

This document constitutes two prospectuses: (i) the prospectus of Deutsche Telekom AG in respect of non-equity securities within the meaning of Art. 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 ("**Non-Equity Securities**") and (ii) the prospectus of Deutsche Telekom International Finance B.V. in respect of Non-Equity Securities (together, the "**Prospectus**").



Deutsche Telekom AG

Bonn, Federal Republic of Germany

as Issuer and as Guarantor for Notes issued by

Deutsche Telekom International Finance B.V.

(a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands and having its corporate seat in Amsterdam, The Netherlands)

Euro 25,000,000,000 Debt Issuance Programme

Application has been made to the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**") for its approval of this Prospectus.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme (the "**Programme**") to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Luxembourg Stock Exchange. Notes issued under the Programme may also be listed on an alternative stock exchange or may not be listed at all.

Each Issuer has requested the CSSF to provide the competent authorities in the Federal Republic of Germany, the United Kingdom of Great Britain and Northern Ireland, the Republic of Ireland and the Republic of Austria, with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the *Loi relative aux prospectus pour valeurs mobilières* which implements Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 into Luxembourg law ("**Notification**"). Each Issuer may request the Commission to provide competent authorities in additional host Member States within the European Economic Area with a Notification.

See "Risk Factors" for a discussion of certain factors which should be considered by prospective investors in connection with an investment in any of the Notes. This Debt Issuance Programme Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

Arranger

Deutsche Bank

Dealers

**Commerzbank Corporates &
Markets**

Dresdner Kleinwort

JPMorgan

UBS Investment Bank

Deutsche Bank

Goldman Sachs International

Lehman Brothers

DZ BANK AG

UniCredit Group (HVB)

Merrill Lynch International

WestLB AG

This Prospectus has been filed with the CSSF and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and the website of each Issuer. This Prospectus replaces the Prospectus dated 28 April 2006 pertaining to the Programme.

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Responsibility Statement

Deutsche Telekom AG ("**Deutsche Telekom**", the "**Guarantor**" or the "**Company**") with its registered office in Bonn and Deutsche Telekom International Finance B.V. ("**Finance**") with its registered office in Amsterdam (each an "**Issuer**" and together the "**Issuers**") are solely responsible for the information given in this Prospectus,

provided that:

Finance is not responsible for the description of Deutsche Telekom.

Each Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Notice

This Prospectus should be read and construed in conjunction with any supplement thereto and with any document incorporated herein by reference (the **‘Reference Documents’**). Full information on each Issuer and any tranche of Notes (as hereinafter defined) is only available on the basis of the Prospectus as supplemented, together with the Reference Documents and the relevant final terms (the **‘Final Terms’**).

Each Issuer has confirmed to the dealers set forth on the cover page and any additional dealer appointed from time to time under the Programme (each a **‘Dealer’** and together the **‘Dealers’**) that this Prospectus contains all information with regard to the Issuers and the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder; that the information contained herein with respect to the Issuers and the Notes is accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which would make any statement, whether fact or opinion, in this Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

No person has been authorised to give any information which is not contained in or not consistent with this Prospectus or any other document entered into in relation to the Programme or any information supplied by any Issuer or such other information as in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuers, the Guarantor, the Dealers or any of them.

Neither the Arranger nor any Dealer nor any other person mentioned in this Prospectus, excluding the Issuers, is responsible for the information contained in this Prospectus or any supplement thereof, or any Final Terms or any other Reference Document, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

This Prospectus is valid for 12 months from the date of publication and this Prospectus and any supplement hereto as well as any Final Terms reflect the status as of their respective dates of issue. The delivery of this Prospectus as supplemented or any Final Terms and the offering, sale or delivery of any Notes may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial condition of each of the Issuers since such date or that any other information supplied in connection with the Programme is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Each of the Issuers has undertaken with the Dealers to supplement this Prospectus or publish a new Prospectus at any time after submission of the Prospectus for approval to the Commission if and when the information herein should become materially inaccurate or incomplete or in the event of any significant new factor, that is capable of affecting the assessment of the Notes by potential Investors.

The Notes will not be registered under the United States Securities Act of 1933, as amended, and will include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons, see **‘Selling Restrictions’**.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by the Issuers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Notes, see **‘Selling Restrictions’**.

This Prospectus is drawn up in the English language. The English version shall prevail over any part of this Prospectus translated into the German language except for the Terms and Conditions in respect of the issue of any Tranche (as hereinafter defined) of Notes under the Programme where the prevailing language will be specified in the applicable Final Terms. The Issuers accept responsibility for the information contained in this Prospectus and confirm that the non-binding translation of the Terms and Conditions, either in the German or English language, correctly and adequately reflects the respective binding language version.

The Notes issued under the Programme may be listed on the regulated market of the Luxembourg Stock Exchange - the Luxembourg Stock Exchange's **‘regulated market’** is a regulated market for the

purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.

This Prospectus may only be used for the purpose for which it has been published.

This Prospectus and any Final Terms must not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

In connection with the issue of any Tranche of Notes under the Programme, the Dealer(s) who is(are) specified in the relevant Final Terms as the stabilising manager(s) (or persons acting on its(their) behalf) may overallocate Notes (provided that in the case of any Tranche of Notes listed on a regulated market in the European Economic Area the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche of Notes) or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that such Dealer (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the relevant Tranche of Notes.

Such stabilising shall be in compliance with all applicable laws, regulations and rules.

All terms not otherwise defined in this Prospectus shall have the meaning as set out in the "Terms and Conditions" of the Notes.

Summary

*The following constitutes the summary (the “**Summary**”) of the essential characteristics and risks associated with the Issuer and the Notes to be issued under the Programme. This Summary does not purport to be complete and should be read as an introduction to this Prospectus. Any decision by an investor to invest in the Notes should be based on consideration of this Prospectus as a whole, as supplemented from time to time, including the Reference Documents, any supplements thereto and the relevant Final Terms. Where a claim relating to the information contained in this Prospectus, the Reference Documents, any supplement thereto and the relevant Final Terms is brought before a court, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating the Prospectus, the Reference Documents, any supplement thereto and the relevant Final Terms before the legal proceedings are initiated. Civil liability attaches to the Issuer who has tabled this Summary including any translation thereof, and applied for its notification, but only if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.*

Summary regarding the Notes

- Currencies:** Notes may be denominated in Euro as well as any other currency or unit of account as an Issuer and any Dealer may agree subject always to all applicable laws and regulations and requirements of the relevant central bank (or equivalent body).
- Denomination of Notes:** Notes will be issued in such denominations as indicated in the applicable Final Terms save that the minimum denomination of the Notes will be, if in Euro, Euro 1,000, if in any currency other than Euro, an amount in such other currency equal to or exceeding the equivalent of Euro 1,000 at the time of the issue of the Notes.
- Maturities:** Such maturities as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.
- Form of Notes:** The Notes may be issued in bearer form only.
- Fixed Rate Notes:** Fixed Rate Notes bear a fixed interest income throughout the entire term of the Notes. Notes for which the interest rate is fixed will be payable on such basis (as specified in the applicable Final Terms).
- Floating Rate Notes:** Floating Rate Notes bear a variable interest income. Notes for which the interest rate is variable will be payable on such basis as specified in the relevant Final Terms plus or minus a margin.
- The “**Agent**” (which expression shall in this context mean the Fiscal Agent or the Calculation Agent, as specified in the applicable Final Terms) will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (herein called the “**Interest Amount**”) payable on the Floating Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction detailed in the applicable Final Terms to each Specified Denomination, and rounding the resultant figure to the nearest smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.
- Interest Periods for Floating Rate Notes will be one, two, three, six or twelve months or such other period(s) as the relevant Issuer and the relevant Dealers may agree, as specified in the applicable Final Terms.
- Index-linked Notes:** Index Linked Notes may be issued as Index Linked Interest Notes only.

Index Linked Interest Notes:	Payments of interest in respect of Index Linked Interest Notes will be made by reference to a single index or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the relevant Issuer and the relevant Dealer (as indicated in the applicable Final Terms).
Other provisions in relation to Floating Rate Notes and Index-linked Interest Notes:	<p>Floating Rate Notes and Index-linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Index-linked Interest Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Dealers, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated as specified in the applicable Final Terms.</p>
Dual Currency Notes:	Dual Currency Notes are Notes where payment of principal and/or payment of interest can be made in different currencies. Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealers may agree (as indicated in the applicable Final Terms).
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their principal amount and will not bear interest other than in the case of late payment.
Other Notes:	Notes may be of any other type of security, such as Instalment Notes, Credit Linked Notes or may have any other structure all upon terms provided in the applicable Final Terms.
Redemption:	<p>The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (except for taxation reasons or upon the occurrence of an event of default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Holders upon giving notice within the notice period (if any) indicated in the applicable Final Terms to the Holders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity.</p> <p>Notes of the relevant Issuer in respect of which the issue proceeds are to be accepted in the United Kingdom will have a minimum redemption amount of £100,000 (or its equivalent in other currencies) and can only be issued to a limited class of professional investors, unless such Notes may not be redeemed until on or after the first anniversary of their date of issue.</p> <p>The redemption amount will be no more or less than 100 per cent. of the aggregate principal amount of the Notes.</p>
Taxation:	All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of the country where the relevant Issuer is resident or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction, subject to certain exceptions as described in the Terms and Conditions.

Early Redemption for Taxation Reasons:	Early redemption of the Notes for reasons of taxation will be permitted if as a result of any amendment to, or change in, the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations) of the Federal Republic of Germany or in case of Notes issued by Finance, The Netherlands, or any political subdivision or taxing authority thereto, the Issuer or in case of Notes issued by Finance, the Guarantor, will become obligated to pay additional amounts on the Notes, all as more fully set out in the Terms and Conditions.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in the Terms and Conditions of the Notes.
Acceleration Events and Cross Default:	<p>The Notes will provide for Acceleration Events entitling Holders to demand immediate redemption of the Notes, all as more fully set out in the Terms and Conditions.</p> <p>The terms of the Notes will contain a cross default provision of the relevant Issuer and the Guarantor as further described in the Terms and Conditions of the Notes.</p>
Status of the Notes:	The Notes will constitute unsecured and unsubordinated obligations of the relevant Issuer and rank <i>pari passu</i> without any preference among themselves and <i>pari passu</i> with all other unsecured and unsubordinated obligations of the relevant Issuer.
Guarantee:	Notes issued by Finance will be unconditionally and irrevocably guaranteed by the Guarantor. The terms of the Guarantee contain a negative pledge of the Guarantor. The Guarantee will be governed by German law.
Governing Law:	The Notes will be governed by German law.
Jurisdiction:	Non-exclusive place of jurisdiction for any legal proceedings arising under the Notes is Frankfurt am Main.
Clearance and Settlement:	Notes will be accepted for clearing through one or more Clearing Systems as specified in the applicable Final Terms. These systems will include those operated by Clearstream Banking AG, Frankfurt am Main (“ CBF ”), Clearstream Banking, société anonyme, Luxembourg (“ CBL ”) and Euroclear Bank S.A./N.V., as operator of the Euroclear system (“ Euroclear ”).

Summary in respect of Risk Factors

Risk Factors in respect of Deutsche Telekom

The risk related to Deutsche Telekom's ability to fulfill its obligations as Issuer of debt securities is described by reference to the ratings assigned to Deutsche Telekom. Deutsche Telekom is rated by Fitch (as defined herein), Moody's (as defined herein) and S&P (as defined herein).

As of the Publication Date, the ratings assigned to Deutsche Telekom by the Rating Agencies were as follows:

by Fitch:	long-term rating:	A-
	short-term rating:	F-1
by Moody's:	long-term rating:	A3
	short-term rating:	P-2
by S&P:	long-term rating:	A-
	short-term rating:	A-2

Notes issued under the Programme may have a different rating or no rating at all.

Deutsche Telekom's financial condition, results of operations, the trading prices of its securities or other financial data could be adversely affected by any of the following risks:

- An economic downturn, a substantial slowdown in economic growth or deterioration in consumer spending could adversely affect our customers' purchases of our products and services in each of our strategic business areas, which could have a negative impact on our operating results and financial condition.
- Because we operate in heavily regulated business environments, decisions that regulatory authorities impose on us restrict flexibility in managing our business and may force us to offer services to competitors, or reduce the prices we charge for our products and services, either of which could have a material negative impact on our revenues, profits and market shares.
- We face intense competition in all areas of our business, which could lead to reduced prices for our products and services and a decrease in market share in certain service areas, thereby having an adverse effect on our revenues and net profit.
- We may realize neither the expected level of demand for our products and services, nor the expected level or timing of revenues generated by those products and services, as a result of lack of market acceptance, technological change or delays from suppliers, which could adversely affect our cash flows.
- Failure to achieve our planned reduction and restructuring of personnel could negatively affect our financial objectives and profitability.
- Alleged health risks of wireless communications devices have led to litigation affecting T-Mobile, and could lead to decreased wireless communications usage or increased difficulty in obtaining sites for base stations and, thus, adversely affect the financial condition and results of operations of our mobile telecommunications services business.
- System failures due to natural or man-made disruptions could result in reduced user traffic and reduced revenues and could harm our reputation and results.
- Shortcomings in our supply and procurement process could negatively affect our product portfolio, revenues and profits.
- We are continuously involved in disputes and litigation with regulators, competitors and other parties. The ultimate outcome of such legal proceedings is generally uncertain. When finally concluded, they may have a material adverse effect on our results of operations and financial condition.
- Future sales of our shares by the Federal Republic or KfW Bankengruppe (KfW) may adversely affect the trading prices of our shares and American Depository Shares ("ADS").
- Exchange-rate and interest-rate risks have had, and may continue to have, an adverse effect

on our revenue development.

- Developments in the telecommunications sector have resulted, and may in the future result, in substantial write-downs of the carrying value of certain of our assets.

Risk Factors in respect of Finance

Payment of principal and interest on notes issued by Finance are guaranteed by Deutsche Telekom AG. Therefore the risks in respect of Finance substantially correspond with the ones of Deutsche Telekom.

Risk Factors in respect of the Notes

Currency Risk / Dual Currency Notes

A holder of a Note denominated in a foreign currency and a holder of Dual Currency Notes is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes.

Liquidity Risk

There can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices.

Risk of Early Redemption

If the Issuer has the right to redeem the Notes prior to maturity, a holder of such Notes is exposed to the risk that due to early redemption his investment will have a lower than expected yield.

Fixed Rate Notes

A holder of a Fixed Rate Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate.

Floating Rate Notes

A holder of a Floating Rate Note is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes.

Zero Coupon Notes

A holder of a Zero Coupon Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing notes with a similar maturity.

Index-linked Notes

A holder of Index-linked Notes is exposed to the risk of fluctuating interest rate levels which makes it impossible to determine the yield of Index-linked Notes in advance. The more volatile the relevant index is, the greater is the uncertainty in respect of interest income.

Structured Notes

An investment in Note(s) the premium and/or the interest on which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time.

Summary in respect of Deutsche Telekom

Information about the Company

Pursuant to the Second Postal Reform Law (*“Gesetz zur Neuordnung des Postwesens und der Telekommunikation”*), Deutsche Bundespost TELEKOM, a public law entity and the predecessor of Deutsche Telekom AG, was transformed into a German private law stock corporation, with effect from 1 January 1995. Deutsche Telekom is registered in the Commercial Register of Bonn under No. HRB 6794 and its legal and commercial name is Deutsche Telekom AG. The Second Postal Reform Law also provided the framework for the privatisation of the Company. In November 1996, Deutsche Telekom's capital was increased and the new shares were offered internationally to the general public. Due to a series of transfers of shares to Kreditanstalt für Wiederaufbau commencing in January 1998, a second capital increase in June 1999, a third public offering of shares in June 2000 and a fourth capital increase in May 2001, now approximately 68% of the current share capital is held by institutional and private investors.

Deutsche Telekom is the parent company of Deutsche Telekom group which is a full-service telecommunications group whose major lines of business include providing public fixed-network voice telephony, mobile communications services, leased lines, text and data services, on-line services, corporate network design and supply, and network management services within the German market and in certain international markets.

Its registered office is at Friedrich-Ebert-Allee 140, D-53113 Bonn, Germany.

Principal activities

The telecommunications industry is marked by changes in technology and a dynamic competitive environment. In order to put its business model on a sustainable footing for the long term, Deutsche Telekom is implementing a paradigm change - from a technology corporation into a customer-centric service provider. In an effort to become the leading service provider in the industry and the fastest-growing telecommunications company in Europe, Deutsche Telekom has been focusing on three strategic business areas since the beginning of 2005:

- Broadband/Fixed Network handled by the T-Com and T-Online business units for the consumer and carrier segment as well as technical infrastructure;
- Mobile Communications handled by T-Mobile;
- Business Customers handled by T-Systems.

The primary markets of Deutsche Telekom are Western Europe, in particular Germany, Eastern Europe and the United States of America.

Selected Financial Information

Deutsche Telekom at a Glance

Financial data of the Group

billions of €	Change compared to prior year (%) ^a	2006	2005	2004
Revenue and earnings				
Net revenue	2.9	61.3	59.6	57.3
Of which: domestic (%)	(4.5)	52.9	57.4	60.6
Of which: international (%)	4.5	47.1	42.6	39.4
Profit from operations (EBIT)	(30.6)	5.3	7.6	6.3
Net profit ^b	(43.3)	3.2	5.6	1.6
Net profit (adjusted for special factors) ^b	(17.4)	3.9	4.7	3.7
EBITDA ^{a, c, d}	(18.9)	16.3	20.1	19.4
EBITDA (adjusted for special factors) ^{a, c, d}	(6.2)	19.4	20.7	19.6
EBITDA margin (adjusted for special factors) (%) ^a	(3.1)	31.7	34.8	34.2

Balance sheet				
Total assets ^e	1.3	130.2	128.5	125.5
Shareholder's equity ^f	2.2	49.7	48.6	45.5
Equity ratio (%) ^{a, e, t}	0.3	35.8	35.5	34.2
Financial liabilities (in accordance with consolidated balance sheet)	(0.5)	46.5	46.7	51.1
Net debt ^{a, d}	2.4	39.6	38.6	39.9
Additions to intangible assets (including goodwill) and property, plant and equipment	20.9	13.4	11.1	6.6
Cash flows				
Net cash from operating activities	(5.4)	14.2	15.0	16.7
Cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment (in accordance with cash flow statement) ^d	(18.6)	(8.5) ⁿ	(7.2) ⁿ	(6.4)
Free cash flow (before dividend payments) ^{f, d}	(27.3)	5.7 ⁿ	7.8 ⁿ	10.3
Free cash flow as a percentage of revenue ^a	(3.9)	9.3 ⁿ	13.1 ⁿ	18.0
Net cash used in investing activities	(4.2)	(14.3)	(10.1)	(4.5)
Net cash used in financing activities	74.4	(2.1)	(8.0)	(12.9)
Employees				
Average number of employees (full-time equivalents without trainees/student interns) (thousands)	1.8	248	244	248
Revenue per employee (thousands of €) ^g	1.1	246.9	244.3	231.5

T-Share - key figures				
Earnings per share/ADS (basic and diluted) in accordance with IFRS (€) ^{b, g}	(43.5)	0.74	1.31	0.39
Weighted average number of ordinary shares outstanding (basic) (millions) ^{g, h}	0.4	4,353	4,335	4,323
Weighted average number of ordinary shares outstanding (diluted) (millions) ^{g, h}	0.4	4,354	4,338	4,328
Dividend per share/ADS (€)	(0.0)	0.72 ^l	0.72	0.62
Dividend yield (%) ^j	(0.1)	5.2	5.1	3.7
Total dividend (billions of €)	(4.0)	3.1 ^l	3.0	2.6
Number of ordinary shares carrying dividend rights (millions) ^k	4.0	4,338 ^l	4,173	4,171
Total number of ordinary shares at the reporting date (millions) ^m	3.9	4,361	4,198	4,198

^a Calculated on the basis of millions for the purpose of greater precision. Changes to percentages expressed as percentage points.

^b Adjusted prior-year comparatives. Adoption of IAS19.93A. Non-recurrence of amortization of actuarial losses, including taxes: 2005: EUR 7 million; 2004: EUR 1 million. Please also refer to explanations under Note 29 in the notes to the consolidated financial statements.

^c Deutsche Telekom defines EBITDA as profit/loss from operations before depreciation, amortization and impairment losses.

^d EBITDA, EBITDA adjusted for special factors, net debt, and free cash flow are non-GAAP figures not governed by the International Financial Reporting Standards (IFRS) or U.S. Generally Accepted Accounting Principles (U.S. GAAP). They should not be viewed in isolation as an alternative to profit or loss from operations, net profit or loss, net cash from operating activities, the debt reported in the consolidated balance sheet, or other Deutsche Telekom key performance indicators presented in accordance with IFRS or U.S. GAAP. For detailed information and calculations, please refer to the "Development of business" section of the Group management report in this Annual Report.

^e Adjusted prior-year comparatives. Adoption of IAS 19.93A. Recognition of actuarial losses in equity, including deferred taxes on these losses: 2005: EUR 1.0 billion; 2004: EUR 0.3 billion. Please also refer to explanations under Note 29 in the notes to the consolidated financial statements.

^f Based on shareholder's equity excluding amounts earmarked for dividend payment, which are treated as short-term debt.

^g Calculation of basic and diluted earnings per share in accordance with IFRS as specified in IAS 33, "Earnings per share." The share/ADS ratio is 1:1.

^h Less treasury shares held by Deutsche Telekom AG.

ⁱ Subject to approval by the shareholder's meeting. For more detailed explanations, please refer to the "Development of business" section of the Group management report or the information under Note 13 in the notes to the consolidated financial statements in this Annual Report.

^j (Proposed) dividend per share divided by the Xetra closing price of the T-Share at the reporting date or on the last trading day of the respective financial year.

^k Less treasury shares held by Deutsche Telekom AG and those shares that, as part of the issue of new shares in the course of the acquisition of Voicestream/Powertel, are held in trust for later issue and later trading as registered shares and/or American depositary shares (ADSs).

^l Balance at the reporting date.

^m Including treasury shares held by Deutsche Telekom AG.

ⁿ Before payments for the acquisition of network infrastructure and licenses in the United States totaling EUR 2.1 billion in 2005 and payments for the acquisition of licenses totaling EUR 3.3 billion in 2006.

The consolidated financial statements of Deutsche Telekom for the 2005 and 2006 financial years have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), as well as with the regulations under commercial law as set forth in § 315a(1) HGB (*Handelsgesetzbuch* - German Commercial Code).

Share Capital

As of 1 February 2007 the share capital of Deutsche Telekom amounted to €11,164,609,420.80 divided into 4,361,175,555 registered ordinary shares without par value (*Stückaktien*). All shares have been issued and are fully paid. Deutsche Telekom held approximately 0.04% of its total ordinary shares.

Summary in respect of Finance

Finance was incorporated on 30 October 1995 under the laws of the Netherlands as a private company with limited liability for an unlimited duration. Finance is a 100% subsidiary of Deutsche Telekom AG. Finance has its corporate seat in Amsterdam and is registered with the Trade Register in Amsterdam under number 33274743. Its address is World Trade Center, Strawinskylaan 1243, -1077 XX Amsterdam, The Netherlands.

Finance is the finance organisation of the Deutsche Telekom Group. Finance issues various notes at the capital market.

Selected Financial Information

The selected unconsolidated financial information under Dutch GAAP as of and for the year ended 31 December 2005 has been audited by PricewaterhouseCoopers Accountants N.V. The selected unconsolidated financial information under Dutch GAAP as of and for the year ended 31 December 2006 has been audited by Ernst & Young Accountants. In each case an unqualified auditor's report has been provided.

Financial Statement

Financial Statements of Deutsche Telekom International Finance B.V.

(before appropriation of results)

Unconsolidated Balance Sheets

	<u>31 December 2006</u>		<u>31 December 2005</u>	
	EUR '000	EUR '000	EUR '000	EUR '000
<i>Assets</i>				
Fixed assets				
Tangible fixed assets	14		21	
Financial fixed assets	<u>32,753,609</u>		<u>29,480,214</u>	
		32,753,623		29,480,235
Current assets				
Receivables and other current assets	4,663,499		8,387,447	
Cash at banks and in hand	<u>0</u>		<u>0</u>	
		<u>4,663,499</u>		<u>8,387,447</u>
		<u>37,417,122</u>		<u>37,867,682</u>
 <i>Shareholder's equity and liabilities</i>				
Shareholder's equity				
Issued share capital and other reserves	2,000		2,000	
Result current year	<u>10,824</u>		<u>10,696</u>	
		12,824		12,696
Long-term liabilities		32,552,960		29,548,269

German Translation of the Summary

Die nachfolgenden Ausführungen stellen eine Zusammenfassung (**Zusammenfassung**) der wesentlichen Merkmale und Risiken, die auf die Emittentin und die unter dem Programm zu begebenden Schuldverschreibungen zutreffen, dar. Diese Zusammenfassung erhebt keinen Anspruch auf Vollständigkeit und soll als Einleitung zu diesem Prospekt verstanden und gelesen werden. Jede Entscheidung eines Anlegers zu einer Investition in die Schuldverschreibungen sollte sich auf die Prüfung des gesamten Prospektes wie von Zeit zu Zeit geändert oder ergänzt, einschließlich der durch Verweis einbezogenen Dokumente, etwaiger Nachträge und der jeweiligen Endgültigen Bedingungen stützen. Für den Fall, dass ein als Kläger auftretender Anleger vor einem Gericht Ansprüche aufgrund der in diesem Prospekt, einschließlich der durch Verweis einbezogenen Dokumente, etwaigen Nachträgen und der in den jeweiligen Endgültigen Bedingungen enthaltenen Angaben geltend macht, kann dieser Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften die Kosten für die Übersetzung dieses Prospektes, der durch Verweis einbezogenen Dokumente, etwaiger Nachträge und der jeweiligen Endgültigen Bedingungen vor Prozessbeginn zu tragen haben. Die Emittentin, die die Zusammenfassung einschließlich einer Übersetzung davon vorlegt und deren Notifizierung beantragt hat, kann haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospektes gelesen wird.

Zusammenfassung in Bezug auf die Schuldverschreibungen

Währungen:	Vorbehaltlich der Einhaltung aller anwendbaren gesetzlichen oder behördlichen Beschränkungen sowie der Vorschriften der betreffenden Zentralbank (oder einer entsprechenden Behörde) können die Schuldverschreibungen in Euro oder anderen zwischen einer Emittentin und dem/den Plazeur(en) jeweils vereinbarten Währungen oder Recheneinheiten begeben werden.
Stückelung der Schuldverschreibungen:	Die Schuldverschreibungen werden in den Stückelungen begeben, wie in den maßgeblichen Endgültigen Bedingungen angegeben, mit der Maßgabe, dass die Mindeststückelung der auf Euro lautenden Schuldverschreibungen Euro 1.000 betragen wird, bzw., falls die Schuldverschreibungen auf eine andere Währung lauten, einen Betrag in dieser anderen Währung, der zur Zeit der Begebung der Schuldverschreibungen dem Gegenwert von Euro 1.000 entspricht oder diesen übersteigt.
Laufzeiten:	Die Laufzeiten, die in den maßgeblichen Endgültigen Bedingungen angegeben werden, allerdings vorbehaltlich der Mindest- oder Höchstlaufzeiten, die jeweils seitens der betreffenden Zentralbank, Währungs- oder sonstiger Aufsichtsbehörden oder gemäß den für die Relevante Währung geltenden Gesetzen und Vorschriften zulässig oder erforderlich sind.
Form der Schuldverschreibungen:	Die Schuldverschreibungen können ausschliesslich als Inhaberpapiere begeben werden.
Festverzinsliche Schuldverschreibungen:	Festverzinsliche Schuldverschreibungen verbriefen einen festen Zinsertrag über die gesamte Laufzeit der Schuldverschreibungen. Ein Festzins wird auf dieser Basis gezahlt und in den Endgültigen Bedingungen angegeben.
Variabel verzinsliche Schuldverschreibungen:	Variabel verzinsliche Schuldverschreibungen verbriefen einen variablen Zinsertrag, der die Basis für die Verzinsung dieser Schuldverschreibungen darstellt und in den anwendbaren Endgültigen Bedingungen angegeben ist.

Der „**Beauftragte**“ (in diesem Zusammenhang bezeichnet dieser Begriff die Emissionsstelle oder die Berechnungsstelle, wie in den maßgeblichen Endgültigen Bedingungen angegeben) wird zu jedem Zeitpunkt (bzw. baldmöglichst danach), zu dem der Zinssatz festzulegen ist, den Zinssatz bestimmen und den Zinsbetrag errechnen (nachstehend der „**Zinsbetrag**“), der auf die variabel verzinslichen Schuldverschreibungen für jede festgelegte Stückelung für die betreffende Zinsperiode fällig ist. Jeder Zinsbetrag wird auf Basis des Zinssatzes und des Zinstagequotienten berechnet, die in den maßgeblichen Endgültigen Bedingungen für jede festgelegte Stückelung angegeben sind; das Ergebnis wird auf die nächste kleinste Einheit der festgelegten Währung gerundet, wobei 0,5 einer solchen Einheit aufgerundet wird.

Die Zinsperioden für variabel verzinsliche Schuldverschreibungen umfassen einen, zwei, drei, sechs oder zwölf Monate bzw. einen oder mehrere andere zwischen der betreffenden Emittentin und dem/den betreffenden Platzeur(en) vereinbarte Zeiträume (wie in den Endgültigen Bedingungen festgelegt).

Indexierte Schuldverschreibungen:

Indexierte Schuldverschreibungen können nur als Schuldverschreibungen mit indexabhängiger Verzinsung begeben werden.

Schuldverschreibungen mit indexabhängiger Verzinsung:

Zinszahlungen auf Schuldverschreibungen mit indexabhängiger Verzinsung erfolgen auf Basis eines einzelnen Indizes oder anderer Faktoren (einschließlich Kurs- bzw. Preisänderungen von Wertpapieren und Waren oder Wechselkursbewegungen) und/oder auf Basis einer von der betreffenden Emittentin und dem betreffenden Platzeur festgelegten Formel (wie in den maßgeblichen Endgültigen Bedingungen angegeben).

Andere für variabel verzinsliche Schuldverschreibungen und Schuldverschreibungen mit indexabhängiger Verzinsung geltende Bestimmungen:

Für Variabel verzinsliche Schuldverschreibungen und Schuldverschreibungen mit indexabhängiger Verzinsung kann ein Höchstzinssatz, ein Mindestzinssatz oder beides festgelegt sein. Zinsen auf Variabel verzinsliche Schuldverschreibungen und Schuldverschreibungen mit indexabhängiger Verzinsung sind in Bezug auf jede vor Ausgabe der Schuldverschreibungen jeweils zwischen der betreffenden Emittentin und dem/den betreffenden Platzeur(en) bestimmten Zinsperiode an den Zinszahlungstagen fällig, die in den maßgeblichen Endgültigen Bedingungen angegeben oder gemäß diesen Bedingungen bestimmt werden, und gemäß den maßgeblichen Endgültigen Bedingungen zu berechnen.

Doppelwährungs-Schuldverschreibungen:

Doppelwährungs-Schuldverschreibungen sind Schuldverschreibungen, bei denen die Kapitalzahlung und/oder die Zinszahlung in unterschiedlichen Währungen erfolgen kann. Zahlungen (von Zinsen oder Kapital, sei es zum Rückzahlungstag oder zu einem anderen Zeitpunkt) auf Doppelwährungs-Schuldverschreibungen erfolgen in den Währungen und auf der Grundlage der Wechselkurse, die zwischen der betreffenden Emittentin und dem(n) betreffenden Platzeur(en) vereinbart werden (wie in den anwendbaren Endgültigen Bedingungen angegeben).

Nullkupon-Schuldverschreibungen:

Nullkupon-Schuldverschreibungen werden mit einem Abschlag auf ihren Kapitalbetrag angeboten und verkauft und nicht verzinst (außer im Falle von Zahlungsverzug).

Andere Arten von Schuldverschreibungen:

Schuldverschreibungen können in anderer Form begeben werden, wie Raten-Schuldverschreibungen, Kredit-gebundene Schuldverschreibungen oder mit anderen Strukturen, jeweils wie in den maßgeblichen Endgültigen Bedingungen angegeben.

Rückzahlung:

In den maßgeblichen Endgültigen Bedingungen ist entweder festgelegt, dass die Schuldverschreibungen vor Ablauf ihrer festgelegten Laufzeit nicht rückzahlbar sind (es sein denn aus steuerlichen Gründen, bzw. bei Eintritt eines Kündigungsereignisses), oder dass die Schuldverschreibungen nach Wahl der betreffenden Emittentin und/oder der Gläubiger unter Einhaltung einer in den Endgültigen Bedingungen gegebenenfalls festgelegten Frist gegenüber den Gläubigern bzw. der betreffenden Emittentin kündbar (rückzahlbar) sind, und zwar zu (einem) festgelegten Zeitpunkt(en) vor der angegebenen Fälligkeit.

Schuldverschreibungen, deren Emissionserlös von der betreffenden Emittentin im Vereinigten Königreich empfangen werden soll, und die innerhalb von einem Jahr nach ihrem Begebungstag zurückgezahlt werden sollen, werden (a) einen Rückzahlungsbetrag von nicht weniger als £100.000 (oder dessen Gegenwert in einer anderen Währung als Pfund Sterling) vorsehen und (b) vorsehen, dass solche Schuldverschreibungen nur an einen bestimmten Kreis professioneller Investoren übertragen werden dürfen, es sei denn, der Rückzahlungsbetrag dieses Teils beträgt nicht weniger als £100.000 (oder dessen Gegenwert).

Der Rückzahlungsbetrag wird nicht weniger und nicht mehr als 100% des Gesamtnennbetrages der Schuldverschreibungen betragen.

Besteuerung:

Sämtliche auf die Schuldverschreibungen zahlbaren Beträge an Kapital und Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in dem Land, in dem die betreffende Emittentin ihren Sitz hat, oder für dessen Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde in Form der Quellenbesteuerung auferlegt oder erhoben werden (Quellensteuern), es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die betreffende Emittentin oder die Garantin diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die den Gläubigern der Schuldverschreibungen zufließenden Nettobeträge nach Einbehalt oder Abzug dieser Quellensteuern denjenigen Beträgen an Kapital und Zinsen entsprechen, die die Gläubiger der Schuldverschreibungen ohne einen solchen Abzug oder Einbehalt erhalten würden; dies gilt vorbehaltlich bestimmter in den Emissionsbedingungen der Schuldverschreibungen genannter Ausnahmen.

Vorzeitige Rückzahlung aus Steuergründen:

Die vorzeitige Rückzahlung der Schuldverschreibungen aus steuerlichen Gründen ist zulässig, falls als Folge einer Änderung oder Ergänzung der Gesetze oder Vorschriften in der Bundesrepublik Deutschland, bzw. im Falle der von Finance begebenen Schuldverschreibungen in den Niederlanden (einschließlich einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze oder Vorschriften) die Emittentin, bzw. im Falle der von Finance begebenen Schuldverschreibungen die Garantin, zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen verpflichtet ist, wie im Einzelnen in den Emissionsbedingungen der Schuldverschreibungen beschrieben.

