses and deferred charges 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 § 256 a HGB and measured at acquisition or production cost (§ 253 (1) sentence 1 HGB) applying the realization principle (§ 252 (1) no. 4 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 § 256 a HGB.

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

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

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

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

The accrual for **partial retirement** obligations is measured at the present value using actuarial principles. To hedge claims from partial retirement obligations, securities have been transferred to a trustee under a contractual trust agreement (CTA). The plan assets offset must be measured at their fair value in accordance with § 253 (1) sentence 4 HGB. In accordance with § 246 (2) sentence 2 HGB (BilMoG-related change), the accrual for partial retirement obligations is offset against the plan assets. Any excess of plan assets over the amount of the accrual is recognized as an asset and presented under a separate heading (§ 266 (2) letter E HGB). In accordance with § 246 (2) sentence 2 HGB, income and expenses from discounting and from the assets to be offset are also offset under financial income/expense. If the fair value of the plan assets exceeds the historical cost, this part is subject to the restriction on distribution in accordance with § 268 (8) HGB.

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

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

Where reversals of accruals become necessary on the basis of the introduction of BilMoG and the resulting changes in measurement, Deutsche Telekom will apply 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). If, on the other hand, the carrying amount of the accrual recognized increases as a result of a change in measurement, this addition will be recognized as extraordinary expense in accordance with Art. 67 (7) EGHGB in the year in which BilMoG was applied for the first time.

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

In line with the imparity principle, unrealized losses relating to primary and derivative financial instruments are expensed when incurred. If financial instruments are combined into hedges – hedged item and hedging instrument – each hedge is measured at fair value less accrued interest at the balance sheet date. If the financial instruments are part of a hedge, the unrealized loss exceeding the positive fair values is recognized in net income or loss through an accrual for contingent losses, whereas unrealized gains are not recognized until realized.

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

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

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.

Presentation of the spin-off balance sheet of the T-Home business unit.

By resolution of the shareholders' meeting of November 19, 2009, the shareholders of Deutsche Telekom resolved to spin off the fixed-network business operated by the Company into T-Mobile Deutschland, which was renamed Telekom Deutschland on March 30, 2010. Effective as of January 1, 2010, the transfer of Deutsche Telekom's T-Home business unit by means of acquisition in accordance with § 123 (3) no. 1 in conjunction with § 124 et seq., § 138, and § 141 et seq. of the German Reorganization and Transformation Act (Umwandlungsgesetz – UmwG) was entered in the commercial register on March 30, 2010.

The fixed-network business activities that were spun off included fixed-network telephony and broadband services as well as line-based Internet and entertainment offerings on the German market for consumers, business customers, and carriers. Based on the spin-off agreement dated September 3, 2009, Deutsche Telekom transferred all of the assets and liabilities attributable to the T-Home business unit to T-Mobile Deutschland comprising all tangible and intangible assets, including contracts and other legal relationships and all kinds of legal positions, receivables and liabilities, uncertain obligations, contingent liabilities, future and conditional receivables and liabilities whose legal basis has already been established, independent of whether or not these are required to be recognized. This also includes all assets and liabilities of the "Business Customers" ("DT GK") business unit that were transferred to Deutsche Telekom upon entry in the commercial register of the merger of T-Systems Business Services GmbH, with its registered offices in Bonn, into Deutsche Telekom on April 1, 2009.

The result is the spin-off balance sheet as of January 1, 2010 presented overleaf.

Spin-off balance sheet.

millions of €

ASSETS	
Noncurrent assets	
Intangible assets	
Purchased concessions, industrial property and similar rights and assets and licenses in such rights and assets	679
Advance payments	468
	1,147
Property, plant and equipment	
Technical equipment and machinery	11,420
Other equipment, plant and office equipment	51
Advance payments and construction in progress	381
	11,852
Financial assets	
Investments in subsidiaries	248
Investments in associated and related companies	7
	255
Current assets	
Inventories, materials and supplies	
Raw materials and supplies	10
Work in process	8
Merchandise	64
	82
Receivables and other assets	
Trade accounts receivable	664
Receivables from subsidiaries	400
Other assets	44
	1,108
Cash in hand	15
Prepaid expenses and deferred charges	56
Total assets	14,515

millions of €

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	2,232
Accruals	
Pensions and similar obligations	153
Taxes	10
Other accruals	852
	1,015
Liabilities	
Advances received	5
Trade accounts payable	552
Payables to subsidiaries	10,506
Liabilities to associated and related companies	4
Other liabilities	165
	11,232
Deferred income	36
Total shareholders' equity and liabilities	14,515

In accordance with general exchange principles, Deutsche Telekom has increased the carrying amount of the investment in Telekom Deutschland to the carrying amount of the net assets spun off (EUR 2.2 billion).

Notes to the statement of income.

1 Net revenue.

Revenue by area of activity.

millions of €	2010	2009
Revenue from hiring out employees	1,462	-
Revenue from fixed network	1,324	18,220
Revenue from renting and leasing out property	1,235	-
Revenue from training services (Telekom Training)	248	-
	4,269	18,220

After spinning off the T-Home business unit, the Company focussed on the provision of services to other Group companies. For this reason, the income from rendering these services is classified as revenues in the reporting year (2009: EUR 2.1 billion) and, unlike in previous years, is no longer presented under other operating income. The prior-year figures were not adjusted.

The EUR 14.0 billion decrease in revenues mainly resulted from the spin-off of the T-Home business unit.

Revenue from hiring out employees amounted to EUR 1.5 billion and resulted from hiring employees out to other companies. Employees are placed with internal and external employers on loan and temporary work contracts, and civil servants by means of assignment or temporary leave. In 2009, other operating income included income from hiring out employees totaling EUR 1.3 billion.

The decrease in revenues from fixed-network business is primarily attributable to the spin-off of the T-Home business unit. Fixed-network revenues amounting to EUR 1.3 billion were mainly generated through wholesale services for international carriers, to which Deutsche Telekom makes available, for instance, international voice and data connections. Revenues were also generated from the Internet business areas Inform&Entertain (e.g., Musicload, Gamesload) and eCommerce&Search (e.g., Scout24 and DeTeMedien) and from the T-Online Shop.

Revenues of EUR 1.2 billion were generated from renting and leasing out property under the rent including utilities model. Deutsche Telekom leases real estate centrally from GMG Generalmietgesellschaft mbH, Bonn, and then rents it out to its German subsidiaries together with facility management services in the form of standardized facility products. In 2009, income from renting and leasing out property amounted to EUR 511 million and was included in other operating income. The increase resulted from the spin-off of the T-Home business unit.

Revenue by geographic area.

millions of €	2010	2009
Domestic	3,632	17,571
International	637	649
	4,269	18,220

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

2 Changes in inventories and other own capitalized costs.

millions of €	2010	2009
Change in inventories of work in process	-	(13)
Own capitalized costs	7	50
	7	37

The decrease in changes in inventories and own capitalized costs was primarily attributable to the spin-off of the T-Home business unit from Deutsche Telekom.

3 Other operating income.

millions of €	2010	2009
Cost transfers/reimbursements	1,698	3,372
Foreign currency transaction gains	1,336	1,112
Income from derivatives	939	587
Income from ancillary services	286	373
Income from the use of accruals for contingent losses	143	143
Income from inter-operator discount services	130	127
Income from the reversal of accruals	124	818
Income from write-ups of noncurrent assets	50	93
Income from the disposal of noncurrent assets	34	91
Other income	406	444
	5,146	7,160

Income from cost transfers/reimbursements includes in particular income from the transfer of research and development costs to Telekom Deutschland, 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), and income from the settlement of administrative costs with Deutsche Telekom Technischer Service GmbH, Bonn, Deutsche Telekom Netzproduktion GmbH, Bonn, and Deutsche Telekom Kundenservice GmbH, Bonn (hereinafter referred to as the service companies). Income from hiring out employees recognized in the prior year under reimbursements was recognized under revenue in the reporting year in the amount of EUR 1.3 billion (please refer to Note 1).

Foreign currency transaction gains amounted to EUR 929 million and resulted mainly from exchange rate effects realized upon the maturity of loans granted/taken out (2009: EUR 496 million).

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

Income from ancillary services in the reporting year was mainly generated in connection with Deutsche Telekom's service offering, including Telekom seminars for third parties and sales of software.

Income from inter-operator discount services resulted from roaming agreements with foreign mobile communications providers. According to contractual agreements, Deutsche Telekom's subsidiaries are entitled to, and will again be credited with, the reimbursements received, which are initially bundled by Deutsche Telekom.

In the reporting year, income from the reversal of accruals primarily consisted of EUR 28 million (2009: EUR 280 million) of income from the reversal of personnel-related accruals and EUR 14 million (2009: EUR 5 million) of income from the reversal of accruals for environmental clean-up.

Other income amounting to EUR 406 million resulted from real estate tax refunds and other special factors.

Pursuant to § 277 (4) HGB, EUR 157 million (2009: EUR 783 million) of income relating to another period are included in other operating income in the reporting year, mainly attributable to the reversal of accruals, write-ups of noncurrent assets, and the disposal of noncurrent assets.

4 Goods and services purchased.

millions of €	2010	2009
Goods purchased		
Raw materials and supplies	2	62
Goods purchased	184	450
	186	512
Services purchased		
Interconnection rates (Germany)	5	1,660
Interconnection rates (international)	780	683
Other services	625	4,080
	1,410	6,423
	1,596	6,935

The expenses for goods and services purchased decreased by a total of EUR 5.3 billion year-on-year to EUR 1.6 billion, primarily due to the spin-off of the T-Home business unit.

Expenditure on interconnection rates in Germany decreased by EUR 1.7 billion compared with 2009. This was mainly caused by the relocation of fixed-network business as part of the spin-off of the T-Home business unit.

Other services include EUR 393 million of expenses for wholesale services related to renting and leasing out property incurred under the rent including utilities model.

5 Personnel costs/Average number of employees.

millions of €	2010	2009
Wages and salaries	2,438	2,812
Social security contributions and expenses for pension plans and benefits		
Expenses for pension plans for civil servants	684	684
Support allowances	114	110
Social security contributions	102	184
Expenses for pension plans for non-civil servants	56	189
	956	1,167
	3,394	3,979

Personnel costs decreased by a total of EUR 585 million year-on-year. EUR 374 million of this decrease related to expenses for wages and salaries and EUR 211 million to expenses for social security contributions and expenses for pension plans and benefits.

The decrease in wages and salaries was primarily the result of the transfer of employment relationships to Telekom Deutschland following the spin-off of the T-Home business unit. Expenses of EUR 485 million were incurred in the reporting year for staff adjustment measures (2009: EUR 185 million), mainly due to the use of early retirement arrangements for civil servants.

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

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

The level of Deutsche Telekom's payment obligations to BPS-PT is stipulated in § 16 of the Act concerning the Legal Provisions for the Former Deutsche Bundespost Staff (Postpersonalrechtsgesetz - PostPersRG). Since 2000, Deutsche Telekom has been legally required to make an annual contribution to BPS-PT equal to 33 percent, respectively, of the pensionable gross emoluments of active civil servants and the notional pensionable gross emoluments of civil servants on leave of absence. This contribution is recognized as ongoing expenses in the respective year and was equal to EUR 676 million in the reporting period (2009: 684 million). The year-on-year reduction in costs was primarily due to the use of early retirement arrangements for civil servants.

The decrease in social security contributions is mainly attributable to the spin-off of the T-Home business unit. Expenses for pension plans for non-civil servants decreased as a result of the spin-off of the T-Home business unit.

The average number of employees (FTEs) developed as follows:

FTEs	2010	2009
Civil servants	28,066	31,141
Non-civil servants	9,355	19,228
	37,421	50,369
Trainees and student interns	8,934	9,517

The decrease in the number of employees is mainly due to the transfer of employment relationships to Telekom Deutschland as a result of the spin-off of the T-Home business unit.

6 Depreciation, amortization and write-downs.

millions of €	2010	2009
Depreciation and amortization		
Amortization of intangible assets	88	369
Depreciation of property, plant and equipment	345	2,988
	433	3,357
Write-downs		
in accordance with § 253 (3) sentence 3 HGB	92	169
	525	3,526

Due to the spin-off of the T-Home business unit, intangible assets, and property, plant and equipment decreased by EUR 13.0 billion overall compared with the prior year. This was the main cause of the EUR 2.9 billion year-on-year decrease in amortization and depreciation.

EUR 76 million of the amortization of intangible assets related to the amortization of software licenses (2009: EUR 341 million).

EUR 232 million of the depreciation of property, plant and equipment in the reporting year related to buildings (2009: EUR 237 million).

In the reporting year, write-downs consisted almost entirely of write-downs of real estate to the lower of cost or market value, amounting to EUR 89 million (2009: EUR 169 million).

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

7 Other operating expenses.

millions of €	2010	2009
Foreign currency transaction losses	1,354	717
Rental and leasing expenses	1,101	1,510
Expenses arising from derivatives	651	681
Legal and consulting fees	348	439
Research and development	337	508
Marketing expenses	333	1,465
Other employee-related costs	252	269
IT support	236	618
Expenses arising from a collateral promise for pension and partial retirement obligations	142	224
Cleaning, transport, surveillance	132	155
Inter-operator discount services	130	127
Maintenance and repair	121	990
Reimbursements	117	195
Additions to accruals for contingent losses	104	189
Other expenses	723	1,073
	6,081	9,160

Foreign currency transaction losses resulted mainly from exchange rate effects realized upon the maturity of loans granted/taken out (EUR 945 million).

The decline in rental and leasing expenses was mainly attributable to the spin-off of the T-Home business unit. Expenses incurred in connection with the rent including utilities model were recognized under expenses for goods and services purchased (please refer to Note 4).

The year-on-year decrease of EUR 30 million in expenses arising from derivatives was primarily due to exchange rate effects of currency derivatives.

Legal and consulting fees encompass in particular expenses for management consulting, expenses for accruals for litigation risks, 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.

Marketing expenses in the reporting year related in particular to expenses for sponsoring, trade fairs and conferences, as well as other agency fees. The decrease in expenses is almost entirely attributable to the spin-off of the T-Home business unit.

Other employee-related costs of EUR 252 million include compensation payments of EUR 110 million for costs related to the placement of civil servants with various federal authorities, and expenses of EUR 75 million arising from the allocation of administrative costs payable to the Federal Agency.

The decrease in expenses for IT support in the reporting year is mainly attributable to the spin-off of the T-Home business unit. IT support relates almost entirely to the provision of computing and network services.

When the service companies were established in 2007, the pension and partial retirement obligations relating to the employees affected by the transfer of operation were also transferred to the new companies. Deutsche Telekom assumed economic liability for the pension and partial retirement obligations by declaration of a collateral promise and performance obligation, and recognized an accrual for this purpose. Ongoing additions to these accruals amounted to an expense of EUR 142 million in the reporting year.

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

Pursuant to § 277 (4) HGB, EUR 22 million of expenses relating to another period were included in other operating expenses in the reporting year. This largely relates to expenses from the disposal of property, plant and equipment, and to the write-off of receivables.

8 Financial income/expense, net.

millions of €	2010	2009
Income related to subsidiaries, associated and related companies of which: from subsidiaries € 299 million (2009: € 461 million)	300	462
Income from profit transfer agreements	8,078	6,282
Expenses arising from loss transfers	(1,498)	(1,282)
Income/loss related to subsidiaries, associated and related companies	6,880	5,462
Income from debt securities and long-term loan receivables of which: from subsidiaries € 0 million (2009: € 17 million)	-	17
Other interest and similar income of which: from subsidiaries € 511 million (2009: € 118 million) of which: from the discounting of accruals € 2 million (2009: € 0 million)	670	358
Interest and similar expenses of which: to subsidiaries € 1.6 billion (2009: € 1.4 billion) of which: from interest added back to accruals € 195 million (2009: € 0 million)	(1,830)	(1,810)
Net interest expense	(1,160)	(1,435)
Write-downs of financial assets and marketable securities	(982)	(844)
	4,738	3,183

Income related to subsidiaries, associated, and related companies mainly refers to dividends from Hrvatski Telekom d.d., Zagreb (EUR 196 million), Slovak Telekom a.s., Bratislava (EUR 68 million), and Hellenic Telecommunications Organization S.A. (OTE), Athens (EUR 28 million).

Income from profit transfer agreements recognized in the reporting year relates primarily to Telekom Deutschland (EUR 5.3 billion), T-Mobile Global Zwischenholding GmbH, Bonn (EUR 1.8 billion), T-Mobile Global Holding Nr. 2 GmbH, Bonn (EUR 271 million), and DFMG Holding GmbH, Bonn (EUR 240 million).

Expenses arising from loss transfers primarily relates to Deutsche Telekom Kundenservice GmbH, Bonn (EUR 311 million), Deutsche Telekom Technischer Service GmbH, Bonn (EUR 309 million), Deutsche Telekom Netzproduktion GmbH, Bonn (EUR 228 million), and T-Mobile Worldwide Holding GmbH, Bonn (EUR 195 million).

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

Interest income from subsidiaries mainly relates to interest from loans granted to Telekom Deutschland.

Interest expenses to subsidiaries primarily resulted from loans taken out from Deutsche Telekom International Finance B.V., Amsterdam.

Write-downs of financial assets mainly relates to the write-down of the investment in Hellenic Telecommunications Organization S.A. (OTE), Athens (EUR 786 million).

9 Extraordinary income/expense.

millions of €	2010	2009
Extraordinary income from foreign currency measurement	4	-
Extraordinary expense from measurement of accruals	(18)	-
Other extraordinary expenses	(10)	(329)
	(24)	(329)

Extraordinary expense resulted from the first-time full application of BilMoG in the reporting year and related to the adjustment of the measurement of pension accruals in line with this Act. The Company exercises the option to spread the addition pursuant to Art 67 (1) sentence 1 EGHGB such that the annual addition equals exactly one 15th of the total amount being added. In the prior year, the extraordinary expenses of EUR 329 million related to the merger of T-Systems Business Services, Frankfurt/Main, into Deutsche Telekom.

10 Taxes.

millions of €	2010	2009
Income taxes	463	(139)
Other taxes	(20)	(22)
	443	(161)

The tax income arising in the reporting year related entirely to prior years and is therefore attributable to other reporting periods pursuant to § 277 (4) HGB.

Other taxes mainly comprised real estate tax expenses.

11 Reconciliation of income after taxes to unappropriated net income.

Income after taxes generated in the financial year amounted to EUR 3.0 billion. Together with unappropriated net income of EUR 3.0 billion carried forward from 2009 and the effects arising from the capital decrease, this resulted in unappropriated net income of EUR 6.0 billion.

Notes to the balance sheet.

12 Noncurrent assets.

The decrease of EUR 1.1 billion in intangible assets compared with December 31, 2009 was mainly attributable to the spin-off of the T-Home business unit.

Property, plant and equipment, decreased by EUR 12.2 billion to EUR 5.0 billion in the reporting period, almost entirely due to the transfer of technical assets as part of the spin-off of the T-Home business unit to Telekom Deutschland. Investments in property, plant and equipment in the 2010 financial year totaled EUR 142 million (2009: EUR 1.6 billion), the majority of which related to other equipment, plant and office equipment of EUR 98 million.

As of the balance sheet date, financial assets increased by EUR 5.1 billion compared with December 31, 2009, mainly due to the increase in the investment in Telekom Deutschland and loans to subsidiaries. Write-downs on financial assets had an offsetting effect. Loans to subsidiaries at December 31, 2010 mainly related to loans to Telekom Deutschland (EUR 5.8 billion), Scout24 Holding GmbH, Munich (EUR 322 million), and DeTeFleetServices GmbH, Bonn (EUR 100 million).