Negativverpflichtung:

Die Bedingungen der Schuldverschreibungen enthalten eine Negativverpflichtung wie in den Emissionsbedingungen beschrieben.

Kündigungsgründe und Cross Default:	Die Schuldverschreibungen sehen Kündigungsgründe vor, die die Gläubiger berechtigen, die sofortige Rückzahlung der Schuldverschreibungen, wie in den Emissionsbedingungen der Schuldverschreibungen beschrieben, zu verlangen. Die Emissionsbedingungen der Schuldverschreibungen sehen eine Cross Default-Klausel der betreffenden Emittentin und der Garantin wie in den Emissionsbedingungen beschrieben vor.
Status der Schuldverschreibungen:	Die Schuldverschreibungen bilden ungesicherte nicht nachrangige Verbindlichkeiten der betreffenden Emittentin, die untereinander und mit allen anderen gegenwärtigen und künftigen, ungesicherten und nicht nachrangigen Verbindlichkeiten der betreffenden Emittentin gleichrangig sind.
Garantie:	Die von Finance begebenen Schuldverschreibungen sind unbedingt und unwiderruflich von der Garantin garantiert. Die Bedingungen der Garantie enthalten eine Negativverpflichtung der Garantin. Die Garantie unterliegt deutschem Recht.
Gerichtsstand:	Nicht ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit den Schuldverschreibungen ist Frankfurt am Main.
Geltendes Recht:	Die Schuldverschreibungen unterliegen deutschem Recht.
Clearing und Abwicklung:	Die Schuldverschreibungen sind für das Clearing durch eines oder mehrere Clearing Systeme akzeptiert wie in den anwendbaren Endgültigen Bedingungen angegeben. Diese Systeme schliessen Clearstream Banking AG, Frankfurt am Main, („CBF“), Clearstream Banking, société anonyme, Luxembourg, („CBL“) und Euroclear Bank S.A./N.V., als Betreiberin des Euroclear Systems („Euroclear“) ein.

Zusammenfassung der Risikofaktoren

Zusammenfassung der Risikofaktoren in Bezug auf Deutsche Telekom

Die Risiken in Bezug auf Deutsche Telekom's Fähigkeit, ihre Verpflichtungen als Emittentin von Schuldverschreibungen zu erfüllen, sind unter Bezugnahme auf die der Deutschen Telekom erteilten Ratings beschrieben. Deutsche Telekom wurde von Fitch (wie hier definiert), Moody's (wie hier definiert) und S&P (wie hier definiert) gerated.

Zum Veröffentlichungstag waren folgende Ratings von den Ratingagenturen erteilt:

von Fitch:	Langfrist-Rating:	A-
	Kurzfrist-Rating:	F-1
von Moody's:	Langfrist-Rating:	A3
	Kurzfrist-Rating:	P-2
von S&P:	Langfrist-Rating:	A-
	Kurzfrist-Rating:	A-2

Unter dem Programm begebene Schuldverschreibungen können ein anderes oder gar kein Rating haben.

Deutsche Telekom's Finanzlage, Geschäftsergebnisse, Kurse ihrer Wertpapiere oder andere Finanzkennzahlen können aufgrund der folgenden Risiken negativ beeinflusst werden:

- Ein wirtschaftlicher Abschwung, eine substanzielle Verlangsamung des Wirtschaftswachstums oder ein Rückgang der Konsumausgaben können sich nachteilig auf die Käufe von Produkten und Dienstleistungen durch den Kunden der Deutschen Telekom auswirken, die einen negativen Einfluss auf das operative Ergebnis und die Finanzlage aller Strategischen Geschäftsfelder der Deutschen Telekom haben könnten.
- Da die Deutsche Telekom in einem streng regulierten Geschäftsumfeld tätig ist, können Entscheidungen von Regulierungsbehörden der Deutschen Telekom wesentliche Beschränkungen hinsichtlich der Flexibilität der Geschäftsführung auferlegen, können die Deutsche Telekom dazu zwingen, ihre Dienstleistungen Wettbewerbern anzubieten oder ihre Preise für Produkte und Dienstleistungen zu senken, was beides einen wesentlichen negativen Einfluss auf die Umsätze, Gewinn und Marktanteile haben könnte.
- Die Deutsche Telekom ist starkem Wettbewerb in allen Geschäftsfeldern ausgesetzt, was zu niedrigen Preisen für Produkte und Dienstleistungen der Deutschen Telekom und zu einem Rückgang des Marktanteils in bestimmten Dienstleistungsbereichen führen könnte und damit einen nachteiligen Einfluss auf die Umsätze und den Nettogewinn der Deutschen Telekom haben könnte.
- Die Deutsche Telekom könnte weder die erwartete Nachfrage nach seinen Produkten und Dienstleistungen noch das erwartete Niveau oder den Zeitpunkt der Erzielung von Umsatzerlösen durch diese Produkte und Dienstleistungen aufgrund nicht vorhandener Marktakzeptanz, Veränderung der Technologie oder Verzögerung durch Lieferanten erreichen, was einen nachteiligen Einfluss auf die Cash flows haben könnte.
- Sollte die Deutsche Telekom die geplanten Reduzierungen und Restrukturierungen hinsichtlich des Personalbestandes nicht erreichen, könnte dies negative Auswirkungen auf die finanziellen Ziele und die Profitabilität der Deutschen Telekom haben.
- Angebliche Gesundheitsrisiken mobiler Kommunikationsgeräte führten zu Rechtsstreitigkeiten, die T-Mobile betreffen und könnten zu einer verminderten Nutzung mobiler Kommunikationsgeräte oder zu zunehmenden Schwierigkeiten beim Finden von Grundstücken für Basisstationen führen und dadurch die Finanzlage und die Geschäftsergebnisse des Mobilfunk-Geschäftes der Deutschen Telekom nachteilig beeinflussen.

- Systemausfälle aufgrund natürlicher oder durch Menschen verursachter Störungen könnten eine Verminderung der Nutzung und einen Rückgang der Umsätze zur Folge haben sowie die Reputation und die Resultate der Deutschen Telekom beeinträchtigen.
- Mängel im Zulieferungs- und Einkaufsprozess der Deutschen Telekom könnten einen negativen Einfluss auf das Produkt-Portfolio, die Umsätze und den Gewinn der Deutschen Telekom haben.
- Die Deutsche Telekom ist ständig in Kontroversen und Rechtsstreitigkeiten mit Regulierer, Wettbewerbern und anderen Parteien involviert. Der tatsächliche Ausgang solcher Rechtsstreitigkeiten ist generell ungewiss. Ein endgültiger Abschluss könnte wesentliche nachteilige Auswirkungen auf die Geschäftsergebnisse und die Finanzlage der Deutschen Telekom haben.
- Zukünftige Verkäufe von Aktien der Deutschen Telekom durch die Bundesrepublik Deutschland oder die KfW Bankengruppe (KfW) könnten die Kurse der Wertpapiere der Deutschen Telekom nachteilig beeinflussen.
- Wechselkurs- und Zinsänderungsrisiken hatten bisher und könnten weiterhin einen negativen Einfluss auf die Entwicklung der Umsätze der Deutschen Telekom haben.
- Entwicklungen im Telekommunikationssektor resultierten in der Vergangenheit und könnten auch zukünftig in umfangreichen Abschreibungen des Zeitwertes bestimmter Vermögensgegenstände resultieren.

Zusammenfassung der Risikofaktoren in Bezug auf Finance

Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen, die von Finance begeben wurden, sind von der Deutschen Telekom garantiert. Deshalb korrespondieren die Risiken der Finance substantziell mit denen der Deutschen Telekom. Da Finance eine 100% ige Tochtergesellschaft der Deutschen Telekom AG ist, sind die Risiken auf das Eigenkapital begrenzt, das zum Datum dieses Prospektes Euro 2.000.000 beträgt.

Zusammenfassung der Risikofaktoren in Bezug auf die Schuldverschreibungen

Währungsrisiko/Doppelwährungs-Schuldverschreibungen

Der Gläubiger von Schuldverschreibungen, die auf eine fremde Währung lauten und der Gläubiger von Doppelwährungs-Schuldverschreibungen ist dem Risiko von Wechselkursschwankungen ausgesetzt, welche die Rendite solcher Schuldverschreibungen beeinflussen können.

Liquiditätsrisiko

Es besteht keine Gewissheit, dass ein liquider Sekundärmarkt für Schuldverschreibungen entstehen wird, oder sofern er entsteht, dass er fortbestehen wird. In einem illiquiden Markt könnte es sein, dass ein Anleger seine Schuldverschreibungen nicht jederzeit zu angemessenen Marktpreisen veräußern kann.

Risiko der Vorzeitigen Rückzahlung

Sofern der Emittentin das Recht eingeräumt wird, die Schuldverschreibungen vor Fälligkeit zurückzuzahlen, ist der Gläubiger solcher Schuldverschreibungen dem Risiko ausgesetzt, dass infolge der vorzeitigen Rückzahlung seine Kapitalanlage eine geringere Rendite als erwartet aufweisen wird.

Festverzinsliche Schuldverschreibungen

Der Gläubiger von festverzinslichen Schuldverschreibungen ist dem Risiko ausgesetzt, dass der Kurs einer solchen Schuldverschreibung infolge von Veränderungen des aktuellen Marktzinssatzes fällt.

Variabel verzinsliche Schuldverschreibungen

Der Gläubiger von variabel verzinslichen Schuldverschreibungen ist dem Risiko eines schwankenden Zinsniveaus und ungewisser Zinserträge ausgesetzt. Ein schwankendes Zinsniveau macht es unmöglich, die Rendite von variabel verzinslichen Schuldverschreibungen im voraus zu bestimmen.

Nullkupon-Schuldverschreibungen

Der Gläubiger von Nullkupon-Schuldverschreibungen ist dem Risiko ausgesetzt, dass der Kurs einer solchen Schuldverschreibung infolge von Veränderungen des Marktzinssatzes fällt. Kurse von Nullkupon-Schuldverschreibungen sind volatil als Kurse von festverzinslichen

Schuldverschreibungen und reagieren in höherem Maße auf Veränderungen des Marktzinssatzes als verzinsliche Schuldverschreibungen mit einer ähnlichen Laufzeit.

Indexierte Schuldverschreibungen

Der Gläubiger von indexierten Schuldverschreibungen ist dem Risiko eines schwankenden Zinsniveaus ausgesetzt, so dass es unmöglich ist, die Rendite indexierter Schuldverschreibungen im Voraus zu bestimmen. Je volatil der betreffende Index ist, desto größer ist die Ungewissheit in bezug auf den Zinsertrag.

Strukturierte Schuldverschreibungen

Eine Kapitalanlage in Schuldverschreibungen, bei denen der Aufschlag und/oder der Zins unter Bezugnahme einer oder mehrerer Währungen, Rohstoffe, Zinssätze oder anderer Indizes oder Formeln, entweder unmittelbar oder umgekehrt, bestimmt wird, kann bedeutsame Risiken mit sich bringen, die nicht mit ähnlichen Kapitalanlagen in einen herkömmlichen Schuldtitel verbunden sind, einschließlich des Risikos, dass der resultierende Zinssatz geringer sein wird als der zur gleichen Zeit auf einen herkömmlichen Schuldtitel zahlbare Zinssatz.

Zusammenfassung in Bezug auf Deutsche Telekom

Informationen über die Gesellschaft

Gemäß des Zweiten Gesetzes zur Neuordnung des Postwesens und der Telekommunikation wurde die Deutsche Bundespost TELEKOM, eine Anstalt öffentlichen Rechts und der Vorgänger der Deutsche Telekom AG, zum 1. Januar 1995 in eine privatrechtliche deutsche Aktiengesellschaft umgewandelt. Die Deutsche Telekom ist im Handelsregister in Bonn unter der Nummer HRB 6794 eingetragen und ihr rechtlicher Name und der Firmenname ist Deutsche Telekom AG. Das Zweite Gesetz zur Neuordnung des Postwesens und der Telekommunikation stellte auch den Rahmen für die Privatisierung der Gesellschaft dar. Im November 1996 wurde das Kapital der Deutschen Telekom erhöht und neue Aktien international öffentlich angeboten. Aufgrund einer Reihe von Übertragungen von Aktien an die Kreditanstalt für Wiederaufbau beginnend im Jahr 1998, einer zweiten Kapitalerhöhung im Juni 1999, eines dritten öffentlichen Angebots von Aktien im Juni 2000 und einer vierten Kapitalerhöhung im Mai 2001, wird jetzt ca. 68% des derzeitigen Aktienkapitals von institutionellen und privaten Investoren gehalten.

Die Deutsche Telekom ist die Muttergesellschaft des Deutsche Telekom Konzerns, die eine *full-service* Telekommunikationsgruppe ist, deren Hauptgeschäftsfelder die Bereitstellung öffentlicher Festnetz-Sprach-Telefonie, mobile Kommunikations-Dienstleistungen, Mietleitungen, Text- und Datendienste, Onlinedienste, Unternehmensnetzwerk-Gestaltung und Bereitstellung und Netzwerkmanagementdienste innerhalb des deutschen und in bestimmten internationalen Märkten einschließen.

Ihre eingetragene Geschäftsstelle ist Friedrich-Ebert-Allee 140, D-53113 Bonn, Bundesrepublik Deutschland.

Hauptaktivitäten

Die Telekommunikations-Industrie ist gekennzeichnet durch technologische Veränderungen und ein dynamisches Wettbewerbsumfeld. Um ihr Geschäftsmodell langfristig auf eine tragende Basis zu stellen, führt die Deutsche Telekom einen Paradigmenwechsel - von einem Technologieunternehmen zu einem kundenorientierten Dienstleister durch. Um zum führenden Dienstleister in der Branche und zum am schnellsten wachsenden Telekommunikationsunternehmen in Europa zu werden, konzentriert sich die Deutsche Telekom seit Beginn 2005 auf drei strategische Geschäftsfelder

- Breitband/Festnetz - bedient durch die T-Com und T-Online-Geschäftseinheiten für das Kunden- und Leitungssegment sowie die technische Infrastruktur;
- Mobile Kommunikation - bedient durch T-Mobile;
- Geschäftskunden - bedient durch T-Systems.

Die Hauptmärkte der Deutschen Telekom sind West-Europa, insbesondere Deutschland, Ost-Europa sowie die Vereinigten Staaten von Amerika.

Ausgewählte Finanzinformationen

Deutsche Telekom auf einen Blick

Die Finanzdaten des Konzerns

in Mrd. €	Veränderung zum Vorjahr in % ^a	2006	2005	2004
Umsatz und Ergebnis				
Umsatzerlöse	2,9	61,3	59,6	57,3
davon: Inlandsanteil (in %)	(4,5)	52,9	57,4	60,6
davon: Auslandsanteil (in %)	4,5	47,1	42,6	39,4
Betriebsergebnis (EBIT)	(30,6)	5,3	7,6	6,3
Konzernüberschuss/(-fehlbetrag) ^b	(43,3)	3,2	5,6	1,6
Konzernüberschuss/(-fehlbetrag) (bereinigt um Sondereinflüsse) ^b	(17,4)	3,9	4,7	3,7
EBITDA ^{a, c, d}	(18,9)	16,3	20,1	19,4
EBITDA (bereinigt um Sondereinflüsse) ^{a, c, d}	(6,2)	19,4	20,7	19,6
EBITDA-Marge (bereinigt um Sondereinflüsse) (in %) ^a	(3,1)	31,7	34,8	34,2
Bilanz				
Bilanzsumme ^e	1,3	130,2	128,5	125,5
Eigenkapital ^f	2,2	49,7	48,6	45,5
Eigenkapitalquote (in %) ^{a, e, f}	0,3	35,8	35,5	34,2
Finanzielle Verbindlichkeiten (gemäß Konzern-Bilanz)	(0,5)	46,5	46,7	51,1
Netto-Finanzverbindlichkeiten ^{a, d}	2,4	39,6	38,6	39,9
Anlagenzugänge zu Immateriellen Vermögenswerten (einschließlich Goodwill) und Sachanlagen	20,9	13,4	11,1	6,6
Cash-Flow				
Cash-Flow aus Geschäftstätigkeit	(5,4)	14,2	15,0	16,7
Auszahlungen für Investitionen in Immaterielle Vermögenswerte (ohne Goodwill) und Sachanlagen (gemäß Kapitalflussrechnung) ^d	(18,6)	(8,5) ⁿ	(7,2) ⁿ	(6,4)
Free Cash-Flow (vor Ausschüttung) ^{a, d}	(27,3)	5,7 ⁿ	7,8 ⁿ	10,3
Free Cash-Flow in Prozent zum Umsatz ^a	(3,9)	9,3 ⁿ	13,1 ⁿ	18,0
Cash-Flow aus Investitionstätigkeit	(4,2)	(14,3)	(10,1)	(4,5)
Cash-Flow aus Finanzierungstätigkeit	74,4	(2,1)	(8,0)	(12,9)
Mitarbeiter				
Anzahl der Beschäftigten im Jahresdurchschnitt (Vollzeitkräfte ohne Auszubildende) (in Tsd.)	1,8	248	244	248
Umsatz je Mitarbeiter (in Tsd. €) ^a	1,1	246,9	244,3	231,5

Kennzahlen zur T-Aktie				
Ergebnis je Aktie/ADS (unverwässert und verwässert) nach IFRS (in €) ^{b, g}	(43,5)	0,74	1,31	0,39
Gewichtete durchschnittliche Anzahl der ausstehenden Stammaktien (unverwässert) (in Mio. Stück) ^{g, h}	0,4	4 353	4 335	4 323
Gewichtete durchschnittliche Anzahl der ausstehenden Stammaktien (verwässert) (in Mio. Stück) ^{g, h}	0,4	4 354	4 338	4 328

Dividende je Aktie/ADS (in €)	(0,0)	0,72 ^l	0,72	0,62
Dividendenrendite (in %) ^j	(0,1)	5,2	5,1	3,7
Ausschüttungssumme (in Mrd. €)	(4,0)	3,1 ^l	3,0	2,6
Anzahl der dividendenberechtigten Stammaktien (in Mio. Stück) ^k	4,0	4 338 ^l	4 173	4 171
Gesamtanzahl der Stammaktien zum Stichtag (in Mio. Stück) ^m	3,9	4 361	4 198	4 198

^a Berechnet auf Basis der genaueren Millionenwerte. Veränderungen von Prozentwerten sind in Prozentpunkten dargestellt.

^b Angepasste Vorjahreswerte. Anwendung des IAS 19 Tz. 93A. Wegfall der Amortisation versicherungsmathematischer Verluste einschließlich Steuern: 2005: 7 Mio. €; 2004: 1 Mio. €. Vergleiche hierzu die Erläuterungen unter Anmerkung 29 im Kapitel „Konzern-Anhang“.

^c Die Deutsche Telekom definiert das EBITDA als Betriebsergebnis vor Abschreibungen auf Immaterielle Vermögenswerte und Sachanlagen.

^d EBITDA, EBITDA bereinigt um Sondereinflüsse, Netto-Finanzverbindlichkeiten und Free Cash-Flow sind sog. Pro-forma-Kennzahlen, die nicht Bestandteil der internationalen Rechnungslegungsvorschriften nach den International Financial Reporting Standards (IFRS) sowie den US-amerikanischen Rechnungslegungsvorschriften (US-GAAP) sind. Sie sollten nicht isoliert als Alternative zum Betriebsergebnis, Konzernüberschuss, Cash-Flow aus Geschäftstätigkeit sowie den in der Konzern-Bilanz ausgewiesenen Schulden oder sonstigen nach IFRS oder US-GAAP ausgewiesenen Kenngrößen der Deutschen Telekom betrachtet werden. Zur detaillierten Erläuterung und Herleitung verweisen wir auf die Ausführungen des in diesem Geschäftsbericht enthaltenen Konzernlageberichtes, Abschnitt „Unsere Geschäftsentwicklung“.

^e Angepasste Vorjahreswerte. Anwendung des IAS 19 Tz. 93A. Verrechnung versicherungsmathematischer Verluste mit dem Eigenkapital einschließlich darauf entfallender latenter Steuern: 2005: 1,0 Mrd. €; 2004: 0,3 Mrd. €. Vergleiche hierzu die Erläuterungen unter Anmerkung 29 im Kapitel „Konzern-Anhang“.

^f Auf Basis des Eigenkapitals ohne die zur Ausschüttung vorgesehenen Beträge, die als kurzfristiges Fremdkapital behandelt werden.

^g Die Ermittlung des unverwässerten und verwässerten Ergebnisses je Aktie nach IFRS erfolgt nach den Vorschriften des IAS 33 „Earnings per share“. Das Verhältnis von Aktie zu ADS beträgt 1:1.

^h Abzüglich der von der Deutschen Telekom AG gehaltenen Eigenen Aktien.

ⁱ Vorbehaltlich der Zustimmung der Hauptversammlung. Nähere Ausführungen entnehmen Sie bitte dem in diesem Geschäftsbericht enthaltenen Konzernlagebericht, Abschnitt „Unsere Geschäftsentwicklung“ oder den Angaben unter Anmerkung 13 im Kapitel „Konzern-Anhang“.

^j (Vorgeschlagene) Dividende je Aktie dividiert durch den Schlusskurs der T-Aktie (Xetra) zum Stichtag bzw. zum letzten Handelstag des jeweiligen Geschäftsjahres.

^k Abzüglich der von der Deutschen Telekom AG gehaltenen Eigenen Aktien sowie derjenigen Aktien, die im Rahmen der Ausgabe neuer Aktien im Zuge der Übernahme von VoiceStream/Powertel treuhänderisch für eine spätere Ausgabe und die Aufnahme des Handels als Namensaktien bzw. ADSs gehalten werden.

^l Stand zum Bilanzstichtag.

^m Einschließlich der von der Deutschen Telekom AG gehaltenen Eigenen Aktien.

ⁿ Vor Auszahlungen für den Erwerb von Netzinfrastruktur und Lizenzen in den USA in Höhe von 2,1 Mrd. € in 2005 sowie Auszahlungen für den Erwerb von Lizenzen in Höhe von 3,3 Mrd. € in 2006.

Die Konzernabschlüsse der Deutschen Telekom für die Geschäftsjahre 2005 und 2006 wurden nach den International Financial Reporting Standards (IFRS), wie sie in der Europäischen Union (EU) anzuwenden sind, und den ergänzend nach § 315a Abs. 1 HGB zu beachtenden handelsrechtlichen Vorschriften aufgestellt.

Aktienkapital

Zum 1. Februar 2007 betrug das Aktienkapital der Deutschen Telekom € 11.164.609.420,80, eingeteilt in 4.361.175.555 Namens-Stammaktien ohne Nennbetrag. Alle Aktien sind ausgegeben und eingezahlt. Deutsche Telekom hält ca. 0,04% eigene Aktien.

Zusammenfassung in Bezug auf Finance

Die Finance wurde am 30. Oktober 1995 nach niederländischem Recht als private Gesellschaft mit beschränkter Haftung für eine unbegrenzte Zeit gegründet. Die Finance ist eine 100%ige Tochter der Deutschen Telekom AG. Sie hat ihren Geschäftssitz in Amsterdam und ist im Handelsregister von Amsterdam unter der Nummer 33274743 registriert. Die Geschäftsadresse ist World Trade Center, Strawinskylaan 1243, 1077 XX Amsterdam, The Netherlands.

Die Finance ist die Finanzierungsgesellschaft des Deutsche Telekom Konzerns. Sie begibt unterschiedliche Schuldverschreibungen am Kapitalmarkt.

Ausgewählte Finanzinformationen

Die ausgewählten, nicht-konsolidierten Finanzinformationen unter Dutch GAAP für das am 31.

Dezember 2005 beendete Geschäftsjahr wurden von der Firma Pricewaterhouse-Coopers Accountants N.V. geprüft. Die ausgewählten, nicht-konsolidierten Finanzinformationen unter Dutch GAAP für das am 31. Dezember 2006 beendete Geschäftsjahr wurden von der Firma Ernst & Young Accountants geprüft. Es wurde jeweils ein uneingeschränkter Bestätigungsvermerk erteilt.

Finanzausweise

Finanzausweise der Deutsche Telekom International Finance B.V.

Bilanz

Bilanz der Deutsche Telekom International Finance B.V.

(vor Gewinnverteilung)

Nicht-konsolidierte Bilanz

	31. Dezember 2006		31. Dezember 2005	
	EUR´000	EUR´000	EUR´000	EUR´000
<i>Aktiva</i>				
Anlagevermögen				
Sachanlagen	14		21	
Finanzanlagen	<u>32.753.609</u>		<u>29.480.214</u>	
		32.753.623		29.480.235
Umlaufvermögen				
Forderungen	4.663.499		8.387.447	
Liquide Mittel	<u>0</u>		<u>0</u>	
		<u>4.663.499</u>		<u>8.387.447</u>
		<u>37.417.122</u>		<u>37.867.682</u>
<i>Passiva</i>				
Eigenkapital des Aktionärs				
Ausgegebenes Aktienkapital und sonstige Reserven	2.000		2.000	
Jahresergebnis	<u>10.824</u>		<u>10.696</u>	
		12.824		12.696
Langfristige Verbindlichkeiten		32.552.960		29.548.269
Kurzfristige Verbindlichkeiten		4.851.338		8.306.717
		<u>37.417.122</u>		<u>37.867.682</u>

Nicht-konsolidierte Gewinn- und Verlustrechnung für die am 31. Dezember 2006 und am 31. Dezember 2005 beendeten Geschäftsjahre.

		2006		2005	
		EUR´000	EUR´000	EUR´000	EUR´000
Einkommen	aus		2.728.850		2.796.740
Finanzierungstätigkeit					
Direkte Kosten	aus		(2.712.707)		(2.780.602)
Finanzierungstätigkeit			<u> </u>		<u> </u>

		<u>2006</u>	<u>2005</u>
		EUR´000	EUR´000
Ergebnis Finanzierungstätigkeit	aus	16.143	16.138
Allgemeine Verwaltungskosten		<u>(769)</u>	<u>(525)</u>
Kosten Gesamt		<u>(769)</u>	<u>(525)</u>
Ergebnis vor Steuer		15.374	15.613
Steuern von Einkommen und Ertrag		<u>(4.550)</u>	<u>(4.917)</u>
Jahresüberschuß		<u>10.824</u>	<u>10.696</u>

Aktienkapital

Das genehmigte Kapital der Finance besteht aus 5.000 Stammaktien mit einem Nennbetrag von jeweils EUR453,78. Das ausgegebene Aktienkapital beträgt EUR453.780 und besteht aus 1.000 Stammaktien mit einem Nennbetrag von jeweils EUR453,78. Die verbleibenden 4.000 Aktien sind nicht ausgegeben.

Risk Factors

Prospective investors should consider all information provided in this Prospectus and the Reference Documents and consult with their own professional advisers if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus accumulate.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

Risk Factors regarding the Issuers

The following is a disclosure of risk factors that are material to each Issuer and that may affect each Issuer's ability to fulfill its obligations under the Notes or the Guarantee, as the case may be. Prospective investors should consider these risk factors before deciding to purchase Notes issued under the Programme.

Risk Factors in respect of Deutsche Telekom

The risk related to Deutsche Telekom's ability to fulfill its obligations as Issuer of debt securities is described by reference to the ratings assigned to Deutsche Telekom. Deutsche Telekom is rated by Fitch Ratings Limited ("**Fitch**"), Moody's Investors Service, Inc. ("**Moody's**") and by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. "**S&P**", together with Fitch and Moody's, the "**Rating Agencies**").

As of the Publication Date, the ratings assigned to Deutsche Telekom by the Rating Agencies were as follows:

by Fitch:	long-term rating:	A-
	short-term rating:	F-1

Fitch defines¹:

A: „A“ ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

F-1: Indicates strongest capacity for timely payment of financial commitments.

by Moody's:	long-term rating:	A3
	short-term rating:	P-2

Moody's defines²:

A-3: Obligations are considered upper-medium grade and are subject to low credit risk.

P-2: Issuers have a strong ability to repay short-term obligations.

by S&P:	long-term rating:	A-
	short-term rating:	A-2

S&P defines³:

A-: An obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

¹ Note: "+" or "-" may be appended to a rating to denote the relative status within major rating categories. Such suffixes are not added to the 'AAA' category or to categories below 'CCC'.

² Note:Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa to Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

³ Note:Plus (+) or minus (-): The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

A-2: A short-term obligation rated "A-2" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

An economic downturn, a substantial slowdown in economic growth or deterioration in consumer spending could adversely affect our customers' purchases of our products and services in each of our strategic business areas, which could have a negative impact on our operating results and financial condition.

Our business depends to a large degree on general economic conditions in Germany, Western and Eastern Europe and the United States. If economic growth in the countries in which we conduct business deteriorates in 2007, this could have an adverse effect on the level of demand by our individual customers for our products and services and the willingness of our business customers to invest in information and communications technology (ICT). This could, in turn, jeopardize the attainment of our growth targets, such as those relating to multimedia services in mobile telecommunications, or those relating to broadband products and services based on digital subscriber line (DSL) technology.

Because we operate in heavily regulated business environments, decisions that regulatory authorities impose on us restrict flexibility in managing our business and may force us to offer services to competitors, or reduce the prices we charge for our products and services, either of which could have a material negative impact on our revenues, profits and market shares.

Unlike many of our competitors, we are subject to strict regulation in many market segments in Germany and Central and Eastern Europe, particularly in areas of the fixed-line network business of our Broadband/Fixed Network strategic business area. Government agencies regularly intervene in the offerings and in the pricing of our products and services. Regulation can impede our ability to grow and to react to the initiatives of competitors and technological change.

The European Commission currently reviews the markets, which are or should be subject to sector specific regulation under the framework on telecommunications regulation. Except for a minor decrease of regulatory activity in retail markets, we do not believe that a significant reduction of sector-specific regulation in general will occur. On the contrary, as a result of this review by the European Commission, the scope of regulation may be expanded by the European Union or national regulatory authorities, which could have negative effects on our business and pricing flexibility and, as a result, could affect our ability to generate revenue and profit.

Access and price regulation applies primarily to telecommunications services that are considered to involve an operator with "significant market power." We have been designated an operator with significant market power in most fixed-line markets in which we operate, including in Germany, Hungary, Slovakia and Croatia. The German telecommunications regulatory framework implemented by the Federal Network Agency (*Bundesnetzagentur*) has an especially significant impact on our business. So far, we have been exempted from regulation on the basis of a loss of significant market power in markets of relatively minor importance only, such as the market for foreign long-distance calls in fixed-line networks.

The German parliament amended the Telecommunications Act in 2006. These amendments primarily strengthened customer protection rules, such as obligations to announce prices for premium voice call services before a call is made. This could have an adverse effect on our future revenues and entail additional operating costs.

Additionally, since we are offering mobile and fixed-line triple-play services (high-speed Internet access, communications services and entertainment offerings), media regulation may become increasingly important to our business. This regulation might restrict our ability to provide media services, including the delivery of content, and could also result in additional costs for technical implementation measures needed to comply with increased regulation.

Broadband/Fixed Network

We believe that, for the foreseeable future, the Federal Network Agency is likely to consider us as a provider with significant market power in various German markets for public voice telephony services in the fixed-line network and in other markets, including most of those in which we held monopoly rights in the past. As a result, we expect that the strict regulatory provisions of the Telecommunications Act relating to providers with significant market power will be applied to our activities in those markets. Considering that in many markets our competitors are unlikely to gain significant market power in the near future, we expect that we will have to compete in important markets with providers not subject to these regulatory obligations. Therefore, these competitors may have more flexibility than we have in terms of the types of services offered and customers served, pricing and the granting of network access.

The Federal Network Agency has not shown any sign that it will refrain from regulating previously unregulated or emerging markets. On the contrary, the Federal Network Agency appears prepared to extend regulation into previously unregulated markets. For example, we have been required to offer an Internet Protocol (IP) Bitstream Access product in the wholesale-market, which will be regulated in terms of price, possibly below the current prices for Resale DSL. Additionally, we may be forced to offer unbundled broadband access to competitors as soon as T-Com introduces its own all IP-product after April 2007. Unbundled broadband access for our competitors would expand competition in the access business, currently focused on metropolitan areas, to all regions in Germany. These regulatory measures could have a material adverse effect on our market shares, revenues and profits.

Regulatory authorities may choose to classify our entry into new markets as extensions of our existing services and subject such new business to regulation instead of considering it an unregulated new product offering. For example, "T-Home", our triple-play product which was launched in October 2006, using DSL technology over a new high-speed fiber-optic network (VDSL), was initially introduced with a reduced connection speed (25 Mbit/s instead of 50 Mbit/s) and no interactive features. It could be viewed by the Federal Network Agency as an extension of our double-play service offering and not a new market, which could subject our T-Home offering to extensive regulation.

Our fixed-line subsidiaries in Central and Eastern Europe are subject to regulatory provisions and risks that are similar to those affecting our fixed-line operations in Germany. The business impact of increased regulation on our subsidiaries in Central and Eastern Europe will depend on the way in which national regulatory authorities use their powers, and the extent to which our competitors take advantage of regulatory decisions designed to foster increased competition.

Further market analysis procedures under the E.U. regulatory framework will be carried out in Hungary and Slovakia in 2007, which could eventually lead to reductions in the prices we may charge to customers for wholesale and retail services. These developments could also contribute to a loss of our market share in these countries. Our Central and Eastern European subsidiaries might also be required to adjust their product offerings on the wholesale and retail levels in furtherance of competition in the fixed-line network. This could have a material adverse effect on their market shares, revenues and profits.

Mobile Communications

Our mobile telecommunications operations are supervised by regulatory authorities in the countries in which we operate. We expect a tightening of regulatory control in the area of mobile telecommunications, with a probable negative effect on pricing and revenues, as a result of a reduction in international roaming charges for the wholesale and retail market, call termination charges and also possible access regulation in some markets. The E.U. regulatory framework considers international wholesale roaming, call termination and access, and origination as separate markets. On this basis, national regulatory authorities in the European Union are required to carry out market investigations and, if necessary, define regulatory remedies in those markets in accordance with E.U. directives.

On 10 February 2005, the E.U. Commission opened formal proceedings in Germany against, among others, T-Mobile Deutschland and T-Mobile International. The E.U. Commission alleged that T-Mobile Deutschland had been charging excessive wholesale roaming tariffs for calls of foreign visitors in its network during the period from 1997 to 2003. Should the E.U. Commission decide to uphold its preliminary findings, it may impose significant fines on T-Mobile. A decision is expected in the first half of 2007.

Despite attempts by operators to avert regulatory intervention by voluntarily reducing prices, on 12 July 2006, the E.U. Commission submitted a proposal to regulate international roaming tariffs for wholesale and retail customers on the basis of a capped pricing system. The implementation of this

regulation, which is expected during 2007, would have immediate effect in E.U. member states and therefore not require further transposition into national law. A further reduction of roaming tariffs will have an adverse effect on T-Mobile's revenues.

Mobile call termination charges are subject to regulatory measures in T-Mobile's markets and can have a significant effect on revenues. On 8 November 2006, the Federal Network Agency published a decision lowering termination charges in Germany until 30 November 2007. Although the announced reduction of termination rates was expected, further reductions may occur. In the UK, Ofcom recently proposed extending price controls for termination rates through March 2011. Ofcom is expected to reach a final decision in March 2007. In Austria, the purchase of tele.ring Telekom Service GmbH ("tele.ring") by T-Mobile Austria has resulted in a demand to reduce termination rates by carriers with whom interconnection arrangements currently exist and proceedings to compel such reduction were initiated in July 2006.

Our telecommunications systems and operations in the United States are regulated primarily by the U.S. Federal Communications Commission (FCC) and by various other federal, state and local governmental bodies. These and other governmental agencies may also exercise jurisdiction over mobile telecommunications operators. Some U.S. states have taken actions to regulate various aspects of wireless operations including customer billing, termination of service arrangements and advertising. Any of those agencies could adopt regulations or take other actions that could adversely affect our business. If we fail to comply with applicable regulations, we may be subject to sanctions, which may have an adverse effect on our mobile telecommunications business in the United States.

We face intense competition in all areas of our business, which could lead to reduced prices for our products and services and a decrease in market share in certain service areas, thereby having an adverse effect on our revenues and net profit.

Broadband/Fixed Network

In Germany, and to a lesser extent in Eastern Europe, fixed-line network voice telephony service revenues and prices have been declining in recent years, primarily due to intense competition and adverse decisions imposed by the Federal Network Agency, and also due to customers' substitution of mobile telecommunications and Voice over Internet Protocol (VoIP) services for fixed-line usage.

Due to intense competition from mobile operators, fixed line carriers and cable operators, we continued to lose market share in 2006. We expect a further increase in competition due to a change in mobile operators' focus from pure mobile services towards fixed-line offerings and cable operators' product bundles for telephone and broadband access lines, which are increasingly offered in more regions throughout Germany. Furthermore, regulatory actions by the Federal Network Agency as well as the increasing quality and acceptance of VoIP services will increase pressure on our market shares, revenues and margins.

Additional local and regional network operators are expanding their presence to include other major cities and regions. In the future, we could face even fiercer competition and lose further market share if our competitors were to combine their businesses.

Existing mobile substitution effects are intensified as a result of the proliferation of mobile virtual network operators (MVNO). Reduced prices for mobile telecommunications services (e.g., on the basis of lower flat rates without call-based charges and regulatory decisions regarding mobile telephony termination rates) could increase pricing pressure on our fixed-line services. Furthermore, mobile operators are increasingly engaging in reselling DSL product bundles provided by other fixed-line operators, and this continues to have an adverse effect on our fixed-line network revenues.

The German and European markets for Internet access and portal services, especially within the broadband market, have been, and will continue to be, highly competitive. Prices for broadband flat rates have been steadily declining. Broadband/Fixed Network's future competitive position will be affected by pricing, network speed and reliability, services offered, customer support and its ability to be technologically adept and innovative. The regulatory environment can also exert a significant influence on the level of competition. We expect that our competitors will continue to pursue new broadband customers aggressively. In the market for portal services and content, competition is also intense due to low barriers to entry.

Part of the challenge for our Broadband/Fixed Network strategic business area will be to improve its reputation for customer service while implementing cost-saving measures. If we do not improve our customer service sustainably, there is a risk that we might not stop our continuing loss of customers.

Each of these developments is expected to continue to erode our market shares and to decrease our revenues and profit margins.

Mobile Communications

During 2004 and 2005, consolidation in the wireless telecommunications sector in the United States dramatically changed the competitive landscape. Each of T-Mobile USA's three remaining national competitors—Verizon Communications, Inc. ("Verizon"), Cingular Wireless LLC ("Cingular") and Sprint/Nextel Corporation ("Sprint/Nextel")—are significantly larger than T-Mobile USA. Their scale could afford them significant structural and competitive advantages in this market. This situation presents a long-term challenge to T-Mobile USA to effectively compete in pricing, products, coverage and the introduction of new technologies and services. Intense competition from various regional operators also exists. Since T-Mobile USA is a significant contributor to our overall revenue and customer growth, a slowdown or decline in the business of T-Mobile USA could have a material adverse effect on the attainment of the growth targets of our group as a whole.

Competition in the European mobile telecommunications markets has increased and can be expected to increase in the future. Increasing competition results, in part, from the entry into the market of low cost carriers, such as MVNOs, which use the networks of other operators at volume discounts, and from market consolidation. If prices for mobile telecommunications services decline more than anticipated and this decline is not compensated for by higher usage, T-Mobile may not achieve its objectives. In addition, mobile network operators' expansion of product offerings into the fixed-line sector may result in a competitive disadvantage for T-Mobile in countries in which T-Mobile offers only mobile communications services. Moreover, technologies such as WLAN, DSL, WiMax and VoIP, which can be used with existing hardware and platforms, could result in the diversion of voice and data traffic from T-Mobile's network, which could lead to significant price and revenue reductions.

As European markets have become increasingly saturated, the focus of competition has been shifting from customer acquisition to customer retention, and increasing the quality and value of existing customers. Accordingly, if we are unable to offer increased quality and better value to our customers, our market share and revenues may not grow as we have anticipated in our growth plans.

Business Customers

Our Business Customers strategic business area, operated through T-Systems Business Services GmbH and T-Systems Enterprise Services GmbH (collectively, "T-Systems"), is a provider of solutions covering the entire information and communications technology ("ICT") value chain. It is subject to risks associated with the general and regional economies of its customers and the willingness and ability of its customers to invest in information and communications technology services and products. The ICT market is shaped by long sales cycles, severe competition and declining prices. The result is downward pressure on revenues and margins.

The international growth potential of T-Systems may be constrained by its limited brand recognition in some national markets, at least compared to that of competitors who may be more established there, particularly as this relates to maintaining and increasing business with multinational companies outside of Germany. If various sales initiatives introduced by T-Systems are not successful, T-Systems may lose market share to its competitors.

We may realize neither the expected level of demand for our products and services, nor the expected level or timing of revenues generated by those products and services, as a result of lack of market acceptance, technological change or delays from suppliers, which could adversely affect our cash flows.

There is a risk that we will not succeed in making customers sufficiently aware of existing and future value-added services or in creating customer acceptance of these services at the prices we would want to charge. There is also a risk that we will not identify trends correctly, or that we will not be able to bring new services to market as quickly or price-competitively as our competitors. These risks exist, in particular, with respect to our anticipated future growth drivers in the mobile telecommunications area (e.g., mobile data services provided via Universal Mobile Telecommunications System (UMTS or "3G") or other advanced technologies) and in the fixed-line telecommunications area (e.g., triple-play services). Some of our investments to develop future products and services may involve substantial cash outlays with no certainty of market acceptance or regulatory non-interference. Accordingly, there is a risk that the return on our investments, in particular in UMTS licenses and network infrastructure may be negatively affected, which could result in significant write-downs of the value of our UMTS or other licenses or other network-related investments.

In October 2006, we launched "T-Home" to offer triple-play services to our customers in Germany. "Triple-play" refers to the interaction between high-speed Internet access, communications services and entertainment offerings. As "T-Home" was launched with reduced features, the market acceptance for these new products and services could be negatively impacted. Furthermore, the

comprehensive free TV offering in Germany could reduce our customers' willingness to pay for additional channels. This could also have an adverse effect on our pricing models, revenues and profit margins.

Further, as a result of rapid technological progress, and the trend towards technological convergence, there is a danger that new and established information and telecommunications technologies or products may not only fail to complement one another, but in some cases may even substitute for one another. An example of this is VoIP, a technology that is already established in the business customer market. VoIP has now reached the consumer market as well and, as a technology that competes directly with traditional fixed-line telephony services, has the potential to reduce our market share and revenues in our fixed-line business. The introduction of mobile handsets with VoIP functionality may also adversely affect our pricing structures and market share in our mobile voice telephony business. If we do not appropriately anticipate the demand for new technologies, and adapt our strategies and cost structures accordingly, we may be unable to compete effectively, with the result that our business activities, financial condition and results may suffer.

Failure to achieve our planned reduction and restructuring of personnel could negatively affect our financial objectives and profitability.

We announced an extensive staff restructuring program for our operations in Germany in November 2005, under which a total of approximately 32,000 employees will leave the group by 2008. Some of these employees will leave us as part of the sale of the Vivento business lines and others through voluntary early retirement and other voluntary measures. By the end of 2006, the group had already realized approximately one-third of these planned staff reductions.

On 1 December 2006, approximately 600 employees were transferred to the walter Telemedien Group in connection with the transfer of certain Vivento calling center operations. The planned further sale of Vivento's business lines is dependent on, among other things, finding suitable buyers and achieving certain financial objectives.

However, the successful realization of our ongoing staff reduction program depends on a range of factors that are beyond our control, such as the continued successful sale of our Vivento operating businesses (call center and technology maintenance businesses), general developments in the labor market, the demand for our retrained labor force, the level of acceptance of the various severance offers and other voluntary reduction measures, e.g., early retirement programs. If the planned staff reduction targets are not achieved, this would have a negative effect on our operating expenses and profitability.

Additionally, we are planning various measures to make customer service more efficient and to orient it more closely towards customer needs. We plan to transfer a significant number of employees into three dedicated businesses—our T-Service initiative. All three units will remain completely in the group's ownership. The objectives of the T-Service initiative are to increase productivity and service levels, while at the same time increasing cost efficiencies. The success of these measures will largely depend on the extent to which the unions and the works councils will cooperate constructively with management in the realization of these plans.

Alleged health risks of wireless communications devices have led to litigation affecting T-Mobile, and could lead to decreased wireless communications usage or increased difficulty in obtaining sites for base stations and, thus, adversely affect the financial condition and results of operations of our mobile telecommunications services business.

Media reports have suggested that radio frequency emissions from wireless mobile devices and cell sites may raise various health concerns, including cancer, and may interfere with various electronic medical devices, including hearing aids and pacemakers. Research and studies are ongoing. The World Health Organization has declared that, on the basis of current scientific knowledge, there are no known adverse effects on health below the international threshold standards, nor is it expecting any serious dangers to arise in the future—although it does recommend continued research due to the ongoing scientific uncertainty. We cannot be certain that medical research in the future will dismiss any and all links between radio-frequency emissions and health risks.

Whether or not such research or studies conclude there is a link between radio-frequency emissions and health, popular concerns about radio-frequency emissions may discourage the use of wireless mobile devices and may result in significant restrictions on both the location and operation of cell sites, either or both of which could have a material adverse effect on our or T-Mobile's results of operations.

T-Mobile USA is subject to current and potential litigation relating to these health concerns. Several amended class action lawsuits have been filed in the United States against T-Mobile USA and several other wireless-service operators and wireless-telephone manufacturers, asserting products liability,

breach of warranty and other claims relating to radio-frequency transmissions to and from wireless mobile devices. The complaints seek substantial monetary damages as well as injunctive relief. The defense of these lawsuits may divert management's attention, and T-Mobile USA may be required to pay significant awards or settlements and incur significant expenses in defending these lawsuits.

We do not know whether legislators, regulators or private litigants will refrain from taking other actions adverse to us, based on the purported health-related risks associated with radio-frequency emissions. Any such litigation, legislation or adverse actions may result in additional costs and loss of revenues in our Mobile Communications strategic business area.

System failures due to natural or man-made disruptions could result in reduced user traffic and reduced revenues and could harm our reputation and results.

Our technical infrastructure (including our network infrastructure for fixed-line network services and mobile telecommunications services) may be damaged or disrupted by fire, lightning, flooding and other calamities, technology failures, human error, terrorist attacks, hacker attacks and malicious actions, and other similar events. We attempt to mitigate these risks by employing a large number of measures, including backup systems and protective systems such as firewalls, virus scanners, and building security. We cannot, however, be certain that these measures will be effective under all circumstances and that disruptions or damage will not occur. Damage or disruption to our infrastructure may result in reduced user traffic and revenues, increased costs, and damage to our reputation.

To reach our goals of additional cost cutting and further improvements in our competitiveness, we plan to develop and implement a comprehensive IP-platform that would support both fixed-line and mobile telephony services. This means that the traditional PSTN-platform will be completely replaced by an IP-based system. Upon implementing this joint IP-platform, we will be subject to risks inherent to all IT systems connected to the Internet, such as hacker attacks and "spam calls." These risks could lead to a temporary interruption of our IT resources and, as a result, impair the performance of our technical infrastructure.

Shortcomings in our supply and procurement process could negatively affect our product portfolio, revenues and profits.

As a fully integrated ICT service provider, we cooperate with a wide range of different suppliers for technical components and assemblies, as well as for software and other goods and information important to the conduct of our business. Although we do not believe that we are materially dependent on any single supplier, disruptions in our chain of supply could negatively affect our product portfolio, cost structure, revenues and profits. We take a variety of measures to shelter ourselves from these risks, but we cannot be sure that these measures will be effective under all circumstances.

We are continuously involved in disputes and litigation with regulators, competitors and other parties. The ultimate outcome of such legal proceedings is generally uncertain. When finally concluded, they may have a material adverse effect on our results of operations and financial condition.

We are subject to numerous risks relating to legal and regulatory proceedings, in which we are currently a party or which could develop in the future. Litigation and regulatory proceedings are inherently unpredictable. Legal or regulatory proceedings in which we are or come to be involved (or settlements thereof) may have a material adverse effect on our results of operations or financial condition.

Future sales of our shares by the Federal Republic or KfW Bankengruppe ("KfW") may adversely affect the trading prices of our shares and ADSs.

Continuing its privatization policy, the Federal Republic (which owns, together with KfW, approximately 31.7% of our outstanding shares) has announced that it intends to further reduce its holdings of equity interests in the future, including shares in Deutsche Telekom AG. The reduction in the Federal Republic's direct or indirect holdings may involve KfW. For shareholders, there is a danger that the market offering of a significant volume of our shares by either the Federal Republic or KfW, or speculation to this effect on the markets, could have a negative impact on the price of our shares and ADSs.

On 24 April 2006, the Blackstone Group purchased 191.7 million of our shares from KfW. KfW agreed with Blackstone to a one year lock-up with respect to further sales of KfW's Deutsche Telekom shares. In return, Blackstone agreed with KfW to a two-year lock-up of its Deutsche Telekom shares. Despite these contractual terms, market speculation regarding purchases of a large number of our shares by

additional large private-equity investors or a potential sale of shares currently held by Blackstone, could have negative effects on the volatility of our share price. We are not a party to these agreements and have no right to enforce the lock-up restrictions. In addition, lock-up agreements may be waived by the parties thereto.

Exchange-rate and interest-rate risks have had, and may continue to have, an adverse effect on our revenue development.

We are exposed to currency risks related to our international business activities. Generally, our Central Treasury hedges currency risks that may have a negative impact on our cash flows, although there can be no guarantee that our hedging strategies will succeed. Currency risks may have a negative impact on our results of operations when amounts in local currencies are translated into euros, particularly in connection with U.S. dollar- and British pound sterling-denominated results.

We are also exposed to interest-rate risks, primarily in the euro, U.S. dollar and British pound sterling currencies. Interest-rate risks arise as a result of fluctuations in interest rates affecting the level of interest payments due on indebtedness at variable rates in each of these currencies. Once per year, our Management Board specifies ratios of fixed and variable debt in these three currencies. Our Central Treasury then takes measures, using derivative instruments and other measures, to implement the interest-risk management decisions of the Management Board.

Developments in the telecommunications sector have resulted, and may in the future result, in substantial write-downs of the carrying value of certain of our assets.

We review on a regular basis the value of each of our subsidiaries and their assets. In addition to our regular annual impairment reviews, whenever indications exist that goodwill, intangible assets or fixed assets may be impaired due to changes in the economic, regulatory, business or political environment, we consider the necessity of performing certain valuation tests, which may result in impairment charges. The recognition of impairments of tangible, intangible and financial assets could cause us to take large, non-cash charges against net profit, which could lead to a reduction in the trading price of our shares and ADSs.

Risk Factors regarding Deutsche Telekom International Finance B.V.

Payment of principal of and interest on notes issued by Finance are guaranteed by Deutsche Telekom AG. Therefore the risks in respect of Finance substantially correspond with the ones of Deutsche Telekom.

Risk Factors regarding the Notes

The following is a disclosure of risk factors that are material to the Notes issued under the Programme in order to assess the market risk associated with these Notes. Prospective investors should consider these risk factors before deciding to purchase Notes issued under the Programme.

In respect of Notes which require in view of their specific structure a specific description of risk factors, those specific additional risk factors will be described in the Final Terms relating to such Notes.

Notes may not be a suitable investment for all investors

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Currency Risk / Dual Currency Notes

A holder of a Note denominated in a foreign currency and a holder of Dual Currency Notes is exposed to the risk of changes in currency exchange rates which may affect the yield of such Note. A change in the value of any foreign currency against the Euro, for example, will result in a corresponding change in the Euro value of a Note denominated in a currency other than Euro. If the underlying exchange rate falls and the value of the Euro correspondingly rises, the price of the Note expressed in Euro falls.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Liquidity Risk

Application has been made to list Notes to be issued under the Programme on the Luxembourg Stock Exchange. In addition, the Programme provides that Notes may be listed on an alternative stock exchange or may not be listed at all. Regardless of whether the Notes are listed or not, there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity than if they were not listed. If the Notes are not listed on any exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The

possibility to sell the Notes might additionally be restricted by country specific reasons.

Market Price Risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policy of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. The holder of a Note is therefore exposed to the risk of an unfavourable development of market prices of its Note which materialises if the holder sells the Notes prior to the final maturity of such Notes.

Currency Risk/Dual Currency Notes

A holder of a Note denominated in a foreign currency and a holder of Dual Currency Notes is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks.

A change in the value of any currency other than Euro against the Euro, for example, will result in a corresponding change in the Euro value of a Note denominated in a currency other than Euro and the Euro value of interest and principal payments made in accordance with the terms of such Note. If the underlying exchange rate falls and the value of the Euro correspondingly rises, the price of the Note and the value of interest payments made thereunder expressed in Euro falls.

Risk of Early Redemption

The applicable Final Terms will indicate whether an Issuer may have the right to call the Notes prior to maturity (optional call right) on one or several dates determined beforehand or whether the Notes will be subject to early redemption upon the occurrence of an event specified in the applicable Final Terms (early redemption event). In addition, each Issuer will always have the right to redeem the Notes if the relevant Issuer is required to pay additional amounts (gross-up payments) on the Notes for reasons of taxation as set out in the Terms and Conditions. If the relevant Issuer redeems the Notes prior to maturity or the Notes are subject to early redemption due to an early redemption event, a holder of such Notes is exposed to the risk that due to such early redemption his investment will have a lower than expected yield. The Issuer can be expected to exercise his optional call right if the yield on comparable Notes in the capital market has fallen which means that the investor may only be able to reinvest the redemption proceeds in comparable Notes with a lower yield. On the other hand, the Issuer can be expected not to exercise his optional call right if the yield on comparable Notes in the capital market has increased. In this event an investor will not be able to reinvest the redemption proceeds in comparable Notes with a higher yield. It should be noted, however, that the relevant Issuer may exercise any optional call right irrespective of market interest rates on a call date.

Fixed Rate Notes

A holder of a Fixed Rate Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate. While the nominal interest rate of a Fixed Rate Note as specified in the applicable Final Terms is fixed during the life of such Note, the current interest rate on the capital market ("**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of a Fixed Rate Note also changes, but in the opposite direction. If the market interest rate increases, the price of a Fixed Rate Note typically falls, until the yield of such Note is approximately equal to the market interest rate. If the market interest rate falls, the price of a Fixed Rate Note typically increases, until the yield of such Note is approximately equal to the market interest rate. If the holder of a Fixed Rate Note holds such Note until maturity, changes in the market interest rate for comparable issuers are without relevance to such holder as the Note will be redeemed at the principal amount of such Note.

Floating Rate Notes

A holder of a Floating Rate Note is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of Floating Rate Notes in advance.

A Floating Rate Note may include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features. In such case, their market value may be more volatile than those for Floating Rate Notes that do not include these features. If the amount of interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on interest payable will be increased. The effect of a cap is that the amount of interest will never rise above and beyond the

predetermined cap, so that the holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similar Floating Rate Notes without a cap.

Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Notes.

Inverse/Reverse Floating Rate Notes

Inverse Floating Rate Notes (also called Reverse Floating Rate Notes) have an interest rate which is determined as the difference between a fixed interest rate and a floating rate reference rate such as the EURIBOR or the LIBOR which means that interest income on such Notes falls if the reference interest rate increases. Typically, the market value of Inverse Floating Rate Notes is more volatile than the market value of other conventional floating rate notes based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest payable on the Notes, but may also reflect an increase in prevailing interest rates, which may further adversely affect the market value of such Notes.

Fixed to Floating Rate Notes

Fixed to Floating Rate Notes may bear interest at a rate which converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes relating to the same reference rate. In addition, the new floating rate at any time may be lower than the interest rates payable on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing interest rates payable on its Notes.

Zero Coupon Notes

Zero Coupon Notes do not pay current interest but are issued at a discount from their nominal value. Instead of periodical interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. A holder of a Zero Coupon Note is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate for comparable issuers. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing notes with a similar maturity.

Index-linked Notes

Index-linked Notes may be issued as Index-linked Interest Notes where payments of interest will be made by reference to a single index or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).

If payment of interest is linked to a particular index, a holder of an Index-linked Interest Note is particularly exposed to the risk of fluctuating interest rate levels and uncertain interest income or may even receive no interest at all which may have the effect that the yield of an Index-linked Interest Note is negative. None of the Issuers has control over a number of matters, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their results.

Investors should be aware that the market price of Index Linked Notes may be very volatile (depending on the volatility of the relevant index). Neither the current nor the historical value of the relevant index should be taken as an indication of the future performance of such index during the term of any Note.

Risk of potential Conflicts of Interest

In case of Notes linked to an underlying (e.g., but not limited to, an index, a currency, a commodity, single shares or a basket), each of the Issuer, the Dealer(s) or any of their respective affiliates may from time to time engage in transactions relating to such underlying for their own accounts or for the accounts of third parties and may issue other financial products in respect of such underlying. Such activities could create conflicts of interest and may have a negative impact on the underlying value.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business.

Incorporation by Reference / Documents on Display

The following documents are incorporated by reference into this Prospectus and are available in the English language:

Deutsche Telekom AG

the audited consolidated financial statements of Deutsche Telekom for the fiscal year ended on 31 December 2005 consisting of

Consolidated income statement (page 104 in the Annual Report of 2005),

Consolidated balance sheet (page 105 in the Annual Report of 2005),

Consolidated cash flow statement (page 106 in the Annual Report of 2005),

Consolidated statement of changes in shareholders equity (pages 108 and 109 in the Annual Report of 2005),

Notes to the consolidated financial statements (pages 110 to 199 in the Annual Report of 2005),

Auditors' Report (page 200 in the Annual Report of 2005)

the audited consolidated financial statements of Deutsche Telekom for the fiscal year ended on 31 December 2006 consisting of

Consolidated income statement (page 112 in the Annual Report of 2006),

Consolidated balance sheet (page 113 in the Annual Report of 2006),

Consolidated cash flow statement (page 114 in the Annual Report of 2006),

Statement of recognized income and expense (page 115 in the Annual Report of 2006),

Notes to the consolidated financial statements (pages 116 to 197 in the Annual Report of 2006),

Auditors' Report (page 198 in the Annual Report of 2006),

Deutsche Telekom International Finance B.V.

the audited financial statements of Finance for the fiscal year ended on 31 December 2005 consisting of

Balance Sheet (page 6 in the Annual Report of 2005),

Profit and loss account (page 7 in the Annual Report of 2005),

Cash flow statement (page 8 in the Annual Report of 2005),

Notes (pages 9 to 20 in the Annual Report of 2005),

Auditors' Report (page 23 in the Annual Report of 2005)

the audited financial statements of Finance for the fiscal year ended on 31 December 2006 consisting of

Balance Sheet (page 5 in the Annual Report of 2006),

Profit and loss account (page 6 in the Annual Report of 2006),

Cash flow statement (pages 7 to 8 in the Annual Report of 2006),

Notes (pages 9 to 24 in the Annual Report of 2006),

Auditors' Report (pages 27 to 28 in the Annual Report of 2006).

All information not listed above but included in the documents incorporated by reference is given for information purposes only.

The Prospectus and all Reference Documents are available on the website of the Luxembourg Stock Exchange (www.bourse.lu). During the whole life of the Programme, the Prospectus as well as of all supplements thereto, all Reference Documents, the Guarantee and Negative Pledge of Deutsche Telekom AG and the Articles of Association of each of Deutsche Telekom AG and Deutsche Telekom International Finance B.V., all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuers' request any part of which is included or referred to in the Prospectus, the historical financial information of Deutsche Telekom and its subsidiaries and the historical financial information of Finance for each of the two financial years preceding the publication of the Prospectus are available on the website of Deutsche Telekom (www.telekom.de), may be inspected and are available free of charge at the office of the Luxembourg Paying Agent, Fortis Banque Luxembourg S.A., and are available in the English language each free of charge at the head office of Deutsche Telekom AG (addresses are specified on the back cover of this Prospectus).

General Description of the Programme

I. General

Under this Euro 25,000,000,000 Debt Issuance Programme, Deutsche Telekom and Finance may from time to time issue notes, (the "**Notes**"). The maximum aggregate principal amount of the Notes from time to time outstanding under the Programme will not exceed Euro 25,000,000,000 (or its equivalent in any other currency). The Issuers may increase the amount of the Programme in accordance with the terms of the Dealer Agreement (as defined herein) from time to time.

The Guarantor has given its unconditional and irrevocable guarantee (the "**Guarantee**") for the due payment of the amounts corresponding to the principal of and interest on the Notes issued by Deutsche Telekom International Finance B.V. The Guarantee will be governed by German law.

The Notes may be issued on a continuing basis to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time by the Issuer(s), which appointment may be for a specific issue or on an ongoing basis. Notes may be distributed by way of public or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the relevant Final Terms.

Notes will be issued in tranches (each a "**Tranche**"), each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects, except for issue dates, interest commencement dates and/or issue prices may form a series ("**Series**") of Notes. Further Notes may be issued as part of existing Series. The specific terms governing each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions) will be set forth in the applicable Final Terms.

Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that the minimum denomination of the Notes will be, if in Euro, Euro 1,000 and if in any currency other than Euro, in an amount in such other currency equal to the equivalent of Euro 1,000 at the time of the issue of the Notes. The minimum denomination of the Notes may be smaller than Euro 1,000 if the Notes are not listed or are listed on an unregulated market and may not be part of any public offer.

Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

Unless otherwise permitted by then current laws and regulations, Notes in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom will have a minimum denomination of £100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until on or after the first anniversary of their date of issue.

Application has been made to list Notes issued under the Programme on the regulated market of the Luxembourg Stock Exchange. Notes issued under the Programme may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer in relation to each Series. Under the Programme notes may also be issued which will not be listed on any Stock Exchange.

II. Issue Procedures

General

The Issuer and the relevant Dealer will agree on the terms and conditions applicable to each Tranche (the "**Conditions**"), which will be constituted by the Terms and Conditions as completed, modified, supplemented or replaced by the provisions of the applicable Final Terms as provided below. The Final Terms relating to each Tranche will specify:

- whether the Conditions are to be Long-Form Conditions or Integrated Conditions (each as described below); and
- whether the Conditions will be in the English language or the German language or both (and, if both, whether the English language version or the German language version is controlling).

As to the controlling language of the respective Conditions, the Issuer anticipates that, in general, subject to any stock exchange or legal requirements applicable from time to time, and unless otherwise agreed between the Issuer and the relevant Dealer:

- In the case of Notes publicly offered, in whole or in part, in the Federal Republic of Germany or distributed, in whole or in part, to non-professional investors in the Federal Republic of Germany, German will be the controlling language. If, in the event of such public offer or distribution to nonprofessional investors, however, English is chosen as controlling language, a German language translation of the Conditions will be available from the respective offices of the Paying Agent in the Federal Republic of Germany and the Issuer, specified on page 145 and 146 of this Prospectus.

As to whether Long-Form Conditions or Integrated Conditions will apply, the Issuer anticipates that:

- Long-Form Conditions will generally be used for Notes which are not publicly offered.
- Integrated Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be distributed, in whole or in part, to non-professional investors.

Long-Form Conditions

If the Final Terms specify that Long-Form Conditions are to apply to the Notes, the provisions of the applicable Final Terms and the Terms and Conditions, taken together, shall constitute the Conditions. Such Conditions will be constituted as follows:

- the blanks in the provisions of the Terms and Conditions which are applicable to the Notes will be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions;
- the Terms and Conditions will be modified, supplemented or replaced by the text of any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of the Terms and Conditions;
- alternative or optional provisions of the Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted will be deemed to be deleted from the Conditions; and
- all instructions and explanatory notes set out in square brackets in the Terms and Conditions and any footnotes and explanatory text in the Final Terms will be deemed to be deleted from the Conditions.

Where Long-Form Conditions apply, each Global Note representing the Notes of the relevant Series will have the Final Terms and the Terms and Conditions attached. If Definitive Notes are delivered in respect of the Notes of such Series, they will have endorsed thereon either (i) the Final Terms and the Terms and Conditions in full, (ii) the Final Terms and the Terms and Conditions in a form simplified by the deletion of non-applicable provisions, or (iii) Integrated Conditions, as the Issuer may determine.

Integrated Conditions

If the Final Terms specify that Integrated Conditions are to apply to the Notes, the Conditions in respect of such Notes will be constituted as follows:

- all of the blanks in all applicable provisions of the Terms and Conditions will be completed according to the information contained in the Final Terms and all non-applicable provisions of the Terms and Conditions (including the instructions and explanatory notes set out in square brackets) will be deleted; and/or
- the Terms and Conditions will be otherwise modified, supplemented or replaced, in whole or in part, according to the information set forth in the Final Terms.

Where Integrated Conditions apply, the Integrated Conditions alone will constitute the Conditions. The Integrated Conditions will be attached to each Global Note representing Notes of the relevant Series and will be endorsed on any Definitive Notes exchanged for any such Global Note(s).

Deutsche Telekom AG as Issuer and Guarantor

Statutory Auditors

The independent auditors of Deutsche Telekom are PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PwC"), Olof-Palme-Strasse 35, 60439 Frankfurt am Main, Germany and Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft („E&Y“), Mittlerer Pfad 15, 70499 Stuttgart, Germany. PwC and E & Y are members of the chamber of public accountants (*Wirtschaftsprüferkammer*).

General Information about Deutsche Telekom

Introduction

The legal and commercial name of our company is Deutsche Telekom AG. We are a private stock corporation organized under German law registered with the local court (*Amtsgericht*) of Bonn under the number HRB 6794. Our registered office is located at Friedrich-Ebert-Allee 140, 53113 Bonn, Germany, and its telephone number is +49 (228) 181-0.

Historical Background

The provision of public telecommunications services in Germany was long a state monopoly, as formerly provided in the constitution of the Federal Republic. In 1989, the Federal Republic began to transform the postal, telephone and telegraph services administered by the former monopoly provider of such services into market-oriented businesses, and divided the former monopoly into three distinct entities along their lines of business, one of which was our predecessor, Deutsche Bundespost Telekom. At the same time, the Federal Republic also began the liberalization of the German telecommunications market. We were transformed into a private stock corporation effective 1 January 1995.

The operation of networks (including cable networks) for all telecommunications services, other than public fixed-line voice telephony, was opened to competition in Germany on 1 August 1996, when the new legal framework for the regulation of the telecommunications sector in Germany—the Telecommunications Act—became effective. As required by the Telecommunications Act, and mandated by the directives of the E.U. Commission, the telecommunications sector in Germany was further liberalized on 1 January 1998, through the opening of the public fixed-line voice telephony services to competition.

Since then, we have faced intense competition and have been required, among other things, to offer competitors access to our fixed-line network at regulated interconnection rates.

According to § 2 of the Articles of Association (*Satzung*), the corporate purpose of Deutsche Telekom is to conduct business in the whole area of telecommunication, information technology, multimedia, information and entertainment as well as security services and other related services hereto in Germany and abroad.

Our business areas are Broadband/Fixed Network, Mobile Communication and Business Customers.

Description of Business

Mobile Communications

Principal Activities

The principal services offered by our Mobile Communications strategic business area, through T-Mobile, are digital mobile telephony services based on the mobile telecommunications technology known as GSM, and non-voice services such as SMS (short message service), MMS (multimedia messaging services) and other data services to residential and business customers based on CSD (circuit switched data), GPRS (general packet radio service) and UMTS technologies. T-Mobile also operates numerous W-LAN HotSpots. T-Mobile offers international roaming services for GSM, GPRS, UMTS and W-LAN to its customers through a large number of international roaming agreements with third-party operators, which allow customers to access mobile services while outside their home network service area. T-Mobile also sells mobile devices to customers in conjunction with its service offerings.

Mobile voice and data services are offered both on a prepay basis and on a contract basis. Customers purchase contract services on the basis of fixed monthly fees, and pay time-based airtime and per-message fees. Some contract service offerings include a limited amount of airtime, data volume or messages in the monthly fee. Prepay services are purchased on the basis of monetary increments

that are recorded on the customers' SIM (subscriber identity module) card and then deducted, based on airtime or messaging usage fees, as the cards are used. W-LAN services are sold on both a monthly subscription basis and through various usage-based plans.

Usage fees can vary according to the tariff plan selected by the customer, the day and time when a call is made, the destination of the call, the location where the call originates and, in some cases, other terms applicable to the tariff plan, and whether the called party is also a customer of the same network.

Global Branding and Alliances

In 2006, we re-branded Mobimak in Macedonia as T-Mobile Macedonia and Monet in Montenegro as T-Mobile Crna Gora.

T-Mobile was a founding member of the "FreeMove" alliance, together with Telefónica in Spain, TIM Italia S.p.A. in Italy and Orange S.A. in France. The alliance aims to make mobile services more widely available and seamless in all countries in which alliance members operate, by cooperating in several key areas, including the development of joint services related to roaming, voice and data, and the development and purchasing of mobile devices. The European Commission required Telefonica to leave the alliance in 2006 following Telefonica's acquisition of O₂ plc. Telia Sonera AB joined the alliance in March 2006.

New Services

T-Mobile's strategy is to offer an integrated portfolio of voice and data services to its customers, using the most appropriate technologies available depending on local market conditions.

The coverage in all of our markets is based on GSM network technology. GPRS and EDGE technologies are employed to increase the data capacity of the GSM network. EDGE is currently commercially available in the United States, Germany, Hungary and the Czech Republic. In urban and suburban areas in Europe with a higher demand for data capacity, this technology is supplemented by UMTS-FDD (Frequency Division Duplex) technology. The network is fully integrated and allows a seamless user experience for voice and data services.

In 2006, all of our markets in Europe with UMTS-FDD coverage areas have been upgraded to support HSDPA (High-Speed Downlink Packet Access) technology, which enables data rates of up to 3.6 Mbit/s. Based on its newly acquired spectrum, T-Mobile USA plans to offer its first commercial services based on UMTS-FDD technology in the second half of 2007.

In addition, T-Mobile offers mobile broadband data services through its W-LAN HotSpots in Europe and in the United States. The integration of the W-LAN HotSpots and the mobile networks enables our customers to use data services regardless of the access technology used.