The changes in noncurrent assets resulting from the spin-off of the T-Home business unit are disclosed separately in the statement of noncurrent assets as disposals from spin-offs.

Write-downs on financial assets are recorded in net financial income/expense (please refer to Note 8).

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

Statement of noncurrent assets.

		Acquisition costs							
		Balance at Jan. 1, 2010	Additions	Additions from transfers from Group companies	Disposals	Disposals from transfers to Group companies	Disposals from spin-offs	Reclassifications	Balance at Dec. 31, 2010
millions of €									
I. Intangible assets									
1.	Purchased concessions, industrial property and similar rights and assets, and licenses in such rights and assets	1,395	67	70	(111)	(1)	(1,181)	37	276
2.	Advance payments	510	74	4	(1)	-	(468)	(37)	82
		1,905	141	74	(112)	(1)	(1,649)	-	358
II. Property, plant and equipment									
1.	Land and equivalent rights and buildings including buildings on land owned by third parties	11,892	17	-	(325)	-	-	12	11,596
2.	Technical equipment and machinery	58,999	7	1	(18)	(1)	(58,452)	(8)	528
3.	Other equipment, plant and office equipment	1,178	98	6	(68)	-	(304)	24	934
4.	Advance payments and construction in progress	460	20	-	(33)	-	(381)	(28)	38
		72,529	142	7	(444)	(1)	(59,137)	-	13,096
III. Financial assets									
1.	Investments in subsidiaries	78,850	4,288	-	(3,380)	(95)	(301)	5	79,367
2.	Loans to subsidiaries	779	5,914	-	(393)	-	-	-	6,300
3.	Investments in associated and related companies	224	1	-	(1)	-	(7)	(5)	212
4.	Other investments in noncurrent securities	-	764	-	(764)	-	-	-	-
5.	Other long-term loans	9	-	-	-	-	-	-	9
		79,862	10,967	-	(4,538)	(95)	(308)	-	85,888
Noncurrent assets		154,296	11,250	81	(5,094)	(97)	(61,094)	-	99,342

Depreciation, amortization and write-downs							Net carrying amounts		
Balance at Jan. 1, 2010	Additions	Additions from transfers from Group companies	Disposals	Disposals from spin-offs	Reclassifications	Write-ups	Balance at Dec. 31, 2010	Balance at Dec. 31, 2010	Balance at Dec. 31, 2009
(630)	(90)	(45)	111	502	-	-	(152)	124	765
-	(1)	-	1	-	-	-	-	82	510
(630)	(91)	(45)	112	502	-	-	(152)	206	1,275
(6,901)	(321)	-	252	-	-	31	(6,939)	4,657	4,991
(47,409)	(44)	-	16	47,032	7	-	(398)	130	11,590
(937)	(69)	(2)	37	253	(7)	-	(725)	209	241
-	-	-	-	-	-	-	-	38	460
(55,247)	(434)	(2)	305	47,285	-	31	(8,062)	5,034	17,282
(3,978)	(962)	-	-	53	-	-	(4,887)	74,480	74,872
(42)	-	-	-	-	-	19	(23)	6,277	737
(83)	(20)	-	1	-	-	-	(102)	110	141
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	9	9
(4,103)	(982)	-	1	53	-	19	(5,012)	80,876	75,759
(59,980)	(1,507)	(47)	418	47,840	-	50	(13,226)	86,116	94,316

13 Inventories.

millions of €	Dec. 31, 2010	Dec. 31, 2009
Raw materials and supplies	1	10
Work in process	-	8
Merchandise	9	66
	10	84

The year-on-year decrease in inventories of EUR 74 million is primarily due to the spin-off of the T-Home business unit.

14 Receivables.

millions of €	Dec. 31, 2010	Dec. 31, 2009
Trade accounts receivable of which: with a remaining maturity of more than one year € 0 million (Dec. 31, 2009: € 0 million)	113	791
Receivables from subsidiaries of which: with a remaining maturity of more than one year € 95 million (Dec. 31, 2009: € 128 million)	10,609	8,562
Receivables from associated and related companies of which: with a remaining maturity of more than one year € 0 million (Dec. 31, 2009: € 0 million)	849	3
	11,571	9,356

The decrease in trade accounts receivable compared with December 31, 2009 is mainly attributable to the spin-off of the T-Home business unit.

Receivables from subsidiaries consist in particular of receivables related to intercompany cash pooling amounting to EUR 9.0 billion (December 31, 2009: EUR 4.1 billion), intercompany trade accounts receivable amounting to EUR 642 million (December 31, 2009: EUR 445 million) and financial receivables amounting to EUR 523 million (December 31, 2009: EUR 3.5 billion). The changes in receivables from subsidiaries as of December 31, 2010 were primarily the result of receivables from Telekom Deutschland.

Of the receivables from associated and related companies, EUR 846 million relates to receivables from Everything Everywhere Ltd., Hatfield. EUR 725 million of this relates to a floating rate bond issued by Everything Everywhere Ltd., which is valid until November 30, 2011. Hence this amount of the receivables relates to other marketable securities recognized under current assets.

15 Other assets.

millions of €	Dec. 31, 2010	Dec. 31, 2009
Tax receivables		
Income tax receivables		
Corporate income tax	24	35
Trade income tax	84	5
Solidarity surcharge	1	2
	109	42
Other tax receivables	3	3
	112	45
Receivables from collateral	222	337
Accrued interest	201	248
Receivables from derivatives	128	215
Receivables from reimbursements	112	66
Receivables from employees	7	13
Miscellaneous other assets	87	188
	757	1,067
	869	1,112

Of tax receivables, EUR 10 million relates to the current financial year (December 31, 2009: EUR 15 million) and EUR 99 million to previous years (December 31, 2009: EUR 27 million). Corporate income tax and solidarity surcharge receivables are primarily the result of allowable taxes. Trade tax receivables include refund claims for prior years that have been conclusively reviewed by the tax authorities.

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

Accrued interest is mainly from interest rate derivatives.

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

Miscellaneous other assets mainly include receivables from BPS-PT.

Of the receivables reported under other assets, EUR 130 million (December 31, 2009: EUR 215 million) have a remaining maturity of more than one year.

16 Marketable securities.

millions of €	Dec. 31, 2010	Dec. 31, 2009
Treasury shares	-	5
Other marketable securities	14	221
	14	226

The treasury shares recognized in the prior year have been deducted from capital stock in accordance with § 272 (1 a) HGB.

Other marketable securities relate to securities that are not used to hedge partial retirement obligations or obligations from long-term time accounts.

17 Cash and cash equivalents.

millions of €	Dec. 31, 2010	Dec. 31, 2009
Cash in hand, cash in banks, checks	754	2,732

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

18 Prepaid expenses and deferred charges.

millions of €	Dec. 31, 2010	Dec. 31, 2009
Personnel costs	586	302
Discounts of loans	73	93
Other prepaid expenses	79	121
	738	516

Deferred personnel costs mainly comprise prepaid expenses to BPS-PT.

19 Difference between plan assets and partial retirement liabilities.

As of December 31, 2010, plan assets exceeded partial retirement liabilities by EUR 12 million. This relates entirely to the netting of marketable securities that had been transferred to a trustee as security for entitlements from partial retirement obligations under what is known as the contractual trust agreement (CTA) with the outstanding settlement amounts for accruals for partial retirement. The fair value of the CTA assets of EUR 105 million covers in full Deutsche Telekom's discounted outstanding settlement amounts to employees on partial retirement arrangements of EUR 93 million at December 31, 2010.

The amount of expenses and income netted in the income statement in the reporting period in connection with the fluctuations in value of the CTA assets and the interest added back to the netted outstanding settlement amounts comprises interest expenses of EUR 3 million and write-ups of CTA assets of EUR 16 million.

The historical acquisition cost of the CTA assets for partial retirement arrangements amounts to EUR 116 million.

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

20 Shareholders' equity.

millions of €	Dec. 31, 2010	Dec. 31, 2009
Capital stock	11,063	11,165
capital assigned to treasury shares	(5)	-
	11,058	11,165
		-
Additional paid-in capital	26,752	26,650
	26,752	26,650
Retained earnings		
treasury shares	-	5
other retained earnings	15,500	15,895
	15,500	15,900
Unappropriated net income	6,018	6,421
Shareholders' equity	59,328	60,136

Shareholders' equity decreased year-on-year by EUR 808 million. The changes are described in detail in the following sections.

21 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, 2009	4,361,320	11,164,979	865,000	2,214,400	246,802	631,813
Discontinuation of contingent capital IV	-	-	-	-	(234,375)	(600,000)
Share buy-back	(40,001)	(102,402)	-	-	-	-
Issue of 2010 contingent capital	-	-	-	-	429,688	1,100,000
As of Dec. 31, 2010	4,321,319	11,062,577	865,000	2,214,400	442,115	1,131,813

Deutsche Telekom's capital stock at December 31, 2010 totaled EUR 11.1 billion. The capital stock is divided into 4,321,319,206 registered no par value shares. Each share entitles the holder to one vote.

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

	Dec. 31, 2010	
	thousands of shares	%
Federal Republic of Germany	646,575	15.0
KfW Bankengruppe	735,662	17.0
Blackstone	191,700	4.4
BlackRock	145,762	3.4

Authorized capital.

The 2009 authorized capital I and 2009 authorized capital II were as follows at December 31, 2010:

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

Allocated shares.

In the course of the acquisition of T-Mobile USA Inc., Bellevue/Powertel Inc., Bellevue, Deutsche Telekom granted options on Deutsche Telekom shares in exchange for the outstanding warrants between Deutsche Telekom and T-Mobile USA/Powertel at the time of the acquisition. New shares from authorized capital were issued to trustees and allocated for the benefit of holders of warrants, options, and conversion rights, among others. As of December 31, 2010, the number of Deutsche Telekom shares allocated for the stock options granted to T-Mobile USA/Powertel employees and still outstanding was 3,042,000.

2009 Authorized capital I.

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

2009 Authorized capital II.

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

Contingent capital.

As of December 31, 2010, Deutsche Telekom had the following contingent capital:

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

Contingent capital II.

The capital stock has been contingently increased by up to EUR 31,813,089.28, composed of up to 12,426,988 new no par value registered shares. The contingent capital increase is exclusively intended for the purpose of meeting preemptive rights to shares from stock options granted in the period until December 31, 2003 to members of the Board of Management of the Company, to members of second-tier management, and to other executives, managers, and specialists of the Company and to members of the boards of management,

members of management, and other executives, managers, and specialists at lower-tier Group companies in Germany and other countries, on the basis of the authorization for a 2001 Stock Option Plan granted by resolution of the shareholders' meeting on May 29, 2001. For more detailed information, please refer to Note 24 (Stock-based compensation plans).

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

2010 contingent capital.

The capital stock has been contingently increased by EUR 1,100,000,000 as of December 31, 2010, 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

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

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

Treasury shares.

The amount of capital stock assigned to treasury shares was EUR 4.8 million at December 31, 2010. This equates to 0.04 percent of the capital stock. At 1,881,508 shares, the holding of treasury shares, unchanged since the 2009 balance sheet date, 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)
	1,881,508

Purchase and retirement of Deutsche Telekom shares.

The shareholders' meeting on May 3, 2010 authorized the Board of Management to purchase shares in the Company by November 2, 2011, with the amount of capital stock accounted for by these shares totaling up to EUR 1,116,497,918.20, 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 § 71 d and § 71 e 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 in compliance with the principle of equal treatment (§ 53a AktG) through the stock exchange. 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.

A resolution of the shareholders' meeting of May 3, 2010 authorized the Board of Management to retire Deutsche Telekom's shares purchased on the basis of the aforementioned authorization, without such retirement or its implementation requiring a further resolution of the shareholders' meeting. Based on this authorization, the Board of Management resolved on July 27, 2010 to implement a share buy-back program.

The buy-back program was completed on December 3, 2010. A total of 40,001 thousand shares were acquired for a total price of EUR 400 million (excluding transaction costs) with an average purchase price of EUR 9.99 per share. The Board of Management decided on December 14, 2010 to reduce the capital stock of Deutsche Telekom accordingly and to retire the shares that had been bought back. This resulted in a decrease of EUR 102 million in issued capital (imputed value of EUR 2.56 per share) and EUR 400 million in the retained earnings of Deutsche Telekom at December 31, 2010. EUR 102 million was transferred to retained earnings in accordance with § 237 (5) AktG.

22 Additional paid-in capital.

Additional paid-in capital increased in the reporting year due to the transfer of EUR 102 million in accordance with § 237 (5) AktG. As part of the share buy-back and the subsequent retirement of shares, the amount of capital stock attributed to the retired shares must be transferred to additional paid-in capital.

23 Retained earnings.

Retained earnings include the transfers from income after taxes from prior years to other retained earnings. In the reporting year, the Company also bought back Deutsche Telekom shares on the market and subsequently retired them (please refer to Note 21). The retirement decreased retained earnings by EUR 400 million. The reserve for treasury shares amounting to EUR 4.8 million was transferred to other retained earnings.

24 Stock-based compensation plans.

Deutsche Telekom stock option plan.

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

	2001 Stock Option Plan					
	2010		2009		2008	
	Stock options thousands	Weighted average exercise price €	Stock options thousands	Weighted average exercise price €	Stock options thousands	Weighted average exercise price €
Outstanding at beginning of reporting period	8,057	24.14	9,006	24.38	9,746	24.47
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	(22)	12.36
Forfeited	(1,357)	27.63	(949)	26.43	(718)	25.95
Outstanding at end of reporting period	6,700	23.44	8,057	24.14	9,006	24.38
Exercisable at end of reporting period	6,700	23.44	8,057	24.14	9,006	24.38

Supplemental disclosures.

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

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

2001 Stock Option Plan

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

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

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

Deutsche Telekom AG reserves the right, at its election, to settle the options through the payment of a cash amount (stock appreciation rights – SARs) instead of issuing new shares. The exercise of an SAR cancels the related option, and the exercise of an option cancels the related SAR. As of December 31, 2010, no resolution on conversion had been passed to this effect.

Furthermore, in 2001 and 2002, Deutsche Telekom also granted stock appreciation rights to employees in countries where it was not legally possible to issue stock options. A total of 167,920 SARs were issued. 1,690 SARs were forfeited in the reporting year. 132,665 SARs were outstanding at December 31, 2010.

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

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

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

	2001 Stock Option Plan					
	2010		2009		2008	
	Stock options thousands	Weighted average exercise price €	Stock options thousands	Weighted average exercise price €	Stock options thousands	Weighted average exercise price €
Outstanding at beginning of reporting period	2,346	10.30	2,840	10.30	3,085	10.30
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Forfeited	(325)	9.15	(494)	10.31	(245)	10.30
Outstanding at end of reporting period	2,021	9.15	2,346	10.30	2,840	10.30
Exercisable at end of reporting period	2,021	9.15	2,346	10.30	2,840	10.30

Supplemental disclosures.

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

In the proceedings concerning the review of the appropriateness of the exchange ratio in the merger of T-Online International AG into Deutsche Telekom,

the Frankfurt/Main Higher Regional Court ruled on September 3, 2010 that Deutsche Telekom must make a supplementary cash payment of EUR 1.15 per share to former T-Online shareholders.

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

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

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

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

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

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

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

The MTIP was launched for the last time in 2010.

	Deutsche Telekom MTIP ¹					
	Absolute performance target			Relative performance target		
	Term	Maximum budget	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
2008 MTIP	3	83	15.11	19.64	15.11	601.59
2009 MTIP	3	55	11.01	14.31	11.01	328.55
2010 MTIP	3	57	10.29	13.38	10.29	417.62

¹ The proportionate amount to be expensed and recognized as an accrual at each balance sheet date is calculated based on a Monte Carlo simulation.

The absolute performance target is achieved if, at the end of the individual plans, Deutsche Telekom's share price has risen by at least 30 percent compared with its share price at the beginning of the plan. The benchmark for the assessment is the non-weighted average closing price of the T-Share in Xetra trading at the Frankfurt Stock Exchange (Deutsche Börse AG) during the last 20 trading days prior to the beginning and end of the plan.

The relative performance target is achieved if the total return of Deutsche Telekom shares has outperformed the Dow Jones Euro STOXX[®] Total Return Index on a percentage basis during the term of the individual plan. The benchmark is the non-weighted average of Deutsche Telekom shares (based on the closing prices of Deutsche Telekom shares in Xetra trading) plus the value of dividends

paid and reinvested in Deutsche Telekom shares, bonus shares etc., and the non-weighted averages of the Dow Jones Euro STOXX[®] Total Return Index during the last 20 trading days prior to the beginning and end of the plan.

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

The General Committee of the Supervisory Board determined at its meeting on February 3, 2010 that the relative plan target for the 2007 tranche of the MTIP had been achieved, a finding that was confirmed by the Supervisory Board at its meeting on February 24, 2010. Consequently, 50 percent of the award amount for the 2007 tranche was paid out in 2010.

25 Accruals for pensions and similar obligations.

millions of €	Dec. 31, 2010	Dec. 31, 2009
Direct pension obligations of which: parallel obligation: € 1.3 billion; (Dec. 31, 2009): € 1.4 billion)	2,444	2,575
Indirect pension obligations	215	191
	2,659	2,766
Obligations in accordance with Article 131 GG	3	3
	2,662	2,769

The carrying amounts of the pension obligations shown 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.

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.

For the purposes of commercial law, pension accruals were recognized in accordance with § 6 a EStG. 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 as a consequence of the transitional provisions of BilMoG amounted to EUR 236 million as of December 31, 2010.

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

%	Dec. 31, 2010
Notional interest rate	5.16
Projected salary increase	
Pay-scale employees	3.25
Non-pay-scale employees	3.50
Projected pension increase	
General	1.50
According to articles of association	1.00

Deutsche Telekom's pension obligations were calculated using the biometrics of the 2005 G tables published by Prof. Dr. Klaus Heubeck.

26 Tax accruals.

millions of €	Dec. 31, 2010	Dec. 31, 2009
Corporate income tax	46	207
Trade income tax	1	242
Other taxes	77	98
	124	547

Tax accruals recognized in the prior year were primarily attributable to the merger of T-Mobile International AG, Bonn, into Deutsche Telekom.

27 Other accruals.

millions of €	Dec. 31, 2010	Dec. 31, 2009
Employee benefits		
Civil Service Health Insurance Fund	96	88
Partial retirement arrangement	71	220
Early retirement (BPS-PT)	13	655
Staff adjustment measures	-	63
Miscellaneous obligations	217	299
Other obligations		
Accruals for collateral promise for pension and partial retirement obligations	1,424	1,325
Loss contingencies from pending transactions	330	375
Loss contingencies from interest rate derivatives	242	253
Litigation risks	137	478
Outstanding invoices	128	378
Restoration commitments	13	59
Miscellaneous other accruals	232	405
	2,903	4,598

The accrual for the Civil Service Health Insurance Fund (Postbeamtenkrankenkasse – PBeaKK) covers the risk of having to make compensation payments to the PBeaKK. Such risk arises if a deficit remains after scheduled withdrawal from the fund's assets. Deutsche Telekom makes use of the option to retain the current carrying amount in case that the amount to be reversed would have to be added back by December 31, 2024 at the latest. If the Company had waived this retention option, accruals for PBeaKK amounting to EUR 7 million would have had to be reversed.