To date, T-Mobile has met or exceeded all regulatory obligations with respect to its UMTS and other license requirements in the United Kingdom, Germany, Austria, the Netherlands, the Czech Republic, Hungary, Croatia, Poland, the United States and Slovakia.

Principal Markets

Our principal mobile telecommunications markets are in the United States, Germany, the United Kingdom, Poland, Hungary, the Netherlands, the Czech Republic, Austria, Croatia, Slovakia, Macedonia and Montenegro.

T-Mobile counts its customers by the number of SIM cards activated and not churned. Since the beginning of 2006, T-Mobile has included in its customer totals the SIM cards with which machines can communicate automatically with one another ("M2M cards"). T-Mobile's mobile telecommunications subsidiaries count contract customers as customers for the length of their contracts, and count prepay customers as customers as long as they continue to use our services, and then for a prescribed period thereafter, which differs according to the particular market. Generally, at the end of this period, or in the case of payment default or voluntary disconnection, the customers are cancelled or "churned." The churn rate for any given period represents the number of customers whose service was discontinued during that period, expressed as a percentage of the average number of customers during the period, based on beginning and period-end figures. Our competitors may calculate their churn rates using methods different from ours. In addition, because we use different calculation methodologies in different jurisdictions, our own churn figures are not comparable across all of our national operations.

United States

Through T-Mobile USA, T-Mobile offers mobile telecommunications services to individual and business customers in the United States. At 31 December 2006, T-Mobile USA had approximately

25.0 million customers, compared to approximately 21.7 million at 31 December 2005. Of the total customers at 31 December 2006, approximately 21.2 million, or 85%, were contract customers, compared to approximately 18.4 million, or 85%, at 31 December 2005, and approximately 3.8 million were prepay customers at 31 December 2006, compared to approximately 3.3 million at 31 December 2005.

T-Mobile USA's average churn rate for 2006 was 2.9% per month, approximately the same as in 2005. The contract customer churn rate decreased slightly to 2.2% in 2006, from 2.3% in 2005. Competitive differences, differences in features and services due to the use of multiple wireless technologies, and general differences in consumer behavior between the United States and Europe factor into the higher industry churn rates in the United States compared to Europe. However, the churn rate of our U.S. operations is higher than the U.S. industry average, due in part to the higher proportion of prepay customers in T-Mobile USA's customer base relative to most of its U.S. competitors. Prepay customers in the United States typically churn at substantially higher rates than contract customers. T-Mobile USA initiated two-year service contracts for new customers beginning in the second quarter of 2006, consistent with plans offered by the other large U.S. national carriers. The introduction of these longer term contracts is expected to have a beneficial impact on customer churn in 2007.

On 9 August 2006, the FCC commenced Auction No. 66 ("Auction 66"), offering 90 MHz of Advanced Wireless Services (AWS) spectrum in the 1700 MHz and 2100 MHz frequency bands across the United States. The auction was concluded on 18 September 2006. The FCC sold 1,087 AWS licenses to 104 bidding entities, raising USD 13.7 billion for the U.S. government. A wholly-owned subsidiary of T-Mobile USA was the most active participant in the auction, winning bids for a total of 120 licenses for USD 4.182 billion, which amount was paid in 2006. The licenses were awarded to T-Mobile USA by the FCC on 29 November 2006. The cost for T-Mobile USA per MHz of spectrum acquired in this auction per person of covered population was USD 0.63. With this additional spectrum, T-Mobile USA more than doubled its average spectrum position in the top 100 U.S. markets from 25.9 MHz to 52.2 MHz.

On 5 January 2005, T-Mobile USA and Cingular terminated their network-sharing joint venture (GSM Facilities LLC, "GSM Facilities"), and T-Mobile USA acquired 100% ownership of the shared-network assets in California, Nevada and New York City, plus additional wireless spectrum in California and Nevada. The following are key elements of the transaction:

- Upon the dissolution of GSM Facilities, the New York City wireless network was distributed to T-Mobile USA, and the California and Nevada network to Cingular;
- T-Mobile USA acquired 100% ownership of the California and Nevada wireless network immediately after the dissolution of GSM Facilities;
- T-Mobile USA acquired 10 MHz of spectrum from Cingular in each of the San Francisco, Sacramento and Las Vegas Basic Trading Areas (BTAs) for USD 180 million. T-Mobile USA also acquired an option to purchase from Cingular an additional 10 MHz of spectrum in each of the Los Angeles and San Diego BTAs, under certain circumstances, effective two years after the initial closing of the transaction. In February 2007, the company elected to exercise the option with respect to San Diego only;
- T-Mobile USA agreed to provide network services to Cingular in parts of California, Nevada and the New York City metropolitan area under a wholesale arrangement during a four-year transition period following the dissolution of GSM Facilities. Cingular is obligated to pay a minimum of USD 1.2 billion over the four-year period for these services, based on network usage;
- T-Mobile USA and Cingular agreed to exchange spectrum previously used in the operation of GSM Facilities, such that each party retains 50% of such spectrum in each market;
- As agreed, T-Mobile USA gave up 10 MHz of spectrum in the New York City BTA to Cingular, and T-Mobile USA received 5 MHz of spectrum from Cingular in each of the nine BTAs in the California/Nevada market on 7 January 2007; and
- Amendment of the existing roaming agreement between the parties provides for a nationwide agreement.

T-Mobile USA has an ownership interest in Cook Inlet/VS GSM VII PCS Holdings, LLC, a joint venture that is managed and controlled by Cook Inlet Voice and Data Services, Inc. ("Cook Inlet"), which in turn is the sole member of Cook Inlet/VS GSM VII PCS, LLC ("CIVS VII"). CIVS VII participated in the 2005 spectrum auction ("Auction 58") conducted by the FCC for certain Personal Communications Services (PCS) 1900 MHz licenses. Bidding for approximately one-half of the auctioned licenses was restricted to entities with revenues and assets below certain established thresholds ("Designated

Entities”), while the remaining licenses were open to all bidders. Although T-Mobile USA did not qualify as a Designated Entity, CIVS VII did, and it bid on both restricted and non-restricted licenses in Auction 58. At the conclusion of Auction 58, CIVS VII was high bidder for 36 licenses in various metropolitan markets across the United States for a total of USD 255 million (subject to a reduction of up to approximately USD 20 million in bidding credits, which bidding credits may be lost in whole or in part if control of such licenses is transferred before certain predetermined minimum holding periods to a non-Designated Entity). These licenses were granted by the FCC to CIVS VII in June 2005. At the end of 2006, T-Mobile USA held an approximately 66% equity interest in CIVS VII. Although Cook Inlet manages CIVS VII, the consent of T-Mobile USA is required for certain actions undertaken by the joint venture.

Germany

Through T-Mobile Deutschland, T-Mobile offers mobile telecommunications services to individual and business customers in Germany. At 31 December 2006, T-Mobile Deutschland had approximately 31.4 million customers, including approximately 0.5 million M2M cards in use in machine-to-machine applications that were counted as customers for the first time in 2006. There were approximately 29.5 million customers at 31 December 2005, not including M2M cards in use. Of the total customers at 31 December 2006, approximately 15.1 million were contract customers, compared to approximately 14.3 million at 31 December 2005. T-Mobile Deutschland had approximately 16.3 million prepay customers at 31 December 2006, compared to approximately 15.2 million at 31 December 2005.

T-Mobile Deutschland’s total average churn rate for 2006 was 1.6% per month, compared to an average churn rate of 1.5% per month in 2005, due to an increase in the prepay churn rate. The average contract customer churn rate was 1.2% per month in 2006, which remained unchanged compared to 2005. The average prepay churn rate during 2006 was 2.0% per month, compared to the average prepay churn rate of 1.8% per month during 2005, which was primarily a result of increased competition. In general, a contract customer of T-Mobile Deutschland is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer’s failure to fulfil contractual obligations. T-Mobile Deutschland’s prepay churn policy generally states that in the 12 months following activation, a customer can originate calls/data traffic and receive data or voice communication (“phone time”). In the following 92 days, the customer can only receive data and voice communication (“message time”) and originate only SMS traffic. After these approximately 15 months, the prepay customer is churned, unless the prepay account was topped-up during the approximately 15-month period. In that case, if a EUR 15 top-up credit is added to the account, the customer gets 215 days of phone time and 92 days of message time. With EUR 30 and EUR 50 top-up credits, the phone time period is again 12 months plus 92 days message time. For two prepaid tariffs, the churn policy is different than described above. For these special tariffs, phone time for standard top-ups of EUR 15, EUR 30 and EUR 50 is 92 days followed by 92 days messaging time.

United Kingdom

T-Mobile UK offers mobile telecommunications services to individual and business customers in the United Kingdom. At 31 December 2006, T-Mobile UK had approximately 16.9 million customers, compared to approximately 17.2 million at 31 December 2005. Of the total customers at 31 December 2006, approximately 3.7 million were contract customers, compared to approximately 3.4 million at 31 December 2005, and approximately 13.2 million were prepay customers at 31 December 2006, compared to approximately 13.7 million at 31 December 2005. Beginning 1 January 2006, T-Mobile UK has counted its wholesale customers as either contract or prepay customers. Until 31 December 2005, T-Mobile UK counted all of its wholesale customers as contract customers.

Of the total number of T-Mobile UK customers at 31 December 2006 and 2005, approximately 5.3 million and 6.2 million, respectively, were customers of Virgin Mobile Telecoms Limited (“Virgin Mobile”), which is a MVNO. All Virgin Mobile customers currently use T-Mobile UK prepaid technology and are therefore reported as prepay customers. Virgin Mobile reports to T-Mobile UK the number of customers using a churn policy, whereby a customer is churned after a period of 180 days of inactivity. As a virtual network operator, Virgin Mobile purchases airtime minutes and basic mobile services from T-Mobile UK and resells these minutes and services under the “Virgin Mobile” brand name. Until January 2004, Virgin Mobile had been a joint venture between T-Mobile UK and the Virgin Group. At that time, T-Mobile UK sold its 50% equity stake in Virgin Mobile to the Virgin Group and received a payment of GBP 50 million (approximately EUR 75 million) in exchange for waiving its right to participate in any initial public offering of Virgin Mobile. Additionally, T-Mobile UK and Virgin Mobile concluded a telecommunications supply agreement granting Virgin Mobile use of T-Mobile UK’s

mobile telecommunications network for a further ten years. In 2006, NTL Incorporated acquired Virgin Mobile Holdings (UK) plc, the parent company of Virgin Mobile. This acquisition has not had a significant impact on the telecommunications supply agreement between T-Mobile UK and Virgin Mobile.

During 2006, T-Mobile UK's average monthly churn rate (not including Virgin Mobile customers) was 3.3%, compared to 3.1% in 2005. The increase in churn was predominantly caused by a significant increase in T-Mobile UK's prepay churn rate of 3.8% per month in 2006, compared to 3.1% per month in 2005. This increase is caused by an increase in the inactive prepay subscriber base and the loss of wholesale subscribers due to competition. The contract churn rate decreased to 2.1% per month in 2006, compared to 2.9% per month in 2005, due to attractive retention offers for T-Mobile UK's contract customers.

Generally, a contract customer of T-Mobile UK is churned either after the voluntary termination upon the lapse of a contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. A prepay customer in the United Kingdom is churned after a period of 180 days of inactivity (*i.e.*, the customer has neither originated nor received a voice or data communication in that period).

Poland

T-Mobile holds a 97% interest in PTC. Since 1 November 2006, PTC has been fully consolidated in the results of T-Mobile. At 31 December 2006, PTC had approximately 12.2 million customers, of which approximately 4.5 million were contract customers and approximately 7.7 million were prepay customers.

In general, a contract customer of PTC is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. PTC's prepay churn policy generally states that a customer can originate calls/data traffic and receive data or voice communication during his validity period, which depends on the tariffs and can be up to 12 months (account validity). This validity period can be extended by top-up credits. If a customer exceeds the account validity date, he will stay in a grace period of either 3 or 12 months depending on his tariff, in which the customer can only receive voice or data communication. If the prepay account has not been topped up during this grace period, the customer is churned.

Hungary

Through T-Mobile Hungary (formerly Westel Mobil Távközési Rt., which was re-named T-Mobile Hungary Ltd. in May 2004), T-Mobile offers mobile telecommunications services to individual and business customers in Hungary. Our interest in T-Mobile Hungary is held through a 59% interest in Magyar Telekom.

At 31 December 2006, T-Mobile Hungary had approximately 4.4 million customers, compared to approximately 4.2 million at 31 December 2005. Of the total customers at 31 December 2006, approximately 1.5 million were contract customers, compared to approximately 1.3 million at 31 December 2005. T-Mobile Hungary had approximately 2.9 million prepay customers at 31 December 2006, approximately the same number as it had at 31 December 2005.

T-Mobile Hungary's average churn rate during 2006 was 1.5% per month, which is approximately the same as in 2005. The average contract churn rate decreased, from 0.9% per month in 2005 to 0.8% per month in 2006, primarily as a result of various customer retention campaigns in 2006. The corresponding prepay customer churn rate was 1.8% per month, which is approximately the same as in 2005. Generally, a contract customer of T-Mobile Hungary is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. In the absence of re-charging, a prepay customer is churned after a period of 12 to 16 months depending on the amount charged on the prepay card.

The Netherlands

Through T-Mobile Netherlands, T-Mobile offers mobile telecommunications services to individual and business customers in the Netherlands.

At 31 December 2006, T-Mobile Netherlands had approximately 2.6 million customers, compared to approximately 2.3 million customers at 31 December 2005. This increase is mainly a result of growth in both contract and prepay customers. At the end of 2006, approximately 1.3 million customers were contract customers and approximately 1.2 million were prepay customers, compared to approximately 1.2 million contract customers and approximately 1.1 million prepay customer at the end of 2005.

The average churn rate for 2006 was 2.8% per month, compared to an average churn rate of 3.1% per month in 2005, due to a decrease in the contract churn rate, which was partially offset by an increase

in the prepay churn rate. The average contract churn rate decreased from 2.2% per month in 2005 to 1.5% per month in 2006 due to attractive retention offers to contract customers. The average prepay churn rate increased from 4.0% per month in 2005 to 4.2% per month in 2006 due to increased competition in the Dutch market. In general, a contract customer of T-Mobile Netherlands is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. If a prepay customer has neither originated nor received a voice or non-voice activity (or received only SMS/MMS messages) for a period of 180 days, the customer is churned and removed from the customer base, provided the customer's account has not been re-charged during that period.

Czech Republic

Through T-Mobile Czech Republic, T-Mobile offers mobile telecommunications services to individual and business customers in the Czech Republic. T-Mobile's equity interest in T-Mobile Czech Republic is held through its wholly-owned subsidiary, CMobil, which owns approximately 61% of T-Mobile Czech Republic.

At 31 December 2006, T-Mobile Czech Republic had approximately 5.0 million customers, compared to approximately 4.6 million at 31 December 2005. Of the total customers at 31 December 2006, approximately 1.8 million were contract customers, compared to approximately 1.3 million at 31 December 2005. T-Mobile Czech Republic had approximately 3.2 million prepay customers at 31 December 2006, compared to approximately 3.3 million prepay customers at 31 December 2005.

T-Mobile Czech Republic's average churn rate increased during 2006, from 1.1% per month in 2005, to 1.4% per month in 2006, primarily due to an increase of the prepay churn rate. The average contract churn rate during 2006 was 0.7% per month, compared to the average contract churn rate of 0.6% per month during 2005. The average prepay churn rate during 2006 was 1.7% per month, compared to the average prepay churn rate of 1.3% per month during 2005, which was driven by a higher number of customers who were acquired with special time limited offers. Generally, a contract customer is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. In the absence of re-charging, a prepay customer is churned 30 days after completing a period of 12 months without charged voice or data communications activity.

Austria

Through T-Mobile Austria, T-Mobile offers mobile telecommunications services to individual and business customers in Austria. On 28 April 2006, T-Mobile Austria acquired tele.ring. At 31 December 2006, T-Mobile Austria had approximately 3.2 million mobile customers (including approximately 1.0 million tele.ring customers). Of the total customers at 31 December 2006, approximately 2.0 million were contract customers (including approximately 0.8 million tele.ring customers) and approximately 1.2 million were prepay customers (including approximately 0.2 million tele.ring customers).

T-Mobile Austria's acquisition of tele.ring is subject to certain conditions imposed by the European Commission and the Austrian Telekom-Control-Kommission. The main conditions are the sale of certain sites and UMTS frequencies to smaller competitors in order to strengthen their market and competitive positions. T-Mobile Austria will sell redundant sites not being used after the merger of the two networks. On 23 September 2006, T-Mobile Austria and tele.ring legally merged.

T-Mobile Austria's average churn rate during 2006 slightly increased to 1.9% per month (tele.ring's average churn rate was 2.3% per month during 2006), as compared to the average churn rate of 1.8% per month during 2005. The average churn rate for contract customers during 2006 remained unchanged at 1.3% per month compared to 2005 (tele.ring's average contract churn rate was 1.5% per month during 2006). In general, a contract customer is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations.

Since the beginning of December 2004, T-Mobile Austria has generally churned prepay customers if they had 12 months and six weeks without any account movements (e.g., account top-up or outgoing traffic) and six months without incoming voice calls longer than one minute. Tele.ring generally churns prepay customers after three months without any account movements.

Croatia

Through T-Mobile Hrvatska d.o.o. ("T-Mobile Croatia"), T-Mobile offers mobile telecommunications services to individual and business customers in Croatia. Deutsche Telekom's equity interest in T-Mobile Croatia is held through its 51% equity interest in T-Hrvatski Telekom, which owns 100% of T-Mobile Croatia's share capital.

At 31 December 2006, T-Mobile Croatia had approximately 2.2 million customers, compared to approximately 1.9 million at 31 December 2005. Of the total customers at 31 December 2006, approximately 0.6 million were contract customers, compared to approximately 0.4 million at 31 December 2005. T-Mobile Croatia had approximately 1.6 million prepay customers at 31 December 2006, compared to approximately 1.5 million at 31 December 2005.

T-Mobile Croatia's average monthly churn rate during 2006 was 1.1%, compared to 1.0% in 2005. The average contract churn rate was 1.1% per month in 2006, which remained unchanged, compared to 2005. The average prepay churn rate during 2006 was 1.1% per month, compared to 1.0% per month in 2005. In general, a contract customer is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. Until December 2005, a prepay customer was churned after a period of 90 days without re-charging. In December 2005, T-Mobile Croatia changed its churn policy to churn a prepay customer after a period of 270 days without re-charging, which is in line with its competitors.

Slovakia

Through T-Mobile Slovensko, T-Mobile offers mobile telecommunications services to individual and business customers in Slovakia. T-Mobile Slovensko has been fully consolidated since the beginning of 2005. Prior to 2005, we did not fully consolidate T-Mobile Slovensko as we were not in a control position, due to certain minority holder rights. Deutsche Telekom's equity interest in T-Mobile Slovensko is held through its 51% equity interest in Slovak Telekom, a.s., which owns 100% of T-Mobile Slovensko's share capital.

At 31 December 2006, T-Mobile Slovensko had approximately 2.2 million customers, compared to approximately 2.0 million at 31 December 2005. Of the total customers at 31 December 2006, approximately 1.0 million were contract customers, compared to approximately 0.8 million at 31 December 2005. T-Mobile Slovensko had approximately 1.2 million prepay customers at 31 December 2006, which is approximately the same number of prepay customers it had at 31 December 2005.

T-Mobile Slovensko's average churn rate during 2006 was 1.6% per month, which represents a decrease from 1.9% in 2005. The average contract churn rate decreased, from 1.3% per month in 2005 to 1.0% per month in 2006, primarily due to intensive retention campaigns. The average prepay churn rate decreased, from 2.3% per month in 2005 to 2.0% per month in 2006, primarily due to the discontinuation in 2006 of a promotion providing prepaid SIM cards to customers on a trial basis in comparison with 2005.

Generally, a contract customer is churned either after the voluntary termination upon the lapse of his contract or after forced contract termination due to the customer's failure to fulfill contractual obligations. A prepay customer is churned after a period of 12 months without re-charging calculated from the last use, or if the prepay account is overdrawn.

Macedonia

In Macedonia, T-Mobile offers mobile telecommunications services through T-Mobile Macedonia. T-Mobile Macedonia is a wholly-owned subsidiary of A.D. Makdonski Telekom unikacii ("MakTel"), which is majority owned by Magyar Telekom.

At 31 December 2006, T-Mobile Macedonia had approximately 0.9 million customers, which is approximately the same number of customers it had at 31 December 2005.

Montenegro

In Montenegro, T-Mobile offers mobile telecommunications services through T-Mobile Crna Gora (Montenegro). All of the share capital of T-Mobile Crna Gora (Montenegro) is held by Crnogorski Telekom, which is majority owned by Magyar Telekom.

At 31 December 2006, T-Mobile Crna Gora (Montenegro) had approximately 0.3 million customers, compared to 0.2 million customers at 31 December 2005.

Seasonality

T-Mobile's business in each of its principal markets is affected by seasonal factors, with a general increase in sales of products and services occurring during the fourth calendar quarter, due to holiday purchases. As a result, T-Mobile's performance during the fourth quarter can have a significant influence on its performance for the full year.

Suppliers

T-Mobile purchases IT and network components, as well as mobile devices for purposes of resale, from a number of different suppliers.

T-Mobile believes that it has reduced its technological risks and the risk of delays in the supply of equipment and other technologies, both by contracting with multiple suppliers having significant market share in the network infrastructure and mobile device businesses, and by negotiating contractual penalties to be enforced in the event a supplier does not meet its obligations with respect to timeliness and quality. However, these penalty provisions may not fully mitigate the harm to our business caused by any such contractual breaches.

Marketing and Sales

Each of T-Mobile's principal subsidiaries uses its own combination of direct and indirect distribution channels to market its products and services to its customers. In each of T-Mobile's principal markets, T-Mobile markets its products and services to retail customers through its own network of direct-retail outlets, which are continuously being expanded. In Germany, these direct retail outlets (T-Punkt shops) are operated by a separate affiliated company for the entire Deutsche Telekom group. Further direct-sales channels include a direct-sales force dedicated to business customers, sales through customer service and the T-Mobile Web sites, which are used for customer-relationship management as well as for sales transactions. In addition, third-party distributors, who typically market the products and services of multiple mobile network operators, play a significant role in distribution. Our mobile telecommunications subsidiaries use a variety of incentives to encourage third-party vendors to sell T-Mobile products and services, such as payment of associated marketing expenses and offering special commissions.

Mobile telecommunications resellers and MVNOs are also an important distribution channel for T-Mobile products and services, especially in Germany and the United Kingdom. Mobile telecommunications resellers purchase network access at wholesale rates, and mobile devices at a discount, from network operators, resell packaged services and mobile devices under their own brands through their own distribution channels, charge their customers at rates that they set independently and provide customer service and technical support.

T-Mobile provides its customers with access to T-Mobile specific and third-party content services as well as to the open Internet. Content provided to customers is either for free, in which case the customer only has to pay the normal connection charges to view the content, or it is premium content, where a customer pays a specific charge through the customer's mobile telephone bill to access the content.

Since 2005, T-Mobile, through its "web'n walk" product, offers its customers mobile open access to the Internet on mobile phones. T-Mobile believes that this strategy is superior to the offers of its competitors, who determine the content access for its customers.

Dependence on Patents, Licenses and Industrial, Commercial or Financial Contracts

T-Mobile owns a large number of registered patents and generally has a number of patent applications outstanding at any given time for technical innovations in the area of mobile telecommunications applications, as a consequence of its development activities. Patent protection activity is focused on countries with T-Mobile operations. We do not believe that T-Mobile is dependent on any one patent or group of patents.

To enable us to offer mobile telecommunications services in the different jurisdictions in which we operate, we require, and therefore are dependent on, telecommunications licenses from the relevant authorities in each of these jurisdictions.

We do not believe that T-Mobile is dependent on any third-party industrial, commercial or financial contracts.

Competition

General

Competition in the mobile telecommunications market is generally intense and conducted on the basis of price, subscription options and range of services offered, offers of subsidized mobile devices, coverage, innovation and quality of service.

In the past, competition in the European mobile telecommunications market was conducted at the national level. Increasingly, however, competition in this market is being conducted on a more international basis, as Europe-wide services are being introduced.

In Western Europe, the rate of mobile telephone penetration is quite high. As a result, T-Mobile expects that the growth in the number of T-Mobile customers in these markets will be significantly lower than in past years, and that the focus of competition will continue to shift from customer acquisition to customer retention, and to increasing average revenues per user by stimulating demand for voice usage and new data products and services. T-Mobile believes that, as competition intensifies in its European markets, customer terminal equipment subsidies will be reduced and competition will focus more on the service revenue market rather than on numbers of customers.

The global mobile telecommunications industry has been undergoing consolidation in recent years, which may increase competitive pressure, and we expect that this will continue in the coming years.

In addition, new technologies, whether introduced by us or by others, can be expected to draw customers from existing technologies, including our customers. The competitive dynamics of the mobile telecommunications industry, therefore, could change in ways that we cannot predict which could adversely affect our results of operations and, thus, our financial position.

United States

T-Mobile USA faces intense competition in the U.S. mobile telecommunications market from the three other large national mobile providers, Verizon, Cingular and Sprint/Nextel, and from various regional operators. These four large national carriers are estimated to represent approximately 85% of the total U.S. mobile telephony customer base as of 30 September 2006. T-Mobile USA's customer market share, measured against the other large nation-wide operators, was approximately 13% at 30 September 2006, which was the same at 31 December 2005. Most of these competitors or their predecessors had been operating in the U.S. mobile telecommunications market for a considerable time prior to the entry of T-Mobile USA's predecessors into the U.S. market.

Verizon, Cingular and Sprint/Nextel together represent approximately 74% of the total U.S. mobile telephony market in terms of customers as of 30 September 2006. These companies have potential advantages of size and scale that could allow them to deliver services in a more cost-efficient manner and thereby negatively affect T-Mobile USA's competitive position.

The U.S. mobile telecommunications market is quite different in a number of respects from the European mobile telecommunications markets. For example, there is no single communications standard. In addition, licenses to provide wireless services cover numerous localities, rather than the entire nation. It can therefore be difficult for network operators to obtain the spectrum needed in some localities to expand customer bases, upgrade the quality of service and add new services, particularly in densely populated urban areas. Low population density in other areas can cause problems with network efficiency and result in large geographic areas with no or limited coverage. For these and other reasons, including the extremely high penetration level of reliable, low cost, fixed-line telephony services, penetration levels for mobile telephony services in the United States are generally lower than penetration levels in Western European countries. As a result, mobile telecommunications operators in the U.S. market generally continue to invest heavily in order to encourage and capture growth in customer numbers.

Usage and pricing practices in the U.S. mobile market also differ significantly from those typically seen in European markets. Average voice usage per customer per month is generally much higher in the United States than in Europe. Contract pricing in the United States is typically in the form of a fixed monthly charge at various price points for specified bundles of features and services, which permit usage up to prescribed limits with no incremental charges. Usage in excess of the limits results in incremental charges. Prepay usage is generally priced solely on a usage basis. Typically, both inbound and outbound usage counts against the contract usage limits, and both are subject to incremental charges for excess contract usage and prepaid usage. Monthly average revenue per user (ARPU) is typically higher in the United States than in Europe. However, average revenue per minute of use is substantially lower in the United States than in Europe.

The differences between the U.S. and European mobile telephony markets result in different competitive pressures in these markets. In the United States, coverage is a key competitive factor, as is the perceived value of bundles of minutes, features and services at the most popular price points. To the extent that the competitive environment requires us to decrease prices, or increase our service and product offerings, our revenues could decline, our costs could increase and our customer retention could be adversely affected.

Germany

In Germany, T-Mobile Deutschland faces intense competition from mobile network operators Vodafone, E-Plus and O₂. We believe that T-Mobile Deutschland maintained its market leadership position, in terms of number of customers, at 30 September 2006, but its smaller competitors, O₂ and E-Plus, gained ground compared to 2005.

T-Mobile believes that T-Mobile Deutschland had a customer market share of approximately 37% at 30 September 2006, while Vodafone had a customer market share of approximately 36%, E-Plus had a customer market share of approximately 15% and O₂ had a customer market share of approximately 13%. T-Mobile believes that the overall penetration rate in the German mobile telecommunications market was approximately 100% at 30 September 2006.

In the retail market, in addition to competition from other network operators, T-Mobile Deutschland faces significant competition from resellers. T-Mobile expects that, in the short term, the multi-brand strategy of E-Plus, as well as the market entry of existing and potentially new resellers will significantly affect mobile telephony prices and attract customers from the other existing mobile operators.

United Kingdom

In the United Kingdom, T-Mobile UK faces intense competition, principally from Vodafone, O₂ and Orange. In addition, T-Mobile UK faces competition from "3" (a brand name of Hutchison 3G UK Limited). T-Mobile believes that T-Mobile UK's customer market share, which includes customers of Virgin Mobile, decreased to approximately 24% as of 30 September 2006, compared to approximately 25% in 2005. Virgin Mobile has changed its customer base definition and as a result, its subscriber base decreased at the beginning of 2006. T-Mobile believes that the penetration rate in the UK mobile telecommunications market was approximately 114% at 30 September 2006.

In the retail market, in addition to competition from other mobile network operators, T-Mobile UK faces significant competition from resellers, as well as from other MVNOs.

Poland

In Poland, PTC faces competition from Polkomtel and Centertel. T-Mobile believes that PTC's customer market share was approximately 34% at 30 September 2006 and that the penetration rate in the Polish mobile telecommunications market was approximately 90% at 30 September 2006.

Hungary

In Hungary, T-Mobile Hungary faces competition from Pannon GSM and Vodafone Hungary. T-Mobile believes that T-Mobile Hungary's customer market share was approximately 45% as of 30 September 2006, approximately the same market share as in 2005, Pannon GSM had a market share of approximately 34%, compared to 33% in 2005, and Vodafone Hungary had a market share of approximately 21% in 2006, compared to approximately 22% in 2005. T-Mobile believes that the penetration rate in the Hungarian mobile telecommunications market was approximately 93% at 30 September 2006.

The Netherlands

In the Netherlands, T-Mobile Netherlands faces intense competition from KPN Mobile (including Telfort), Vodafone and Orange. T-Mobile believes that T-Mobile Netherlands' customer market share was approximately 15% as of 30 September 2006, compared to approximately 14% in 2005, while KPN Mobile (including Telfort), Vodafone and Orange had a market share of approximately 50%, 23% and 12%, respectively, in 2006, compared to approximately 50%, 24% and 12%, respectively, in 2005. T-Mobile believes that the penetration rate in the Dutch mobile telecommunications market was approximately 103% at 30 September 2006.

In the Dutch retail market, in addition to competition from the mobile network operators mentioned above, T-Mobile Netherlands competes with an increasing number of MVNOs.

Czech Republic

In the Czech Republic, T-Mobile Czech Republic faces competition from Telefónica O₂ Czech Republic (formerly Eurotel Praha) and Vodafone Czech Republic (formerly Oskar Mobil). T-Mobile believes that T-Mobile Czech Republic's customer market share was approximately 41% at 30 September 2006, compared to approximately 41% in 2005, Telefónica O₂ Czech Republic had approximately 40%, compared to approximately 41% in 2005, and Vodafone Czech Republic had approximately 19%, compared to approximately 19% in 2005. We believe that the penetration rate in the Czech mobile telecommunications market was approximately 116% at 30 September 2006.

Austria

In Austria, T-Mobile Austria primarily faces competition from mobilkom austria, ONE and "3". T-Mobile believes that T-Mobile Austria's customer market share after the consolidation of tele.ring was approximately 35% at 30 September 2006, and the customer market shares of mobilkom austria, ONE and "3" were approximately 39%, 22% and 4%, respectively. T-Mobile believes that the penetration rate in the Austrian mobile telecommunications market was approximately 110% at 30 September 2006.

Croatia

In Croatia, T-Mobile Croatia faces competition from VIPnet and Tele2. T-Mobile believes that T-Mobile Croatia's customer market share was approximately 50% as of 30 September 2006, compared to approximately 52% in 2005. T-Mobile believes that the penetration rate in the Croatian mobile telecommunications market was approximately 93% at 30 September 2006.

Slovakia

In Slovakia, T-Mobile Slovensko faces competition from Orange. T-Mobile believes that T-Mobile Slovensko's customer market share was approximately 45% as of 30 September 2006, compared to approximately 45% in 2005. T-Mobile believes that the penetration rate in the Slovak mobile telecommunications market was approximately 87% at 30 September 2006.

Macedonia

In Macedonia, T-Mobile Macedonica faces competition from Cosmofon AD. T-Mobile believes that T-Mobile Macedonia's customer market share was approximately 67% at 30 September 2006, compared to approximately 70% at 30 September 2005. T-Mobile believes that the penetration rate in the Macedonian mobile telecommunications market was approximately 66% at 30 September 2006.

Montenegro

In Montenegro, T-Mobile Crna Gora (Montenegro) faces competition from ProMonte. T-Mobile believes that T-Mobile Crna Gora's customer market share was approximately 36% as of 30 September 2006, compared to approximately 40% in 2005.

Broadband/Fixed Network

The Broadband/Fixed Network strategic business area offers consumers and small business customers state-of-the-art infrastructure for traditional fixed-network services, broadband Internet access, and customer-oriented multimedia services. Broadband/Fixed Network also provides services to national and international network operators and resellers, and provides products and services for Deutsche Telekom's other strategic business areas.

The merger of T-Online International AG into Deutsche Telekom AG, which had been approved by shareholders in 2005, did not become immediately effective due to lawsuits filed by some T-Online shareholders. However, with the final ruling of the Federal Court of Justice (*Bundesgerichtshof*), the merger became effective when it was entered in the commercial registers on 6 June 2006. With the entry of the merger in the commercial registers, T-Online shareholders became Deutsche Telekom AG shareholders. Following the merger, T-Online no longer reports as a separate legal entity. However, Deutsche Telekom still employs the T-Online brand for most of Broadband/Fixed Network's mass market IP-based services in Germany.

The merger of T-Online into Deutsche Telekom has enabled the Broadband/Fixed Network strategic business area to achieve improved structural as well as product and service efficiencies. Customers now receive fully integrated products and services from a single source, which previously were provided separately by T-Com and T-Online. Additionally, a new, simplified and integrated portfolio of rates and services was introduced in September 2006. The new portfolio, called "3x3 Complete Packages" (*3x3 Komplettpakete*), includes a variety of flat rates and services for telephony, surfing the Internet and Internet television in an assortment of combinations. These product offerings are marketed as basic telephony services ("single-play"), telephony and high-speed Internet access ("double-play") and high-speed Internet access, communications services and entertainment offerings ("triple-play"). Triple-play, also marketed as "T-Home," was launched in October 2006.