The decrease in the accrual for partial retirement mainly resulted from netting the accrual with the CTA assets in accordance with § 246 (2) sentence 2 HGB. The accrual of EUR 71 million is completely related to the step-up amount.

The Second Act to Amend the Act for the Improvement of the Staff Structure at the Residual Special Asset of the Federal Railways and the Successor Companies of the Former Deutsche Bundespost (Zweites Gesetz zur Änderung des Gesetzes zur Verbesserung der personellen Struktur beim Bundeseisenbahnvermögen und in den Unternehmen der Deutschen Bundespost) was adopted in 2006. Under this legislation, civil servants can apply for early retirement upon

reaching the age of 55, provided that they meet all the criteria stipulated in the Act. Deutsche Telekom partially offsets the resulting reduced retirement pension payments for civil servants by advance payments on account to BPS-PT as well as other expenses. EUR 655 million of the accrual recognized for the early retirement of civil servants was utilized in the reporting year due to further retirements. A residual amount remains from the increase in civil servants' pay. For details of the effect this had on liabilities, please refer to Note 28.

Accruals for staff adjustment measures and other staff-related obligations decreased, particularly as a result of the spin-off of the T Home business unit.

The accruals for collateral promise for pension and partial retirement obligations totaling EUR 1.4 billion cover in particular the economic obligations assumed by Deutsche Telekom with respect to the service companies' liabilities for pension claims.

As in the prior year, accruals for loss contingencies arising from pending transactions relate primarily to agreements concluded with partners outside the Deutsche Telekom Group with the intention of generating a contribution margin for the expenses resulting from the staff surplus.

The decrease of EUR 11 million in accruals for loss contingencies from interest rate derivatives to EUR 242 million at December 31, 2010 was mainly the result of the development of the market value of interest rate and cross-currency interest rate swaps.

Accruals for litigation risks decreased compared with December 31, 2009, mainly as a result of the spin-off of the T-Home business unit.

Accruals for outstanding invoices at December 31, 2010 included accruals for legal, IT, and management consulting services and sales commissions. The year-on-year decrease is mainly due to the spin-off of the T-Home business unit.

Miscellaneous other accruals include accruals for environmental clean-up, accruals for contributions to professorships sponsored by Deutsche Telekom, and accruals for annual reporting and archiving expenses.

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 3 million would have resulted.

28 Liabilities.

millions of €	Dec. 31, 2010				Dec. 31, 2009			
	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	1,926	50	593	1,283	1,560	13	630	917
Liabilities to banks	4,785	1,955	2,507	323	4,635	1,807	2,042	786
	6,711	2,005	3,100	1,606	6,195	1,820	2,672	1,703
Other liabilities								
Advances received	-	-	-	-	6	5	-	1
Trade accounts payable	331	331	-	-	861	861	-	-
Payables to subsidiaries	22,177	10,430	4,564	7,183	28,512	10,289	9,371	8,852
Liabilities to associated and related companies	318	318	-	-	7	7	-	-
Other liabilities	5,205	2,197	1,793	1,215	4,505	1,778	1,630	1,097
of which: from taxes	224	224	-	-	242	242	-	-
of which: from social security	40	17	19	4	33	8	19	6
	28,031	13,276	6,357	8,398	33,891	12,940	11,001	9,950
Total liabilities	34,742	15,281	9,457	10,004	40,086	14,760	13,673	11,653

Bonds and debentures almost exclusively relate to treasury notes of Deutsche Post AG, Bonn, (EUR 983 million), bonds (EUR 299 million) and medium-term notes (EUR 630 million).

The structure of bonds and debentures is shown below. The variable-interest bonds are assigned in accordance with the most recent interest rate fixing valid at December 31, 2010.

Due by December 31 millions of €	up to 2 %	up to 3 %	up to 4 %	up to 7 %	up to 8 %	Total
2011	37	13	-	-	-	50
2012	-	-	-	-	-	-
2013	123	205	-	-	-	328
2014	-	-	265	-	-	265
2015	-	-	-	-	-	-
2016 to 2020	-	300	-	-	983	1,283
Total	160	518	265	-	983	1,926

The increase of EUR 150 million in liabilities to banks was mainly due to higher issues of commercial papers in relation to repayments compared with December 31, 2009.

Payables to subsidiaries consisted almost exclusively of financial liabilities of EUR 14.7 billion (December 31, 2009: EUR 20.2 billion) and liabilities arising from cash pooling of EUR 6.6 billion (December 31, 2009: EUR 7.0 billion).

Of payables to subsidiaries, EUR 14.3 billion (December 31, 2009: EUR 19.6 billion) relates to liabilities to Deutsche Telekom International Finance B.V., Amsterdam. The decrease is attributable to the fact that the level of repayments was EUR 5.3 billion higher than the level of new debt issued.

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

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

2003 tranche	Nominal amount in currency	Interest rate in %	Term
EUR	1,717,418,341	7.215	2011
USD	626,865,000	5.335	2013
EUR	500,000,000	6.706	2018
EUR	500,000,000	7.580	2033

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

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

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

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

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

The following table shows the composition of other liabilities:

millions of €	Dec. 31, 2010	Dec. 31, 2009
Liabilities from early retirement arrangements	2,329	1,895
Liabilities from loan notes	1,146	1,093
Liabilities from collaterals	625	578
Liabilities from interest	359	323
Tax liabilities	224	242
Liabilities from derivatives	120	122
Liabilities to employees	18	52
Miscellaneous other liabilities	384	200
	5,205	4,505

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

Liabilities from loan notes relate to insurance companies and other institutional investors. With the exception of the loans received in years 2002 to 2010 totaling EUR 673 million, all loan notes are secured by the Federal Republic of Germany.

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

Liabilities from interest primarily relate to deferred interest on loan notes, bonds and debentures, interest derivatives and other liabilities.

Tax liabilities mainly comprised income tax liabilities amounting to EUR 5 million (December 31, 2009: EUR 5 million) and liabilities from other taxes amounting to EUR 217 million (December 31, 2009: EUR 237 million) which in turn consisted primarily of value-added tax liabilities from ordinary business activities relating to the fiscal entity parent company amounting to EUR 204 million and wage tax liabilities of EUR 12 million.

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

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

29 Deferred income.

The year-on-year increase in deferred income of EUR 119 million is primarily attributable to agio on loans from DT IF.

30 Deferred tax liabilities.

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/liabilities mainly relate to loss carryforwards as well as differences in the balance sheet items intangible assets, property, technical equipment and machinery, and accruals. When determining deferred taxes, an effective tax rate of 30.5 percent is used which covers corporate income tax, the solidarity surcharge, and trade taxes.

Other disclosures.

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

millions of €	Dec. 31, 2010	Dec. 31, 2009
Liabilities from guarantees	780	716
Liabilities arising from warranty agreements of which: to subsidiaries € 0 million (Dec. 31, 2009: € 0 million)	27,044	25,915
	27,824	26,631

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

Liabilities arising from warranty agreements include guarantees and comfort letters, and relate predominantly to Deutsche Telekom International Finance B.V. (DT IF), Amsterdam (Netherlands) (EUR 18.2 billion), Telekom Deutschland GmbH, Bonn (EUR 4.3 billion), Everything Everywhere Ltd., Hatfield (United Kingdom), (EUR 1.3 billion) and T-Systems International GmbH, Frankfurt/Main (EUR 410 million). Guarantees mainly relate to loan collateral guarantees. Deutsche Telekom guarantees the liabilities of DT IF to external third parties – mostly originating from bonds and medium-term notes. In cases where the funds are not passed on to Deutsche Telekom and therefore recognized as a liability, an obligation arising from warranty agreements has to be recorded.

Deutsche Telekom acquired a bond issued by Everything Everywhere Ltd., Hatfield, for a nominal amount of EUR 725 million. Deutsche Telekom is obliged to continue putting the full amount, which is due on November 30, 2011, at the joint venture's disposal until the end of March 2012 and grant follow-up financing at normal market conditions, possibly in the form of a guarantee. The nominal amount of EUR 725 million is the maximum default risk associated with this commitment.

Deutsche Telekom signed a framework purchasing agreement with STRABAG Property and Facility Services GmbH, Münster, in 2008. Deutsche Telekom was thus able to establish a long-term contractual relationship with a highly specialized service provider for real estate management and maintenance of technical installations. Under the terms of this agreement, Deutsche Telekom guarantees to purchase from STRABAG PFS services to be used either by Deutsche Telekom directly or by its domestic subsidiaries over the next ten years. Deutsche Telekom took over the risk of an unconditional payment obligation if the equivalent value of the services ordered falls short of the equivalent value of the agreed minimum purchase quantity. In this case, Deutsche Telekom may assert claims against its domestic subsidiaries, to the extent they are responsible for this shortfall. The equivalent value of the agreed minimum purchase quantity of EUR 2.2 billion is reported under liabilities arising from warranty agreements.

In the arbitration proceedings between the principle members of the Toll Collect consortium (Daimler Financial Services AG, Berlin, Deutsche Telekom and the consortium company Toll Collect GbR, Berlin) on the one hand and the Federal Republic of Germany on the other regarding disputes relating to the truck toll collection system, Deutsche Telekom received the Federal Republic's statement of claim on August 2, 2005. In the statement of claim, the Federal Republic maintained its claim to lost toll revenues of approximately EUR 3.5 billion plus interest for the delayed commencement of operations on September 1, 2003. The total claim for contractual penalties amounted to around EUR 1.7 billion plus interest. The contractual penalties are based on alleged violations of the operator agreement (lack of consent to subcontracting, 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 minimally by EUR 169 million. The new claim is approximately EUR 3.3 billion plus interest. The main claims by the Federal Republic (including contractual penalties) amount to around EUR 5.0 billion.

The defendants responded on June 30, 2006. The plaintiff responded in writing on February 14, 2007. Following further exchanges of submissions between the parties, a first hearing took place in June 2008 during which the arbitration court discussed legal issues with the parties, yet shed no light on the possible outcome of the case. The parties have submitted further written responses since then. Various witnesses and experts were heard at another hearing in December 2010. A further deadline of May 20, 2011 was set for the parties to respond in writing.

Bank loans guarantee. Deutsche Telekom guarantees to third parties bank loans of up to a maximum amount of EUR 115 million granted to Toll Collect GmbH. These guarantees for bank loans will expire on May 31, 2012.

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 early.

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.

Contingent liabilities arising from warranty agreements entered into with third parties to the benefit of subsidiaries 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. The following financial obligations were also not included in the balance sheet:

Deutsche Telekom sold 11 items of real estate to Sireo Immobilienfonds No. 1 GmbH und Co. KG, Frankfurt/Main (referred to in the following as Sireo) in 2002 to strategically optimize its real estate portfolio. Sireo's shareholders were granted put options for their shares in the company. This resulted in a risk of a payment obligation for Deutsche Telekom of EUR 534 million at December 31, 2010. In return, Deutsche Telekom received a call option on the shares in Sireo.

Under the share purchase agreement relating to the investment in the OTE group in 2009, Deutsche Telekom granted the Hellenic Republic a put option ("put option II") for an additional 10 percent of the shares. This option was exercisable at market price plus a premium initially of 20 percent for a period of twelve months from November 10, 2009, after which it can be exercised at market price plus a premium of 15 percent until December 31, 2011. Should market prices change, the carrying amount of put option II will be adjusted at each reporting date. This resulted in a risk of a payment obligation for Deutsche Telekom of EUR 346 million at December 31, 2010. The closing price of shares in Hellenic Telecommunications Organization S.A. (OTE), Athens, on December 31, 2010 was taken as the basis for measuring the payment obligation at December 31, 2010.

32 Other financial obligations.

millions of €	Dec. 31, 2010			Dec. 31, 2009		
	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
Present value of payments to BPS-PT	5,831	660	5,171	6,555	700	5,855
Obligations under rental and lease agreements of which: to subsidiaries € 9.2 billion (Dec. 31, 2009: € 9.6 billion)	9,429	1,585	7,844	10,136	1,863	8,273
Purchase commitments for capital projects in progress, including obligations arising from future expenditure of which: to subsidiaries € 192 million (Dec. 31, 2009: € 596 million)	512	422	90	1,814	1,330	484
Commitments arising from unpaid contributions and from pending transactions of which: to subsidiaries € 1.3 billion (Dec. 31, 2009: € 4.1 billion)	1,274	511	763	4,088	1,709	2,379
	17,046	3,178	13,868	22,593	5,602	16,991

The present value of payments that Deutsche Telekom is required to make in accordance with PTNeuOG to BPS-PT on the basis of the 2005 G tables published by Prof. Klaus Heubeck amounted to EUR 5.8 billion as of December 31, 2010. The year-on-year decrease is attributable to the reduction in the number of active civil servants, in particular as a result of early retirement.

Obligations under rental and lease agreements include obligations to subsidiaries in the amount of EUR 9.2 billion consisting of EUR 9.1 billion to GMG Generalmietgesellschaft mbH, Bonn, EUR 130 million to DeTeFleetServices GmbH, Bonn, and EUR 2 million to T-Systems International GmbH, Frankfurt/Main.

Purchase commitments for capital projects in progress, including obligations arising from future expenditure were composed of commitments for non-capital (EUR 466 million). The considerable decline in purchase commitments was mainly attributable to the spin-off of the T-Systems business unit.

Unpaid and uncalled contributions related in particular to Vivento Customer Services GmbH, Bonn (EUR 96 million), T-Mobile Venture Fund II GmbH & Co. KG, Bonn (EUR 69 million), Vivento Technical Services GmbH, Bonn (EUR 31 million), T-Com Venture Fund GmbH & Co. KG, Bonn (EUR 29 million), T-Online Venture Fund GmbH & Co. KG, Bonn (EUR 28 million), T-Corporate Venture Fund GmbH & Co. KG, Bonn (EUR 17 million), and T-Mobile Venture Fund GmbH & Co. KG, Bonn (EUR 16 million). Commitments arising from pending transactions related in particular to commitments arising from transactions with Vivento Customer Services GmbH, Bonn (EUR 567 million), GMG Generalmietgesellschaft mbH, Bonn (EUR 325 million), Deutsche Telekom Venture Funds GmbH, Bonn (EUR 55 million) and Deutsche Telekom Accounting GmbH, Bonn (EUR 27 million).

Deutsche Telekom is a party to a number of lawsuits and other proceedings and issues arising from the general conduct of its business. Litigation accruals include the costs of litigation and the forecast cost of the negative outcome of proceedings.

33 Derivative financial instruments.

The volume of transactions outstanding at the balance sheet date is as follows:

millions of €	Nominal amounts				Fair values			
	Total	Remaining term			Total	Remaining term		
		Due within 1 year	Due > 1 ≤ 5 years	Due > 5 years		Due within 1 year	Due > 1 ≤ 5 years	Due > 5 years
Interest-related instruments								
Interest rate swaps	35,568	9,675	21,932	3,961	(696)	11	(415)	(292)
Cross-currency and interest rate swaps	16,497	797	9,925	5,775	182	11	61	110
	52,065	10,472	31,857	9,736	(514)	22	(354)	(182)
Currency instruments								
Future exchange transactions short	3,013	2,626	387	-	6	18	(12)	-
Future exchange transactions long	5,362	4,975	387	-	(27)	(39)	12	-
	8,375	7,601	774	-	(21)	(21)	-	-
	60,440	18,073	32,631	9,736	(535)	1	(354)	(182)

The fair values shown above were all determined using the discounted cash flow method, which uses the relevant market data as input parameters for calculation as of December 31, 2010. The accrued interest from derivatives and the net aggregate losses recorded as accruals for contingent losses are shown in the following table:

millions of €	Interest receivables	Liabilities from interest	Receivables from prepayment penalties	Liabilities from prepayment penalties	Other accruals
Interest rate swaps	218	(293)	97	(311)	(215)
Cross-currency and interest rate swaps	167	(179)	-	-	(27)
Foreign currency forward contracts	-	-	-	-	(12)
	385	(472)	97	(311)	(254)

These receivables, liabilities and accruals were reported under the following items

millions of €	Interest receivables	Liabilities from interest	Receivables from prepayment penalties	Liabilities from prepayment penalties	Other accruals
Receivables from subsidiaries	205	-	97	-	-
Other assets	180	-	-	-	-
Payables to subsidiaries	-	(261)	-	(311)	-
Liabilities	-	(211)	-	-	-
Other accruals	-	-	-	-	(254)
	385	(472)	97	(311)	(254)

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

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

The nominal amounts of the derivative financial instruments do not represent amounts exchanged by the parties, but are merely the basis for measuring these settlement payments. They do not reflect the risk exposure of the financial derivatives. Actual payments arising from derivatives are based on the market value, which is determined on the basis of current interest rates, exchange rates and other terms and 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 to hedge exchange rates, and cross-currency and interest rate swaps to eliminate risks related to financing.

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

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

Hedging risk through units:

Type of hedged item	Type of hedged risk	Value of the hedged item (carrying amount, expected value) millions of €
Assets		
	Interest rate risk	-
	Interest rate / currency risk	-
	Currency risk	909
Liabilities		
	Interest rate risk	(5,866)
	Interest rate / currency risk	(1,797)
	Currency risk	(5,849)
Highly probable forecasted transactions		
	Interest rate risk	(5,100)
	Interest rate / currency risk	-
	Currency risk	-
		(17,703)

The valuation units always take the form of micro hedges.

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

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

The effectiveness of the hedge relationships in terms of the hedged risk at the balance sheet date is determined using the critical terms match method. In the case of revolving hedges, effectiveness is 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 is recorded directly in the income statement in line with the impairment principle.

The hedged items with interest rate exposure recognized under liabilities and amounting to EUR 5.9 billion break down into underlyings of EUR 1.1 billion for cash flow hedges and EUR 4.8 billion for fair value hedges.

Highly probable forecast transactions relate to planned financing measures in 2011 and 2012. The values underlying the hedge were determined based on the Group's medium-term plan, hence their occurrence is highly probable.

34 Exchange rates.

€	Annual average rate		Rate at the reporting date	
	2010	2009	Dec. 31, 2010	Dec. 31, 2009
100 Swiss francs (CHF)	72.41340	66.22150	79.90000	67.38660
100 Czech korunas (CZK)	3.95536	3.78123	3.98728	3.77646
1 Pound sterling (GBP)	1.16553	1.12218	1.15979	1.12387
100 Hong Kong dollars (HKD)	9.70505	9.24790	9.61029	8.94898
100 Croatian kuna (HRK)	13.72000	13.62190	13.54730	13.70710
100 Hungarian forints (HUF)	0.36302	0.35663	0.36000	0.36961
100 Japanese yen (JPY)	0.85989	0.76724	0.91882	0.75101
100 Polish zlotys (PLN)	25.03330	23.09760	25.25810	24.35900
100 Singapore dollars (SGD)	55.35540	49.39090	58.27070	49.51500
1 U.S. dollar (USD)	0.75398	0.71692	0.74698	0.69393

35 Auditors' fees and services.

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

36 Members of the Board of Management of Deutsche Telekom AG in 2010 including seats on the supervisory boards of other companies.

René Obermann.

Chairman of the Board of Management since November 13, 2006

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

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

Dr. Manfred Balz.

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

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

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

Reinhard Clemens.

Board member responsible for T-Systems since December, 1 2007
– no other seats –

Niek Jan van Damme.

Board member responsible for Germany since July 1, 2009

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

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

Timotheus Höttges.