Principal Activities

The Broadband/Fixed Network strategic business area operates one of the largest fixed-line networks in Europe in terms of the number of lines provided. Broadband/Fixed Network also operates one of the largest Internet Service Providers ("ISPs") in Europe in terms of subscribers and revenues. Broadband/Fixed Network reports its domestic and international operations separately. The Scout24

group is included within domestic operations since its parent company has its registered office in Germany. The principal activities of the Broadband/Fixed Network strategic business area include:

- Network communications services, consisting of network access products (excluding broadband) and calling services;
- Wholesale services, for domestic and international customers, including voice services, IP services, network and access services (Resale DSL and the unbundled local loop) and solutions;
- IP/Internet products and services (mainly marketed to retail customers under the T-Online brand name), including broadband access, VoIP, ISP access-related services, video-on-demand, triple-play services, digital distribution platforms for games (marketed as Gamesload), software (marketed as Softwareload) and music (marketed as Musicload);
- Data communications services and solutions provided through the Business Customers strategic business area to small- and medium-sized enterprises, including products based on IP, which include intranet and extranet solutions, as well as leased lines;
- Value-added services (special purpose telephony services), including toll-free services and public payphones;
- Other services, including publishing services, customer retention programs, installation and maintenance services;
- Terminal equipment for telecommunications, including the distribution of T-Com's own brand as well as the brands of leading telecommunications and IT manufacturers;
- Fixed-line network services, wholesale services, IP/Internet services and multimedia services (radio and television) in certain countries in Eastern Europe, through its subsidiaries Magyar Telekom (Hungary), Slovak Telekom (Slovakia) and T-Hrvatski Telekom (Croatia); and
- IP/Internet services in Western Europe provided through T-Online Spain (marketed as "Ya.com") and T-Online France (marketed as "Club Internet").

Most of Broadband/Fixed Network's revenues in 2006 were derived from fixed-line network communications services provided within Germany, primarily in the form of access and calling services revenues.

The following table reflects the number of broadband and narrowband access lines in operation supported by our Broadband/Fixed Network strategic business area:

	As of 31 December 2006	As of 31 December 2005	% Change 31 December 2006/ 2005	As of 31 December 2004	% Change 31 December 2005/ 2004
(millions, except where indicated)					
Broadband ⁽¹⁾					
Lines (total) ⁽²⁾	11.7	8.6	36.9	6.1	41.5
Domestic ⁽³⁾	10.3	7.9	29.8	5.8	36.9
of which: resale ⁽⁴⁾	3.2	1.6	n.m.	0.2	n.m.
International ⁽⁵⁾	1.4	0.6	n.m.	0.3	n.m.
Broadband rates (total) ⁽⁶⁾	8.0	5.5	45.5	3.8	45.6
of which: domestic	6.3	4.5	41.2	3.2	38.0
Narrowband ⁽¹⁾					
Lines (total) ⁽²⁾	39.0	41.2	(5.5)	42.8	(3.7)
Domestic ⁽⁷⁾	33.2	35.2	(5.8)	36.8	(4.1)
Standard analog lines	24.2	25.5	(5.2)	26.4	(3.3)
ISDN lines	9.0	9.8	(7.5)	10.4	(6.1)

	As of 31 December 2006	As of 31 December 2005	% Change 31 December 2006/ 2005	As of 31 December 2004	% Change 31 December 2005/ 2004
(millions, except where indicated)					
International (Eastern Europe only)	5.8	6.0	(3.9)	6.1	(1.0)
Magyar Telekom ⁽⁸⁾	3.0	3.2	(5.7)	3.2	(0.4)
Slovak Telekom	1.2	1.2	(2.3)	1.2	(3.9)
T-Hrvatski Telekom	1.6	1.7	(1.7)	1.7	(0.1)
Narrowband rates (total) ⁽⁶⁾	3.2	4.4	(27.2)	5.4	(19.1)
Internet customers with a billing relationship (total) ⁽⁹⁾⁽¹⁰⁾	16.6	15.2	8.8	14.5	5.1

n.m.—not meaningful

Table includes broadband and narrowband lines (Germany plus Eastern and Western Europe). Eastern Europe includes Magyar Telekom, T-Hrvatski Telekom and Slovak Telekom; Western Europe includes T-Online Spain and T-Online France.

- (1) The total was calculated on the basis of precise figures and rounded to millions. Percentages have been calculated on the basis of precise figures.
- (2) Lines in operation.
- (3) Broadband lines excluding lines for internal use.
- (4) Definition of resale: sale of broadband lines based on DSL technology to alternative providers outside the Deutsche Telekom group.
- (5) Western Europe includes only broadband lines on Broadband/Fixed Network's own network.
- (6) Represents customers with an ISP billing relationship ("ISP customers") in Germany, Eastern and Western Europe. These amounts include PAYG customers of Magyar Telekom.
- (7) Telephone lines excluding internal use and public payphones, including wholesale services.
- (8) Narrowband lines for 31 December 2006, encompass customer relationships for Magyar Telekom's subsidiary MakTel and Crnogorski Telekom (formerly Telekom Montenegro). Prior-year comparatives have not been adjusted.
- (9) Total calculated on the basis of customers (broadband and narrowband rates) in Germany, Western and Eastern Europe with a billing relationship and pay as you go customers (those customers who do not have a rate plan with a monthly basic charge).
- (10) Figures include T-Hrvatski Telekom's subsidiary Iskon Internet d.d. since June 2006.

During 2006, the number of Broadband/Fixed Network's narrowband lines in Germany decreased at a greater rate than expected. This is primarily due to increased competition from alternative fixed-network providers with fully integrated bundled packages, as well as fixed-to-mobile substitution. The loss of narrowband customers also occurs in connection with customers' initial acquisition of a broadband line. Additionally, since the merger of T-Online with Deutsche Telekom was not effective until June 2006, the Broadband/Fixed Network strategic business area had only limited capacity to act in the market with the integrated product offerings.

In Germany, the number of Broadband/Fixed Network narrowband lines decreased by 2.0 million or 5.8% to 33.2 million in 2006. Broadband/Fixed Network's estimated market share for narrowband lines declined from 94.9% in 2004 to 91.3% in 2005 to 86.9% in 2006 based on information from the

Federal Network Agency's 2006 annual report. Although not as significant as the factors mentioned above, substitution by cable network operators also contributed to this decline.

Broadband/Fixed Network intends to pursue new business opportunities, and expects to continue its growth in the broadband area and to increase the number of broadband lines in operation through the offering of more competitive rate plans, including flat-rate plans, and new products and services. Broadband/Fixed Network also intends to introduce non-access related broadband services. In addition, the Broadband/Fixed Network strategic business area is focusing on defending its market share in its core businesses by stabilizing narrowband access lines and reducing the loss of call minutes.

Broadband services allow customers to access the Internet and Internet-related services at significantly higher speeds than traditional dial-up services. Broadband is used to refer to ADSL (asymmetric digital subscriber line), ADSL2 and ADSL2+ (more advanced ADSL technology) and VDSL (very high-speed digital subscriber line) technologies, for which the downstream data rate is greater than 128 Kbit/s. For more information, see “—Operations in Germany—IP/Internet Services—Broadband Access” below.

The broadband market continued to grow during 2006. Falling prices for services provided by Internet service providers (ISPs), and competitively priced bundled broadband access, voice and ISP product offerings by fixed-network operators, were factors in the continued growth of the broadband market.

The total number of broadband lines in operation in Germany provided by Broadband/Fixed Network increased by 2.4 million, or 29.8%, from 7.9 million at 31 December 2005 to 10.3 million at 31 December 2006. This increase was primarily due to an increase in the number of Resale DSL lines sold to alternative providers from 1.6 million at 31 December 2005 to 3.2 million at 31 December 2006. This increase was also due to an increase in the rate of growth of retail DSL customers in Germany, especially in the fourth quarter after Broadband/Fixed Network's initial introduction of bundled offerings providing broadband access, voice and ISP products. We expect the number of retail and Resale DSL lines in operation provided by Broadband/Fixed Network to continue to increase in conjunction with the overall increase in the market for broadband connections in Germany.

With approximately 16.6 million ISP customers as of 31 December 2006, Broadband/Fixed Network is one of the largest European ISPs, based on both revenues and number of customers. Compared to 31 December 2005, Broadband/Fixed Network's ISP customers increased by approximately 1.4 million. The total number of customers with broadband rates increased by 2.5 million, or 45.5%, from 5.5 million as of 31 December 2005 to 8.0 million at the end of 2006. The increase in ISP customers with broadband rates was partially offset by a decrease in ISP customers with narrowband rates. Customers with narrowband rates decreased by 1.2 million, or 27.2%, from 4.4 million as of 31 December 2005 to 3.2 million at the end of 2006, primarily due to customer migration from narrowband rates to broadband rates. In Germany, the number of customers with broadband rates increased 41.2%, from 4.5 million as of 31 December 2005 to 6.3 million as of 31 December 2006. International operations posted a 63.4% increase in the number of customers with broadband rates as of 31 December 2006, compared to 31 December 2005. The growth internationally is primarily due to attractive products and rate offerings in Eastern and Western Europe. The comparatively low market penetration rates in Eastern Europe provide for continuing growth opportunities.

Broadband/Fixed Network expects that market share in narrowband access lines and the prices for narrowband products will continue to decrease due to fixed-to-mobile substitution, competition from other fixed-line operators and an increase in sales of broadband products in connection with increased use of IP-based networks. Broadband/Fixed Network also expects that the adoption of IP-based networks by fixed-line operators will lead to the obsolescence of PSTN networks in the medium term. This should contribute to a loss in narrowband access lines, which we believe will be accompanied by a smaller increase in the number of broadband lines in operation and related demand for products by ISP customers.

We expect that the new 3x3 Complete Packages integrated product and rate portfolio, which was introduced in September 2006, will contribute to increased use of broadband lines and ISP products by our customers. These new integrated offers were accepted by 3.6 million customers as of 31 December 2006. The integrated broadband access, ISP and VoIP features available from Broadband/Fixed Network in conjunction with the new service initiatives are expected to increase customer satisfaction and loyalty.

Operations in Germany

Network Infrastructure

Broadband/Fixed Network's present network infrastructure is comprised of access and transmission networks and service platforms.

Broadband/Fixed Network has been investing in modern network infrastructure technologies since 2005, which will form the basis of its next generation network (NGN). The development of Broadband/Fixed Network's NGN is a long-term objective and necessitates the implementation and integration of network enhancement technologies, as well as other technologies. NGN technologies are currently being integrated into the existing network infrastructure and will replace elements of the existing network, such as asynchronous transfer mode (ATM) and Synchronous Digital Hierarchy (SDH), as well as platforms such as the public switched telephone network (PSTN). The network infrastructure will integrate existing constituent IP platforms into a single IP architecture and will benefit from the performance advantages offered by high-speed network structures. The overall design concept of T-Com's migration to a NGN based network is based on several key principles. For instance, introduction of leading-edge NGN technologies on all network layers denotes a move towards a layered architecture, a shift from circuit (*i.e.*, voice based) to packet technologies (*i.e.*, IP-based), and utilization of ethernet and passive optical network technologies. An NGN approach results in a reduction in an assortment of technologies and platforms through its utilization of a leaner infrastructure, as well as in a reduction in resources needed to operate the network. Therefore, implementation of NGN technologies increases the efficiency and innovation potential of the existing network. Implementation of the NGN will result in the replacement of certain service platforms in the mid- to long-term, including our PSTN.

Access Network

Broadband/Fixed Network offers ICT access for individual customers, very small business customers and other carriers. Typically a customer has access to Broadband/Fixed Network's network by means of a copper cable that runs from Broadband/Fixed Network's transmission network to the customer's home or office. The portion of the access network that connects the transmission network to the customer is commonly referred to as the "last mile" or "local loop." Broadband/Fixed Network began to significantly upgrade its access network in 2005 through implementation of the NGN enabling access technologies, such as VDSL high-speed access technology. The implementation of VDSL beyond the initial ten more densely populated metropolitan areas was temporarily suspended in 2006 due to concerns surrounding regulatory developments. Broadband/Fixed Network intends to continue to pursue the build-out of its network but expects that this will occur more slowly than originally anticipated.

Broadband/Fixed Network also intends to continue to upgrade its broadband-access network by expanding the use of ADSL2+ technology. ADSL2+ will enable customers to realize access speeds of up to 20 Mbit/s. The ADSL2+ technology will be provided to approximately 700 smaller cities and less densely populated urban areas in Germany.

Transmission Network

Broadband/Fixed Network's transmission network consists of fiber-optic cables enhanced with Wavelength Division Multiplexing (WDM) and SDH technologies, as well as other network components. WDM uses wavelengths of light to increase the capacity of fiber-optic cables, thereby allowing multiple communication channels. This allows Broadband/Fixed Network to increase the capacity of its transmission network without having to use additional fiber-optic cable. SDH is an international high-speed transmission standard, which improves network management and increases the reliability of fiber-optic networks. During 2006, Broadband/Fixed Network began to reduce its investment in SDH significantly due to the planned gradual upgrade to NGN enabling technologies. Broadband/Fixed Network plans to extend further its use of WDM and other network enhancement technologies based on the demands of its customers and in conjunction with our ongoing broadband strategy.

Service Platforms

Broadband/Fixed Network uses its service platforms to enable the provision of voice, data and other value-added services to its customers. Broadband/Fixed Network's service platforms include IP-based and ATM technologies, which permit the high-quality transmission of large amounts of data (*e.g.*, VoIP, text, audio and video). These platforms allow Broadband/Fixed Network to deliver a wide range of products and services to individual and business customers. The products and services delivered on these service platforms include browser access to the World Wide Web and virtual private networks (VPNs). Server connections to the World Wide Web are also employed in Broadband/Fixed Network's service platforms.

Network Communication Services

Network Access Products

Broadband/Fixed Network offers network access to its individual and business customers through a variety of access-line packages, which generally include a fixed monthly payment and a variable component based on traffic volume. These access-line packages may contain standard analog-line access or digital-line access, the latter of which is also known as Integrated Services Digital Network (ISDN) access lines. In addition, both types of access lines are a prerequisite for broadband access and can be enhanced by increasing their bandwidth capacity through the use of DSL technology as described below under “—IP/Internet Services.”

Narrowband Access

T-Net Access

Broadband/Fixed Network’s standard access voice products are marketed under the brand name “T-Net” and permit the customer to use a single telecommunications channel for voice, data or facsimile transmission at speeds of up to 56 Kbit/s. The following table shows the number of T-Net access lines in operation, excluding public payphones, as of 31 December for each of the periods presented:

Year	T-Net Access Lines
2004	26.4 million
2005	25.5 million
2006	24.2 million

The number of T-Net access lines in operation has continued to decrease from 2004 to 2006. Broadband/Fixed Network expects this trend to continue in the future. Competition, due to regulatorily mandated unbundling of the PSTN and DSL access lines in 2008, and conversion of the network to the NGN, are expected to be significant factors in this decrease.

T-ISDN Access

Broadband/Fixed Network’s ISDN access products are marketed under the brand name “T-ISDN” and permit a single customer access line to be used simultaneously to provide multiple products and services, including voice, data and facsimile transmission at 64 Kbit/s, which can be increased to 128 Kbit/s using channel bundling. Compared to regular voice telephone lines, ISDN technology provides connections with faster transmission speeds and increases Broadband/Fixed Network’s network usage rates.

Broadband/Fixed Network offers two types of T-ISDN access lines: basic and primary. Basic T-ISDN access lines provide two telecommunications channels per access line and are offered to individual as well as business customers. Primary T-ISDN access lines provide 30 telecommunications channels per access line and are offered mainly to business customers. The following table shows the number of ISDN access lines and channels in operation as of 31 December for each of the periods presented:

Year	ISDN Access Lines⁽¹⁾		
	Basic	Primary	Total ISDN Channels⁽²⁾
2004	10.4 million	97,000	23.9 million
2005	9.8 million	93,000	22.5 million
2006	9.1 million	89,000	20.9 million

(1) ISDN lines including internal use and public payphones, including wholesale services.

(2) Calculations of Total ISDN Channels based on actual figures.

The number of basic T-ISDN access lines decreased in 2006 compared to 2005, primarily as a result of increased competition, especially from new integrated voice and Internet products, and saturation of the ISDN market. Another factor in the decrease in the number of T-ISDN access lines was the migration of T-DSL customers, who had been using T-ISDN access lines in conjunction with broadband service, to T-Net access lines after 1 April 2004. This migration occurred after Broadband/Fixed Network increased the price of T-DSL when purchased in combination with T-ISDN, and reduced the price of T-DSL when purchased in combination with T-Net. Broadband/Fixed Network expects this trend to continue.

Broadband/Fixed Network expects the number of narrowband access lines in operation to continue to decrease in the future due to increased competition, fixed-to-mobile substitution and increased acceptance of VoIP.

Calling Services

T-Net and T-ISDN permit comprehensive local, regional and international calling services, and dial-up Internet access, and offer customers many of the same services, such as three-way calling, call-waiting and caller ID. T-ISDN also offers several features not available to T-Net customers, including a second connection channel, which allows the customer to have three separate telephone numbers to use the telephone, send or receive faxes and use the Internet simultaneously.

In 2006, Broadband/Fixed Network's competitors continued to make considerable inroads into the calling services market, primarily as a result of regulatory decisions favoring increased competition in the fixed-line area. Competitors have introduced their own infrastructure and continue to make investments in interconnection points to benefit from favorable pricing conditions. The decrease in the number of Broadband/Fixed Network's call minutes in Germany continued in 2006, due to loss of access lines to these competitors, fixed-to-mobile substitution and increased acceptance of VoIP. Broadband/Fixed Network's call plans with a flat-rate component, which were initially introduced in 2005 and expanded and improved in 2006, have led to an increase in call minutes by customers through those plans.

To counter some of these competitive challenges, Broadband/Fixed Network introduced several different rate plans, designed to provide customers with reduced per-call rates for an additional monthly fee. These new rate plans were designed to better meet the demands of specific customer segments, compared to Broadband/Fixed Network's existing rate plans. Broadband/Fixed Network believes that there is a trend towards including and increasing flat-rate components in rate plans. In addition, in October 2006, Broadband/Fixed Network completed the introduction of its new 3x3 Complete Packages product portfolio, which offers customers a choice of three different levels of single-play, double-play and triple-play. Broadband/Fixed Network expects calling minutes with respect to the newly introduced flat rate plans to increase. However, overall, Broadband/Fixed Network expects calling minutes and revenues in the future to decrease due to continued loss of narrowband access lines, continued fixed-to-mobile substitution and the increased acceptance of VoIP.

Wholesale Services

Through its wholesale services business, Broadband/Fixed Network provides products and services to other domestic carriers and service providers, as well as to other members of the Deutsche Telekom group, in accordance with regulatory guidelines stipulated by the Federal Network Agency. Within Wholesale Services, International Carrier Sales & Solutions (ICSS), is responsible for the international wholesale business. ICSS' services and solutions are sold globally under the Deutsche Telekom brand. Wholesale products and services provided to third-party and Deutsche Telekom group customers include the following:

Domestic Services

Interconnection services

Broadband/Fixed Network's interconnection services primarily consist of call origination and the transit and termination of switched voice traffic. The terms under which Broadband/Fixed Network interconnects its telephone network with the networks of other domestic carriers and service providers are either bilaterally negotiated or imposed by the Federal Network Agency. At 31 December 2006,

Broadband/Fixed Network had 135 interconnection arrangements. Bilateral interconnection agreements existed with 88 of these carriers, while the remaining carrier interconnections were implemented on the basis of an interconnection order from the Federal Network Agency. The Federal Network Agency mandated price reductions on interconnection prices valid from 1 June 2006 until 30 November 2008.

IP services

Broadband/Fixed Network provides Internet transport services for broadband and narrowband service providers ("virtual ISP services") as well as transport services for carrier interconnection. In addition, Broadband/Fixed Network offers nationwide access through its IP backbone and regional IP access to broadband IP providers. Broadband/Fixed Network also provides scalable narrowband and broadband Internet transport services to ISPs ("OnlineConnect"), which allow ISPs to expand their Internet platforms in line with customer demand.

Access services

Demand for services enabling other telecommunications operators to offer their own end-customer telephone and Internet services continued to increase in 2006. The trend of telecommunications operators leasing access to the local loop to enable themselves to supply their customers with telephone and Internet services, using Broadband/Fixed Network's network infrastructure continued to increase significantly to 4.7 million lines in 2006 from 3.3 million in 2005 and 2.0 million lines in 2004. Unbundled local loop access is available to competitors in high bitrate (typically DSL capable) and low bitrate (typically not DSL capable) variants. Due to competitors increasing investment in their own network infrastructure, including co-location facilities and exchanges, in Germany, Broadband/Fixed Network expects that the demand for access in the unbundled local loop will increase in the future.

Furthermore, since July 2004, Broadband/Fixed Network has offered a Resale DSL product, *i.e.*, the sale of broadband access lines to competitors. This enables third-party operators to offer an integrated service combining access- and IP services to their retail customers under their own brands. The current maximum transmission speed offered to Resale DSL customers is 16 Mbit/s. Resale DSL continued to increase significantly in 2006 to 3.2 million, from 1.6 million in 2005 and 0.2 million in 2004.

Network Services

Broadband/Fixed Network offers leased lines with transmission speeds ranging from 64 Kbit/s to 2.5 Gbit/s, which are tailored to fit the specific needs of carriers and mobile network operators. These leased lines can be used both for the transmission of data and for voice traffic. Broadband/Fixed Network also offers Carrier Services Networks, which combine leased lines with network management services.

International Services

ICSS provides international wholesale customers, typically other fixed-line carriers and mobile operators, ISPs, application service providers (ASPs) and content providers, with worldwide direct access to Deutsche Telekom's international telecommunications network. ICSS' main focus is the transfer of outgoing international voice and data traffic from Germany to carriers in other countries for termination in their networks, and the provision of carrier termination and transit services for calls that originate outside of Germany and are routed through our network for termination in Germany or a third country. During 2006, ICSS managed total worldwide voice traffic of more than 13.8 billion minutes, providing connections to more than 190 countries worldwide. In addition, ICSS also manages the exchange of international IP traffic between carriers, which is necessary in order to allow carriers to offer Internet access and content to their retail customers. Other services provided by ICSS include "Carrier Managed Network Solutions," which are IP-based VPNs for carriers serving the corporate market, and a comprehensive set of mobile solutions.

IP/Internet Services

Broadband/Fixed Network's integrated broadband strategy includes new offerings for voice, Internet and entertainment services. Broadband/Fixed Network believes that broadband growth in Germany, particularly in the retail market, is largely dependent on the successful introduction and acceptance of double-play and triple-play products and services. Substantially all of the operating activities conducted under the T-Online brand are included in IP/Internet services, which also includes Broadband/Fixed Network's retail DSL activities.

In 2006, Broadband/Fixed Network continued to develop its portfolio to include new innovative broadband services. The new high-speed VDSL network, which Broadband/Fixed Network began to roll out in 2005, provides bandwidths of up to 50 Mbit/s. In conjunction with this roll out, Broadband/Fixed Network continued to develop new markets in which it will be possible to offer

innovative services. In March 2005, Broadband/Fixed Network launched its VoIP broadband telephony service. VoIP technology offers Internet users an affordable option of telephoning via the Internet. Since the beginning of November 2005, Broadband/Fixed Network has been offering a VoIP flat-rate. In 2006, the portfolio of access services was broadened with rate offerings that include Internet access and DSL telephony that can be selected for all available access line speeds. In May 2006, Broadband/Fixed Network launched the T-DSL 16000 product line primarily for data-intensive applications.

In October 2006, Broadband/Fixed Network launched its first triple-play product "T-Home," consisting of high-speed-Internet access, telephony and Internet Protocol TV (IPTV). This product evolved from "T-Online Vision," introduced in 2003, which allowed broadband services (mainly video-on-demand) to be accessed through a television set. As part of the launch of IPTV via the new high-speed network, Broadband/Fixed Network has concluded agreements with 130 broadcasters in Germany. Since August 2006, Broadband/Fixed Network has been offering transmissions of soccer matches of the first and second Bundesliga divisions in cooperation with the pay-TV channel Premiere.

In the entertainment area, the existing video-on-demand portfolio is being continually expanded, with a film library of over 1,300 titles from all genres, including 600 Hollywood productions. Broadband/Fixed Network offers "Musicload", one of the leading German online-music download portals based on the number of downloads. With the introduction of "Gamesload" in August 2005 and "Softwareload" in November 2006, Broadband/Fixed Network established two other digital distribution platforms for entertainment and downloading of software on the Internet.

Scout24 is a group of leading European online marketplaces and an established online classified service. Scout24 provides a broad range of sector specific marketplaces: AutoScout24, ElectronicScout24, FinanceScout24, FriendScout24, ImmobilienScout24 (real estate), JobScout24 and TravelScout24.

Broadband Access

Broadband/Fixed Network typically offers broadband access based on ADSL technology, which combines a high-speed data download transmission speed with a lower upload transmission speed, primarily to its individual customers. Broadband/Fixed Network also offers synchronous DSL (SDSL) technology to its business customers, which permits high-speed data transmission speeds in both directions. Since 2003, SDSL has been available throughout Germany under the "T-DSL Business" brand name. Broadband/Fixed Network provides T-Net and T-ISDN access lines, enhanced by means of DSL technology, to its individual and business customers at a fixed monthly fee. In the future, it is anticipated that Broadband/Fixed Network will offer DSL on a stand-alone basis, enabling customers to substitute broadband access for narrowband access. In addition, Broadband/Fixed Network expects the number of broadband lines in operation to increase in the near future. Broadband/Fixed Network markets broadband access lines to its retail customers under the T-Online brand name.

The number of broadband access lines provided by Broadband/Fixed Network continued to increase in 2006, and Broadband/Fixed Network expects that demand for high-bandwidth services will result in continued growth in the number of broadband access lines in operation in the future.

To access the Internet, however, in addition to obtaining a broadband access line, individual customers also require a contract with an Internet Service Provider (ISP), such as Broadband/Fixed Network's T-Online branded ISP service. Since the merger of T-Online into Deutsche Telekom, Broadband/Fixed Network has offered integrated services, such as 3x3 Complete Packages, which include ISP services, Internet access and telephony services.

Data Communications

Broadband/Fixed Network's full portfolio of data communications solutions, which is also offered by the Business Customers strategic business area, includes the following products and services:

- Telekom Design Networks, which combine data and voice communications products to meet the specific needs of business customers and other carriers. A wide range of additional services (e.g., consulting, project management, design and re-design of customer networks) are integrated into TDN contracts. These components form the basis for a customized system solution, which can then be adjusted, based on changing client requirements and new technologies;
- Leased lines, which are trunk lines offering high levels of security and pre-defined bandwidths, for the construction and operation of corporate networks. Broadband/Fixed Network offers leased lines under the brand names "SFV" (*Standardfestverbindung*) and "DDV" (*Datendirektverbindung*);

- Virtual Private Network products, which connect customer sites within a closed network, and include standard solutions as well as individually tailored services for ATM- or IP-based networks. VPN products provide high-speed transmission rates and increased security standards. VoIP solutions have been offered as part of Broadband/Fixed Network's data communication products (e.g., as part of an IP network) to business customers since 2003;
- Ethernet products, primarily under the brand names "DDV-M Ethernet 100" and "High-Speed Ethernet," which provide Broadband/Fixed Network's business customers with innovative, low-priced "plug-and-play" solutions, and which connect customer sites using worldwide Ethernet standards and feature high transmission speeds (up to 1Gbit/s);
- Internet solutions and IP-related services, primarily provided through the CompanyConnect and "IP-Transit" products;
- CompanyConnect includes a broadband Internet connection and is targeted at medium- and large-sized companies. This product includes guaranteed bandwidths, from 256 Kbit/s to 155 Mbit/s, and fixed IP addresses;
- IP-Transit offers bandwidths from 2 Mbit/s to 2.5 Gbit/s and provides worldwide Internet connectivity using multiple connections to different providers simultaneously. Based on this technology, customers can achieve very high system stability and independence from a single ISP. IP-Transit is mainly marketed by Broadband/Fixed Network, in cooperation with T-Systems, to wholesale services customers and large-sized companies; and
- Dedicated customer lines: Broadband/Fixed Network's dedicated customer line product offers business customers connections between two customer networks (located up to 50 kilometers apart) with transmission speeds of up to one Gbit/s.

Value-Added Services

Broadband/Fixed Network offers a range of value-added telephone services for individual and business customers. These services include toll-free numbers and shared-cost numbers for customer-relationship management, directory-assistance numbers, the provision and administration of directory databases and public payphones. Broadband/Fixed Network's premium-rate services (which use the 0190 and 0900 exchanges) enable information and entertainment packages to be sold and billed automatically by telephone or via the Internet.

Broadband/Fixed Network provides contact-routing solutions to our customers. Through its product, "T-VoteCall," Broadband/Fixed Network provides media broadcasting companies (largely television and radio stations) with the ability to catalogue and switch customer calls to pre-defined locations. This service enables media broadcasters to increase customer participation in their program offerings as well as to measure audience loyalty.

Broadband/Fixed Network's new products in the directory-assistance sector include a telephone number search service via SMS text, and a directory-search service based on telephone numbers.

Terminal Equipment

Through its terminal equipment business, Broadband/Fixed Network distributes, for purchase or lease, an extensive range of third-party and Broadband/Fixed Network's own-brand telecommunications equipment. Products range from individual telephone sets and facsimile machines, targeted at individual customers, to more complex telephones, private branch exchanges (PBXs) and complex network systems (including broadband-access devices), targeted at business customers.

Other Services

Other services includes publishing, support services and the sale of products and services through Broadband/Fixed Network's T-Punkt outlets. Publishing services include the sale of marketing and advertising services to small- and medium-sized companies via Broadband/Fixed Network's telephone directories. The telephone directories (e.g., DasTelefonbuch, GelbeSeiten, DasÖrtliche) are edited and published in a variety of formats (including print, CD-ROM, online and a version for mobile devices) in cooperation with local publishers. Broadband/Fixed Network receives most of its publishing revenues from advertisements contained in these directories. In recent years, this business has been subject to increasing pressure from competition especially from online services.

Support services include installation, maintenance, hotline, customer consulting, training and software installation services, which are provided on a standardized basis and, for business customers, on a customized basis.

Sales Channels

Broadband/Fixed Network offers its products and services through a broad range of third-party distributors, as well as direct and indirect sales channels. Broadband/Fixed Network's direct distribution channel includes its "T-Punkt" retail outlets, direct sales forces dedicated to either business or retail customers, and online ordering via the Internet. In addition, Broadband/Fixed Network provides toll-free numbers that allow customers to obtain information about, and place orders for, its various products and services. Broadband/Fixed Network maintains separate sales units for direct sales to individuals and businesses, domestic carrier services and services offered to network operators and service providers.

Most of Broadband/Fixed Network's terminal equipment sales occur through its T-Punkt outlets, which offer an extensive product portfolio, including T-ISDN and T-DSL business products, and products and services from T-Mobile and third-party vendors. Broadband/Fixed Network receives commissions on its sales of products and services provided by other Deutsche Telekom business units. At December 31, 2006, Broadband/Fixed Network had 586 T-Punkt outlets in Germany, of which 104 were business outlets. T-Punkt business outlets offer more products and services targeted to businesses (e.g., tailored telecommunications solutions for combined voice and data usage).

International Operations

Broadband/Fixed Network operates primarily in the fixed-line and ISP business areas in Eastern Europe and primarily in the ISP business area in Western Europe. The majority of the business activities of our Eastern European subsidiaries, except for mobile telecommunication, are included in the Broadband/Fixed Network's results of operations. Commencing in January 2007, the shared services and headquarters functions of Magyar Telekom are reported under Group Headquarters and Shared Services.

Eastern Europe

Broadband/Fixed Network provides fixed-line network services, wholesale services, IP/Internet services and multimedia services (radio and television) in certain countries in Eastern Europe, through its subsidiaries Magyar Telekom (Hungary), Slovak Telekom (Slovakia) and T-Hrvatski Telekom (Croatia). As an integrated telecommunications provider, Broadband/Fixed Network intends to systematically market triple-play and quadruple-play (which includes mobile communications in addition to triple-play services) packages in certain markets served by these subsidiaries.

Magyar Telekom

Broadband/Fixed Network holds a 59.35% equity interest in Magyar Telekom, the leading full-service telecommunications service provider in terms of customers and revenues in the Republic of Hungary. Magyar Telekom offers telecommunications services, such as fixed-line services, wholesale services, IP/Internet services and other services such as IT-system integration, IT-consulting and cable television to individual and business customers throughout most of Hungary. Magyar Telekom's 51% stake in MakTel, the incumbent fixed-line carrier in the Republic of Macedonia, increased to 56.7% after MakTel purchased 10% of its own shares in the Macedonian government auction in June 2006. In addition, Magyar Telekom has a stake of 76.5% in Crnogorski Telekom (formerly Telekom Crne Gore (Montenegro)), which provides fixed-line and Internet services in the Republic of Montenegro.

Magyar Telekom offers a broad range of fixed-line services, including narrowband access products, broadband access products and calling services. Magyar Telekom also offers ICT solutions to support business processes or fully manage the complete operation of customer business processes. During 2006, a Hungarian cable television network operator further strengthened its position in the Hungarian fixed-line market, offering cable TV, cable broadband Internet and voice over cable services. In response to this competitive pressure, call-by-call and preselection competitors and mobile substitution, Magyar Telekom commenced promoting several flat-rate tariff packages and DSL offers and launched the first IPTV offering in Hungary in November 2006.

Under the "T-Online Hungary" brand name, Magyar Telekom maintained its leading position among ISPs in the Hungarian market based on the number of customers, with market shares in the local dial-up market of approximately 39% in 2006, and 42% in 2005 and 2004. The number of broadband access lines provided by Magyar Telekom continued to increase in 2006. The number of customers with broadband rates at Magyar Telekom (including MakTel & Crnogorski Telekom) increased from 260,000 at 31 December 2005 to 437,000 at 31 December 2006.

Magyar Telekom's multimedia and broadcasting services business primarily consists of its cable television business. The number of Magyar Telekom's cable television customers increased from 404,000 in 2005 to 414,000 in 2006.

In line with its Value Creation Program announced in August 2004, Magyar Telekom further strengthened its competencies in the IT-network and system integration fields through several smaller strategic acquisitions during 2006. Through these acquisitions, Magyar Telekom expanded its competencies in the areas of outsourcing, ICT solutions, systems integration and software development and implementation.

Magyar Telekom's international strategy is to provide international network and carrier services in southeastern Europe by expanding its presence in the region. Accordingly, Magyar Telekom entered the Romanian market in July 2004, the Bulgarian market in September 2004, and the Ukrainian market in August 2005, and currently offers wholesale services in each of these markets. Capitalizing on its experience in these markets, Magyar Telekom has expanded its activities as an alternative carrier and Internet service provider in southeastern Europe.

Magyar Telekom controls MakTel, currently the sole fixed-line operator in Macedonia. MakTel's exclusive right to offer fixed-line telecommunications services in Macedonia expired at the end of 2004. Since then, competition has intensified in the international telecommunications and Internet services segments.

Effective 31 March 2005, Magyar Telekom acquired the government of Montenegro's 51.1% share of Crnogorski Telekom and has consolidated its results since this date. Magyar Telekom also acquired an additional 21.9% of Crnogorski Telekom's shares from minority shareholders. On 24 May 2005, through a public tender, Magyar Telekom acquired an additional 3.5% stake in Crnogorski Telekom, increasing Magyar Telekom's total stake to 76.5%. The total purchase price of these transactions was EUR 140.5 million.