Board member responsible for Finance since March 1, 2009

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

- Telekom Deutschland GmbH (formerly T-Mobile Deutschland GmbH),
Bonn (since 4/2005), Chairman of the Supervisory Board (since 7/2009)
- Everything Everywhere Limited, Hatfield, United Kingdom,
Chairman of the Board of Directors (since 4/2010)

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

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

Guido Kerkhoff.

Board member responsible for Europe since April 1, 2010

Board member responsible for Southern and Eastern Europe from March 1, 2009 to March 31, 2010

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

- Deutsche Telekom Venture Funds GmbH, Bonn (from 11/2008 to 10/2010)
- HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE S.A.),
Maroussi, Athens, Greece (since 3/2009)
- Hrvatski Telekom d.d., Zagreb, Croatia,
Chairman of the Supervisory Board (since 4/2009)
- Magyar Telekom Nyrt., Budapest, Hungary,
Board of Directors (since 4/2009)
- Polska Telefonia Cyfrowa, Spółka z ograniczoną odpowiedzialnością,
Warsaw, Poland (since 7/2010)
- T-Mobile Austria GmbH, Vienna, Austria,
Chairman of the Supervisory Board (since 4/2010)
- T-Mobile Austria Holding GmbH, Vienna, Austria
Chairman of the Supervisory Board (since 4/2010)
- Everything Everywhere Limited, Hatfield, United Kingdom,
Board of Directors (since 7/2010)
- T-Venture Holding GmbH, Bonn (from 5/2006 to 10/2010)

Edward R. Kozel.

Board member responsible for Technology and Innovation since May 3, 2010

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

- Deutsche Telekom Venture Funds GmbH, Bonn (since 6/2010),
Chairman of the Supervisory Board (since 9/2010)
- T-Venture Holding GmbH, Bonn (since 6/2010),
Chairman of the Supervisory Board (since 9/2010)

Thomas Sattelberger.

Board member responsible for Human Resources since May 3, 2007

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

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

Board members who left during 2010:

Hamid Akhavan.

Board member and Chief Operating Officer (COO) from July 1, 2009 to February 14, 2010

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

- Deutsche Telekom Venture Funds GmbH, Bonn, Chairman of the Supervisory Board (from 11/2008 to 2/2010)
- HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (OTE S.A.), Maroussi, Athens, Greece (from 6/2008 to 2/2010)
- T-Mobile USA, Inc., Bellevue, United States, Board of Directors (from 7/2007 to 2/2010)
- T-Venture Holding GmbH, Bonn (from 1/2007 to 2/2010), Chairman of the Supervisory Board (from 3/2007 to 2/2010)

37 Members of the Supervisory Board of Deutsche Telekom AG in 2010 including seats on the supervisory boards of other companies.

Prof. Dr. Ulrich Lehner.

Member of the Supervisory Board since April 17, 2008
Chairman of the Supervisory Board since April 25, 2008
Member of the Shareholders' Committee of Henkel AG & Co. KGaA, Düsseldorf

- Porsche Automobil Holding SE, Stuttgart (since 11/2007)
- Dr. Ing. h.c. F. Porsche AG, Stuttgart (from 1/2007 to 11/2009)
- E.ON AG, Düsseldorf (since 4/2003)
- Henkel Management AG, Düsseldorf (since 2/2008)
- HSBC Trinkaus & Burkhardt AG, Düsseldorf (since 6/2004)
- ThyssenKrupp AG, Düsseldorf (since 1/2008)

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

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

Lothar Schröder.

Member of the Supervisory Board since June 22, 2006
Deputy Chairman of the Supervisory Board since June 29, 2006
Member of the ver.di National Executive Board, Berlin

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

Jörg Asmussen.

Member of the Supervisory Board since July 1, 2008
State Secretary, Federal Ministry of Finance, Berlin

- Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) (formerly Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ)), Frankfurt/Main (since 9/2008)

Hermann Josef Becker.

Member of the Supervisory Board since January 1, 2008.
Member of the management of Deutsche Telekom Direct Sales and Consulting and Chairman of the Group Executive Staff Representation Committee and Executive Staff Representation Committee at Deutsche Telekom AG, Bonn
– no other seats –

Dr. Wulf H. Bernotat.

Member of the Supervisory Board since January 1, 2010
Former Chairman of the Board of Management of E.ON AG, Düsseldorf

- Allianz SE, Munich (since 4/2003)
- Bertelsmann AG, Gütersloh (since 5/2006)
- Metro AG, Düsseldorf (since 5/2003)
- E.ON Energie AG¹, Munich, Chairman of the Supervisory Board (from 5/2003 to 4/2010)
- E.ON Ruhrgas AG¹, Essen, Chairman of the Supervisory Board (from 5/2003 to 7/2010)

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

- E.ON Sverige AB¹, Malmö, Sweden, Chairman of the Supervisory Board (from 4/2004 to 9/2010)
- E.ON US Investments Corp.¹, Delaware, United States, Chairman of the Supervisory Board (from 1/2004 to 4/2010)

¹Supervisory board seat in companies that are part of the same group, as defined in § 100 (2), sentence 2 AktG (German Stock Corporation Act).

Monika Brandl.

Member of the Supervisory Board since November 6, 2002
Chairwoman of the Central Works Council at Deutsche Telekom AG, Bonn
– no other seats –

Hans Martin Bury.

Member of the Supervisory Board since May 15, 2008
Managing Partner, HERING SCHUPPENER Consulting
Corporate Affairs & Public Strategies GmbH, Düsseldorf
(formerly Hering Schuppener Strategieberatung für
Kommunikation GmbH)
– no other seats –

Dr. Hubertus von Grünberg.

Member of the Supervisory Board since May 25, 2000
Chairman of the Board of Directors of ABB Ltd., Zurich, Switzerland

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

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

- ABB Ltd., Zurich, Switzerland, Chairman of the Board of Directors
(since 5/2007)
- Schindler Holding AG, Hergiswil, Switzerland, Board of Directors
(since 5/1999)

Lawrence H. Guffey.

Member of the Supervisory Board since June 1, 2006
Senior Managing Director, The Blackstone Group International Partners Ltd.,
London, United Kingdom

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

- Axtel Ote Corp., San Pedro Gaza Garcia, Nuevo Leon, Mexico
(since 4/2000)
- Cineworld Corp., London, United Kingdom (from 10/2004 to 11/2009)
- Paris Review, New York, United States (since 7/2006)
- TDC AS Corp., Copenhagen, Denmark (since 2/2006)

Ulrich Hocker.

Member of the Supervisory Board since October 14, 2006
Manager in Chief, Deutsche Schutzvereinigung
für Wertpapierbesitz e.V. (DSW), Düsseldorf

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

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

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

Lothar Holzwarth.

Member of the Supervisory Board since November 6, 2002
Chairman of the Central Works Council at Telekom Deutschland GmbH,
Bonn (since 6/2010)

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

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

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

Sylvia Kühnast.

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

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

Waltraud Litzenberger.

Member of the Supervisory Board since June 1, 1999
Chairwoman of the Group Works Council and the European Works Council
at Deutsche Telekom AG, Bonn
– no other seats –

Michael Löffler.

Member of the Supervisory Board since January 1, 1995
Member of the Works Council at Deutsche Telekom Netzproduktion GmbH,
Bonn, Technical Infrastructure Branch Office, Central/Eastern District
– no other seats –

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

Member of the Supervisory Board since January 1, 2010
Former Vice Chairman of the Executive Board, ThyssenKrupp AG,
Duisburg and Essen

- Commerzbank AG, Frankfurt/Main (since 4/2006)
- E.ON Ruhrgas AG, Essen (from 9/2005 to 6/2010)
- LANXESS AG, Leverkusen (since 3/2005)
- LANXESS Deutschland GmbH, Leverkusen (since 3/2005)
- ThyssenKrupp Elevator AG¹, Düsseldorf (from 10/2006 to 4/2010)
- ThyssenKrupp Marine Systems AG¹, Hamburg (from 10/2009 to 2/2010)
- ThyssenKrupp Materials International GmbH¹, Düsseldorf (since 10/2009)
- ThyssenKrupp Nirosta GmbH¹, Krefeld (from 9/1997 to 4/2010)
- ThyssenKrupp Steel Europe AG¹, Duisburg (since 9/1997)

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

- Hoberg & Driesch GmbH, Düsseldorf (since 2/2001),
Chairman of the Advisory Board (since 5/2004)
- ThyssenKrupp Acciai Speciali Terni S.p.A.¹, Terni, Italy
(from 1/1997 to 4/2010)
- ThyssenKrupp (China) Ltd.¹, Beijing, Peoples Republic of China
(from 7/2005 to 4/2010)

Dr. Ulrich Schröder.

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

- DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH¹,
Cologne (since 10/2009)
- Deutsche Post AG, Bonn (since 9/2008)
- KfW IPEX-Bank GmbH¹, Frankfurt/Main (since 10/2009)
- 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

- Deutsche Postbank AG, Bonn, Deputy Chairman of the Supervisory Board
(from 11/1997 to 6/2010)

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

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

Sybille Spoo.

Member of the Supervisory Board since May 4, 2010
Lawyer, Trade Union Secretary at the ver.di Federal Administration, Berlin
– no other seats –

Dr. h.c. Bernhard Walter.

Member of the Supervisory Board since May 27, 1999
Former Chairman of the Board of Managing Directors,
Dresdner Bank AG, Frankfurt/Main

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

The following individuals resigned from the Supervisory Board in 2010:

Josef Falbisoner.

Member of the Supervisory Board from October 2, 1997 to May 3, 2010
Chairman of the District of Bavaria, ver.di trade union, Munich
(until April 16, 2010)

- PSD Bank eG, Munich, Augsburg office (since 6/1994)

¹Supervisory board seat in companies that are part of the same group, as defined in § 100 (2), sentence 2 AktG (German Stock Corporation Act).

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

Compensation of the Board of Management.

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

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

On December 17, 2009, the Supervisory Board agreed to Hamid Akhavan's request to resign his seat on the Board of Management effective February 15, 2010. On January 29, 2010, the Supervisory Board of Deutsche Telekom approved the proposal by the Board of Management to reassign Hamid Akhavan's responsibilities on a temporary basis. Board of Management members Guido Kerkhoff and Reinhard Clemens assumed Hamid Akhavan's responsibilities in an acting capacity. Guido Kerkhoff assumed temporary responsibility for the Europe operating segment (United Kingdom, the Netherlands, Austria, Poland and Czech Republic) and International Sales & Service effective February 15, 2010. Reinhard Clemens, also in an acting capacity, assumed Group-wide responsibility for the remaining units of the Chief Operating Officer (COO), such as Products & Innovation, Technology, IT and Procurement effective the same date.

On February 24, 2010, the Supervisory Board of Deutsche Telekom approved the proposal by the Board of Management to extend Guido Kerkhoff's area of responsibility on a long-term basis. Since April 1, 2010, Guido Kerkhoff has been responsible for the Europe operating segment in addition to the Southern and Eastern Europe operating segment. The former Chief Operating Officer (COO) Board of Management department has been adjusted accordingly. Since April 1, 2010, the two operating segments have been merged and are continuing operations as the Europe operating segment.

At its meeting on May 2, 2010, the Supervisory Board appointed Edward R. Kozel as a new member of Deutsche Telekom's Board of Management effective May 3, 2010. Edward R. Kozel took over as member of the Board of Management for Technology and Innovation/Chief Technology and Innovation Officer (CTIO) and as such is responsible for Technology, IT, Procurement, and Products & Innovation for standard business (consumers and business customers).

On December 17, 2009, the Supervisory Board resolved to extend Dr. Manfred Balz's tenure on the Board, which ended on October 21, 2010, by two more years.

The Supervisory Board resolved on December 16, 2010 to extend the service contract of the Chairman of the Board of Management, René Obermann, that was due to expire on October 31, 2011, for a further five years.

Composition of the Board of Management as of December 31, 2010.

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

Change in Board of Management compensation.

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

Basis of Board of Management compensation.

The compensation of Board of Management members is comprised of various components. Under the terms of their service contracts, members of the Board of Management are entitled to 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.

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

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

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

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

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

Variable performance-based remuneration (old system).

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

Members of the Board of Management also participate in the Deutsche Telekom mid-term incentive plan (MTIP) introduced in the 2004 financial year (please refer to the information on the MTIP under Note 24).

Incentive-based compensation from the MTIP.

€ ¹	2010 MTIP Award amount	2010 MTIP Fair value at grant date	Total expense for share-based payments in 2010	2009 MTIP Award amount	Total expense for share-based payments in 2009
René Obermann	-	-	181,341	750,000	257,518
Hamid Akhavan (until February 15, 2010)	-	-	(123,942)	480,000	164,812
Dr. Manfred Balz	330,000	22,489	61,375	330,000	62,004
Reinhard Clemens	-	-	101,551	420,000	63,869
Niek Jan van Damme	-	-	22,737	295,000	41,502
Dr. Karl-Gerhard Eick (until February 28, 2009)	-	-	-	-	(250,939)
Timotheus Höttges	-	-	108,805	450,000	154,511
Guido Kerkhoff	-	-	46,776	360,000	70,366
Thomas Sattelberger	515,000	35,097	163,652	515,000	173,887
	845,000	57,586	562,295	3,600,000	737,530

¹ Fair value calculated using the so-called Monte Carlo model.

Variable performance-based remuneration (new system).

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

Variable I.

The annual variable remuneration of Board of Management members is based on the achievement of targets set by the Supervisory Board of Deutsche Telekom for each member of the Board of Management at the beginning of the financial year. The set of targets is composed of corporate targets (50 percent) related to revenue, EBITDA adjusted for special factors and free cash flow, as well as personal targets for the individual members of the Board of Management. The personal targets consist of targets oriented toward the sustained success of the Company concerning the implementation of strategy (30 percent) and adherence to the Guiding Principles, which accounts for 20 percent. The agreement on targets and the level of target achievement for the respective financial year are determined by the plenary session of the Supervisory Board. Levels of target achievement exceeding 100 percent are rewarded on a straight-line basis, capped at 150 percent of the award amount. Any higher levels of target achievement will not be taken into consideration. To further ensure the long-term incentive effect and orientation toward the sustained development of the Company, a third of the annual variable remuneration set by the plenary session of the Supervisory Board must be invested in shares of Deutsche Telekom within a defined period of time; these shares must be held by the respective Board member for a period of at least four years. Deutsche Telekom will grant one additional share for every share acquired as part of the Board of Management's aforementioned personal investment (share matching plan).

Variable II.

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

Changeover from the old compensation system for Board of Management members to the new system.

For the transition from the old compensation system to the new one, the Supervisory Board resolved to make an offer to the Board of Management members already appointed at the time of the switch to the new system under which they would waive their entitlement from the existing tranche of the 2009 MTIP and be awarded Variable II in the form described above for the remaining duration of this tranche (up to December 31, 2011). The original volume awarded was not changed (please refer to the table on MTIP award amounts under Note 24). The Supervisory Board also resolved that all Board members who changed over to the new system would no longer be awarded shares from the 2010 MTIP tranche but would instead be awarded an amount equivalent to the contractually agreed Variable II, which has a three-year term. The tranche of the 2008 MTIP, which will run until December 31, 2010, remains unchanged due to the short remaining term. By structuring the MTIP in this way, the Supervisory Board will enable the Board of Management to continue to receive a payout of the multi-year variable remuneration entitlement each year assuming the defined targets have been met. Without this transitional solution, the changeover from a three-year to a four-year term in the long-term remuneration instruments would make a payout in 2013 impossible for system-related reasons. Members of the Board of Management who switch to the new Board of Management compensation system have the option of participating in the share matching plan with the shares acquired in 2010. The level of participation in the share matching plan for 2010 is limited to a third of the contractually agreed new Variable I.

Information on matching shares.

In the reporting year, the Board of Management members who joined the new Board of Management compensation system, as described above, pledged 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 Board of Management's aforementioned personal investment (share matching plan) that will be allotted to the beneficiaries of this plan on expiration of the four-year holding 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.

In accordance with GAS 17, the total share-based payment expense arising for 2010 matching shares and the grant date fair value of the matching shares must be specified. The following table is based on expected target achievement for the reporting year and thus on the expected amount of the personal investment by the respective Board of Management member.

€	Total share-based payment expense for matching shares 2010	Fair value of the matching shares at grant date
René Obermann	78,372	628,943
Reinhard Clemens	40,937	328,255
Niek Jan van Damme	34,461	276,523
Timotheus Höttges	47,023	377,363
Guido Kerkhoff	23,958	138,949
Edward R. Kozel	32,143	225,115

Up to December 31, 2010, Deutsche Telekom had not acquired any matching shares for the purpose of issuance.

The number of matching shares to be granted to the individual Board members must also be stated. This shall be determined based on the probable target achievement of Variable I and the share price on grant date. The following numbers of matching shares are to be granted for the reporting year: 85,804 to René Obermann, 44,002 to Reinhard Clemens, 37,828 to Niek Jan van Damme, 51,482 to Timotheus Höttges, 18,601 to Guido Kerkhoff, and 22,693 to Edward R. Kozel.

Because matching shares were granted for the first time in the reporting year, there are no comparative figures for the prior-year period.

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

Service contracts for members of the Board of Management concluded since the 2009 financial year or changed on account of a changeover to the new compensation system include a severance cap in case of premature termination without good cause allowing a compensation payment which, in line with the recommendations of the German Corporate Governance Code, is limited to a maximum of two years' remuneration (severance cap) and may not exceed the remuneration due for the remaining term of the service contract.

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

Board of Management member service contracts generally stipulate a post-contractual prohibition of competition. Pursuant to these provisions, members of the Board of Management are prohibited from rendering services to or on behalf of a competitor for the duration of one year following their departure. As compensation for this restricted period, they receive a payment in the amount of the annual basic remuneration last received.

Company pension plan (existing entitlement).

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

years of service, the maximum pension level of 50 percent (60 percent for René Obermann) of the last fixed annual remuneration will be attained.

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

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.

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

Company pension plan (new entitlement).

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

In addition, the pension agreements include arrangements for pensions for surviving dependents in the form of entitlements for widows and orphans. In specifically provided exceptional cases, entitlement to a widow's pension is excluded. In general, the standard criteria for eligibility in the pension arrangements are in line with market levels. In the event of a permanent inability to work (invalidity), the respective period of service through the scheduled end of the current period of appointment serves as the basis for the period of service eligible for calculating the pension.

€	Development of pension accruals for current members of the Board of Management	
	Additions to pension accruals	Present value of the defined benefit obligation Dec. 31, 2010
René Obermann	1,545,357	5,358,169
Dr. Manfred Balz	269,896	613,412
Reinhard Clemens	504,857	1,232,442
Niek Jan van Damme	232,886	465,141
Timotheus Höttges	551,297	1,307,754
Guido Kerkhoff	356,876	431,504
Edward R. Kozel	146,567	146,567
Thomas Sattelberger	935,252	4,751,293

The expensed additions to pension accruals for active members of the Board of Management amounted to EUR 4,542,988 (2009: EUR 5,168,608).

EUR 290,000 was credited to the pension accounts of Guido Kerkhoff and Niek Jan van Damme in accordance with the provisions of the new company pension plan; EUR 270,000 was credited to the account of Dr. Manfred Balz and EUR 250,000 to the account of Edward R. Koziel.

Stock option plan.

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

Timotheus Höttges and René Obermann continue to participate in the 2002 tranche of the 2001 Stock Option Plan as a result of their prior activities at T-Mobile. Dr. Manfred Balz and Guido Kerkhoff still participate in the Stock Option Plan by virtue of their employment relationship prior to being appointed to the Board of Management.

The stock options that have been granted can be exercised under the terms of the stock option plans. However, no options have yet been exercised. The number of stock options held by the Board of Management members active as of December 31, 2010 is unchanged year-on-year.

Incentive-based compensation from stock option plans.

		Number of options	Value of options	Number of options	Value of options	Weighted average
		2001 SOP	on issue (2001)	2001 SOP	on issue (2002)	exercise price of stock
		2002 tranche	€	2002 tranche	€	options
						€
René Obermann	2010	48,195	4.87	28,830	3.79	23.40
	2009	48,195		28,830		
Hamid Akhavan (until February 15, 2010)	2010	-	-	-	-	-
	2009	-		19,840	3.79	12.36
Dr. Manfred Balz	2010	32,130	4.87	17,360	3.79	23.81
	2009	32,130		17,360		
Timotheus Höttges	2010	-	-	17,050	3.79	12.36
	2009	-		17,050		
Guido Kerkhoff	2010	-	-	4,650	3.79	12.36
	2009	-		4,650		
	2010	80,325		67,890		
	2009	80,325		87,730		

The range of exercise prices of René Obermann's and Dr. Manfred Balz's options varies between EUR 12.36 and EUR 30.00.

Due to the fact that the remaining members of the Board of Management only participate in one tranche of the stock option plan, no range need be stated.

The average remaining term of the outstanding options for Board of Management members as of December 31, 2010 is 1.0 years.

Please also refer to the explanations regarding stock option plans under Note 24.

Board of Management compensation for the reporting year.

In reliance on legal requirements and other guidelines, a total of EUR 14.4 million (2009: EUR 13.7 million) is reported in the following table as total compensation for the reporting year for the members of the Board of Management.

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

For Board of Management members in the old compensation system, this compensation comprises fixed annual remuneration, other benefits, non-cash benefits, remuneration in kind, variable remuneration for the reporting year, and the fair value of the 2010 MTIP at the grant date.

All other remuneration is totally unrelated to performance.

Total compensation.

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

€		Fixed annual remuneration	Other remuneration	Short-term variable remuneration	Long-term ¹ variable remuneration (fair value)	Total
René Obermann	2010	1,350,000	35,790	1,346,250	628,943	3,360,983
	2009	1,250,000	37,233	1,365,000	76,613	2,728,846
Hamid Akhavan (until February 15, 2010)	2010	100,000	50,001 ²	119,244	-	269,245
	2009	800,000	611,878 ²	789,600	49,032	2,250,510
Dr. Manfred Balz	2010	687,097	18,292	391,716	22,489	1,119,594
	2009	660,000	19,204	468,600	33,710	1,181,514
Reinhard Clemens	2010	795,000	25,064	665,000	328,255	1,813,319
	2009	658,333	31,531	825,750	42,903	1,558,517
Niek Jan van Damme	2010	570,000	24,502	542,080	276,523	1,413,105
	2009	366,667	31,538	549,450	30,134	977,789
Dr. Karl-Gerhard Eick (until February 28, 2009)	2010	-	-	-	-	-
	2009	183,750	17,371	183,750	-	384,871
Timotheus Höttges	2010	825,000	22,265	775,500	377,363	2,000,128
	2009	750,000	21,583	803,250	45,968	1,620,801
Guido Kerkhoff	2010	610,000	20,322	606,480	138,949	1,375,751
	2009	433,333	11,874	692,250	36,774	1,174,231
Edward R. Kozel (since May 3, 2010)	2010	595,161	43,960	420,623	225,115	1,284,859
	2009	-	-	-	-	-
Thomas Sattelberger	2010	800,000	4,582	908,417	35,097	1,748,096
	2009	800,000	5,687	976,250	52,607	1,834,544
	2010	6,332,258	244,778	5,775,310	2,032,734	14,385,080
	2009	5,902,083	787,899	6,653,900	367,741	13,711,623

¹ This column shows the fair value both of the matching shares and for participation in the 2010 MTIP.

² In addition to the pension substitute paid to Hamid Akhavan due to his U.S. citizenship, he also received a monthly lump-sum payment to compensate for different tax regulations in Germany and the United States.

Expenditure on the award amounts for Variable II in the reporting year totaled EUR 3.3 million (2009: EUR 0.0 million).

Under the termination agreement concluded with Hamid Akhavan effective February 15, 2010, all existing entitlements to stock options and the outstanding tranches of the 2008 MTIP and 2009 MTIP were terminated without compensation. The proportionate fixed basic remuneration and the proportionate other remuneration were paid for the period up to February 15, 2010. The proportionate entitlement to short-term variable remuneration based on average target achievement over the previous three financial years was determined for the same period. The annual payment of a pension substitute agreed with Hamid Akhavan was made for the last time in 2009. Since February 15, 2010, Hamid Akhavan has received monthly payments of 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 activity as a Board of Management member during the reporting year.

Former members of the Board of Management.

A total of EUR 5.4 million (2009: EUR 4.2 million) was recorded for payments to and entitlements for former members of the Board of Management and their surviving dependents.

Accruals totaling EUR 90.3 million (2009: EUR 86.6 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 9.0 million at the balance sheet date.

Several former Board of Management members are entitled to a civil servant pension from the Civil Service Pension Fund (BPS-PT). 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 2.7 million as of December 31, 2010 (2009: EUR 2.4 million).

Other.

The Company has not extended any loans to current or former Board of Management members.

No advances or loans were granted to members of the Board of Management or Supervisory Board, nor were any other financial obligations to the benefit of this group of people entered into (§ 285 No. 9 c HGB).

Compensation of the Supervisory Board.

The compensation received by the members of the Supervisory Board is specified under § 13 of the Articles of Incorporation of Deutsche Telekom. Supervisory Board members receive a fixed annual remuneration of EUR 30,000.00 for the reporting year and of EUR 40,000.00 for subsequent years, plus variable, performance-related remuneration depending on the development of net income per share.

The performance-related annual remuneration with long-term incentive effect amounts to EUR 1,000.00 for every EUR 0.02 by which the net income per no par value share in the second financial year following the financial year in question (reference year) exceeds the net income per no par value share in the financial year preceding the financial year in question. The performance-related annual remuneration as a long-term incentive is limited to a maximum of EUR 40,000.00.

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

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

The total compensation of the members of the Supervisory Board in 2010 amounted to EUR 1,942,791.66 (plus VAT).

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

The compensation of the individual members of the Supervisory Board for 2010 is as follows:

€ Member of the Supervisory Board	Fixed remuneration incl. attendance fee	Imputed long-term remuneration entitlement ¹
Asmussen, Jörg	54,000.00	23,250.00
Becker, Hermann Josef	90,000.00	38,750.00
Dr. Bernotat, Wulf	47,000.00	20,150.00
Brandl, Monika	47,000.00	20,150.00
Bury, Hans Martin	81,000.00	35,650.00
Falbisoner, Josef (until May 3, 2010)	14,500.00	6,458.33
Dr. von Grünberg, Hubertus	51,000.00	23,250.00
Guffey, Lawrence H.	78,000.00	35,650.00
Hocker, Ulrich	36,000.00	15,500.00
Holzwarth, Lothar ²	76,000.00	32,550.00
Kallmeier, Hans-Jürgen ³	52,000.00	23,250.00
Kühnast, Sylvia	36,000.00	15,500.00
Prof. Dr. Lehner, Ulrich (Chairman)	136,000.00	60,450.00
Litzenberger, Waltraud	131,000.00	54,250.00
Löffler, Michael	36,000.00	15,500.00
Prof. Dr. Middelman, Ulrich	53,000.00	23,250.00
Schröder, Lothar (Deputy Chairman) ⁴	115,000.00	49,600.00
Dr. Schröder, Ulrich	47,000.00	20,150.00
Sommer, Michael	35,000.00	15,500.00
Spoo, Sibylle (since May 4, 2010)	22,000.00	10,333.33
Dr. h. c. Walter, Bernhard	115,000.00	51,150.00
	1,352,500.00	590,291.66

¹ In determining the amount to be recognized as an accrual, it was assumed that net income per no par value share in 2012 would equal that in 2010. If so, entitlement per full year in the comparison period of 2009 to 2012 will be EUR 15,500.00. Upon application of the multiplying factor, the accrual amount totals EUR 590,291.66.

² Lothar Holzwarth received compensation of EUR 11,333.33 from Telekom Deutschland GmbH (formerly T-Mobile Deutschland GmbH), Bonn, a wholly owned subsidiary of Deutsche Telekom, for the reporting year for a mandate as member of the supervisory board of this company.

³ Hans-Jürgen Kallmeier received compensation of EUR 833.33 from T-Systems International GmbH, Frankfurt/Main, a wholly owned subsidiary of Deutsche Telekom, for the reporting year for a mandate as member of the supervisory board of this company.

⁴ Lothar Schröder received compensation of EUR 18,800.00 from Telekom Deutschland GmbH (formerly T-Mobile Deutschland GmbH), Bonn, a wholly owned subsidiary of Deutsche Telekom, for the reporting year for a mandate as member of the supervisory board of this company.

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

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

40 Proposal for the appropriation of net income.

The Board of Management of Deutsche Telekom proposes that a dividend of EUR 0.70 per no par value share carrying dividend rights be paid from the unappropriated net income amounting to EUR 6.0 billion, 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.

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

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
1. Subsidiaries										
1.	3.T-Venture Beteiligungsgesellschaft mbH (3. TVB), Bonn	1.191.	100.00		25,000	EUR	6,560,660	82,806	EUR	
2.	Accumio Finance Services GmbH, Heidelberg	1.162.	100.00		2,001,000	EUR	9,696,656	-	EUR	a)
3.	Aesop Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	20,444	(343)	EUR	f)
4.	Albania Mobile Communications Sh.A, Tirana	1.24.	14.76		813,821,916	ALL	75,013,286,083	2,552,926,531	ALL	
4.	Albania Mobile Communications Sh.A, Tirana	1.39.	85.00		813,821,916	ALL	75,013,286,083	2,552,926,531	ALL	
5.	Ariviakom (Proprietary) Limited, Midrand	1.283.	100.00		1,540,400	ZAR	21,561,710	2,287,600	EUR	
6.	Ariviakom Consulting (Proprietary) Limited, Midrand	1.5.	100.00		1	ZAR	(489,230)	(489,230)	EUR	
7.	Atrada Trading Network AG, Nuremberg			100.00	146,302	EUR	1,028,377	558,167	EUR	
8.	Atrada Trading Network Limited, Manchester	1.7.	100.00		1	GBP	1	-	GBP	
9.	AutoScout24 AS GmbH, Vienna	1.13.	100.00		35,000	EUR	41,681	119,544	EUR	f)
10.	AutoScout24 Belgium S.A., Brussels	1.13.	100.00		62,000	EUR	1,561,356	998,445	EUR	f)
11.	AutoScout24 España S.A., Madrid	1.13.	100.00		153,388	EUR	112,152	378,207	EUR	f)
12.	AutoScout24 France SAS, Trappes	1.13.	100.00		95,280	EUR	2,096,029	(1,760,615)	EUR	f)
13.	AutoScout24 GmbH, Munich	1.169.	100.00		1,269,950	EUR	48,168,716	-	EUR	a)
14.	AutoScout24 Italia S.R.L., Padua	1.13.	100.00		97,000	EUR	3,032,959	2,487,672	EUR	f)
15.	AutoScout24 Nederland B.V., Amsterdam	1.13.	100.00		36,400	EUR	2,477,938	952,666	EUR	f)
16.	AutoScout24 Scandinavia A.B., Stockholm	1.13.	100.00		109,000	SEK	52,143	(5,298)	SEK	f)
17.	AutoScout24 d.o.o., Zagreb	1.13.	75.00		40,000	HRK	-	-	HRK	f)
18.	Axelero Kft., Budapest	1.126.	10.00		500,000	HUF	3,189,000	(761,000)	HUF	
18.	Axelero Kft., Budapest	1.116.	90.00		500,000	HUF	3,189,000	(761,000)	HUF	
19.	BERCOS Gesellschaft für Kommunikationstechniken mbH, Bonn	1.59.	100.00		400,000	DEM	234,200	690	EUR	
20.	CBS GmbH, Cologne	1.28.	100.00		838,710	EUR	18,076,588	-	EUR	a) m)
21.	CMobil B.V., Amsterdam	1.199.	100.00		30,403	EUR	753,473,050	-	EUR	
22.	COMBIS, usluge integracija informatickih tehnologija, d.o.o., Zagreb	1.103.	100.00		3,703,600	HRK	42,039,537	12,376,045	HRK	
23.	COSMO-ONE HELLAS MARKET SITE SOCIETE ANONYME OF ELECTRONIC COMMERCE SERVICES, Athens	1.101.	30.87		5,391,100	EUR	1,097,287	(246,576)	EUR	
23.	COSMO-ONE HELLAS MARKET SITE SOCIETE ANONYME OF ELECTRONIC COMMERCE SERVICES, Athens	1.24.	30.87		5,391,100	EUR	1,097,287	(246,576)	EUR	
24.	COSMOTE S.A., Maroussi, Athens	1.101.	100.00		157,899,931	EUR	1,312,164,063	33,134,600	EUR	
25.	Cato Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	25,313	(296)	EUR	f)
26.	Cicero Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	25,303	(296)	EUR	f)
27.	ClickandBuy (International) Limited, London	1.28.	100.00		1,301,000	GBP	(646,709)	8,237,565	EUR	
28.	ClickandBuy Holding GmbH, Darmstadt			100.00	25,000	EUR	98,037,000	-	EUR	a)
29.	ClickandBuy Marketing AG, Zug	1.28.	100.00		100,000	CHF	(5,814,163)	3,458,576	EUR	
30.	ClickandBuy Marketing Inc., New York, NY	1.86.	100.00		5	USD	2,797,445	(130,785)	USD	
31.	ClickandBuy Private Limited, Hydrabad	1.86.	99.62		1,609,920	INR	24,722,218	(3,697,850)	INR	e)
32.	Combridge S.R.L., Sfântu Gheorghe	1.126.	100.00		29,801,490	RON	42,542,320	3,420,281	RON	
33.	Compargo Kft., Budapest	1.120.	80.00		3,000,000	HUF	72,759,908	15,350,393	HUF	
34.	Compendo GmbH, Nuremberg	1.7.	100.00		25,000	EUR	27,951	(530)	EUR	
35.	Cook Inlet/VS GSM IV PCS Holdings, LLC, Bellevue	1.196.	99.00		1	USD	123,259,892	(2,442,751)	USD	f)
35.	Cook Inlet/VS GSM IV PCS Holdings, LLC, Bellevue	1.234.	1.00		1	USD	123,259,892	(2,442,751)	USD	f)
36.	Cook Inlet/VS GSM VII PCS Holdings, LLC, Bellevue	1.209.	66.00		1	USD	296,720,482	18,098,226	USD	f)
37.	Cook Inlet/VS GSM VIII PCS L.L.C., Bellevue	1.36.	100.00		1	USD	296,720,482	18,098,226	USD	f)
38.	Cosmo Bulgaria Mobile EAD, Sofia	1.24.	100.00		490,664,220	BGN	1,118,126,601	(29,504,551)	BGN	
39.	Cosmo Holding Albania Societe Anonyme, Maroussi, Athens	1.24.	97.00		64,108,000	EUR	447,318,690	89,469	EUR	

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
40.	Cosmoholding Cyprus Limited, Limassol	1.24.	100.00		190,000	EUR	304,437,972	(54,672)	EUR	
41.	Cosmoholding Romania Ltd, Limassol	1.24.	100.00		30,000	EUR	202,000,716	3,976,140	EUR	
42.	Cosmote Romanian Mobile Telecommunications S.A., Bucharest	1.24.	70.00		1,593,747,500	RON	28,549,406	(182,658,327)	RON	
42.	Cosmote Romanian Mobile Telecommunications S.A., Bucharest	1.163.	30.00		1,593,747,500	RON	28,549,406	(182,658,327)	RON	
43.	Crnogorski Telekom a.d. Podgorica, Podgorica	1.126.	76.53		140,996,394	EUR	186,281,296	19,472,573	EUR	
44.	Cronon AG, Berlin	1.166.	100.00		51,129	EUR	56,242	-	EUR	a)
45.	Csiper Consulting (Proprietary) Limited, Midrand	1.5.	100.00		1,001	ZAR	1,051,380	793,950	EUR	
46.	DFMG Deutsche Funkturm GmbH, Münster	1.300.	16.67		30,000	EUR	7,726,925	-	EUR	a)
46.	DFMG Deutsche Funkturm GmbH, Münster	1.47.	83.33		30,000	EUR	7,726,925	-	EUR	a)
47.	DFMG Holding GmbH, Bonn			100.00	26,000	EUR	53,751	-	EUR	a) f)
48.	DIERGASIA Interim Employment S.A., Athens	1.146.	100.00		180,000	EUR	(70,612)	(46,937)	EUR	
49.	Dataplex Infokommunikációs Infrastruktúra Szolgáltató és Ingatlanhasznosító Korlátolt Felelősségű Társaság, Budapest	1.126.	100.00		1,850,000,000	HUF	2,439,623,788	537,191,154	HUF	
50.	Dataware Szolgáltató Kft., Budapest	1.107.	100.00		80,000,000	HUF	313,000	11,310	EUR	
51.	DeTeAsia Holding GmbH, Bonn			100.00	50,000	DEM	99,378	-	EUR	f)
52.	DeTeAssekuranz - Deutsche Telekom Assekuranz-Vermittlungsgesellschaft mbH, Monheim			100.00	1,000,000	EUR	1,000,000	-	EUR	a) f)
53.	DeTeFleetServices GmbH, Bonn			100.00	5,000,000	EUR	220,262,853	-	EUR	a) f)
54.	DeTeMedien, Deutsche Telekom Medien GmbH, Frankfurt/Main			100.00	23,008,135	EUR	24,572,258	-	EUR	a) f)
55.	Detecon (Schweiz) AG, Zurich	1.59.	100.00		1,000,000	CHF	9,796,000	2,838,000	EUR	
56.	Detecon Asia-Pacific Ltd., Bangkok	1.59.	100.00		49,000,000	THB	739,000	(154,000)	EUR	
57.	Detecon Consulting Austria GmbH, Vienna	1.241.	100.00		72,673	EUR	109,000	(3,000)	EUR	
58.	Detecon Consulting España S.A., Madrid	1.19.			250,000	EUR	(988,000)	(16,000)	EUR	
58.	Detecon Consulting España S.A., Madrid	1.59.	100.00		250,000	EUR	(988,000)	(16,000)	EUR	
59.	Detecon International GmbH, Bonn	1.263.	100.00		19,430,100	EUR	28,939,820	9,509,720	EUR	
60.	Detecon Vezetési Tanácsadó Kft., Budapest	1.59.	100.00		4,600,000	HUF	17,000	-	EUR	
61.	Detecon, Inc., Reston, VA	1.59.	100.00		1,872,850	USD	473,190	111,400	EUR	
62.	Deutsche TELEKOM Asia Pte Ltd., Singapore			100.00	136,777,793	SGD	107,084,861	517,290	USD	h)
63.	Deutsche TELEKOM Ltd., London			100.00	240,000	GBP	2,204,783	(26,147)	GBP	f)
64.	Deutsche Telekom (UK) Limited, Hatfield			100.00	30,100,000	GBP	46,504,000	4,405,000	GBP	f)
65.	Deutsche Telekom Accounting GmbH, Bonn			100.00	100,000	EUR	100,000	-	EUR	a) f)
66.	Deutsche Telekom BK-Holding GmbH, Bonn			100.00	500,000,000	DEM	255,645,941	-	EUR	a) f)
67.	Deutsche Telekom Holding B.V., Amsterdam			100.00	18,151	EUR	51,122	(27)	EUR	f)
68.	Deutsche Telekom International Finance B.V., Amsterdam			100.00	453,780	EUR	348,376,000	18,042,000	EUR	f)
69.	Deutsche Telekom K.K., Tokyo			100.00	120,000,000	JPY	239,862,412	5,398,472	JPY	f)
70.	Deutsche Telekom Kundenservice GmbH, Bonn	1.300.	100.00		25,000	EUR	19,110,240	-	EUR	a)
71.	Deutsche Telekom Netzproduktion GmbH, Bonn	1.300.	100.00		27,000	EUR	29,651,556	-	EUR	a)
72.	Deutsche Telekom North America Inc., Wilmington, DW	1.273.	100.00		30	USD	2,291,000	(9,000)	EUR	
73.	Deutsche Telekom Shared Services s.r.o., Bratislava	1.243.	3.75		20,000	EUR	161,871	40,705	EUR	
73.	Deutsche Telekom Shared Services s.r.o., Bratislava	1.65.	96.25		20,000	EUR	161,871	40,705	EUR	
74.	Deutsche Telekom Technischer Service GmbH, Bonn	1.300.	100.00		27,000	EUR	56,964,589	-	EUR	a)
75.	Deutsche Telekom Training GmbH, Bonn			100.00	102,300	EUR	124,988	-	EUR	a) f)
76.	Deutsche Telekom Value Added Services Austria GmbH, Vienna	1.300.	100.00		100,000	EUR	112,732,611	(1,396,116)	EUR	
77.	Deutsche Telekom Venture Funds GmbH, Bonn			100.00	25,000	EUR	37,816,546	-	EUR	a)
78.	Deutsche Telekom, Inc., New York			100.00	100	USD	5,944,336	387,079	USD	f)
79.	E-Value Collection L.T.D., Agios Stefanos	1.80.	100.00		350,010	EUR	427,603	87,583	EUR	