T-Hrvatski Telekom

Broadband/Fixed Network owns a 51% equity interest in T-Hrvatski Telekom, the leading full-service telecommunications provider in the Republic of Croatia in terms of revenues. T-Hrvatski Telekom offers access and local, long-distance and international fixed-line telephone services, data communications services, IP/Internet services (formerly online services) and wholesale services.

T-Hrvatski Telekom introduced entertainment services with the launch of IPTV in September 2006. T-Hrvatski Telekom also operates a digitalized fixed-line telecommunications network. Since mid-2005, particularly in the fixed-line voice telephony business, T-Hrvatski Telekom has been confronted by increasing competition. In addition to preselection, mobile substitution is the main competitive challenge in Croatia.

In 2006, the number of T-Hrvatski Telekom's narrowband access lines in operation decreased slightly compared to 2005 and 2004. However, the number of its broadband access lines in operation more than doubled to 216,000 at 31 December 2006, from 101,000 at 31 December 2005 and 22,000 at 31 December 2004.

T-Hrvatski Telekom's IP/Internet business is the largest Croatian ISP in terms of revenues, and its market share at the end of 2006, based on revenues, was approximately 75%. The number of T-Hrvatski Telekom's online customers increased by 39% to approximately 973,000 in 2006, compared to 2005. Broadband/Fixed Network expects that T-Hrvatski Telekom's online business will be positively affected by customers' substitution of broadband access services for standard dial-up access, which is expected to continue to increase in the future.

Slovak Telekom

In 2000, Broadband/Fixed Network acquired a 51% equity interest in the then state-owned Slovenské telekomunikácie a.s. On 15 January 2004, Slovenské telekomunikácie a.s. changed its name to "Slovak Telecom a.s.," and on 8 March 2006, was rebranded "Slovak Telekom." As part of this rebranding strategy, the T-Brands were introduced in Slovakia. Slovak Telekom is a leading full-service telecommunications provider in the Slovak Republic.

Slovak Telekom offers access and local, long-distance and international fixed-line telephone services, data communications services, wholesale services, IP/Internet services and distribution and broadcast of radio and television signals.

In December 2006, Slovak Telekom introduced new competitive entertainment services with the launch of IPTV and triple-play. Slovak Telekom believes that triple-play is expected to be one of the main drivers for the success of Slovak Telekom's broadband business. Through its online portal "T-Station," Slovak Telekom also offers games-on-demand, music-on-demand and video-on-demand.

Slovak Telekom's total number of narrowband access lines decreased in 2006, primarily due to mobile substitution. The decrease in access lines, however, slowed in 2006 to 2.3% compared to 2005,

primarily due to the introduction of optional calling plans with a flat rate component. In 2005, Slovak Telekom's total number of narrowband access lines decreased by 3.9% compared to 2004.

The number of broadband access lines in operation in Slovak Telekom's network continued to increase in 2006. The number of broadband access lines in operation at 31 December 2006 was 182,000 compared to 104,000 at 31 December 2005, and 38,000 at 31 December 2004.

As of 31 December 2006, Slovak Telekom's online customer base increased to approximately 222,000 customers, a 34% increase compared to 2005. The number of Internet customers using broadband services doubled to 162,000 customers at 31 December 2006. Slovak Telekom believes that the development of high-bandwidth Internet services in Slovakia will encourage customer migration from narrowband to broadband access.

Western Europe

Through its subsidiaries and associated companies, Broadband/Fixed Network also conducts operations in Western Europe outside of Germany, primarily broadband-based access and Internet-related services for individual customers in France and Spain.

T-Online France, operating under the commercial brand "Club Internet," has continued to develop its Internet business beyond simple access services. After the introduction of a fully unbundled product in 2005, whereby the complete customer relationship for fixed telephony and Internet access products was taken over by Club Internet, triple-play products were introduced in August 2006. This first triple-play product includes more than 40 free and 100 pay TV channels. It is the first of its kind in France based on the Microsoft TV software platform. The product has been enhanced by a hard disk in the set top box which allows the user to record programs, and by video-on-demand functionality.

Broadband/Fixed Network intends to further strengthen T-Online France's competitive position with the introduction of a fully IP-based network, allowing coverage of more than 40% of the residents in France. As of 31 December 2006, more than 420 co-location sites had already been unbundled. The unbundling of co-location sites enables T-Online France to offer its own products and provides pricing flexibility in operating its own network. T-Online France believes that it will be able to achieve greater degrees of freedom in product design (e.g., innovation and quality of services) and product pricing, thereby allowing it to bring to the market innovations, including additional triple-play products.

T-Online Spain, operating under the brand names "Ya.com" for the retail market and "Albura" for the wholesale market, has also commenced offering services beyond Internet access. In 2005, T-Online Spain launched voice telephony services under its Ya.com brand name and increased the bandwidth capability of up to 20 Mbit/s for its broadband customers.

As in France, Broadband/Fixed Network intends to increase its competitiveness in Spain through the roll-out of its own IP-based network. The acquisition of Albura in 2005 has formed the basis for this network, which is currently being expanded and upgraded. A contract for the use of a third-party backbone is in place and, as of 31 December 2006, more than 305 co-location sites have already been accessed.

During 2006, Broadband/Fixed Network's customers with a broadband rate increased from approximately 635,000 customers at the end of 2005 to approximately 921,000 at 31 December 2006. T-Online Spain and T-Online France both capitalized on the expansion of the broadband markets in their respective countries to increase their customer bases.

Seasonality

Broadband/Fixed Network's businesses are not materially affected by seasonal variations.

Suppliers

The principal types of equipment purchased by Broadband/Fixed Network are network components, such as switching systems; transmission systems; access network components; and customer premises equipment, such as telephones, fax machines, broadband modems and similar items. Although we do not believe Broadband/Fixed Network is dependent on any single supplier due to its multiple-supplier strategy, there may be occasions when a particular product from a particular supplier is delayed or back-ordered. Broadband/Fixed Network's major suppliers are Siemens AG, Deutsche Post AG, Alcatel SEL AG, Grey Global Group (MEDIACOM), AVM Computersysteme, Cisco Systems Inc., Corning Cable Systems GmbH & Co. KG, Lucent Technologies Network Systems GmbH and IBM.

Dependence on Patents, Licenses, Customers or Industrial, Commercial or Financial Contracts

We do not believe that Broadband/Fixed Network is dependent on any patent or other intellectual property rights. We also do not believe that Broadband/Fixed Network is dependent on any individual third-party customer or on any industrial, commercial or financial contract.

Competition

Broadband/Fixed Network faces intense competition, based primarily on price in the market for fixed-line network voice telephony, from other fixed-line carriers and mobile operators. In recent years, this competition has intensified, especially in the narrowband and broadband access markets as well as in the market for ISP products and services. In particular, competition through bundled offers from other fixed-line carriers has intensified. The introduction of attractively priced triple-play services packages to customers by Broadband/Fixed Network and other fixed-line carriers as well as cable operators is evidence of this increase in competition. We expect that competition from cable operators and VoIP will also continue to increase. Depending on the degree to which alternative technologies, such as VoIP, cable broadband and the Internet, gain market acceptance, the usage of Broadband/Fixed Network's PSTN network will be adversely affected.

A number of competitors in Germany have indicated that they are either considering investing or intend to invest in their own high-speed networks, for instance by developing VDSL access networks, in order to pursue their own triple-play strategies. To date, only one competitor has confirmed this intention. Given the significant competitive advantage that such high-speed networks offer in the broadband access market, Broadband/Fixed Network expects that other competitors will eventually follow suit and invest in their own networks in order to compete with Broadband/Fixed Network.

National network operators, such as Arcor AG & Co. KG and local network operators, such as HanseNet Telekommunikation GmbH ("HanseNet"), Versatel AG and NetCologne Gesellschaft für Telekommunikation mbH, have also made substantial investments in local network infrastructure and compete with Broadband/Fixed Network in major urban centers throughout Germany.

Competition from local network operators, on the basis of leased lines (unbundled local loop) or the competitor's own infrastructure, is increasing, particularly from entities owned by large European telecommunications companies, such as HanseNet (a subsidiary of Telecom Italia).

The impact of mobile substitution on Broadband/Fixed Network is also increasing, in part because of the increased market entry of MVNOs, *i.e.*, companies with aggressive pricing policies that buy mobile network services and market them independently to third parties. Furthermore, as prices for mobile telephony decline, local and other calling services, as well as access services, face increasing competition from mobile telephone operators, due to mobile substitution.

It is also possible that cable operators may increase their market share by offering attractive triple-play services.

Accordingly, we believe that we continue to be exposed to the risk of further market share losses and falling margins.

Competition in the fixed-line network segment in Eastern Europe also increased. The growing number of competitors offering call-by-call and, more recently, carrier pre-selection services to consumers has led to increased competition, especially in Hungary, in which mobile substitution was also a significant factor. Increased mobile substitution also affected the Slovakian market. In addition, competition in Hungary and Slovakia is also expected to increase as cable network operators in those countries upgrade their networks to offer double-play and triple-play services. Competition in Croatia is expected to increase following the award of additional fixed-line network licenses.

In 2005, Broadband/Fixed Network offered VoIP services in Germany for the first time to retail customers. VoIP services can compete with traditional voice telephony, both in the network access services business and in the various calling services markets. VoIP network access services offerings and customer acceptance have increased in 2006. In addition, VoIP services also has substantial competitive potential in the calling services markets.

Prices for DSL access, ISP services and voice communications in the fixed-line network decreased significantly in Germany in 2006, primarily due to increased competition and technological progress, as well as mobile substitution. The increased use of bundled packages (including calling plans) with a flat-rate component and a decrease in the overall prices for these packages by our competitors have intensified the downward pricing pressure on our own products, services and pricing packages. These factors, combined with the continued implementation of government policies intended to foster greater competition, are expected to yield similar trends in the future.

Effect of Regulatory Decisions

In the markets for international, long-distance and local calling services in Germany, the level of competition we face is influenced by the fact that we are required to permit other telecommunications companies to interconnect with our fixed-line network and for access to the unbundled local loop at rates determined by the Federal Network Agency. As a result, decisions of the Federal Network Agency regarding the rates that we are permitted to charge for interconnection and for access to the unbundled local loop have had, and will continue to have, a significant impact on the strength of Broadband/Fixed Network's competition in the market for fixed-line network voice telephony as well as on Broadband/Fixed Network's revenues and profit.

Other Fields of Business Activity

Although Broadband/Fixed Network does not manufacture its own equipment, it does re-sell telecommunications equipment provided by other companies under its own brand. The terminal equipment sector is characterized by falling prices, low margins, rapid technological innovation and intense competition. The basis for competition in this field is primarily price. Broadband/Fixed Network's most significant competitors in this area are Siemens AG, Alcatel, Koninklijke Philips Electronics N.V. and Tenovis GmbH & Co. KG. Most of these competitors are also suppliers to Broadband/Fixed Network.

Apart from broadband-related developments, Broadband/Fixed Network believes that future innovations will be increasingly focused on the convergence between fixed-line and mobile telecommunications networks. In addition to its launch of the T-Box (single answering service for calls to the fixed-line number and the mobile number) in October 2005, Broadband/Fixed Network has introduced other convergence products. Broadband/Fixed Network believes that these and other such products could play an important role in the process of converging multimedia, telecommunications and related products and services.

Business Customers

The Business Customers strategic business area provides, through T-Systems, ICT services worldwide, primarily to German and international companies, non-profit organizations and governmental agencies. T-Systems is also responsible for servicing all of the Deutsche Telekom group's business customers.

In 2006, T-Systems acquired gedas for a purchase price of EUR 0.3 billion from Volkswagen AG. The transaction was completed on 31 March 2006. A major component of this transaction is an agreement with Volkswagen for the provision of IT services valued at EUR 2.5 billion over a term of seven years. With this acquisition, Business Customers intends to reinforce its future position in the automotive sector, a key market for IT service providers.

Principal Activities

T-Systems uses advanced information technology and its telecommunications expertise to provide ICT infrastructure and tailored ICT solutions to its customers and, in some instances, takes over complete business processes as part of these solutions. T-Systems supports its customers through its global telecommunications network and through its IT infrastructure network, which connects more than twenty countries worldwide.

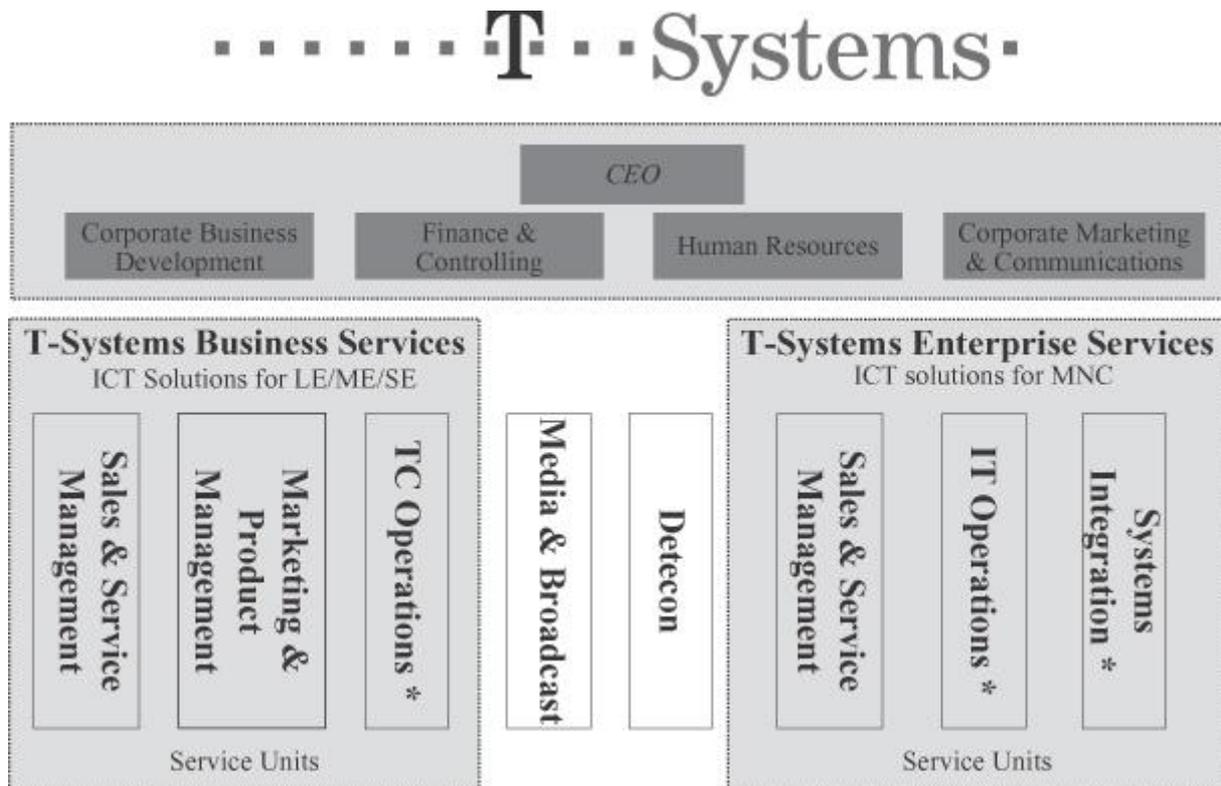
Although the majority of T-Systems' customers are headquartered in Germany, as of 31 December 2006, approximately 14.8% of T-Systems' 56,397 employees provided services from locations outside Germany. The increase in the total number of employees from 2005 is primarily due to the acquisition of gedas. T-Systems' primary markets are in Western Europe, but T-Systems serves its multinational customers globally through its delivery organizations.

A major step in implementing its growth strategy was the acquisition of gedas. By doing so, T-Systems has established itself as the second largest global IT provider in the automotive industry in terms of revenue. Additionally, the acquisition of gedas, which represents a significant portion of T-Systems' international revenues (approximately 73% of revenues outside Germany), has strengthened T-Systems' global presence, particularly in the automotive sector.

In 2006, German-based operations contributed approximately 83.4 % of T-Systems' total revenues. For the year ended 31 December 2006, T-Systems' Business Services business unit generated approximately 34.4% of T-Systems' total revenues, and its Enterprise Services business unit contributed approximately 65.6% of its total revenues. Total revenues include intersegment revenues from other Deutsche Telekom group companies and affiliates.

Business Model

Since 1 January 2005, T-Systems' activities have been organized through two main business units: Enterprise Services and Business Services, each of which is described in more detail below. The following graphic illustrates this business model:



* Services provided for service units of both Enterprise Services and Business Services.

Business Services

Business Services is responsible for approximately 160,000 large-, medium- and small-sized business customers. The Sales & Service Management service unit primarily services customers on a personalized and customized basis. The Marketing & Product Management unit designs services for customers on a standardized, non-customized basis. Business Services is also responsible for the delivery of telecommunications services to all business customers of both Business Services and Enterprise Services through its Telecommunications Operations (TC Operations) service unit.

Business Services' Sales & Service Management service unit addresses its customers' needs via four sales channels: large enterprises, medium enterprises, small enterprises and health care organizations. Sales & Service Management is responsible for managing the customer relationships of the Business Services business unit.

Business Services' Marketing & Product Management service unit is responsible for product management, pricing and distribution of telecommunications offerings for all Business Services customers. Marketing & Product Management is responsible for the lifecycle management of products and solutions and for the costs of all purchased inputs relating to customer offerings. Marketing & Product Management is also responsible for innovation management, marketing control, management of purchased inputs and the regulatory compliance of products and services.

TC Operations is responsible for planning, building and operating T-Systems' global telecommunications service-generating platforms and its customers' LAN and WAN networks. Additionally, TC Operations carries out the delivery functions of Business Services (as described in more detail below). TC Operations is also responsible for quality and process management, as well as external procurement of telecommunications services for the group.

Enterprise Services

Enterprise Services serves T-Systems' largest customers (approximately 130 multinational corporations and large public institutions) through its dedicated Sales & Service Management service

unit. In 2006, Enterprise Services became responsible for servicing certain large customers of Business Services. Enterprise Services is also responsible for the non-German T-Systems subsidiaries. In addition, Enterprise Services also delivers information technology services, through its Systems Integration and IT Operations service units, for business customers of both Business Services and Enterprise Services.

Enterprise Services' Sales & Service Management service unit provides services through six vertical market segments, called "Industry Lines," which reflect T-Systems' key customer accounts. Sales & Service Management is responsible for managing the customer relationships of the Enterprise Services business unit.

Enterprise Services' Sales & Service Management is organized along six defined Industry Lines, as follows:

- **"Telecommunications, Media & Utilities"**—Includes other network operators and companies offering fixed-line, mobile and Internet telecommunications services, as well as media, ISP and utilities companies. T-Systems provides outsourcing services and other IT systems, such as customer relationship management, customer care, call center and billing systems.
- **"Automotive"**—Includes automobile manufacturers and companies in the automotive industry, including suppliers.
- **"Manufacturing"**—Includes manufacturers of components for the aircraft, electronics, aerospace, defense, high-tech, mechanical engineering, chemical, pharmaceutical and consumer goods industries. T-Systems provides supply chain management, product life-cycle management and IT and telecommunications outsourcing services.
- **"Services"**—Includes the services industry, such as telematics, insurance, travel, transport, logistics, professional, wholesale distribution and retail. T-Systems develops a variety of solutions, including sales support systems, billing solutions, portals for direct sales via the Internet, Internet-based reservation and booking systems, and tracking and data management systems.
- **"Finance"**—Includes banks and insurance companies. T-Systems develops a variety of solutions, including industry specific sales support systems and electronic banking solutions.
- **"Public"**—Includes government agencies, state pension funds, the armed forces of the Federal Republic, research and teaching institutions and international organizations. T-Systems enables public entities (such as federal ministries and state agencies) to establish innovative business processes, such as services to individuals through the Internet and the management of data and voice networks.

IT Operations carries out the delivery functions of Enterprise Services (as described in more detail below). IT Operations provides ICT solutions to support business processes or takes over full responsibility for the operation of entire business processes of a customer. Accordingly, this service unit supplies customers with workstations, service and maintenance functions, operates data centers, and provides systems and applications necessary to support or completely take over a customer's operations.

Systems Integration develops, integrates and manages customized ICT solutions for customers, including industry specific, as well as industry independent, solutions. Customer solutions include ICT solution consulting, software and platform development, migration services, systems integration and application management.

Media & Broadcast

Media & Broadcast is the leading provider of broadcast infrastructure services in Germany and one of the leading in Europe in terms of revenue. Media & Broadcast primarily provides terrestrial television and radio network broadcast services, which include the planning, installation, maintenance, troubleshooting and operation of terrestrial television and radio transmission equipment. Media & Broadcast is responsible for the entire value chain (e.g., sales, projects, services) and offers these services to public and commercial broadcasters and television production companies.

Detecon

Detecon offers its customers integrated management and technology consulting. Detecon operates worldwide and focuses on consulting for the telecommunications market. Detecon markets its services separately from the Business Services and Enterprise Services business units.

Service Offerings Portfolio

A significant recent trend in the IT and telecommunications markets is the emergence of a combined ICT market, which is driven primarily by customer requirements and technological advances. The primary advantages of this combined market are more effective and efficient solutions and incident management in complex IT and telecommunications infrastructures, including one single service agreement for all ICT services.

It is the goal of T-Systems to become a European-based ICT leader for multi-national companies, and an ICT leader for mid-market companies in Germany. T-Systems is in the process of aligning its operations to provide combined IT and telecommunications services more effectively, through optimized service management, and solutions development. In this regard, T-Systems is reshaping its service offerings, particularly within three value enhancing service levels:

- **“ICT Infrastructure”**—Includes the sale of hardware with related basic support services and capacity or connectivity, in combination with communications technology-related applications and value added services.
- **“Horizontal processes and applications”**—Includes standard business applications on platforms run by T-Systems, provided and operated for various customers (application provisioning and operations), application lifecycle management (*i.e.*, end-to-end operational responsibility for an application), application development and system integration and Business Process Outsourcing (*i.e.*, complete end-to-end management of business processes including human or asset resources outsourced to T-Systems).
- **“Vertical processes and solutions”**— In addition to its horizontal processes and applications which apply to all industries, T-Systems offers industry specific solutions or vertical solutions for different industries. The automotive, public and telecommunications industries are served completely, whereas banking, aerospace, and travel, transport and logistics industries are served with selected industry-specific solutions.

In addition, T-Systems provides consulting and digital security services, which are included in each of the above service levels.

Business Services

Business Services offers a comprehensive portfolio of telecommunications services to its customers and those of Enterprise Services. Given the convergence of the telecommunications and IT markets, Business Services has enlarged its portfolio by offering IT Services and has positioned itself as an ICT provider for the German middle market. The Business Services product and services portfolio includes:

- Voice Services—consisting of telephone lines and calling services, including VPN as well as mobile voice access;
- Voice Equipment—telecommunications equipment available for sale or lease;
- Data communication services—consisting of traditional data connections (*e.g.*, leased link services, VPN transport services based on Frame Relay and ATM technologies) and IP solutions based on modern IP technologies, including VoIP;
- Local Area Network (LAN) solutions—LAN and W-LAN hardware for sale or lease, as well as the implementation and operation of related solutions;
- Mobile solutions—access solutions and integration services, including customer-requested solutions relating to digital transmission of content, such as universal secure access and mobile office solutions;
- IT infrastructure services—solutions for improving IT-infrastructure (*e.g.*, desktop management);
- IT business solutions—design, implementation and management of applications;
- Business Process Outsourcing—assumption of responsibility for complete business processes (*e.g.*, billing solutions, human resources); and
- Digital Security Services—including antivirus, firewall and encryption services.

Sales & Service Management

Sales & Service Management is the “single face to the customer” for Business Services and is responsible for all customer-relevant tasks, including product positioning in the German market, sales

proposals, customer acquisition and retention, order management, implementation and service management.

To support quality customer service throughout Germany, the sales force is organized regionally. Due to the vast range of customers and their different needs and requirements, Sales & Service Management is separated into five sales channels:

- large enterprises and multi-national corporations that require customized solutions;
- medium enterprises that require the integration of multiple products;
- small enterprises that require standardized products;
- public, which addresses solutions specific to public authorities; and
- health care, which addresses solutions specific to the health care industry.

Prior 1 January 2007, solutions specific to public authorities and health care were serviced by a single sales channel.

Contracts relating to the Sales & Services Management distribution channels have an average duration of approximately three years. Voice services provided are billed on a per-minute basis, while data services are billed in terms of the volume of bandwidth provided each month. Customers taking advantage of leased-line services pay an initial connection fee, based on the type of line leased, and thereafter pay monthly subscription charges based on the line's capacity (narrowband or broadband), the length of the line (point-to-point connection) and the duration of the lease.

Sales & Service Management's assets mainly consist of telecommunications and network equipment as well as transmission equipment (71%), intangible assets (14%) and assets under construction (12%).

Marketing & Product Management

Business Services' Marketing & Product Management service unit is responsible for developing telecommunications and IT offerings for large, medium- and small-sized companies, as well as for the health care market and public authorities. Marketing & Product Management is also responsible for the lifecycle and portfolio management of products and solutions, as well as innovation management, marketing, communications, product profitability and the regulatory compliance of products and services.

Telecommunications Operations

Telecommunications Operations, as part of T-Systems Business Services business unit, manages the development, construction and operation of T-Systems' German and international service platforms, based on transport capacity leased primarily from T-Com and, to a lesser extent, from other providers.

T-Systems' service platforms include:

- IP MPLS—delivers advanced IP services and features, including VPNs for business customers;
- ATM/Frame Relay—used as transport technologies through which specific services in customer networks are offered;
- VoIP—T-Systems uses an international IP-based voice platform and is upgrading this platform currently with new voice products for business customers;
- Managed Leased Line Systems—provides transport capacity with less than 2 Mbit/s in Germany; and
- Remote dial-in platforms—designed to give mobile and non-permanent users an easy and secure access to their companies' Intranet through private dial and secure Internet access technologies.

Approximately 80% of TC Operations' assets are comprised of technical facilities mainly consisting of active network equipment and approximately 12% are comprised of intangible assets mainly consisting of software licenses with the remaining 8% comprised of furniture and fixtures as well as assets under construction.

Media & Broadcast

Media & Broadcast has a comprehensive service portfolio, which includes television and radio networks, and satellite services. The service portfolio covers the whole broadcast value chain except for the content production and the post-production process. Media & Broadcast is the largest broadcast network operator and broadcast service operator in Germany in terms of revenues and has an outstanding expertise in systems-equipment technology and digital broadcasting transmitters. Its

customers comprise national public and commercial broadcasters, television production companies and international broadcasters. In Europe, T-Systems is one of the leading providers of broadcast services in terms of revenues. As of 31 December 2006, T-Systems' broadcast network in Germany comprised more than 5,900 analog television and radio transmitters, and approximately 250 digital television and radio transmitters.

Many of these services are delivered via T-Systems' own infrastructure. Media & Broadcast's main service, and its primary source of revenues, is television and radio network services, which include the planning, installation, monitoring, maintenance, troubleshooting and operation of terrestrial television and radio transmission equipment. T-Systems' television and radio transmission infrastructure is the basis for the nationwide, wireless provision of television and radio programming. Its customers include both commercial and public radio and television organizations, including the two leading German public television channels, ARD and ZDF.

Media & Broadcast transmits television and radio programs within the framework of customer-specific contracts. Contract criteria include effective radiated power, quality, and "availability" (reliability of operations and downtime). Customers pay for Media & Broadcast services corresponding to their use of the services offered. Most contracts have an average duration of four to six years. In addition, Media & Broadcast provides links between multiple television and radio studios, and recording facilities, enabling the efficient exchange of television and radio content. Services include temporary transmission lines and outside broadcast units (such as for live news reporting, sports coverage and open-air concerts), as well as permanent television and radio transmission links.

Media & Broadcast's satellite services include the marketing and delivery of satellite capacity, and the provision and operation of uplinks and downlinks. Contractual relationships are generally of a long-term nature (up to 10 years). For satellite capacity, T-Systems' normal practice is to conclude contracts for the entire useful life of the satellites concerned. T-Systems provides leased satellite capacity primarily to the major European satellite network operators, Eutelsat and SES Astra.

Enterprise Services—IT Operations and Systems Integration

Systems Integration

Systems Integration (SI) provides advice and assistance for a company's entire "plan-build-run" lifecycle and employs approximately 14,000 employees worldwide (of which approximately 3,000 are employed outside Germany). Through its ICT solutions, SI increases the flexibility of its customers' business processes. Its primary focus is on consulting (e.g., solution design), IT projects (e.g., solution implementation, along with development projects, including software and platform development, re-engineering and migration) and application lifecycle management. The focal points of SI's business model are:

- **"Industrialization"**—relates to the introduction of uniform processes, methods and tools and enhancing the re-usability of modular solutions. It is also defined by the maintenance of low-cost structures at production sites. For this reason, T-Systems has established sourcing platforms in India, Russia, Hungary and Brazil in order to provide offshore programming support.
- **"Internationalization"**—through SI, an international network of people and organizations has been established to provide sales and services to international customers by offering them tailored, efficient solutions and service components.
- **"Focusing"**—SI focuses its marketing and sales activities on specific industries to help it achieve greater market and existing customer penetration.

Detecon International GmbH ("Detecon"), T-Systems' wholly-owned subsidiary, offers customers comprehensive management and technology consulting services worldwide. Detecon focuses on providing services to software and hardware suppliers of telecommunication systems, and to carriers and other service providers as well as to other industries that use such systems.

IT Operations

IT Operations is responsible for providing services relating to customer IT infrastructure, including computing services, desktop services, application services and telecommunications services. IT Operations' services are offered to new and existing customers through Enterprise Services' Sales & Service Management service unit.

IT Operations provides the personnel, servers and infrastructure necessary to operate the IT functions of T-Systems' customers. IT Operations is represented in a large number of locations throughout Germany and the world. As of 31 December 2006, IT Operations had a total of more than 17,000 employees, of whom approximately 70% were based in Germany.

IT Operations comprises three main service lines: Desktop Services & Solutions, Computing Services & Solutions and Business Process Outsourcing. Desktop Services & Solutions delivers, operates and maintains desktop systems for customers, while Computing Services & Solutions operates data centers for customers and manages the systems and applications which run in these data centers. Business Process Outsourcing operates solutions that support customers' business processes, taking "end-to-end" responsibility for those processes.

Desktop Services & Solutions

The Desktop Services & Solutions service line is responsible for the development and implementation of complete office systems solutions with wide-ranging responsibility for IT infrastructure. Other core services include stand-alone office systems solutions, including desktop operations, call-center and help-desk services, as well as the operation of computing services infrastructure, consulting and IT design. These services may include sales or leasing contracts relating to desktop computer hardware supplied by third parties. Through Desktop Services & Solutions, T-Systems provides cost-effective desktop services primarily to large customers. Such services cover the entire lifecycle of the workstations provided to the customer, and also include the remote configuration, troubleshooting and debugging of software running on workstations serviced through Desktop Services & Solutions.

Through Desktop Services & Solutions, IT Operations also ensures the proper operation of the workstations and services hardware and software products provided. As of 31 December 2006, more than 1,300,000 workstations were serviced through Desktop Services & Solutions. Help-desk services are primarily provided through the Services Office platform and the Call Center Platform Management (CCPM) services. The Services Office platform supports one of the largest and most sophisticated Microsoft Exchange applications worldwide, with more than 300,000 mailboxes as well as file, fax and SMS services. CCPM includes services that are required for the smooth operation of a call-center platform.

In general, desktop services contracts have an average duration of two years. Customers pay for managed desktop services based on contractually agreed service levels. These agreements describe quantities of goods (*i.e.*, the number of computers leased and maintained) as well as customer-specific availability and quality requirements for the services provided.

Computing Services & Solutions

Computing Services & Solutions provides customers with the ability to outsource their entire IT operations. The services offered include the operation of data centers, application management, user support and network management. Other services offered include the installation, operation and administration of central computer systems (mainframes), open computer systems (*e.g.*, UNIX, Windows NT), data center infrastructure services and business applications, on behalf of its customers.

Generally, contracts involving computing services have an average duration of four years or more. Customers pay for computing services based on contractually agreed service levels. These agreements describe the quantity, quality and extent of services to be provided.

Business Process Outsourcing

Business Process Outsourcing targets the following markets:

- Human Resources Solutions, including payroll accounting and travel expense management services, human resources support and time management;
- Billing Services for telecommunication companies, media companies and utilities, which involves settlement and collection services, from the collection and processing of data to the generation of invoices and billing;
- Finance & Accounting Services, which includes the processing of accounting-related business transactions according to national and international accounting standards;
- Managed Document Services, which include archiving, printing and mailing, as well as electronic data exchange; and
- Accounts Receivable Management/Debt Management for business customers, which includes credit rating checks, address investigation and other services.

Seasonality

The revenues of the Business Customers strategic business area are not materially affected by seasonal variations. However, its revenues may be subject to quarterly fluctuations depending on sales cycles (currently ranging between six and 18 months) and the purchasing patterns and

resources of its customers, which are subject to general economic conditions and, therefore, difficult to predict. Accordingly, revenues received in a particular quarter may not be indicative of future revenues to be received in any subsequent quarter.

Suppliers

The principal goods and services purchased by T-Systems are computer hardware for client servers and mainframes, operating systems and applications software, network capacity, network services, telecommunications network components and IT consulting services. Business Customers manages the risks in the supplier relationships, as well as the risks associated with quality and cost considerations, on behalf of its customers. We do not believe that Business Customers is dependent on any single supplier.

Dependence on Intellectual Property

We do not believe that the Business Customers strategic business area is dependent on any individual patents, licenses or industrial, commercial or financial contracts. However, Business Customers is subject to third-party software licenses in connection with the services it provides to its customers. Any breach, violation or misuse of third-party software licenses could result in additional costs with respect to the particular projects that are the subject of such licenses.

Dependence on Material Contracts

Business Customers intends to become less dependent on internal customers (*i.e.*, other Deutsche Telekom group companies) and to improve its market position with respect to external customers. In 2006, the other Deutsche Telekom group companies accounted for approximately 28.2% of Business Customers' total revenues, compared to 29.5% in 2005 and 28.7% in 2004. No other customer accounted for a significant portion of Business Customers' total revenues in 2006.

Competition

T-Systems operates in markets that are subject to intense competitive pressures, and the overall market has been characterized by consolidation and increased concentration during the past year. T-Systems faces a significant number of competitors, ranging in size from large IT and telecommunications providers to an increasing number of relatively small, rapidly growing and highly specialized organizations. T-Systems believes that its combination of service, performance, quality, reliability and price are important factors in maintaining a strong competitive position.

T-Systems holds different market positions (based on total revenues) in different regions of the world. In Germany, T-Systems was the market leader in 2005 in the IT and telecommunications areas. In Western Europe, T-Systems was one of the five largest vendors in 2005, together with IBM Global Services, Accenture, CapGemini, and HP Services with respect to IT services including intersegment revenues of T-Systems, and one of the four largest companies, together with BT Global Services, France Télécom and Telefónica, in the telecommunications industry. Globally, T-Systems ranked among the top 20 IT and telecommunications companies. T-Systems' global IT competitors include IBM Global Services, EDS, Fujitsu Services, HP Services, Accenture, CSC, Atos Origin and Capgemini. In the telecommunications area, T-Systems competes globally with AT&T, VerizonBusiness, NTT, France Télécom and BT Global Services. The ICT market has been characterized by consolidation.