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
80.	E-Value Societe Anonyme of Direct Marketing and Customer Support Services, Agios Stefanos	1.91.	100.00		4,745,062	EUR	3,348,450	(998)	EUR	
81.	EURACCOUNT Kft., Budapest	1.126.	99.00		450,000,000	HUF	712,256,154	333,003,898	HUF	
81.	EURACCOUNT Kft., Budapest	1.116.	1.00		450,000,000	HUF	712,256,154	333,003,898	HUF	
82.	Erste DFMG Deutsche Funkturm Vermögens-GmbH, Heusenstamm			100.00	100,000	EUR	170,272,893	16,045,466	EUR	a) f)
83.	Eutelis Consult GmbH, Ratingen	1.59.	60.00		1,360,000	DEM	-	-		
84.	Fal Dete Telecommunications S.A.L., Furn El Chebbak	1.59.	51.00		150,000,000	LBP	455,300	(258,490)	EUR	f)
85.	FinanceScout24 GmbH, Munich	1.169.	100.00		728,823	EUR	3,559,481	-	EUR	a)
86.	Firstgate Holding AG, Zug	1.29.	100.00		2,335,505	CHF	14,781,813	458,457	EUR	
87.	Firstgate Internet SAS, Paris	1.86.	100.00		100,000	EUR	(597,842)	(34,870)	EUR	f)
88.	FriendScout24 GmbH, Munich	1.169.	100.00		1,500,000	EUR	4,535,642	-	EUR	a)
89.	GEMAPPS Gesellschaft für mobile Lösungen mbH, Hamburg	1.263.	100.00		25,000	EUR	125,000	(15,000)	EUR	
90.	GMG Generalmietgesellschaft mbH, Bonn			100.00	51,130,000	EUR	51,423,214	-	EUR	a) f)
91.	Germanos Societe Anonyme Industrial & Commercial Company of Electronic Telecommunicationmaterial & Services, Agios Stefanos	1.40.	100.00		29,600,892	EUR	303,724,593	673,625	EUR	
92.	Germanos Telecom Bulgaria AD, Sofia	1.91.	100.00		5,400,000	BGN	4,510,390	(1,032,914)	BGN	
93.	Germanos Telecom Romania S.A., Ilfov County, Volunatri town	1.91.	99.99		98,668,441	RON	(21,855,892)	(27,412,938)	RON	
94.	Global TIMES Ventures Administration GmbH (GTV), Bonn	1.293.	100.00		100,000	EUR	178,912	11,999	EUR	
95.	Global TIMES Ventures GmbH & Co.KG, Bonn	1.293.	60.00		47,500	EUR	468,046	61,753	EUR	
96.	HATWAVE Hellenic-American Telecommunications Wave Ltd., Donetsk	1.101.	52.67		100	CYP	-	-		
97.	HELLAS-SAT Consortium Ltd., Nicosia	1.101.	99.05		191,235,884	EUR	141,734,952	9,047,908	EUR	
98.	HELLAS-SAT S.A. Satellite System Services & Communications, Maroussi, Athens	1.142.	0.01		9,058,696	EUR	6,897,340	308,008	EUR	
98.	HELLAS-SAT S.A. Satellite System Services & Communications, Maroussi, Athens	1.97.	99.99		9,058,696	EUR	6,897,340	308,008	EUR	
99.	HOLDCO Sp.z o. o., Warsaw	1.235.	100.00		4,000,000	PLN	774,272,521	(268,456)	PLN	b)
100.	Hellascom International A.E., Athens	1.101.	100.00		750,000	EUR	8,203,552	(513,819)	EUR	
101.	Hellenic Telecommunications Organization S.A. (OTE), Athens			30.00	1,171,459,430	EUR	1,949,700,000	370,700,000	EUR	f)
102.	Horaz Telekomunikationsdienste GmbH, Bonn	1.263.	100.00		25,000	EUR	24,000	-	EUR	
103.	Hrvatski Telekom d.d., Zagreb			51.00	8,188,853,500	HRK	12,012,000,000	2,024,000,000	HRK	f)
104.	I.T.E.N.O.S. International Telecom Network Operation Services GmbH, Bonn	1.263.	100.00		3,000,000	EUR	6,410,000	-	EUR	a)
105.	IQSYS Informatikai és Tanácsadó ZRt., Budapest	1.126.	100.00		1,001,500,000	HUF	4,725,226,211	(226,351,117)	HUF	
106.	ISH International System House Informatika Kft., Budapest	1.126.	100.00		3,000,000	HUF	2,389,877,505	345,739,977	HUF	
107.	IT Services Hungary Szolgáltató Kft., Budapest	1.263.	100.00		150,100,000	HUF	17,403,210	8,286,690	EUR	
108.	ImmoCom Verwaltungs GmbH, Heusenstamm	1.90.	100.00		50,000	DEM	(39,419,415)	(495,325)	EUR	f)
109.	Immobilien Scout Deutschland GmbH, Berlin	1.110.	100.00		50,000	DEM	21,145	(327)	EUR	c)
110.	Immobilien Scout GmbH, Berlin	1.171.	60.10		144,250	EUR	4,115,551	-	EUR	a)
110.	Immobilien Scout GmbH, Berlin	1.169.	39.90		144,250	EUR	4,115,551	-	EUR	a)
111.	Infovan (Proprietary) Limited, Midrand	1.283.	100.00		2,000	ZAR	8,801,280	1,461,040	EUR	
112.	Institute of Next Generation Networks, Zilina	1.177.	100.00		-	EUR	(280,913)	(30,330)	EUR	
113.	Interactive Media CCSP GmbH, Darmstadt			100.00	901,000	EUR	2,484,000	-	EUR	a)
114.	International System House Kereskedelmi és Szoftverfejlesztő Kft., Budapest	1.126.	100.00		3,000,000	HUF	2,207,973	77,440	HUF	
115.	Intersolve Health Informatics (Proprietary) Limited, Midrand	1.5.	100.00		100	ZAR	(26,000)	158,000	EUR	
116.	Investel Magyar Távközlési Befektetési ZRt., Budapest	1.126.	100.00		4,453,000,000	HUF	5,752,806,779	254,646,636	HUF	
117.	Iskon Internet d.d., Zagreb	1.103.	100.00		42,876,600	HRK	(162,114,141)	(37,436,229)	HRK	
118.	JobScout24 GmbH, Munich	1.119.	100.00		25,000	EUR	20,324,470	-	EUR	a)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
119.	JobScout24 International Holding AG, Baar	1.169.	100.00		1,540,000	CHF	9,380,350	(2,214,393)	CHF	
120.	KFKI Rendszerintegrációs ZRt., Budapest	1.126.	100.00		2,001,000,000	HUF	8,110,541,577	2,056,061,066	HUF	
121.	Kabelsko distributivni sustav d.o.o., Cakovec	1.103.	100.00		1,229,600	HRK	4,431,880	272,922	HRK	
122.	Kappa Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	-	EUR	f)
123.	Kitchen Budapest Kft., Budapest	1.116.	0.80		40,000,000	HUF	50,970,511	15,623,223	HUF	
123.	Kitchen Budapest Kft., Budapest	1.126.	99.20		40,000,000	HUF	50,970,511	15,623,223	HUF	
124.	Lambda Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	4,026,546	-	EUR	
125.	MAGYARCOM SZOLGÁLTATÓ KOMMUNIKÁCIÓS Kft., Budapest			100.00	50,000,000	HUF	441,039,000	52,226,000	HUF	f)
126.	Magyar Telekom Távközlési Nyilvánosan Működő Részvénytársaság (Magyar Telekom Telecommunications Public Limited Company) [formerly MATAV], Budapest	1.127.	59.30		104,274,254,300	HUF	316,120,096,205	76,117,374,012	HUF	f)
127.	MagyarCom Holding GmbH, Bonn			100.00	316,009,000	EUR	2,344,520,428	-	EUR	a) f)
128.	Makedonski Telekom A.D., Skopje	1.180.	56.67		9,583,887,760	MKD	21,480,596,452	5,735,599,588	MKD	
129.	Matáv Kft, Budapest	1.126.	10.00		500,000	HUF	3,201,000	(749,000)	HUF	
129.	Matáv Kft, Budapest	1.116.	90.00		500,000	HUF	3,201,000	(749,000)	HUF	
130.	Mindentudás Egyeteme Tudományos Közhasznú Nonprofit Kft., Budapest	1.126.	60.00		5,000,000	HUF	16,335,333	2,318,176	HUF	
131.	Mobilbeep Telecommunications One Person Limited Liability, Maroussi, Athens	1.40.	100.00		20,100	EUR	24,546	(51,336)	EUR	
132.	Modultechnika Kereskedelmi és Szolgáltató Kft, Ajka	1.126.	100.00		500,000	HUF	120,954,806	(2,921,207)	HUF	
133.	NextGen Communications SRL, Bucharest	1.163.	100.00		26,489,080	RON	(19,366,039)	(31,700,196)	RON	
134.	Norma Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,592	-	EUR	f)
135.	Novatel EOOD, Sofia	1.126.	100.00		5,190,000	BGN	8,793,000	1,125,000	BGN	
136.	Novatel Ukraine Ltd., Kiev	1.116.	0.06		1,656,900	UAH	(5,052,596)	1,200,573	UAH	
136.	Novatel Ukraine Ltd., Kiev	1.126.	99.94		1,656,900	UAH	(5,052,596)	1,200,573	UAH	
137.	ORBIT Gesellschaft für Applikations- und Informationssysteme mbH, Bonn	1.59.	94.12		128,000	EUR	944,310	474,420	EUR	
138.	OTE Academy S.A., Maroussi, Athens	1.101.	100.00		1,761,030	EUR	37,057	(1,745,728)	EUR	
138.	OTE Academy S.A., Maroussi, Athens	1.168.	0.00		1,761,030	EUR	37,057	(1,745,728)	EUR	
139.	OTE Estate S.A., Athens	1.101.	100.00		455,987,091	EUR	1,234,457,416	14,885,509	EUR	
139.	OTE Estate S.A., Athens	1.146.	0.00		455,987,091	EUR	1,234,457,416	14,885,509	EUR	
140.	OTE Insurance Agency S.A., Athens	1.101.	99.90		86,000	EUR	85,914	109,989	EUR	
140.	OTE Insurance Agency S.A., Athens	1.146.	0.10		86,000	EUR	85,914	109,989	EUR	
141.	OTE International Investments Limited, Limassol	1.101.	100.00		382,862,721	EUR	854,105,381	15,139,216	EUR	
142.	OTE International Solutions S.A., Maroussi, Athens	1.101.	100.00		163,697,462	EUR	160,160,606	3,096,710	EUR	
142.	OTE International Solutions S.A., Maroussi, Athens	1.168.	0.00		163,697,462	EUR	160,160,606	3,096,710	EUR	
143.	OTE Investment Services S.A., Maroussi, Athens	1.141.	100.00		8,500,000	EUR	8,107,359	255,864	EUR	
144.	OTE PLC., London	1.101.	100.00		50,000	GBP	193,312,382	(62,162,522)	GBP	
145.	OTE Properties S.A., Athens	1.139.	100.00		30,000,000	EUR	29,856,552	(18,534)	EUR	
146.	OTEplus Technical & Business Solutions S.A., Athens	1.101.	100.00		3,837,002	EUR	6,629,431	1,529,062	EUR	
147.	Omega Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	-	EUR	f)
148.	Omikron Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	-	EUR	f)
149.	One 2 One Personal Communications Ltd., Hatfield	1.204.	100.00		1	GBP	1	-	GBP	
150.	One2One Limited, Hatfield	1.204.	100.00		2	GBP	2	-	GBP	
151.	P & I Holding GmbH, Darmstadt			100.00	30,000	EUR	(8,924,572)	583,451	EUR	n)
152.	PASM Power and Air Condition Solution Management Beteiligungs GmbH, Bonn			100.00	25,000	EUR	33,733	1,584	EUR	f)
153.	PASM Power and Air Condition Solution Management GmbH & Co. KG, Munich			100.00	10,025,000	EUR	335,651,255	16,562,000	EUR	f)
154.	PTC, Polska Telefonía Cyfrowa Sp.z o.o., Warsaw	1.300.	70.50		471,000,000	PLN	10,108,103,188	864,138,489	PLN	b)
154.	PTC, Polska Telefonía Cyfrowa Sp.z o.o., Warsaw	1.222.	22.50		471,000,000	PLN	10,108,103,188	864,138,489	PLN	b)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
154.	PTC, Polska Telefonia Cyfrowa Sp.z o.o., Warsaw	1.155.	4.00		471,000,000	PLN	10,108,103,188	864,138,489	PLN	b)
155.	Polpager Sp.z o.o., Warsaw	1.99.	100.00		2,000,000	PLN	-	-	PLN	
156.	PosAm spol. s.r.o., Bratislava	1.177.	51.00		33,200	EUR	6,875,441	2,786,710	EUR	
157.	Powertel Memphis Licenses, Inc., Bellevue	1.158.	100.00		1	USD	179,889,891	-	USD	f)
158.	Powertel/Memphis, Inc., Bellevue	1.231.	100.00		32,262	USD	355,468,303	15,398,981	USD	f)
159.	Pro-M Zrt, Budapest	1.126.	100.00		5,200,000,000	HUF	10,700,917,510	828,761,669	HUF	
160.	Qingdao DETECON Consulting Co. Ltd., Beijing	1.59.	100.00		1,230,000	USD	4,620	(132,710)	EUR	
161.	Residenzpost GmbH & Co. Liegenschafts KG, Heusenstamm			100.00	1	EUR	452,847	983,000	EUR	f)
162.	SAF Forderungsmanagement GmbH, Heidelberg	1.300.	100.00		4,101,000	EUR	11,796,656	-	EUR	a)
163.	SC Romtelecom SA, Bucharest	1.141.	54.01		5,975,037,351	RON	4,982,999,177	(1,304,920,009)	RON	
164.	SCOUT Business Services GmbH, Munich	1.170.	100.00		69,100	EUR	73,967	(1,818)	EUR	
165.	SCS Personalberatung GmbH, Düsseldorf			100.00	100,000	DEM	51,129	-	EUR	a) f)
166.	STRATO AG, Berlin	1.217.	100.00		6,033,345	EUR	9,716,049	-	EUR	a)
167.	Sallust Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	27,000	-	EUR	f)
168.	Satellite and Maritime Telecommunications S.A., Athens	1.101.	94.08		5,463,750	EUR	8,661,733	1,748,035	EUR	
168.	Satellite and Maritime Telecommunications S.A., Athens	1.146.	0.01		5,463,750	EUR	8,661,733	1,748,035	EUR	
169.	Scout24 AG, Baar	1.171.	100.00		532,081	CHF	220,597,723	(802,637)	CHF	f)
170.	Scout24 GmbH, Munich	1.171.	100.00		75,000	DEM	724,962	-	EUR	a)
171.	Scout24 Holding GmbH, Munich			100.00	1,000,000	EUR	244,456,120	-	EUR	a)
172.	Scout24 International Management AG, Baar	1.171.	100.00		250,000	CHF	45,096,982	2,285,428	CHF	
173.	Scout24 Schweiz AG, Flamatt	1.174.	85.04		224,600	CHF	18,992,773	8,049,051	CHF	f)
173.	Scout24 Schweiz AG, Flamatt	1.172.	14.96		224,600	CHF	18,992,773	8,049,051	CHF	f)
174.	Scout24 Schweiz Holding AG, Wünnewil-Flamatt	1.172.	50.10		980,000	CHF	5,534,739	(1,685,671)	CHF	f)
175.	Scout24 Verwaltungs- und Beteiligungsgesellschaft mbH, Munich	1.171.	100.00		25,000	EUR	45,160	(1,864)	EUR	
176.	Sigma Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	-	EUR	f)
177.	Slovak Telekom, a.s., Bratislava			51.00	864,113,000	EUR	1,678,686,000	145,550,000	EUR	f)
178.	Software Daten Service Gesellschaft m.b.H., Vienna	1.263.	100.00		290,691	EUR	8,561,700	417,890	EUR	
179.	Soluciones y Proyectos Consulting, S.L., Barcelona	1.258.	100.00		3,006	EUR	182,010	(840)	EUR	
180.	Stonebridge Communication A.D. i.l., Skopje	1.126.	100.00		21,194,506,100	MKD	27,890,448,122	3,728,899,873	MKD	
181.	SunCom Wireless Holdings Inc., Bellevue	1.231.	100.00		1	USD	1,888,518,779	57,092,731	USD	f)
182.	SunCom Wireless Investment Co., LLC, Bellevue	1.181.	100.00		1	USD	2,294,238,235	57,352,389	USD	f)
183.	SunCom Wireless License Co, LLC, Bellevue	1.311.	100.00		1	USD	526,392,306	(75,497)	USD	f)
184.	SunCom Wireless Management Co, Inc, Bellevue	1.187.	100.00		1	USD	(30,391,199)	(3,079,337)	USD	f)
185.	SunCom Wireless Operating Co, LLC, Bellevue	1.311.	100.00		1	USD	-	-		
186.	SunCom Wireless Property Co, LLC, Bellevue	1.311.	100.00		1	USD	-	-		
187.	SunCom Wireless, Inc., Bellevue	1.182.	100.00		1	USD	2,288,724,204	57,352,389	USD	f)
188.	Sunlight Romania - Filiala Bucuresti S.R.L., Ilfov County, Volunatri town	1.93.	100.00		14,833,058	RON	14,833,058	(2,199,716)	RON	
189.	T SYSTEMS TELEKOMÜNİKASYON LIMITED SIRKETI, Istanbul	1.243.	0.60		385,600	TRY	1,976,000	420,000	EUR	
189.	T SYSTEMS TELEKOMÜNİKASYON LIMITED SIRKETI, Istanbul	1.263.	99.40		385,600	TRY	1,976,000	420,000	EUR	
190.	T-Com Venture Fund GmbH & Co. KG, Bonn			98.02	50,500	EUR	9,637,530	(3,417,802)	EUR	f)
190.	T-Com Venture Fund GmbH & Co. KG, Bonn	1.294.	1.98		50,500	EUR	9,637,530	(3,417,802)	EUR	f)
191.	T-Corporate Venture Fund GmbH & Co. KG, Bonn			99.00	100,000	EUR	8,090,454	(853,783)	EUR	f)
191.	T-Corporate Venture Fund GmbH & Co. KG, Bonn	1.294.	1.00		100,000	EUR	8,090,454	(853,783)	EUR	f)
192.	T-Kábel Magyarország Kft., Budapest	1.116.	90.00		500,000	HUF	3,182,000	(768,000)	HUF	
192.	T-Kábel Magyarország Kft., Budapest	1.126.	10.00		500,000	HUF	3,182,000	(768,000)	HUF	
193.	T-Mobile (UK) Ltd., Hatfield	1.204.	100.00		1	GBP	1	-	GBP	
194.	T-Mobile Austria GmbH, Vienna	1.195.	100.00		60,000,000	EUR	368,593,349	106,630,526	EUR	