Competition in the telecommunications markets in which T-Systems competes is very intense, both in Germany and globally. The market is characterized by substitution of legacy services (voice and data) by IP and mobile services and by strong pricing pressures. The competitive landscape over the past several years has been characterized by market participants attempting to reduce their indebtedness and increase their profitability through strategic refocusing and concentration on IP services and fixed-mobile convergence solutions. T-Systems expects this strategic refocusing to continue in 2007 and therefore expects similarly fierce competition.

Competition is also intense in the information technology area. The current market is characterized by strong pricing pressures, reduced customer IT budgets and prolonged customer sales cycles. As a result of these competitive pressures, many companies, including T-Systems, are attempting to maintain or expand market share through improved productivity, cost-cutting and efficiency measures. This situation has also led to a consolidation in the IT sector, which T-Systems expects to continue for the foreseeable future. In addition, T-Systems expects that the global IT services markets recovery will continue in 2007, but competition will likely remain intense.

We believe that T-Systems can compete effectively, largely due to its strategy of providing comprehensive solutions (planning, building and operating) to its customers' needs across a broad spectrum of ICT activities. Offering substantial industry specific expertise, T-Systems believes it can respond to customers' requirements, acting as a full-service telecommunications and IT provider, effectively and efficiently supporting its ICT customers.

Toll Collect

In connection with a project to create and operate an innovative system for the collection of toll charges for the use by heavy vehicles of the German highway system, we entered into an agreement dated September 2002 (together with all amendments thereto, the "operating agreement") with an agency of the Federal Republic, DaimlerChrysler Financial Services AG ("DaimlerChrysler Services") and Compagnie Financiere et Industrielle des Autoroutes S.A. ("Cofiroute"). We refer to this project as the "Toll Collect project." The partners are responsible for the development of the toll collection system, which has been built and operated by the joint venture Toll Collect GmbH ("Toll Collect"). DaimlerChrysler Services and we each hold a 45% stake in Toll Collect, with the remaining 10% being held by Cofiroute. Our investments in the Toll Collect project include our equity interests therein, which are recognized in our consolidated financial statements using the equity method of accounting, and certain financial guarantees.

Commencement of operations of the toll collection system was originally planned for 31 August 2003. On 29 February 2004, the parties agreed to begin operations with on board units with slightly less than full technical performance no later than 1 January 2005 (Phase 1), which obligation was satisfied. On 1 January 2006, following issuance of the preliminary operating permit, the toll collection system began to operate with full technical performance as specified in the operating agreement (Phase 2). To date, Toll Collect has not received the final operating permit as the parties are not in agreement with respect to certain contractual requirements relating to the grant of the operating permit. The operating agreement can be terminated by the Federal Republic if the final operating permit has not been granted within one year following issuance of the preliminary operating permit. Therefore, the Federal Republic may claim that it is entitled to terminate the operating agreement. Such right to terminate expires within six months. We have not received any indication that the Federal Republic intends to terminate the operating agreement. However, in December 2006, Toll Collect initiated an arbitration proceeding seeking a determination that the Federal Republic's basis for denying the issuance of the final operating permit is unfounded and claiming that additional remuneration is due to Toll Collect in accordance with the operating agreement.

The Federal Republic has initiated arbitration proceedings against DaimlerChrysler Services, Deutsche Telekom AG and the consortium. The Federal Republic is claiming damages resulting from the delay in the commencement of operations and contractual penalties in an aggregate amount of approximately EUR 5.2 billion plus interest. We filed our defense statement on 30 June 2006. Although the outcome of arbitration proceedings is difficult to predict, we believe that these claims are unsustainable and we are contesting the Federal Republic's claims vigorously.

Group Headquarters and Shared Services

General

Group Headquarters and Shared Services performs strategic and cross-divisional management functions for the Deutsche Telekom group. Group Headquarters functions include those performed by many of our central departments, such as treasury, legal, accounting and human resources. Operating functions not directly related to the core businesses of our strategic business areas are considered shared services functions. These functions also include, among others, the management and servicing of our real estate portfolio (primarily within Germany), fleet management and Vivento. Although many of the Group Headquarters and Shared Services functions are legally part of Deutsche Telekom AG, we manage Group Headquarters and Shared Services as though it were a separate legal entity.

Principal Activities

The real estate unit is, based on total and net revenues, the largest shared service within Group Headquarters and Shared Services. The real estate unit is responsible for managing our real estate portfolio, renting commercial real estate and providing facility management services for our group, primarily in Germany. Our real estate operations are conducted through various subsidiaries and affiliates and include:

- the internal and external group leasing and rental business;

- the power supply and air conditioning solutions business related to our telecommunications facilities;
- facility management services;
- real estate management for Magyar Telekom and Slovak Telekom (since June 2006), as well as third parties in Hungary and Slovakia; and
- the operation, management and servicing of our radio transmission sites, such as our radio towers and transmitter masts in Germany (primarily used in mobile, radio and satellite communications, as well as for television broadcasting).

In April 2006, we reduced our stake in Sireo Real Estate Asset Management GmbH from 51% to 25.1%. However, Sireo will continue to oversee the management and disposition of our real estate portfolio and plans to expand its operations and business with third parties.

Vivento was established in 2002 with the goal of efficiently implementing our staff restructuring measures in a socially responsible manner. Through Vivento, displaced workers are retrained and equipped with new employment qualifications for permanent redeployment within the Deutsche Telekom group or with external employers, or for project and temporary assignments. In addition to individual placements, Vivento staffs major projects and workforce-intensive operations and services. To create further employment opportunities, Vivento operates its own business lines. At the beginning of 2004, Vivento commenced providing call-center services primarily to some of our group companies and, to a lesser extent, third parties. These call center operations consist of a portion of the former call center operations of T-Com, as well as those of Vivento Customer Services GmbH, which was established in the first quarter of 2004.

Vivento Customer Services GmbH provides customer-relationship services, including call-center and back-office services, within the group as well as to third parties. Vivento Customer Services operates 14 sites throughout Germany and, as of 31 December 2006, employed approximately 2,500 people. In addition, approximately 200 people from Vivento were employed by Vivento Customer Services on a contract or temporary basis as of that date. In July 2004, Vivento set up a further business line by establishing Vivento Technical Services GmbH, which offers installation and after-sales services in the field of technical infrastructure within and outside the group. As of 31 December 2006, Vivento Technical Services had approximately 2,000 employees, and a further 400 were temporary staff from Vivento.

As of 1 December 2006, we completed the transfer of five call centers of Vivento Customer Services, including an aggregate of approximately 600 employees of Vivento Customer Services, to Walter Tele Medien-Gruppe. In connection with our personnel reduction measures announced in 2005, we plan to divest further activities of our Vivento business lines.

On 22 June 2006, the German Federal Administrative Court declared the transfer of civil servants to Vivento not legally permissible. As a result, no further transfers of civil servants to Vivento will be made until an appropriate legal basis is created. The situation for the civil servants already transferred will remain unchanged—they will stay at Vivento and will continue to be given temporary employment or a new permanent position inside or outside the group. The transfers already made to date are legally valid because the transfer process was completed under existing law.

During 2006, approximately 2,700 of our employees were transferred to Vivento. Through 31 December 2006, a total of approximately 36,800 employees have been transferred to Vivento since its creation. Approximately 68% of these employees were transferred from T-Com, both as part of T-Com's program to increase its efficiency, and through the transfer of some T-Com operations to the Vivento business lines. The remaining transferred employees either were apprentices who had finished their professional training within the group, but had not obtained full-time employment, or came from the other Deutsche Telekom strategic business areas.

At 31 December 2006, a total of approximately 23,300 employees had left Vivento since its formation, of which 4,400 left during 2006. About 70% of these employees were external placements. As of 31 December 2006, approximately 13,500 employees were in Vivento, of which approximately 700 were permanent staff, 7,200 were employees of the Vivento business lines and approximately 5,600 were engaged on a temporary or contract basis within or outside of the group.

The following table provides information regarding Vivento's employee structure and movements for the periods presented:

	2006 ⁽¹⁾	2005 ⁽¹⁾	2004 ⁽¹⁾
Number of employees transferred to Vivento	2,700	2,400	12,100
Number of employees that have left Vivento	4,400	6,100	9,100
Total number of employees in Vivento as of year-end.....	13,500	15,300	19,000
of which: Operational staff of Vivento	700	700	700
of which: Number of employees in business lines	7,200	7,200	4,600

(1) Figures have been rounded to nearest 100.

Our fleet management company, DeTeFleetServices GmbH ("DeTeFleetServices"), provides fleet management and mobility services, with approximately 43,000 vehicles provided to our group companies and affiliates within Germany. DeTeFleetServices also generates net revenues from third parties through its sale of used fleet vehicles and, to a limited extent, through fleet management services to third parties. The majority of third party customers are former affiliates of Deutsche Telekom AG that were sold.

The Central Treasury department is primarily responsible for cash management, investments in securities, leasing arrangements and the refinancing of indebtedness through a variety of financial arrangements, including, among other things, bank loans and other credit arrangements. Furthermore, this unit is responsible for the issuance of debt in the international capital markets, the handling of payments and clearing transactions, and foreign exchange and hedging activities.

T-Venture Holding GmbH ("T-Venture") is also included in Group Headquarters and Shared Services. T-Venture's mission is to scout new products, technologies and services and to acquire access to them on our behalf. Accordingly, a central corporate fund has been established for this purpose, in addition to the individual investments that can be made by our strategic business areas.

The Telekom Training unit is responsible for providing professional training and qualification services for our employees within Germany. This unit also provided training for approximately 10,300 apprentices during 2006.

Group Headquarters and Shared Services also includes the establishment and maintenance of international intellectual property rights for the Deutsche Telekom group, including the T-Com, T-Mobile, T-Online and T-Systems brands.

Apart from our facility management operation in Hungary and Slovakia, Group Headquarters and Shared Services has only limited international activities, as most of our international operations have been transferred to our strategic business areas, and our non-core assets have been divested.

Group strategy

Vision

We want to make personal and social networking easier for customers. This is based on broadband leadership using the most advanced technologies and being the most highly regarded service company. To accomplish these goals, we will concentrate on four main areas:

- Improved competitiveness in Germany.
- Growth abroad with mobile communications.
- Mobilization of the Internet.
- Further development of integrated communications and IT solutions.

Achieving the goal of being the “most highly regarded service company” will be pivotal to sustaining success through differentiation in the face of markets characterized by intense price competition. We intend to reinforce the service concept deep in our corporate culture.

Market Environment

Our markets and competitive environment continue to present substantial challenges for us. This is partly due to volatile conditions prevailing in certain markets and a largely unfavourable regulatory environment. While the European consumer market and even the mobile communications market are showing increasing signs of saturation, it is also possible to identify growth areas, such as broadband, mobile Internet and the mobile communications market in the United States.

Previously separated markets and technologies are continuing to converge. One of the driving forces behind this development is the Internet Protocol (IP), a technology used to send and receive data in high-performance broadband networks. Convergence involves both opportunities and risks for our group. As an integrated provider of telecommunications services, we have the opportunity to shape this transformation of the industry. However, technological innovation resulting in the rapid substitution of one communication technology for another poses a major risk for us. An increasing number of providers have, and will continue to, enter the telecommunications market, including some with business models and technologies that may have serious implications for us, such as the growing range of Internet-based communications technologies, including VoIP.

During 2006, we implemented a range of key measures that have contributed to the group’s strategic positioning for the future. The merger of T-Online into Deutsche Telekom, which was successfully completed in June 2006, has already substantially improved the range of offerings to customers. By acquiring further spectrum rights in the United States through Auction 66, we have commenced improving and expanding our footprint in the United States and hope to increase market share as well. In the Business Customers segment, we further reinforced our core competence as a service provider for ICT by expanding our expertise in the automotive industry through the acquisition of gedas from Volkswagen.

Innovation

In addition, we succeeded in successfully introducing a series of innovations in various markets. The introduction of IPTV in Germany represents a further milestone for our positioning in the broadband services market. With the recent introduction in the mobile communications market of HSDPA, an enhanced bandwidth mobile network, mobile broadband is now possible. Additionally, the successful implementation of customer relationship management systems across business areas means that we are now able to tailor integrated offerings to the requirements of our customers more efficiently and effectively. Increasing customer satisfaction will yield improved customer loyalty, which, in turn, will help achieve the group’s financial goals in the future.

Domestic Consumer Market

In Germany’s consumer market, our group is facing intense competition both in the wireless and the broadband and fixed-line market, each characterized by enormous price pressure and accelerated focus on market share gains to increase revenue growth in the face of market saturation.

We will focus on defending our profitability in our domestic market through efficiency initiatives and other measures aimed at stabilizing our market position.

Offerings

We intend to defend and stabilize our market position with innovative bundled products, such as “Telekom-Vorteil” and attractive calling plans, including flat-rate plans such as “Max” from T-Mobile Germany. Furthermore, we will seek to share significantly in the continued growth of the broadband market. With our IPTV offering, T-Home, and the ongoing roll-out of our high-speed broadband network (e.g., via VDSL to 50 German cities), we are offering differentiated and competitive products to the market. Nevertheless, customer acceptance of those offerings will develop over time and will need to be accompanied by substantial marketing activities. In order to strengthen our market position and harmonize product development activities in our group, we are in the process of establishing a cross-business product development function.

Sales and Services

It is crucial to provide not just first-class products at attractive prices, but also high-quality customer service to create differentiation potential in the face of price pressure. To professionalize our service, we will broaden our own T-Punkt shop network in Germany. During 2007, we intend to continue to increase the number of T-Punkt shops by adding 200 outlets to our existing 600 outlets. We also

intend to increase the sales staff in our T-Punkt network by about 1,500 to enhance the quality of service to our customers.

In addition, we will utilize our integrated customer relationship management approach to offer customers compelling and relevant solutions to better fit their needs. This will enable us to increase customer loyalty among existing customers and to attract new customers using an overarching sales channel management.

To foster this integrated approach, we have established, as of January 2007, a joint go-to-market approach with responsibility for sales and service in Germany allocated to our new sales and service Board department. This integrated approach will be further complemented by an effort to increase the efficiency and effectiveness of our service units in Germany. In this regard, we plan to establish three dedicated business units that will focus on technical infrastructure services, technical customer service and call centers. The "T-Service" project will be led by the new sales and service Board department. Our aim in establishing these three new businesses is to align our cost structures over time with prevailing market conditions, enhance the quality of service delivered to our customers and to improve the productivity and expertise of our employees in those units.

International Consumer Market

Outside of Germany, our goal is to systematically grow our market share in terms of revenues. Particular emphasis will be placed on customer service and attractive offers. As an integrated telecommunications provider in Hungary, Croatia, and Slovakia, we will systematically market triple-play and quadruple-play packages in these markets. Triple-play combines voice telephony, broadband Internet access, and TV-based entertainment services, and quadruple-play adds a mobile communications component. Triple-play has been introduced by Magyar Telekom in Hungary, as well as in Croatia by Hrvatski Telekom and in Slovakia by Slovak Telekom.

In the United States, the mobile communications market as a whole is still experiencing strong subscriber growth, which means that the principal challenge for us is to grow faster than the rest of the market and increase our market share while maintaining a relatively stable average revenue per user. The success of T-Mobile USA to date is attributable in large measure to the quality of its customer care, which was ranked highest among the five largest wireless service providers in the U.S. by J.D. Powers and Associates in 2006 for the fifth consecutive time. Now that we have acquired additional spectrum through Auction 66 with more than doubling our spectrum capacity in the top100 markets in the United States, we plan to deploy this spectrum through a focused network build-out and to introduce innovative products and services such as "MyFaves." The network roll-out commenced in the fourth quarter of 2006 and will continue until 2009.

Business Market

In the business customer market, we will defend our market share in the area of telecommunications and further expand in the large and medium-sized customer markets. At the same time, we will introduce offers of standardized IT services and solutions for the mid-market and expand the IT outsourcing business with existing and new key accounts. The steps taken to expand these markets include, strategic pricing measures and the rapid expansion of IP services. On the production side, we will consolidate the platforms to increase efficiency. Systematically aligning production architecture and business processes will put us in an excellent position in the business customer market to service this area with a competitive portfolio of integrated IT and telecommunications solutions. This applies to horizontal solutions for specific parts in the value chain and also to industry-specific solutions, such as the automotive industry and the public sector.

Our strategies may, of course, be adapted and changed to respond to opportunities and changing conditions. As reported in past years, we may embark on capital expenditure programs and pursue acquisitions, joint ventures, dispositions or combinations of businesses where we perceive real opportunity for profitable growth, cost savings or other benefits for our group. Transactions may be conducted using newly issued shares of Deutsche Telekom or shares of our affiliates, cash or a combination of cash and shares, and may individually or in the aggregate be material to us. As in the past, discussions with third parties in this regard may be commenced, on-going or discontinued at any time or from time to time.

Significant Subsidiaries

The following table shows the significant subsidiaries that we owned, directly or indirectly, as of 31 December 2006. The revenues of these companies, together with Deutsche Telekom AG, account for more than 90% of the group's revenues.

Name of Company	% Held
T-Mobile Deutschland GmbH ("T-Mobile Deutschland") ⁽¹⁾ , Germany	100.00
T-Mobile USA, Inc. ("T-Mobile USA") ⁽²⁾ , United States	100.00
T-Mobile Holdings Ltd. ("T-Mobile UK") ⁽²⁾ , United Kingdom	100.00
T-Mobile Austria Holding GmbH ("T-Mobile Austria") ⁽³⁾ , Austria.....	100.00
T-Mobile Netherlands Holding B.V. ("T-Mobile Netherlands") ⁽²⁾ Netherlands.....	100.00
T-Mobile Czech Republic a.s. ("T-Mobile Czech Republic") ⁽⁴⁾ Czech Republic	60.77
T-Systems Enterprise Services GmbH ("Enterprise Services") Germany.....	100.00
T-Systems Business Services GmbH ("Business Services"), Germany.....	100.00
T-Systems GEI GmbH ("T-Systems GEI"), Germany ⁽⁵⁾	100.00
GMG Generalmietgesellschaft mbH ("GMG"), Germany	100.00
DeTelImmobilien, Deutsche Telekom Immobilien und Service GmbH ("DeTelImmobilien"), Germany	100.00
Magyar Telekom Telecommunications Public Limited Company ("Magyar Telekom") ⁽⁶⁾ Hungary.....	59.21
Slovak Telekom, a.s. ("Slovak Telekom"), Slovakia.....	51.00
HT-Hrvatske telekomunikacije d.d. ("T-Hrvatski Telekom"), Croatia.....	51.00

(1) Indirect shareholding via T-Mobile International AG & Co. KG

(2) Indirect shareholding via T-Mobile Global Holding GmbH

(3) Indirect shareholding via T-Mobile Global Holding Nr. 2 GmbH

(4) Indirect shareholding via CMobil B.V. ("CMobil")

(5) Indirect shareholding via T-Systems Enterprise Services GmbH

(6) Indirect shareholding via MagyarCom Holding GmbH

Administrative, Management and Supervisory Bodies

Management

In accordance with German law, Deutsche Telekom has both a Supervisory Board (*Aufsichtsrat*) and a Board of Managing Directors (*Vorstand*). These Boards are separate; no individual may be a member of both. The Supervisory Board appoints the members of the Board of Managing Directors and supervises the activities of this Board. The Board of Managing Directors represents Deutsche Telekom and is responsible for its management.

The **Board of Management** consists of

René Obermann	Chairman of Management
Dr. Karl-Gerhard Eick	Board member responsible for Finance, Deputy Chairman of the Board of Management and interim member of the Board of Management, Human Resources since 1 January 2007
Timotheus Höttges	Board member responsible for T-Com and Sales & Service
Hamid Akhavan	Board member responsible for T-Mobile, Product development and Innovation
Lothar Pauly	Board member responsible for Business Customers and Production

The **Supervisory Board** consists of the following members:

Dr. Klaus Zumwinkel	Chairman Chairman of the Board of Management of Deutsche Post AG, Bonn Frankfurt am Main
Franz Tremml*	Deputy Chairman Deputy Chairman of ver.di

Monika Brandl*	Berlin Member of the General Works council
Josef Falbisoner*	Bonn Regional Head of Ver.di Bayern München
Dr. Hubertus von Grünberg	Chairman of supervisory board of Continental AG and others Hannover
Lothar Holzwarth*	Chairman of Works council of GK NL Southwest, Deutsche Telekom AG Stuttgart
Dr. Dieter Hundt	Managing Shareholder of Allgaier Werke GmbH Uhingen
Waltraud Litzenberger*	Member of the Works council Deutsche Telekom AG Mainz
Michael Löffler*	Member of the Works council Deutsche Telekom AG Dresden
Dr. Thomas Mierow	State Secretary, Federal Ministry of Finance, Berlin
Hans W. Reich	Spokesman of the Board of managing Directors of the KfW Banking group Frankfurt
Dr. Wolfgang Reitzle	Chairman of the Board of Managing Directors of Linde AG Wiesbaden
Dr. Hans-Jürgen Schinzler	Chairman of the supervisory board of Münchener Rückversicherungsgesellschaft München
Dr. Klaus G. Schlede	Member of the supervisory board of Deutsche Lufthansa AG Frankfurt
Wolfgang Schmitt*	Head of Business Solicitation of Deutsche Telekom AG, T-Com Bonn
Michael Sommer*	Chairman of the Federation of German Trade Unions Berlin
Ursula Steinke*	Chairman of the Works council T-Systems CDS GmbH Kiel
Prof. Dr. Dieter Stolte	Director of ZDF (German Television) Berlin
Bernhard Walter	Former Spokesman of the Managing Board of Dresdner Bank AG Frankfurt
Wilhelm Wegner*	Chairman of the General Works council of Deutsche Telekom AG Bonn

* Elected by the staff in Germany.

The members of the Board of Managing Directors accept membership on the Supervisory Boards of other corporations within the limits prescribed by law.

The business address of each member of the Board of Managing Directors of Deutsche Telekom is Friedrich-Ebert-Allee 140, 53113 Bonn, Germany.

There are no potential conflicts of interest of the members of the Board of Managing Directors and the members of the Supervisory Board of Deutsche Telekom between their respective duties to Deutsche Telekom and their private interests or other duties.

The Supervisory Board maintains an Audit Committee which is responsible for oversight of accounting and risk management, auditor independence, questions regarding the issuing of the audit mandate to the auditors, the determination of auditing focal points and the fee agreement with the auditors following approval of the auditors by the shareholders, and matters that the audit committee of a NYSE-listed foreign private issuer is required to be responsible for pursuant to U.S. Securities and Exchange Commission (the "SEC") and NYSE regulations and under U.S. law, including the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). The current members of the Audit Committee are Dr. Klaus G. Schlede (Chairman), Wolfgang Schmitt, Franz Tremel, Bernhard Walter, Wilhelm Wegner and Dr. von Grünberg. The Audit Committee met six times in 2006.

Corporate Governance

We are obligated under German law to declare compliance and non-compliance with the Deutscher Corporate Governance Kodex (the "German Corporate Governance Code") at least once per year. The relevant declaration and the text of the German Corporate Governance Code are published in the English language on our World Wide Web site, accompanied by a short description of the German corporate governance concept.

On 11 December 2006, our Supervisory Board and our Management Board declared that, in the periods since submission of last year's declaration of conformity pursuant to Section 161 of the Stock Corporation Act on 12 December 2005, our company had complied without exception with the recommendations of the Government Commission for a German Corporate Governance Code announced by the Federal Ministry of Justice on 20 July 2005 in the official section of the electronic Federal Gazette.

In our company's declaration of conformity, our Supervisory Board and our Management Board further declare that our company complies with the recommendations of the Government Commission for a German Corporate Governance Code published by the Federal Ministry of Justice on 24 July 2006 in the official section of the electronic Federal Gazette, without exception.

Deutsche Telekom AG does not impose any limits on the right of its domestic or foreign shareholders to hold its shares.

Major Shareholders

Prior to 1989, we were part of Deutsche Bundespost, a state-owned special asset (*Sondervermögen des Bundes*). In 1989, Deutsche Bundespost was divided into three distinct entities—Deutsche Bundespost Telekom, Deutsche Bundespost Postbank and Deutsche Bundespost Postdienst. Deutsche Bundespost Telekom was transformed, effective 1 January 1995, into Deutsche Telekom AG, a private stock corporation, which initially remained wholly owned by the Federal Republic. Our first offering of equity securities to the public was in November 1996, followed by a second offering of equity securities to the public in June 1999. Each of the 1996 and 1999 offerings included U.S. public tranches.

According to information supplied to us by the Federal Republic, at 31 December 2006, the Federal Republic's direct ownership interest in our company was 14.83%. KfW, a development bank that is 80% owned by the Federal Republic and 20% owned by the German federal states, owned 16.87% of our shares at 31 December 2006.

The Federal Republic administers its shareholdings and exercises its rights as a shareholder of Deutsche Telekom through the German Finance Ministry. In their capacities as shareholders, the Federal Republic and KfW may exercise only those rights that they have under the Stock Corporation Act and our Articles of Incorporation, which are the same for all of our shareholders.

At present, the Finance Ministry and KfW each have one representative on our Supervisory Board. Additionally, the Finance Ministry has one representative on the supervisory boards of our subsidiaries, T-Systems Enterprise Services GmbH, T-Systems Business Services GmbH and T-Mobile International AG.

The table below sets forth the number of our ordinary shares held by holders of more than 5% of our ordinary shares and their percentage of ownership, based on information supplied to us by such holders, as of the dates indicated.

Identity of Person or Group	For the year ended 31 December ⁽¹⁾					
	2006		2005		2004	
	Shares owned	%	Shares owned	%	Shares owned	%
Federal Republic ⁽²⁾	646,575,126	14.83	646,575,126	15.40	954,372,849	22.74
KfW ⁽³⁾	735,667,390 ⁽⁴⁾	16.87	927,367,390 ⁽⁴⁾	22.09	641,717,667	15.29
		31.70		37.49		38.03

(1) Percentages calculated based on total outstanding shares as of the period end, which do not give effect to shares to be delivered in connection with the maturity of certain exchangeable bonds.

(2) Reflects the sale of approximately 300 million shares by the Federal Republic to KfW in July 2005.

(3) Reflects the transfer by KfW of approximately 22 million Deutsche Telekom shares to institutional KfW bondholders in April 2005.

(4) Of which, approximately 285.3 million shares are subject to transfer to KfW securityholders in accordance with the terms of outstanding KfW securities maturing in 2008.

As noted above, KfW is 80% owned by the Federal Republic. The Federal Republic has publicly stated its intention to reduce its holdings of Deutsche Telekom shares. We do not expect that a reduction in the holdings of our shares by the Federal Republic or KfW will have a material negative effect on our governance or business.

Based on our share register, as of 28 February 2007, we had approximately 2,192,413 registered holders of our ordinary shares, including 1,930 registered holders of our shares with addresses in the United States. As of 31 December 2006, there were 4,361,119,250 total outstanding shares.

As of 28 February 2007, there were 184,779,502 of our ADSs outstanding, with 1,420 holders of record of our ADSs with addresses in the United States and 52 holders of record of our ADSs with addresses outside the United States.

Financial Information Concerning Deutsche Telekom's assets and liabilities, financial position and profits and losses

Auditing of historical annual financial information

Deutsche Telekom's consolidated financial statements for the year ended 31 December 2005 and for the year ended 31 December 2006 were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, as well as with the regulations under commercial law as set forth in §315a (1) HGB. PwC and E&Y audited the mentioned financial statements. In each case an unqualified auditor's report has been provided.

Legal and arbitration proceedings

Other than set out herein Deutsche Telekom is not, or during the last two financial years has not been involved (whether as defendant or otherwise) in, nor does it have knowledge of any threat of any legal, arbitration, administrative or other proceedings the result of which may have, in the event of an adverse determination, a significant effect on its financial condition presented in this Prospectus.

The companies in our group are involved in a number of legal proceedings in the ordinary course of our business. In addition, proceedings involving alleged abuse of a market-dominant position by us, and alleged antitrust violations, are pending before regulatory and competition law authorities.

Securities and Corporate Law-Related Proceedings

German Prospectus Liability Suits

Since 2001, purported purchasers of our shares sold pursuant to prospectuses dated 28 May 1999, and 26 May 2000, have filed over 2,000 lawsuits in Germany predominantly alleging that the book values of our real property portfolio were improperly established and maintained under German GAAP and that we allegedly failed to adequately disclose detailed information relating to merger negotiations between us and VoiceStream Wireless Corporation (the predecessor of T-Mobile USA). In a more recent series of related lawsuits, however, which were mainly filed in May 2003, plaintiffs assert additional allegations, including, among other things, that the purchase price for the U.K. mobile

carrier One2One was unreasonably high, that the prospectus did not adequately inform investors about necessary write-offs to goodwill, that our internal mid-term financial plan for 2000-2004 was inaccurate, and that the prospectus did not properly inform investors about the general risks of international expansion, relations with our major shareholder, the Federal Republic, and the risks of the liberalization of the German telecommunications market. Further, they allege that our business prospects were described too positively and that the prospectus did not properly inform investors about the price to be paid for a UMTS license to be purchased in an auction in August 2000. These lawsuits are pending before the District Court (*Landgericht*) in Frankfurt am Main.

On 11 July 2006 (with respect to the offering prospectus dated 26 May 2000) and on 22 November 2006 (with respect to the prospectus dated 28 May 1999), the court issued orders for model proceedings (*Vorlagebeschluss*) with respect to these lawsuits based on the Act on Model Case Proceedings in Disputes under Capital Markets Law (*Kapitalanleger-Musterverfahrensgesetz*, the "Capital Markets Model Case Act") seeking a decision of the Frankfurt Court of Appeals (*Oberlandesgericht Frankfurt am Main*) as to common questions of law and fact with respect to the above-mentioned allegations. The master decision by the Court of Appeals will be binding for all parties in the main proceedings. The aggregate amount of all shareholder's claims filed in Germany in these lawsuits is approximately EUR 77 million.

We are contesting each of the aforementioned lawsuits vigorously, but we are not in a position to predict the outcome of the lawsuits at this time.

Prospectus Liability Conciliation Proceedings

In addition, many purported shareholders have initiated conciliation proceedings with a state institution in Hamburg (*Öffentliche Rechtsauskunfts- und Antragsstelle der Freien und Hansestadt Hamburg* the "OeRA"), in our view, mainly as an effort to stay the statute of limitations. According to information we have received from the OeRA, several thousand shareholders have instituted conciliation proceedings. We expect the claims made in these conciliation proceedings to be analogous to those made in the prospectus liability lawsuits described above. Our participation in these conciliation proceedings would be voluntary, and we have declined to participate. The OeRA has already closed a number of the proceedings because of the lack of participation of either or both parties, and we expect that the remaining procedures will also be closed. However, upon the closing of the conciliation proceedings, the statute of limitations with respect to the time within which to bring a civil action is stayed for six months. A number of applicants have already filed civil proceedings, and we expect that a substantial number of additional applicants will file lawsuits analogous to those made in the prospectus liability lawsuits described above.

PTC Proceedings

In December 2000, T-Mobile Deutschland commenced arbitration proceedings in Vienna, Austria, against Elektrim S.A. ("Elektrim") and Elektrim Telekomunikacja ("Telco") claiming that Elektrim and Telco breached the terms of the Deed of Foundation of PTC by transferring all but one of its shares in PTC to Telco, a limited

company under Polish law in which each of Elektrim and Vivendi Universal S.A. ("Vivendi") had a shareholding of 49% (with another company, Ymer, holding the remaining 2%). In particular, T-Mobile Deutschland claimed that:

- the transfer of shares required the approval of PTC's supervisory board;
- the shareholder's agreement permitted only the transfer of a party's entire interest; and
- the consent of the Polish Ministry of Telecommunications to the transfer was required but not obtained

In November 2004, the arbitration tribunal ruled that the transfer of the PTC shares to Telco was invalid and that if Elektrim could not recover those shares within two months, this shall be deemed to be a material breach, which under the PTC shareholder's agreement would give rise to a call option in favor of T-Mobile Deutschland over Elektrim's shares at a price equal to their book value. Because Elektrim, in our opinion, did not recover these shares within the two-month period, T-Mobile Deutschland provided notice of exercise of its call option on such shares. Elektrim disputes the validity of this call option and claims it did recover the shares within the two-month period set by the tribunal. Telco brought an action for nullification of the ruling of the arbitration tribunal. On 20 December 2005, a commercial court in Vienna nullified the decision of the arbitration tribunal that the transfer of PTC shares to Telco was invalid. A subsequent appeal from this decision by Elektrim and T-Mobile Deutschland before the Vienna Court of Appeals was successful. Thereafter, the Austrian Supreme Court rejected Telco's further appeals of this matter. Accordingly, the ruling of the arbitration tribunal

can no longer be challenged or nullified.

Elektrim and T-Mobile Deutschland sought recognition of the November 2004 arbitration ruling before the Polish courts, which recognition was granted by the competent Warsaw court of first instance. On 29 March 2006, the Warsaw Court of Appeals confirmed the lower court decision recognizing the Vienna arbitration award of November 2004 as binding and enforceable in Poland. The Warsaw Court of Appeals thus gave full effect to the November 2004 Vienna arbitration ruling. This decision has been subject to a further appeal by Telco to the Polish Supreme Court, which sent the case back to the court of first instance to be reconsidered, citing only procedural irregularities. T-Mobile Deutschland will seek to reaffirm the recognition ruling in the near term.

Other litigation among the parties, including Vivendi, Elektrim and Telco continues. In particular, in April 2005, T-Mobile Deutschland and we were served a complaint which was filed by Vivendi with the Tribunal de Commerce de Paris (the "Commercial Court") seeking a declaratory judgment that contractual negotiations with Vivendi had been maliciously terminated in September 2004, thereby causing Vivendi to incur damages in the amount of approximately EUR 2.2 billion. Additionally, Telco initiated tort actions in the District Court in Warsaw against seven of our employees who have been nominated to, or have acted as nominees of T-Mobile Deutschland in, the corporate bodies of PTC, claiming PLN 3 million (approximately EUR 0.8 million), and an additional as yet undetermined amount, in damages. We believe the claims to be unfounded and will contest these proceedings vigorously.

In February 2006, we were informed that Telco had filed a lawsuit seeking to exclude T-Mobile Deutschland from its ownership in PTC and to obtain summary relief freezing T-Mobile Deutschland's shareholder rights. Such relief was not granted.

On 13 April 2006, Vivendi filed arbitration proceedings against us with the International Chamber of Commerce in Paris, France (with the place of arbitration located in Geneva, Switzerland), alleging a breach of contract that purportedly caused Vivendi to incur damages in an amount of more than EUR 3 billion. Vivendi alleges that we, T-Mobile International AG & Co KG, Telco, other defendants and Vivendi had reached an oral agreement to end, among other things, all legal disputes concerning the equity interests in PTC. We believe the claims to be unfounded and will contest these proceedings vigorously.