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
195.	T-Mobile Austria Holding GmbH, Vienna	1.199.	100.00		15,000,000	EUR	1,628,298,404	127,610,679	EUR	
196.	T-Mobile Central LLC, Bellevue	1.231.	100.00		1	USD	5,313,158,600	1,080,096,170	USD	f)
197.	T-Mobile Czech Republic a.s., Prague	1.21.	60.77		520,000,000	CZK	24,981,000,000	9,080,000,000	CZK	f)
198.	T-Mobile Global Holding GmbH, Bonn	1.203.	100.00		50,000	EUR	17,701,393,430	-	EUR	a)
199.	T-Mobile Global Holding Nr. 2 GmbH, Bonn			100.00	25,000	EUR	2,742,147,975	232,310,480	EUR	a) f)
200.	T-Mobile Global Holding Nr. 3 GmbH, Bonn			100.00	25,000	EUR	23,564	(727)	EUR	f)
201.	T-Mobile Global Holding Nr. 4 GmbH, Bonn			100.00	25,000	EUR	22,962	(718)	EUR	f)
202.	T-Mobile Global Holding Nr. 5 GmbH, Bonn			100.00	25,000	EUR	22,404	(716)	EUR	f)
203.	T-Mobile Global Zwischenholding GmbH, Bonn			100.00	26,000	EUR	26,483,896,554	454	EUR	a) f)
204.	T-Mobile Holdings Limited, Hatfield	1.198.	100.00		706,540,268	GBP	6,459,678,302	280,960,065	GBP	b)
205.	T-Mobile HotSpot GmbH, Bonn			100.00	25,000	EUR	7,427,564	645,847	EUR	f)
206.	T-Mobile International Austria GmbH, Vienna	1.194.	100.00		37,000	EUR	676,055	645,488	EUR	
207.	T-Mobile International Limited, Hatfield	1.204.	100.00		1	GBP	1	-	GBP	
208.	T-Mobile International UK Pension Trustee Limited, Hatfield	1.64.	100.00		1	GBP	1	-	GBP	
209.	T-Mobile License LLC, Bellevue	1.231.	100.00		1	USD	732,182,543	(1,005,680,571)	USD	f)
210.	T-Mobile Ltd., Hatfield	1.204.	100.00		1	GBP	1	-	GBP	
211.	T-Mobile Macedonia A.D. Skopje, Skopje	1.128.	100.00		2,344,377,000	MKD	7,858,007,218	4,082,462,165	MKD	
212.	T-Mobile Netherlands B.V., 's-Gravenhage	1.213.	100.00		1,250,628	EUR	7,573,979	(4,383,843)	EUR	f)
213.	T-Mobile Netherlands Holding B.V., The Hague	1.198.	100.00		90,756,042	EUR	498,399,000	29,731,000	EUR	f)
214.	T-Mobile Netherlands Klantenservice B.V., The Hague	1.212.	100.00		1,116,950	EUR	(248,976,486)	(63,276,015)	EUR	f)
215.	T-Mobile Netherlands Retail B.V., The Hague	1.212.	100.00		18,000	EUR	(149,663,801)	(58,043,883)	EUR	f)
216.	T-Mobile Newco Nr. 3 GmbH, Bonn			100.00	25,000	EUR	25,000	-	EUR	f)
217.	T-Mobile Newco Nr. 4 GmbH, Bonn			100.00	25,000	EUR	27,000	-	EUR	a) f)
218.	T-Mobile No. 1 Limited, Hatfield	1.204.	100.00		1	GBP	1	-	GBP	
219.	T-Mobile No. 5 Limited, Hatfield	1.204.	100.00		1	GBP	1	-	GBP	
220.	T-Mobile Northeast LLC, Bellevue	1.231.	100.00		1	USD	5,562,744,553	1,575,507,695	USD	f)
221.	T-Mobile PCS Holdings, LLC, Bellevue	1.231.	100.00		1	USD	(5,989,720,260)	(2,060,147,747)	USD	f)
222.	T-Mobile Poland Holding Nr. 1 B.V., Eindhoven			100.00	26,719,789	EUR	73,060,000	(278,000)	EUR	f)
223.	T-Mobile Puerto Rico Holdings LLC, Bellevue	1.311.	100.00		1	USD	679,484,508	14,311,212	USD	f)
224.	T-Mobile Puerto Rico LLC, Bellevue	1.223.	100.00		1	USD	679,484,508	14,311,212	USD	f)
225.	T-Mobile Resources Corporation, Bellevue	1.221.	100.00		1	USD	34,245,420	(4,573,003)	USD	f)
226.	T-Mobile Retail Limited, Hatfield	1.204.	100.00		105	GBP	105	-	GBP	
227.	T-Mobile Service GmbH, Vienna	1.199.	100.00		35,000	EUR	90,668	(5,356)	EUR	
228.	T-Mobile South LLC, Bellevue	1.231.	100.00		1	USD	2,789,685,085	539,126,692	USD	f)
229.	T-Mobile Subsidiary IV Corporation, Bellevue	1.231.	100.00		1	USD	(8,731)	(60)	USD	f)
230.	T-Mobile Subsidiary V Corporation, Bellevue	1.231.	100.00		-	USD	-	-	USD	f)
231.	T-Mobile USA, Inc., Bellevue	1.198.	100.00		292	USD	24,250,000	1,470,000	USD	f)
232.	T-Mobile Venture Fund GmbH & Co. KG, Bonn			99.00	100,000	EUR	32,642,032	4,261,443	EUR	f)
232.	T-Mobile Venture Fund GmbH & Co. KG, Bonn	1.294.	1.00		100,000	EUR	32,642,032	4,261,443	EUR	f)
233.	T-Mobile Venture Fund II GmbH & Co. KG, Bonn	1.294.	1.00		100,000	EUR	15,064,190	(12,795,791)	EUR	f)
233.	T-Mobile Venture Fund II GmbH & Co. KG, Bonn			99.00	100,000	EUR	15,064,190	(12,795,791)	EUR	f)
234.	T-Mobile West Corporation, Bellevue	1.231.	100.00		1,000	USD	11,099,337,770	1,847,409,733	USD	f)
235.	T-Mobile Worldwide Holding GmbH, Bonn			100.00	25,000	EUR	1,977,990,187	-	EUR	a) f)
236.	T-Online Beteiligungs GmbH, Darmstadt			100.00	25,000	EUR	26,311	(290)	EUR	
237.	T-Online Travel GmbH, Darmstadt			100.00	4,000,000	EUR	(5,785,447)	(39,947)	EUR	
238.	T-Online Venture Fund GmbH & Co. KG, Bonn			99.00	100,000	EUR	40,955,158	5,081,166	EUR	
238.	T-Online Venture Fund GmbH & Co. KG, Bonn	1.294.	1.00		100,000	EUR	40,955,158	5,081,166	EUR	
239.	T-Online Verwaltungs GmbH, Darmstadt			100.00	25,000	EUR	22,860	(298)	EUR	
240.	T-Systems Argentina S.A., Buenos Aires	1.243.	2.00		8,802,500	ARS	1,091,000	160,000	EUR	

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
240.	T-Systems Argentina S.A., Buenos Aires	1.263.	98.00		8,802,500	ARS	1,091,000	160,000	EUR	
241.	T-Systems Austria GesmbH, Vienna	1.263.	100.00		185,000	EUR	40,738,000	13,289,000	EUR	
242.	T-Systems Belgium NV, Groot-Bijgaarden	1.271.	0.65		4,731,000	EUR	2,717,000	(747,000)	EUR	
242.	T-Systems Belgium NV, Groot-Bijgaarden	1.263.	99.35		4,731,000	EUR	2,717,000	(747,000)	EUR	
243.	T-Systems Beteiligungsverwaltungsgesellschaft mbH, Frankfurt/Main	1.263.	100.00		25,600	EUR	27,000	-	EUR	
244.	T-Systems CIS, Moscow	1.263.	100.00		4,630,728	RUB	9,069,000	1,771,000	EUR	
245.	T-Systems Canada, Inc., Toronto	1.273.	100.00		2,031,554	CAD	4,837,000	1,651,000	EUR	
246.	T-Systems China Limited, Hong Kong	1.263.	100.00		24,000,000	HKD	4,271,000	769,000	EUR	
247.	T-Systems Czech Republic a.s., Prague	1.263.	100.00		251,300,000	CZK	74,734,970	8,159,910	EUR	
248.	T-Systems DDM GmbH, Weingarten	1.263.	100.00		154,400	EUR	3,788,750	-	EUR	a)
249.	T-Systems Eltec, S.L., Barcelona	1.258.	100.00		664,400	EUR	1,071,390	(6,889,490)	EUR	
250.	T-Systems France SAS, Saint Denis	1.263.	100.00		2,000,000	EUR	6,501,450	(52,048,240)	EUR	
251.	T-Systems GEI GmbH, Aachen	1.263.	100.00		11,301,600	EUR	11,588,820	-	EUR	a)
252.	T-Systems Hosting Services GmbH, Bonn	1.263.	100.00		25,000	EUR	25,000	-	EUR	a)
253.	T-Systems IT Epsilon GmbH, Bonn	1.263.	100.00		25,000	EUR	25,000	-	EUR	
254.	T-Systems IT Eta GmbH, Bonn	1.263.	100.00		25,000	EUR	25,000	-	EUR	
255.	T-Systems IT Gamma GmbH, Bonn	1.263.	100.00		25,000	EUR	25,000	-	EUR	
256.	T-Systems IT Theta GmbH, Bonn	1.263.	100.00		25,000	EUR	24,000	-	EUR	
257.	T-Systems IT Zeta GmbH, Bonn	1.263.	100.00		25,000	EUR	25,000	-	EUR	
258.	T-Systems ITC Iberia, S.A., Barcelona	1.263.	100.00		1,242,100	EUR	6,441,370	(1,336,060)	EUR	
259.	T-Systems ITS Austria GmbH, Vienna	1.263.	100.00		35,000	EUR	6,000	(3,000)	EUR	
260.	T-Systems Individual Desktop Solutions GmbH, Frankfurt/Main	1.263.	100.00		25,000	EUR	69,260	-	EUR	a)
261.	T-Systems Information and Communication Technology E.P.E., Athens	1.243.	1.00		18,000	EUR	299,000	13,000	EUR	
261.	T-Systems Information and Communication Technology E.P.E., Athens	1.263.	99.00		18,000	EUR	299,000	13,000	EUR	
262.	T-Systems Information and Communication Technology India Private Limited, Pune	1.243.	0.00		34,500,000	INR	402,548	(159,363)	EUR	
262.	T-Systems Information and Communication Technology India Private Limited, Pune	1.263.	100.00		34,500,000	INR	402,548	(159,363)	EUR	
263.	T-Systems International GmbH, Frankfurt/Main			100.00	154,441,900	EUR	1,342,825,861	-	EUR	a) f)
264.	T-Systems Italia S.p.A., Vicenza	1.263.	100.00		1,000,000	EUR	1,185,000	(9,305,000)	EUR	
265.	T-Systems Japan K.K., Tokyo	1.263.	100.00		495,000,000	JPY	6,279,890	4,342,520	EUR	
266.	T-Systems Limited, London	1.263.	100.00		550,001	GBP	20,273,000	(11,174,000)	EUR	
267.	T-Systems Luxembourg S.A., Luxembourg	1.243.	0.02		1,500,000	EUR	3,585,000	266,000	EUR	
267.	T-Systems Luxembourg S.A., Luxembourg	1.263.	99.98		1,500,000	EUR	3,585,000	266,000	EUR	
268.	T-Systems Malaysia Sdn. Bhd., Kuala Lumpur	1.263.	100.00		4,000,000	MYR	2,347,000	1,641,000	EUR	
269.	T-Systems Mexico, S.A. de C.V., Puebla	1.263.	100.00		32,000,000	MXN	4,698,650	2,903,220	EUR	
270.	T-Systems Multimedia Solutions GmbH, Dresden	1.263.	100.00		4,090,400	EUR	4,090,400	-	EUR	a)
271.	T-Systems Nederland B.V., Vianen (Utrecht)	1.263.	100.00		908,000	EUR	83,662,000	(12,405,000)	EUR	
272.	T-Systems Nordic A/S, Farum	1.263.	100.00		5,500,000	DKK	(645,000)	(2,015,000)	EUR	
273.	T-Systems North America, Inc., Wilmington, DW	1.263.	100.00		34	USD	32,803,000	7,771,000	EUR	
274.	T-Systems P.R. China Ltd., Beijing	1.263.	100.00		13,500,000	EUR	(4,236,000)	(1,709,000)	EUR	
275.	T-Systems Polska Sp. z o.o., Wroclaw	1.263.	100.00		8,327,000	PLN	6,501,000	109,000	EUR	
276.	T-Systems Regional Services and Solutions GmbH, Frankfurt/Main	1.263.	100.00		25,000	EUR	91,470	-	EUR	a)
277.	T-Systems SFPH GmbH, Düsseldorf	1.263.	100.00		511,300	EUR	2,160,800	-	EUR	a)
278.	T-Systems Schweiz AG, Münchenbuchsee	1.263.	100.00		13,000,000	CHF	20,159,110	8,743,800	EUR	
279.	T-Systems Singapore Pte. Ltd., Singapore	1.263.	100.00		38,905,000	SGD	7,829,010	(662,730)	EUR	
280.	T-Systems Slovakia s.r.o., Kosice	1.243.	2.50		258,581	EUR	15,346,890	7,143,120	EUR	

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
280.	T-Systems Slovakia s.r.o., Kosice	1.263.	97.50		258,581	EUR	15,346,890	7,143,120	EUR	
281.	T-Systems Solutions (Proprietary) Limited, Midrand	1.283.	100.00		4,000	ZAR	1,889,520	715,060	EUR	
282.	T-Systems Solutions for Research GmbH, Weßling	1.263.	100.00		5,000,000	EUR	5,427,260	-	EUR	a)
283.	T-Systems South Africa (Proprietary) Limited, Midrand	1.284.	70.00		4,000	ZAR	(47,084,420)	(26,721,860)	EUR	
284.	T-Systems South Africa Holdings (Proprietary) Limited, Midrand	1.263.	100.00		4,100,085	ZAR	74,345,270	1,916,240	EUR	
285.	T-Systems Spring Italia S.r.l., Fiumicino	1.263.	100.00		494,000	EUR	1,576,780	56,330	EUR	
286.	T-Systems TMT Limited, Milton Keynes	1.266.	100.00		500,000	GBP	580,000	-	EUR	
287.	T-Systems Telecomunicacoes e Servicos Ltda., Sao Paulo	1.290.	100.00		4,182,560	BRL	2,241,000	186,000	EUR	
287.	T-Systems Telecomunicacoes e Servicos Ltda., Sao Paulo	1.243.	0.00		4,182,560	BRL	2,241,000	186,000	EUR	
288.	T-Systems Venture Fund GmbH & Co. KG, Bonn	1.263.	99.00		50,000	EUR	9,484,000	(420,000)	EUR	
288.	T-Systems Venture Fund GmbH & Co. KG, Bonn	1.294.	1.00		50,000	EUR	9,484,000	(420,000)	EUR	
289.	T-Systems d.o.o., Sarajevo	1.263.	100.00		2,000	BAM	55,000	(12,000)	EUR	
290.	T-Systems do Brasil Ltda., Sao Paulo	1.243.	0.01		15,000,000	BRL	23,318,000	445,000	EUR	
290.	T-Systems do Brasil Ltda., Sao Paulo	1.263.	99.99		15,000,000	BRL	23,318,000	445,000	EUR	
291.	T-Systems on site services GmbH, Berlin	1.263.	100.00		154,000	EUR	154,000	-	EUR	a)
292.	T-Systems, informacijski sistemi, d.o.o., Ljubljana	1.263.	100.00		8,763	EUR	52,000	9,000	EUR	
293.	T-Venture Holding GmbH, Bonn			100.00	10,225,900	EUR	-	3,678,261	EUR	f)
294.	T-Venture Telekom Funds Beteiligungs-GmbH, Bonn	1.293.	100.00		25,100	EUR	3,619,859	-	EUR	
295.	T-Venture of America, Inc., Foster City	1.293.	100.00		100	USD	381,777	79,463	USD	
296.	TAMBURO Telekommunikationsdienste GmbH, Heusenstamm			100.00	25,000	EUR	52,382	4,222	EUR	f)
297.	TMUS Assurance Corporation, Honolulu	1.231.	100.00		10	USD	-	-		
298.	TOB T-Systems Ukraine, Kiev	1.243.	0.10		35,000	UAH	42,000	23,000	EUR	
298.	TOB T-Systems Ukraine, Kiev	1.263.	99.90		35,000	UAH	42,000	23,000	EUR	
299.	Tele-Data Távközlési Adatfeldolgozó és Hirdetésszervező Kft., Budaörs	1.126.	50.98		38,640,000	HUF	92,732,965	5,031,960	HUF	
300.	Telekom Deutschland GmbH, Bonn			100.00	1,500,000,000	EUR	3,678,971,173	-	EUR	a)
301.	Telekom New Media ZRt., Budapest	1.126.	100.00		1,669,930,000	HUF	2,715,427,786	205,261,234	HUF	
302.	Telekom Sec, s.r.o., Bratislava	1.177.	100.00		6,639	EUR	6,009	(4,223)	EUR	
303.	Telekom Shop Vertriebsgesellschaft mbH, Bonn	1.300.	100.00		10,000,000	EUR	44,258,116	-	EUR	a)
304.	Telemacedónia A.D., Skopje	1.126.	100.00		621,300	MKD	71,400,201	1,792,251	MKD	
305.	Telemobil S.A., Bucharest	1.41.	100.00		228,090,000	RON	(157,118,148)	(181,200,655)	RON	
306.	Theta Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,546	-	EUR	f)
307.	Tibull Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	27,000	-	EUR	f)
308.	Transparent Goods GmbH, Cologne	1.263.	100.00		800,000	EUR	(6,000,000)	(6,000)	EUR	
309.	Traviata Telekommunikationsdienste GmbH, Bonn			100.00	25,000	EUR	26,592	-	EUR	f)
310.	Triton PCS Finance Co, Inc., Bellevue	1.187.	100.00		1	USD	1,409,583,523	44,267,182	USD	f)
311.	Triton PCS Holdings Company, LLC, Bellevue	1.187.	100.00		1	USD	500,543,193	14,406,342	USD	f)
312.	Tulip 2 B.V., 's-Gravenhage	1.213.	100.00		124,105	EUR	923,621,628	208,479,090	EUR	f)
313.	Tulip B.V., The Hague	1.213.	100.00		45,398,022	EUR	(243,265,314)	(51,797,150)	EUR	f)
314.	VIOLA Kabelgesellschaft (Deutschland) mbH, Bonn			5.00	1,000,000	EUR	1,000,000	-	EUR	a)
314.	VIOLA Kabelgesellschaft (Deutschland) mbH, Bonn	1.66.	95.00		1,000,000	EUR	1,000,000	-	EUR	a)
315.	VOICENET Limited Company Telecommunications Services & Infrastructures SA, Athens	1.101.	100.00		5,650,050	EUR	2,453,602	158,058	EUR	
316.	Vidanet ZRt., Budapest	1.126.	67.50		2,000,000,000	HUF	5,843,553,601	490,587,732	HUF	
316.	Vidanet ZRt., Budapest	1.116.	22.50		2,000,000,000	HUF	5,843,553,601	490,587,732	HUF	
317.	Vivento Customer Services GmbH, Bonn			100.00	100,000	EUR	122,173,009	-	EUR	a) f)
318.	Vivento Technical Services GmbH, Bonn			100.00	100,000	EUR	38,373,789	-	EUR	a) f)
319.	VoiceStream PCS Iowa Corporation, Bellevue	1.231.	100.00		1	USD	32,107,658	7,502,144	USD	f)

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
320.	VoiceStream Pittsburgh General Partner, Inc., Bellevue	1.231.	100.00		100	USD	(12,777,114)	5,976,543	USD	f)
321.	VoiceStream Pittsburgh, LP, Bellevue	1.320.	54.00		1	USD	(240,844,571)	11,067,672	USD	f)
321.	VoiceStream Pittsburgh, LP, Bellevue	1.220.	46.00		1	USD	(240,844,571)	11,067,672	USD	f)
322.	XL AG i.L., Munich	1.169.	100.00		50,000	EUR	36,630	(1,442)	EUR	
323.	ZODIAC Telekommunikationsdienste GmbH, Bonn			100.00	25,600	EUR	10,244	(285)	EUR	f)
324.	Zoznam Mobile, s.r.o., Bratislava	1.177.	100.00		6,639	EUR	308,609	171,472	EUR	
325.	Zoznam, s.r.o., Bratislava	1.177.	100.00		6,639	EUR	1,648,142	(326,307)	EUR	
326.	Zweite DFMG Deutsche Funkturm Vermögens-GmbH, Heusenstamm	1.300.	100.00		100,000	EUR	37,124,753	-	EUR	a)
327.	[origo] Média és Kommunikációs Zrt, Budapest	1.126.	100.00		300,230,000	HUF	2,405,020,141	(1,596,810,310)	HUF	
328.	congstar GmbH, Cologne	1.300.	100.00		250,000	EUR	3,747,047	-	EUR	a)
329.	d-Core NETWORK IBERIA, S.L., Tarragona	1.258.	100.00		3,010	EUR	28,780	(56,040)	EUR	
330.	operational services Beteiligungs-GmbH, Frankfurt/Main	1.331.	100.00		25,000	EUR	31,000	1,000	EUR	
331.	operational services GmbH & Co. KG, Frankfurt/Main	1.263.	50.00		250,000	EUR	3,126,930	1,151,420	EUR	

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
2. Associated and other related companies										
1.	4 MNO z o. o., Warsaw	1.154.	25.00		440,000	PLN	145,128	(294,872)	PLN	f)
2.	AMC-IT (Proprietary) Limited, Midrand	1.5.	35.00		1,000	ZAR	-	-	EUR	
3.	ASPM Holding B.V., Vianen (Utrecht)	1.13.	49.00		18,000	EUR	6,000,000	-	EUR	
4.	Atypical silent partnership in Deutscher Adreßbuchverlag für Wirtschaft und Verkehr GmbH, Hamburg	1.54.	28.30		-	EUR	-	-		
5.	Axentra Corporation, Ottawa	1.238.	46.03		54,153,209	USD	(3,380,239)	(1,624,723)	CAD	f)
6.	Budakalász KTV Kft., Budakalász	1.126.	25.00		70,000,000	HUF	92,000,000	31,190,000	HUF	
7.	CTDI GmbH, Malsch (Karlsruhe district)	1.300.	49.00		2,500,000	EUR	37,471,824	5,140,717	EUR	
8.	Callahan Nordrhein-Westfalen GmbH i.L., Cologne	1.66.	45.00		2,595,000	EUR	-	-		
9.	Central Georgian Communications Co. Ltd., Roustavi	1.100.	25.00		280,000	GEL	-	-		
10.	ChooChee, Inc., Wilmington, DE	1.124.	38.02		526	USD	-	-		
10.	ChooChee, Inc., Wilmington, DE	1.77.	1.90		526	USD	-	-		
11.	Cittadino GmbH, Düsseldorf	1.288.	42.86		43,750	EUR	(421,248)	(883,695)	EUR	f)
12.	CoreMedia AG, Hamburg	1.238.	27.31		3,786,106	EUR	3,283,335	(3,667,176)	EUR	c)
13.	Cyworld Europe GmbH i.L., Frankfurt/Main	1.238.	49.80		25,000	EUR	1,565,573	(4,068,317)	EUR	i)
14.	DETECON AL SAUDIA Co. Ltd., Riyadh	1.59.	46.50		4,000,000	SAR	20,593,000	6,469,420	EUR	
15.	DT-FT Italian Holding GmbH i.L., Bonn			50.00	50,000	DEM	5,462,091	96,470	EUR	j)
16.	Das Telefonbuch Servicegesellschaft mbH, Frankfurt/Main	1.54.	25.10		500,000	EUR	589,168	38,962	EUR	f)
17.	DasÖrtliche Service- und Marketinggesellschaft mbH, Frankfurt/Main	1.54.	25.10		500,000	EUR	666,302	15,510	EUR	f)
18.	Deutscher Adreßbuchverlag für Wirtschaft und Verkehr GmbH (DAV), Frankfurt/Main	1.54.	25.10		700,000	DEM	(535,510)	98,481	EUR	d)
19.	Devas Multimedia Private Limited, Bangalore	1.62.	20.73		177,313	INR	-	-		
20.	Donbass Telecom Ltd., Donetsk	1.100.	49.00		342,700	UAH	-	-		
21.	EDEKT-OTE Asset management S.A., Athens	1.101.	40.00		2,935,000	EUR	-	-		
22.	Electrocycling Anlagen GmbH, Goslar	1.300.	25.00		9,000,000	DEM	-	-		
23.	Electrocycling GmbH, Goslar	1.300.	25.50		1,500,000	EUR	-	-		
24.	European Center for Information and Communications Technologies - EICT GmbH, Berlin			20.00	25,000	EUR	554,306	167,289	EUR	f)
25.	Everything Everywhere Limited, Hatfield	1.204.	50.00		22,050,306	GBP	12,234,766,200	(83,814,019)	GBP	
26.	Gelbe Seiten Marketing Gesellschaft mbH, Frankfurt/Main	1.54.	25.10		500,000	EUR	821,432	34,395	EUR	f)
27.	HWW-Höchstleistungsrechner für Wissenschaft und Wirtschaft Betriebsgesellschaft mbH, Stuttgart	1.263.	20.00		50,000	EUR	939,000	74,000	EUR	
27.	HWW-Höchstleistungsrechner für Wissenschaft und Wirtschaft Betriebsgesellschaft mbH, Stuttgart	1.282.	20.00		50,000	EUR	939,000	74,000	EUR	
28.	HiProCall, Inc., Wilmington, DE	1.190.	43.06		567	USD	(510,150)	(2,288,318)	USD	f)
29.	Hrvatska posta d.o.o., Mostar	1.103.	30.29		26,335,069	BAM	25,637,723	558,014	BAM	
30.	Hrvatske telekomunikacije d.d. Mostar, Mostar	1.103.	39.10		315,863,250	BAM	314,990,000	7,568,929	BAM	
31.	Hunsat Magyar Úrtávközlés ZRt. i.L., Budapest	1.126.	50.00		100,000,000	HUF	108,000,000	15,000,000	HUF	
32.	IGA Worldwide Inc., Wilmington, DE	1.77.	23.68		84,443	USD	-	-		
33.	Intelligent Apps GmbH, Hamburg	1.77.	23.26		79,837	EUR	6,101	(27,299)	EUR	f)
34.	Internet Service Provider, E-Commerce, Telecommunication Kai Site Management, Maroussi, Athens	1.101.	50.00		733,500	EUR	-	-		
35.	Iowa Wireless Services LLC, Bellevue	1.319.	37.74		40,943,732	USD	48,271,577	12,876,582	USD	f)
36.	JVL Ventures, LLC, Little Rock	1.231.	20.00		49,499,999	USD	-	-		
37.	LOCANIS AG, Unterföhring	1.288.	23.88		449,150	EUR	(7,225,112)	(2,530,248)	EUR	f)
38.	Logalty Servicios de Tercero de Confianza, S.L., Madrid	1.258.	30.00		10,000	EUR	(2,624,000)	(589,000)	EUR	
39.	MGRID B.V., Amsterdam	1.77.	21.05		22,800	EUR	-	-		

No.	Name and registered office	Via	Indirectly %	Directly %	Total nominal value	Currency	Shareholders' equity	Net income/ net loss	Currency	Note
40.	Metasonic AG, Pfaffenhofen-Hettenshausen	1.77.	31.04		286,339	EUR	(934,211)	(2,425,264)	EUR	f)
41.	MindMatics AG, Munich	1.232.	21.79		185,879	EUR	1,029,579	(51,376)	EUR	f)
42.	Mobile Telephony Companies Association, Maroussi, Athens	1.24.	33.33		1,600,000	EUR	*	-		
43.	Portavita B.V., Amsterdam	1.77.	21.05		22,800	EUR	2,304,409	(528,615)	EUR	f)
44.	SEARCHTEQ GmbH, Frankfurt/Main	1.54.	25.10		7,239,000	EUR	4,584,747	(556,204)	EUR	f)
45.	Scortel-FMS Ltd., Sofia	1.100.	40.00		55,000	BGN	-	-		
46.	Sones GmbH, Leipzig	1.238.	23.14		48,640	EUR	1,072,663	(112,076)	EUR	f)
47.	South Eastern Europe Telecommunications & Informatics Research Institute S.A., Thessaloniki	1.101.	10.56		1,320,060	EUR	-	-		
47.	South Eastern Europe Telecommunications & Informatics Research Institute S.A., Thessaloniki	1.100.	10.56		1,320,060	EUR	-	-		
48.	T-Systems Telecomunicaciones de Mexico, S.A. de C.V., Puebla	1.263.	49.00		50,000	MXN	1,000	-	EUR	
49.	TVG Telefonbuch- und Verzeichnisverlag GmbH & Co. KG, Frankfurt/Main	1.54.	25.10		2,501,000	EUR	5,011,854	2,510,854	EUR	f)
50.	Tele-Auskunft Online GmbH, Frankfurt/Main	1.54.	25.32		250,000	EUR	1,472,545	214,607	EUR	f)
51.	TeleOp Gesellschaft mit beschränkter Haftung, Oberpfaffenhofen	1.263.	32.40		25,000	EUR	125,000	14,000	EUR	
52.	Telekom SRBIJA a.d. Belgrade, Belgrade	1.101.	20.00		82,512,552,000	RSD	-	-		
53.	Telesens KSCL AG i.L., Cologne	1.293.	24.09		23,588,222	EUR	574,505,000	(70,283,001)	DEM	l)
54.	Toll Collect GbR, Berlin			45.00		EUR	-	9,107,405	EUR	f)
55.	Toll Collect GmbH, Berlin			45.00	5,000,000	EUR	512,551,000	91,964,783	EUR	g)
56.	Trans Jordan For Communication Services Company Ltd., Amman	1.101.	40.00		3,500,000	JOD	-	-		
56.	Trans Jordan For Communication Services Company Ltd., Amman	1.100.	10.00		3,500,000	JOD	-	-		
57.	Ukrainian Wave Ltd., Lviv	1.96.	48.80		100	UAH	-	-		
58.	Vivento Interim Services GmbH, Frankfurt/Main			49.02	51,000	EUR	2,861,570	2,808,570	EUR	f)
59.	Yemen Public Payphone Company Ltd., Sana'a	1.101.	10.00		2,960,000	USD	-	-		
59.	Yemen Public Payphone Company Ltd., Sana'a	1.100.	15.00		2,960,000	USD	-	-		
60.	e-fellows.net GmbH & Co. KG, Munich			33.33	150,000	EUR	1,160,843	1,971,851	EUR	f)
61.	e-fellows.net Verwaltungs-GmbH, Munich			33.33	30,000	EUR	35,943	547	EUR	f)
62.	iesy Holdings GmbH, Oberursel (Taunus)	1.66.	35.00		1,000,000	EUR	-	-		
63.	mediapeers GmbH, Berlin	1.238.	24.10		44,890	EUR	498,867	(707,662)	EUR	h)
64.	myON-ID Media GmbH, Munich	1.238.	39.89		98,380	EUR	591,512	(488,703)	EUR	f)
65.	sevenload GmbH, Cologne	1.238.	34.79		167,601	EUR	3,604,738	(7,464,799)	EUR	h)
66.	solute holding GmbH & Co. KG, Hanover	1.54.	25.10		1,000,000	EUR	12,783,121	31,146	EUR	f)
67.	wwg worldwidegames GmbH, Hamburg	1.77.	23.82		162,105	EUR	198,925	(592,110)	EUR	h)

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

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

c) Shareholders' equity and net income/loss as of Jun. 30, 2010.

d) Shareholders' equity and net income/loss as of Apr. 30, 2010.

e) Shareholders' equity and net income/loss as of Mar. 31, 2010.

f) Shareholders' equity and net income/loss as of Dec. 31, 2009.

g) Shareholders' equity and net income/loss as of Aug. 31, 2010.

h) Shareholders' equity and net income/loss as of Dec. 31, 2008.

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

j) Shareholders' equity and net income/loss as of Dec. 31, 2005.

k) Shareholders' equity and net income/loss as of Dec. 31, 2002.

l) Shareholders' equity and net income/loss as of Dec. 31, 2000.

m) Shortened financial year from July 1, 2010 to Dec. 31, 2010.

n) Net income/loss taking into account existing profit and loss transfer agreement, no transfer due to loss carryforward from prior years.

72	Responsibility statement
73	Auditor's Report

Responsibility statement.

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

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

Bonn, February 18, 2011

Deutsche Telekom AG
Board of Management

René Obermann

Dr. Manfred Balz

Reinhard Clemens

Niek Jan van Damme

Timotheus Höttges

Guido Kerkhoff

Edward R. Kozel

Thomas Sattelberger

Auditor's Report

We have audited the annual financial statements, comprising the income statement, the balance sheet and the notes to the financial statements, together with the bookkeeping system of Deutsche Telekom AG, Bonn, as well as the combined management report of the Company and the Group for the business year from January 1 to December 31, 2010. The bookkeeping system and the preparation of these documents in accordance with German commercial law and supplementary articles of incorporation are the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the combined management report of the Company and the Group based on our audit.

We conducted our audit of the annual statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") 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). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and the evaluation of significant estimates made by the Company's Board of Managing Directors, and evaluating the overall presentation of the annual financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

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

Stuttgart/Frankfurt (Main),
February 8, 2011/February 18, 2011

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

(Prof. Dr. Wollmert) (Forst)
Wirtschaftsprüfer Wirtschaftsprüfer

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(Kayser) (Tandetzki)
Wirtschaftsprüfer Wirtschaftsprüfer

Further Information

- 76 List of abbreviations
- 78 Contacts

List of abbreviations.

AG	Aktiengesellschaft (stock corporation under German law)
AktG	Aktiengesetz (German Stock Corporation Act)
BilMoG	Bilanzrechtsmodernisierungsgesetz (German Accounting Law Modernization Act)
BNetzA	Federal Network Agency
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)
BVerwG	Bundesverwaltungsgericht (Federal Administrative Court)
CEO	Chief Executive Officer
Cofiroute	Compagnie Financière et Industrielle des Autoroutes S.A., Sèvres Cedex
COO	Chief Operating Officer
CTA	Contractual Trust Agreement
DeTeMedien	Deutsche Telekom Medien GmbH, Frankfurt/Main
Deutsche Telekom	Deutsche Telekom AG, Bonn
DT IF	Deutsche Telekom International Finance B.V., Amsterdam
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EGHGB	Einführungsgesetz zum Handelsgesetzbuch (Introductory Act of the German Commercial Code)
EStG	Einkommensteuergesetz (German Income Tax Act)
etc.	et cetera
EUR	Euro
e.V.	eingetragener Verein (registered association under German law)
FTE	Full-time equivalent(s)
GBP	Pound sterling
GbR	Gesellschaft bürgerlichen Rechts (non-trading partnership under German law)
GG	Grundgesetz (Basic Law)
GmbH	Gesellschaft mit beschränkter Haftung (Limited liability company under German law)
HGB	Handelsgesetzbuch (German Commercial Code)
HRB	Handelsregister, Abteilung B (Commercial register, section B)
IP	Internet Protocol
ISDN	Integrated Service Digital Network

IT	Information technology
KfW	Kreditanstalt für Wiederaufbau, Frankfurt/Main
KG	Kommanditgesellschaft (limited partnership under German law)
MTIP	Mid-Term Incentive Plan
OTE	Hellenic Telecommunications Organization S.A. (OTE), Athens
PBeaKK	Postbeamtenkrankenkasse (Civil Service Health Insurance Fund)
Powertel	Powertel, Inc., Bellevue
PTNeuOG	Postneuordnungsgesetz (Posts and Telecommunications Reorganization Act)
SAR	Stock Appreciation Right
Scout24	Scout24 Holding GmbH, Munich
Service companies	Deutsche Telekom Kundenservice GmbH, Bonn, Deutsche Telekom Technischer Service GmbH, Bonn, and Deutsche Telekom Netzproduktion GmbH, Bonn
SOP	Stock option plan
STRABAG PFS	STRABAG Property and Facility Services GmbH, Münster
T-Share	Deutsche Telekom share
Telekom Deutschland	Telekom Deutschland GmbH, Bonn
Telekom Training	Organizational unit assigned to Deutsche Telekom AG
T-Home	Business unit of Telekom Deutschland GmbH
T-Mobile Deutschland	T-Mobile Deutschland GmbH, Bonn
Toll Collect	Toll Collect GmbH, Berlin
UK	United Kingdom
UmwG	Umwandlungsgesetz (German Reorganization and Transformation Act)
USA	United States of America
USD	U.S. dollar
VAP	Versorgungsanstalt der Deutschen Bundespost (special pension fund of Deutsche Bundespost)
ver.di	ver.di - Vereinte Dienstleistungsgewerkschaft (service industry trade union)
Vivendi	Vivendi S.A., Paris; Vivendi S.A., Geneva; Vivendi S.A., Seattle
Vivento	Service provider of Deutsche Telekom AG for personnel and business (legally dependent organizational unit)
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)

Contacts.

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