On 23 October 2006, T-Mobile USA, Inc., T-Mobile Deutschland, T-Mobile International AG, and Deutsche Telekom AG, were named as defendants in a complaint filed by Vivendi S.A. in the United States District Court for the Western District of Washington. The complaint, as amended, alleges violations of the U.S. Racketeer Influenced and Corrupt Organizations Act (RICO) based on allegations that the defendants engaged in, among other things, fraudulent conduct in connection with the acquisition of a controlling stake in PTC. Vivendi is seeking, among other things, an order requiring the return of the PTC shares obtained by defendants from Elektrim, damages equal to the fair market value of its investment in PTC, lost revenue and profit, and treble damages pursuant to the RICO statute. We believe that Vivendi's allegations are unsustainable and we intend to contest this proceeding vigorously.

We can offer no assurances as to the duration or ultimate outcome of the proceedings described above.

Proceedings Relating to the Merger with T-Online International AG (T-Online)

Release Proceedings Relating to the T-Online Merger

Some former shareholders of T-Online filed lawsuits with the District Court in Darmstadt (*Landgericht Darmstadt*) challenging the validity of the resolution approving the merger agreement of 8 March 2005, between T-Online and Deutsche Telekom AG, adopted at the T-Online Shareholder's Meeting on 29 April 2005.

On 12 August 2005, T-Online filed an application for release with the District Court in Darmstadt (*Landgericht Darmstadt*), seeking an order preventing the lawsuits of such shareholders from standing in the way of the merger's registration in the commercial registers of T-Online and Deutsche Telekom in Darmstadt and Bonn, respectively, and thus becoming effective. On 29 November 2005, the District Court rejected T-Online's application for release. On 9 December 2005, T-Online filed an immediate appeal with the Court of Appeals in Frankfurt am Main (*Oberlandesgericht Frankfurt am Main*) in the release proceedings. In response to T-Online's appeal, the Court of Appeals set aside the decision of the Darmstadt District Court (*Landgericht Darmstadt*) and found that such lawsuits do not stand in the way of the registration of the merger with Deutsche Telekom in the commercial register. The decision by the Court of Appeals became final and binding upon the Federal Court of Justice refusing to review the decision of the Court of Appeals by a ruling

communicated on 1 June 2006. Accordingly, the merger was registered in the commercial registers on 6 June 2006 and became effective on such date.

To the extent that the plaintiffs have not withdrawn their lawsuits, the main proceedings on the lawsuits challenging the validity of the T-Online shareholder's resolution approving the merger agreement continue. However, even if the plaintiffs prevail, these lawsuits would not lead to an annulment of the merger, and the court could only find Deutsche Telekom liable for damages. On 23 August 2006, the District Court in Frankfurt am Main (*Landgericht Frankfurt am Main*) rejected the transfer of the lawsuits from the District Court in Darmstadt (*Landgericht Darmstadt*) to the District Court in Frankfurt am Main (*Landgericht Frankfurt am Main*). On 20 October 2006, the District Court in Darmstadt (*Landgericht Darmstadt*) decided to have the Court of Appeals in Frankfurt am Main (*Oberlandesgericht Frankfurt am Main*) determine the competent court. We believe that the lawsuits challenging the validity of the merger resolution are without merit.

Several former T-Online shareholders filed requests for judicial review of the appropriateness of the merger exchange ratio set forth in the merger agreement of 8 March 2005, between T-Online and Deutsche Telekom with the District Court in Frankfurt am Main (*Landgericht Frankfurt am Main*). A date for a court hearing has not been set yet. Under the German Transformation Act (*Umwandlungsgesetz*) former shareholders of T-Online, whose shares have been exchanged for Deutsche Telekom shares in the course of the merger, may request a judicial review of the appropriateness of the merger exchange ratio by the District Court in Frankfurt am Main (*Landgericht Frankfurt am Main*) in appraisal proceedings. If in these appraisal proceedings it is found in a final and binding way that the exchange ratio was too low for the T-Online shares, the competent court would assess an additional cash payment, which Deutsche Telekom would pay to all former T-Online shareholders whose shares had been exchanged for Deutsche Telekom shares in the course of the merger. The exchange ratio set forth in the merger agreement was determined on the basis of company evaluations conducted by Deutsche Telekom and T-Online with the assistance of two audit firms. In addition, after the conclusion of the merger agreement, the independent merger auditor selected and appointed by order of the court had stated that, according to his findings, the exchange ratio is appropriate.

Competition Law

Product Bundles

In December 2006, Communication Services TELE2 GmbH ("TELE2") filed a lawsuit with the District Court in Dusseldorf requesting an injunction ordering us to refrain from (i) offering product bundles consisting of an option tariff and T-DSL broadband access and broadband online tariffs to the extent that the price advantage for the bundle offer compared to the sum of the charges for the individual elements exceeds EUR 48 during a subscription period of 12 months or (ii) granting option tariff subscribers a voucher that is worth more than EUR 85 and which may be used in connection with a subscription for an additional T-DSL broadband access or broadband online tariff. In addition, TELE2 is seeking a declaratory judgment that it is entitled to obtain compensation for all material and immaterial damages resulting from the bundle offers described above. TELE2 bases its claims on the assumption that we hold a market dominant position in the relevant market(s) and alleges that bundle offers with price advantages exceeding the described thresholds would be abusive and, therefore, prohibited. We believe TELE2's claims to be unfounded and will contest them vigorously.

Proceedings Against Decisions of the Federal Network Agency

Mobile Termination Rates

In 2006, the Federal Network Agency issued a decision subjecting T-Mobile Deutschland's mobile termination rates to ex ante-regulation. As a consequence, T-Mobile Deutschland will be required to obtain approval for new mobile termination rates from the Federal Network Agency before such rates can be charged to competitors. T-Mobile Deutschland, like the other major mobile network operators, filed complaints with the Cologne Administrative Court and asked the Court for an injunction against this decision. The request for injunction was rejected. In March 2007 the Cologne Administrative court decided, that the decision of the Federal Network Agency is contrary to law in as far as it subjects T-Mobile Deutschland to ex ante-regulation. The Court admitted appeal to the Federal Administrative Court and the Federal Network Agency has given notice of appeal. In addition T-Mobile has asked a second time for an injunction. For the time being there is no indication, when the Federal Administrative Court will decide on the appeal or the request for injunction.

In addition, on the basis of the aforementioned decision, the Federal Network Agency issued a decision in 2006 adjusting the rates we could charge for the termination of calls into the mobile network of T-Mobile Deutschland during the period from 23 November 2006 to 30 November 2007.

We filed a complaint against this decision with the Cologne Administrative Court, claiming higher rates, and asked the court for an injunction. The proceedings related to the injunction and the main action are still pending. Certain of our competitors also filed complaints against the Federal Network Agency's decision seeking lower rates. These proceedings are still pending.

Subscriber Information

In August 2005, the Federal Network Agency reviewed the costs we had allocated for providing subscriber information to third-party providers of directory services and decided to reduce these charges from EUR 49 million to EUR 770,000. We filed a complaint against this decision with the Cologne Administrative Court and asked the court for an injunction. The Cologne Administrative Court rejected the requested injunction. In the main action the Cologne Administrative Court rejected our complaint. We appealed this decision. The proceedings are still pending.

Other Proceedings

Radio Frequency Emissions

Beginning in 2000, plaintiffs filed numerous state court class-action lawsuits against T-Mobile USA and several other wireless service operators and wireless telephone manufacturers, asserting product liability, breach of warranty and other claims relating to radio frequency transmissions to and from wireless mobile devices. The complaints seek substantial money damages (including punitive damages), as well as injunctive relief. After several years of litigation on procedural issues, the plaintiffs voluntarily dismissed without prejudice three of the four lawsuits in which T-Mobile USA is involved. Plaintiffs filed an amended complaint in the remaining case, which was removed to federal court. T-Mobile USA continues to vigorously defend this case.

Reimbursement and Damages for Subscriber Data Costs

From December 2004 to January 2007, a number of telephone directory service providers, including among others telegate AG ("telegate"), klicktel and Vodafone, who receive data from us relating to subscribers of voice telephony services for the purpose of providing their own directory services, filed lawsuits with the District Court in Cologne in the aggregate amount of approximately EUR 115 million, plus interest, claiming reimbursement for payments made to us since 1999. The plaintiffs, referring to a decision by the E.U. Court of Justice (C-109/03; *KPN vs. Onafhankelijke Post en Telecommunicatie Autoriteit*), accused us of having included inadmissible costs in our charges for providing customer data. In August and September 2005, the court ordered us in a number of these cases to reimburse the plaintiffs in the aggregate amount of approximately EUR 75 million, but we have lodged appeals against these decisions with the Court of Appeals in Düsseldorf. The decisions in the other cases are still pending with the court of first instance. Plaintiff telegate, which was awarded approximately EUR 60 million of this amount, but which had claimed an additional EUR 25 million, has lodged an appeal of the lower court's decision with the Court of Appeals in Düsseldorf.

In a related matter, on 19 October 2005, in addition to and consideration of the foregoing judgments, as well as the Federal Network Agency's decision of 17 August 2005, relating to the costs of subscriber information, two further lawsuits were served on us, one by telegate for damages of approximately EUR 86 million, plus interest, and another by telegate's founding shareholder, Dr. Klaus Harisch, for damages of approximately EUR 329 million, plus interest. Both plaintiffs claim that they incurred losses, due to the alleged adverse effect that our alleged inclusion of inadmissible costs in our provision of customer data had on telegate's position in the market, the resulting capital increases that this required, and the weaker development of telegate's share price. A first oral hearing at the District Court in Cologne took place on 26 June 2006. A second oral hearing that was originally scheduled for 3 November 2006 was postponed to 25 May 2007. On 25 January 2007, klicktel filed another lawsuit with the same court for damages of approximately EUR 13 million based on analogous claims. We intend to defend these lawsuits vigorously.

Damages for Lost Profits/Price Squeeze

In December 2005, Arcor filed a lawsuit with the District Court in Cologne in the aggregate amount of approximately EUR 41.9 million, plus interest, claiming damages for lost profit with retail analogue access products as a result of an alleged price squeeze between our wholesale tariffs for access to the local loop and our retail access tariffs between January 1998 and September 2003. Arcor bases its claim primarily on the E.U. Commission's decision of 21 May 2003 against us for allegedly abusing our dominant position by charging our competitors and end-users unfair monthly and one-off charges for access to our local network. In July 2003, we filed a lawsuit with the Court of First Instance of the European Communities (the "Court of First Instance") to obtain reversal of that decision. In February 2006, the original damage claim was increased to an aggregate of EUR 223 million, purportedly based on customer relationships not realized between September 2003 and June 2005 and a new

calculation methodology used by the plaintiff, which, in our view, deviates from the E.U. Commission's approach. If the Court of First Instance annuls the E.U. Commission's decision, we would expect that the basis of Arcor's damage claim will be undermined. On 18 October 2006, the District Court in Cologne suspended the lawsuit until the European Courts have finally decided on the proceedings for annulment of the E.U. Commission's decision.

Toll Collect

As previously reported, the Federal Republic has initiated arbitration proceedings against DaimlerChrysler Financial Services AG, Deutsche Telekom AG and the Toll Collect consortium for damages suffered as a result of the delay in the commencement of operations of the toll collection system and alleged breaches of the operating agreement.

The Federal Republic, in its statement of claims received on 2 August 2005, asserts claims for damages of approximately EUR 5.2 billion plus interest. This amount includes contractual penalties of EUR 1.1 billion relating to the allegation that the agreement of the Federal Republic was not sought prior to the execution of certain subcontractor agreements. As some of the contractual penalties are time-related and further claims for contractual penalties have been asserted by the Federal Republic, the amount claimed as contractual penalties may increase. DaimlerChrysler Financial Services AG, Deutsche Telekom AG and the Toll Collect consortium filed their answer to the claim on 30 June 2006.

Additionally, in December 2006, Toll Collect initiated an arbitration proceeding seeking a determination that the Federal Republic's basis for denying the issuance of the final operating permit is unfounded and claiming that additional remuneration is due to Toll Collect in accordance with the operating agreement.

Although the outcome of these arbitration proceedings is difficult to predict, we believe the claims presented in the arbitration notice and statement of claims are unsustainable. We are contesting the Federal Republic's claims vigorously.

Significant Change in Deutsche Telekom's Financial Position

Save as disclosed herein, there has been no significant change in the financial or trading position of the Company and no material adverse change in the prospects of the Company since the publication of its last audited financial statements as of 31 December 2006.

Additional Information

Share Capital

As of 1 February 2007 the share capital of Deutsche Telekom amounted to €11,164,609,420.80 divided into 4,361,175,555 registered ordinary shares without par value (*Stückaktien*). All shares have been issued and are fully paid. In addition to the above mentioned major shareholders, Deutsche Telekom held approximately 0.04% of its total ordinary shares.

Material Contracts

In the usual course of the Company's business, Deutsche Telekom enters into numerous contracts with various other entities. Deutsche Telekom has not, however, entered into any material contracts outside the ordinary course of its business within the past two years.

Third Party Information and Statement by Experts and Declaration of any Interest

Where information, contained in this document, has been sourced from a third party, Deutsche Telekom confirms that to the best of its knowledge this information has been accurately reproduced and that so far as Deutsche Telekom is aware and able to ascertain from information published by such third party no facts have been omitted which would render the reproduced information materially inaccurate or misleading.

Deutsche Telekom International Finance B.V. as Issuer

Statutory Auditors

The statutory auditors of Finance are Ernst & Young Accountants, Drentestraat 20, 1083 HK Amsterdam, the Netherlands. The auditors of Ernst & Young Accountants are members of the Royal NIVRA (Koninklijk Nederlands Instituut van Registeraccountants) and have been appointed as auditors in order to provide for a change of the auditors as common market practice. They have audited the financial statements of Finance for the year 2006 and issued an unqualified opinion. The financial statements of Finance for the year 2005 have been audited by PricewaterhouseCoopers Accountants N.V., Fascinatio Boulevard 350, 3065 WB, Rotterdam, the Netherlands. The auditors of PricewaterhouseCoopers Accountants N.V. are also members of the Royal NIVRA. PricewaterhouseCoopers Accountants N.V. have issued an unqualified opinion. The financial statements for the years 2005 and 2006 were prepared in accordance with Dutch Gaap. General Information about Deutsche Telekom International Finance B.V.

History and development of Finance

Finance was incorporated on 30 October 1995 under the laws of the Netherlands as a private company with limited liability for an unlimited duration. Finance is a wholly-owned subsidiary of Deutsche Telekom. Finance has its corporate seat in Amsterdam and is registered with the Trade Register in Amsterdam under number 33274743. Its address is World Trade Center, Strawinskyalaan 1243, 1077 XX Amsterdam, The Netherlands (telephone number: +31 20 575 31 77).

Investments

Finance has not conducted any principal investments since the date of the last published financial statements nor does Finance intend making such principal investments in the near future on which the management has already made firm commitments.

Business Overview

According to § 2 of the Articles of Association (*Satzung*), the corporate objects of Finance are a) the issue and acquisition of debt instruments issued by Finance or of debts instruments issued by a limited partnership or a general partnership of which Finance is the general partner with full liability; b) to participate in, to establish and to administer and/or manage, to finance and to render services to companies, firms and enterprises; c) to lend and/or borrow moneys, to provide guarantees, and to commit itself with respect to the commitments of third parties and to do anything which is connected with the before mentioned activities or which may be promotive thereof, all this in the broadest sense.

I. Activities

The activities of Finance are in line with the objects stated in the Articles of Association of Finance, which are:

1. a) The issue and acquisition of debt instruments issued by Finance or of debt instruments issued by a limited partnership or a general partnership of which Finance is the general partner with full liability;
 - b) to participate in, to establish and to administer and/or manage, to finance and to render services to companies, firms and enterprises;
 - c) to lend and/or borrow moneys, to provide guarantees, and to commit itself with respect to the commitments of third parties.
2. To do anything which is connected with the provisions of paragraph 1 of this article or which may be promotive thereof, all this in the broadest sense.

II. Principal Markets

Since the foundation of Finance in 1995, Finance has issued various notes in the capital markets of Europe and the United States of America.

Organisational Structure

Finance is wholly-owned by Deutsche Telekom AG, Bonn, Germany, but acts as an independent company within The Netherlands. Finance is the finance organisation of the Deutsche Telekom group and it is not dependent upon other entities within the group. In this position, Finance issues debt instruments at the capital market on its own on the basis of the capital needs within the group. At the capital market, Finance has to compete with other financial institutions and companies for getting best

prices for the issue of debt instruments. The capital obtained after an issue is transferred to the group by concluding loan agreements with the specific group members.

Significant Change in Finance's Financial Position

Save as disclosed herein, there has been no significant change in the financial or trading position of Finance and no material adverse change in the prospects of Finance since the publication of its last audited financial statements as of 31 December 2006.

Administrative, Management and Supervisory Bodies

Finance has both a Supervisory Board and a Board of Managing Directors. These Boards are separate; no individual may be a member of both. Deutsche Telekom, as the sole shareholder of Finance, appoints the members of both the Supervisory Board and the Board of Managing Directors. The Supervisory Board supervises the Board of Managing Directors. The Board of Managing Directors represents Finance and is responsible for its management.

The members of the **Supervisory Board** of Finance are at present as follows:

Gerhard Mischke

Senior Executive Vice President, Finance, Deutsche Telekom AG

Dieter Cazzonelli

Senior Executive Vice President, Taxes, Deutsche Telekom AG

Dr. Manfred Balz

Senior Executive Vice President, General Counsel, Deutsche Telekom AG

The members of the **Board of Managing Directors** are at present as follows:

Robin Sheridan

Stephan Wiemann

The members of the Board of Managing Directors accept membership on the Supervisory Boards of other corporations within the limits prescribed by law.

The business address of each member of the Board of Managing Directors of Finance is World Trade Center, Strawinskylaan 1243, 1077 XX Amsterdam, The Netherlands.

There are no potential conflicts of interest of the members of the Board of Management and the members of the Supervisory Board of Finance between their respective duties to Finance and their private interests or other duties.

The audit committee described under "Deutsche Telekom AG as Issuer and Guarantor - Administrative, Management and Supervisory Bodies" is also responsible for Finance.

Major Shareholders

Finance is a wholly-owned subsidiary of Deutsche Telekom.

Legal and arbitration proceedings

Finance is not aware of any governmental, legal or arbitration proceedings pending or threatened against it which may have or have had during the past 12 months, significant effects on Finance and/or the Deutsche Telekom group's financial position or profitability.

Additional Information

Share Capital

The authorized share capital of Finance consists of 5,000 shares of common stock at a par value of Euro 453.78 each. The issued share capital amounts to Euro 453,780 and consists of 1,000 shares of common stock at a par value of Euro 453.78. The remaining 4,000 shares are unissued.

Material Contracts

In the usual course of its business, Finance enters into numerous contracts with various other entities. Finance has not, however, entered into any material contracts outside the ordinary course of its business within the past two years

Third Party Information and Statement by Experts and Declaration of any Interest

Where information, contained in this document, has been sourced from a third party, Finance confirms that to the best of its knowledge this information has been accurately reproduced and that so far as Finance is aware and able to ascertain from information published by such third party no material facts have been omitted which would render the reproduced information inaccurate or misleading.

Terms and Conditions (English language version)

This Series of Notes is issued pursuant to an Amended and Restated Agency Agreement, dated 26 April 2007 (the "Agency Agreement") between Deutsche Telekom AG ("Deutsche Telekom"), Deutsche Telekom International Finance B.V. ("Finance"), Deutsche Bank Aktiengesellschaft, as fiscal agent and paying agent (the "Fiscal Agent" which expression shall include any successor fiscal agent) and the other paying agents named therein (together with the Fiscal Agent, the "Paying Agents", which expression shall include any successor or additional paying agents), **in the case of Notes issued by Finance:** The Notes have the benefit of an unconditional and irrevocable guarantee (the "Guarantee") by Deutsche Telekom (the "Guarantor").]

in the case of Long-Form Conditions insert:

[The provisions of these Terms and Conditions apply to the Notes as completed, modified, supplemented or replaced, in whole or in part, by the terms of the final terms which are attached hereto (the "Final Terms"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Terms and Conditions shall be deemed to so modify, supplement or replace the provisions of these Terms and Conditions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and texts set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge at the specified offices of the Paying Agents; provided that, in the case of Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be made available to Holders of such Notes.]

§ 1

Currency, Denomination, Form and Title, Certain Definitions

(1) *Currency and Denomination.* This Series of Notes of [] (the "Issuer") is issued in [] (the "Specified Currency") in the aggregate principal amount of **in case the Global Note is an NGN insert:** (subject to § 1 (8)) **insert aggregate principal amount** [] and is divided into [[] Notes in the principal amount of [],] [[] Notes in the principal amount of []] [and] [] Notes in the principal amount of [] (the "Specified Denominations").

in the case of a Temporary Global Note which is exchangeable for Definitive Notes:

[(2) *Definitive Notes.* Individual Notes in definitive form ("Definitive Notes") [shall have [interest coupons ("Coupons")] [and talons ("Talons") for further Coupons] [and] [payment receipts ("Receipts")] in respect of the instalments of principal payable] attached on initial delivery and] shall be serially numbered.]

[(3)] *Form and Title.* The Notes [and Coupons] are in bearer form and represented by one or more global notes (each a "Global Note"). Title to the Notes [and Coupons] [and the rights evidenced by Receipts] shall pass in accordance with the rules of applicable law. Neither the Issuer **in the case of Notes issued by Finance:** nor the Guarantor] nor the Fiscal Agent nor any Paying Agent is obliged to examine the title of any person presenting Notes [or Coupons] [or Receipts].

in the case of Notes which are initially represented by a Temporary Global Note:

[[(4)] *Temporary Global Note - Exchange.*

- (a) The Notes are initially represented by a temporary global Note (the “Temporary Global Note”) **[in the case of Notes other than Zero Coupon Notes insert: without coupons]**. The Temporary Global Note will be exchangeable, as provided below, for **[if Temporary Global Note is to be exchanged for Definitive Notes insert: Definitive Notes in the Specified Denomination(s) [with [Coupons] [and] [Talons] [,] [and Receipts]]]** **[if Temporary Global Note is to be exchanged for Definitive Notes and Collective Global Notes insert: in part, Definitive Notes in the Specified Denomination(s) [with [Coupons] [and] [Talons] [,] [and Receipts] and in the other part, one or more collective global Notes (each, a “Collective Global Note”) [with global interest coupons (each, a “Global Interest Coupon”)];** the right of Holders to require delivery of Definitive Notes in exchange for Notes which are represented by a Collective Global Note shall be governed by § 9a(3), first sentence of the German Securities Custody Act] **[if Temporary Global Note is to be exchanged for one or more Permanent Global Notes insert: Notes in Specified Denominations represented by [a] [specify if more than one] permanent global Note[s] ([the] [each, a] “Permanent Global Note”) [in the case of Notes other than Zero Coupon Notes insert: without coupons]]**.
- (b) The Temporary Global Note shall be exchanged for [Definitive Notes] [in part Definitive Notes and in the other part Collective Global Notes] [Notes represented by the Permanent Global Note[s]] on a date (the “Exchange Date”) **[in the case of TEFRA D Notes: not earlier than 40 days and] not later than 180 days** after the date of issue of the Temporary Global Note **[in the case of TEFRA D Notes: upon delivery by the relevant account holder to the Clearing System, and by the Clearing System to the Fiscal Agent, of certificates in the form available from the Fiscal Agent for such purpose, to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person other than certain financial institutions or certain persons holding through such financial institutions. [Any Permanent Global Note] [Any Definitive Notes] delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in subparagraph (3) of § 5)].**

in the case of Notes which are initially represented by a Permanent Global Note insert:

[[4)] *Permanent Global Note.* The Notes are represented by [a] **[specify if more than one] permanent global Note[s] ([the] [each, a] “Permanent Global Note”) [in the case of Notes other than Zero Coupon Notes insert: without Coupons].** The right to demand delivery of Definitive Notes shall be excluded.]

in the case of Notes which will initially be represented by a Temporary Global Note:

[[5)] *Fees Payable on Exchange of Global Notes.* Any exchange of a Global Note pursuant to this § 1 shall be made free of charge to the Holders of the Notes, except that a person receiving Definitive Notes must bear the cost of insurance, postage, transportation and the like in the event that such person does not take delivery of such Definitive Notes in person at the offices of the Clearing System.]

[[6)] *Execution of Notes.* Global Notes shall be executed manually on behalf of the Issuer by two authorised representatives of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. **[In the case of Definitive Notes insert: Definitive Notes[,] [and] [Coupons] [and] [Talons] [and Receipts]** shall be executed in facsimile on behalf of the Issuer by two authorised representatives of the Issuer and the Definitive Notes shall be authenticated by or on behalf of the Fiscal Agent. Each Note [,] [and] [Coupon] [and] [Talon] [and Receipt] shall bear an embossed stamp.]

[[7)] *Certain Definitions.* For purposes of the Terms and Conditions:

“Clearing System” means [each of] [Clearstream Banking AG, Frankfurt am Main (“CBF”)] [,] [and] [Clearstream Banking, société anonyme, Luxembourg (“CBL”)] [,] [and] [Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”)] [(CBL and Euroclear each an “ICSD” and together the “ICSDs”)] [and] **[specify any other Clearing System]** and any successor in such capacity.

[if there will be a Calculation Agent insert: “Calculation Agent” means [the Fiscal Agent] [insert other Calculation Agent] and any successor to [the Fiscal Agent] [insert other Calculation Agent] in its capacity as Calculation Agent.]

“Global Note” means [the/any] [Temporary Global Note] [or Collective Global Note] [or] [Permanent Global Note].

“Holder” means, in respect of Notes deposited with any Clearing System or other central securities depository, any holder of a proportionate co-ownership or other beneficial interest or right in the Notes so deposited, and otherwise the bearer of a Note [and/or a Coupon] [and/or a Receipt].

“Paying Agent” means the Fiscal Agent in its capacity as paying agent, acting through its office specified in § 7, the Paying Agent(s) specified in § 7, or any substitute or additional paying agent appointed under § 7.

References herein to the “Notes” are references to Notes of this Series and shall, as the context requires, include reference to any Global Note [or Definitive Note].

References herein to a “Specified Currency” shall include any successor currency provided for by the laws in force in the jurisdiction where the Specified Currency is issued or pursuant to intergovernmental agreement or treaty (a “Successor Currency”) to the extent that payment in the predecessor currency is no longer a legal means of payment by the Issuer on the Notes **[in the case of Notes issued by Finance:** or, in the event of payments under the Guarantee, by the Guarantor under the Guarantee].

In the case of Notes kept in custody on behalf of the ICSDs insert:

[In the case the Global Note is an NGN insert: The Notes are issued in new global note (“NGN”) form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

[In the case the Global Note is an CGN insert: The Notes are issued in classical global note (“CGN”) form and are kept in custody by a common depository on behalf of both ICSDs.]

In the case the Global Note is an NGN insert:

[(8) *Records of the ICSDs.* The nominal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer’s interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and, for these purposes, a statement issued by a ICSD stating the nominal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.]

[In the case the Temporary Global Note is a NGN insert: On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered pro rata in the records of the ICSDs.]

§ 2 Status

The Notes constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer.

§ 3 Negative Pledge of the Issuer [, Guarantee and Negative Pledge of the Guarantor]

[(1)] *Negative Pledge.* So long as any of the Notes remains outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, the Issuer undertakes not to grant or permit to subsist any encumbrance over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness issued or guaranteed by the Issuer or by any other person, without at the same time having the Holders share equally and rateably in such security. “Capital Market Indebtedness” means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, a certificate of indebtedness or in the form of, or represented or evidenced by, bonds, notes or other securities which are, or are capable of being, quoted, listed, dealt in or traded on a stock exchange or other recognized securities market. For the purposes of avoiding any doubt in respect of asset-backed financings originated by the Issuer, the expression “assets” as used in this § 3 does not include assets of the Issuer that are sold on a non-recourse basis determined in accordance with the civil law applicable to such transaction.

in the case of Notes issued by Finance:

[(2) *Guarantee and Negative Pledge of the Guarantor.* The Guarantor has given its unconditional and irrevocable guarantee (the “Guarantee”) for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Note [or Coupon] [or Receipt]. The Guarantor has further undertaken in a negative pledge (the “Negative Pledge”), so long as any of the Notes remains outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to grant or permit to subsist any encumbrance over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness (as defined above) issued or guaranteed by the Guarantor or by any other person, without at the same time having the Holders share equally and rateably in such security. The Guarantee and Negative Pledge constitute a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with § 328 of the German Civil Code, giving rise to the right of each Holder to require performance of the Guarantee and the Negative Pledge directly from the Guarantor and to enforce the Guarantee and the Negative Pledge directly against the Guarantor. For the purposes of avoiding any doubt in respect of asset-backed financings originated by the Guarantor, the expression “assets” as used in this § 3 does not include assets of the Guarantor that are sold on a non-recourse basis determined in accordance with the civil law applicable to such transactions. Copies of the Guarantee and Negative Pledge may be obtained free of charge at the specified offices of each of the Paying Agents.]

§ 4 Interest

in the case of Fixed Rate Notes insert:

[(1) *Rate of Interest and Interest Payment Dates.* The Notes bear interest on their principal amount at the rate of [insert Rate of Interest] per cent. per annum from (and including) [insert Interest Commencement Date] to (but excluding) the Maturity Date. Interest shall be payable in arrears on [insert Fixed Interest Date(s)] in each year (each such date, an “Interest Payment Date”). The first payment of interest shall be made on [insert First Interest Payment Date] [if First Interest Payment Date is not first anniversary of Interest Commencement Date insert: and will amount to [insert Initial Broken Amount(s)].] [if Maturity Date is not a Fixed Interest Date insert: Interest in respect of the period from (and including) [insert Fixed Interest Date preceding the Maturity Date] to (but excluding) the Maturity Date will amount to [insert Final Broken Amount(s)].]

[In the case of Notes represented by Global Notes insert:

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes until the expiry of the day preceding the day of actual redemption of the Notes at the default rate of interest established by law.¹]

[In the case of Definitive Notes insert:

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the expiry of the day preceding the day of actual redemption of the Notes at the default rate of interest established by law¹) but not beyond the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent.]

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).]

in the case of Floating Rate Notes insert:

[(1) *Interest Payment Dates.*

¹ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288(1), 247 German Civil Code.

- (a) The Notes bear interest on their principal amount from (and including) **[insert Interest Commencement Date]** (the “Interest Commencement Date”). Interest on the Notes shall be payable on each Interest Payment Date. “Interest Payment Date” means **[in the case of Specified Interest Payment Dates insert: each [insert Specified Interest Payment Dates]] [in the case of Specified Interest Periods insert: each date which (except as otherwise provided in these Terms and Conditions) falls [] [weeks] [months] [insert other specified period(s)]** after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]
- (b) If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:
- [if Modified Following Business Day Convention insert:** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be brought forward to the immediately preceding Business Day.]
- [if FRN Convention insert:** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the payment date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent payment date shall be the last Business Day in the month which falls **[insert number] months [insert other specified period(s)]** after the preceding applicable payment date.]
- [if Following Business Day Convention insert:** postponed to the next day which is a Business Day.]
- [if Preceding Business Day Convention insert:** brought forward to the immediately preceding Business Day.]

In this § 4 “Business Day” means **[if the Specified Currency is not Euro insert:** a day which is a day (other than a Saturday or a Sunday) on which commercial banks are generally open for business in, and foreign exchange markets settle payments in **[insert all relevant financial centres]] [if the Specified Currency is Euro insert:** a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (“TARGET”) are operational to effect the relevant payment].

(2) *Rate of Interest.* **[if Screen Rate Determination insert:** The rate of interest (the “Rate of Interest”) for each Interest Period (as defined below) will, except as provided below, be the offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of 11:00 a.m. ([London] [Brussels] time) on the Interest Determination Date (as defined below) **[if Margin insert:** [plus] [minus] the Margin (as defined below)], all as determined by the Calculation Agent.

“Interest Period” means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

“Interest Determination Date” means the [second] **[insert other applicable number of days]** [TARGET] [London] **[insert other relevant location]** Business Day prior to the commencement of the relevant Interest Period, **[in case of a TARGET Business Day insert:** “TARGET Business Day” means a day which is a day on which the Trans-European Automated Real-time Gross Settlement Transfer system (TARGET) is operating.] **[in case of a non-TARGET Business Day insert:** “[London] **[insert other relevant location]** Business Day” means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [London] **[insert other relevant location].]**

[if Margin insert: “Margin” means [-] per cent. per annum.]

“Screen Page” means, **[insert relevant Screen Page].**

[If another basis for determining any reference rate is to apply, insert applicable provisions]

If the Screen Page is not available or if, no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the [London] [Euro-Zone] interbank market at approximately 11.00 a.m. ([London] [Brussels] time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations

(rounded if necessary to the nearest one **[if the Reference Rate is EURIBOR insert:** thousandth of a percentage point, with 0.0005] **[if the Reference Rate is not EURIBOR insert:** hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of such offered quotations **[if Margin insert:** [plus] [minus] the Margin], all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one **[if the Reference Rate is EURIBOR insert:** thousandth of a percentage point, with 0.0005] **[if the Reference Rate is not EURIBOR insert:** hundred-thousandth of a percentage point, with 0.000005], being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a.m. ([London] [Brussels] time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the [London] [Euro-Zone] interbank market **[if Margin insert:** [plus] [minus] the Margin] or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the [London] [Euro-Zone] interbank market (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) **[if Margin insert:** [plus] [minus] the Margin]. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered **[if Margin insert:** [plus] [minus] the Margin (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).]

As used herein, "Reference Banks" means **[if no other Reference Banks are specified in the Final Terms, insert:** those offices of four of such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page **[if other Reference Banks are specified in the Final Terms, insert names here].]**

[In the case of Euro-Zone interbank market insert: "Euro-Zone" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union, as further amended from time to time.]

[if Reference Rate is other than LIBOR or EURIBOR insert relevant details in lieu of the provisions of this subparagraph 2]

[if ISDA Determination applies insert the relevant provisions and attach the relevant 2000 ISDA Definitions published by the International Swap and Derivatives Association]

[If another method of determination applies, insert relevant details in lieu of the provisions of this subparagraph (2).]

[If Minimum and/or Maximum Rate of Interest applies insert:

(3) *[Minimum] [and] [Maximum] Rate of Interest.*

[If Minimum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than **[insert Minimum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[insert Minimum Rate of Interest].]**

[If Maximum Rate of Interest applies insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than **[insert Maximum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[insert Maximum Rate of Interest].]**

[(4)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "Interest Amount") payable on the Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the

resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(5)] *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause notification of the Rate of Interest and each Interest Amount for each Interest Period and of the applicable Interest Payment Date to the Issuer **[in the case of Notes issued by Finance:** and to the Guarantor] and to the Holders in accordance with § 13 as soon as possible after their determination, but in no event later than the fourth [London] [TARGET] **[insert other relevant location]** Business Day (as defined in § 4(2)) thereafter and, if required by the rules of such stock exchange, to any stock exchange on which the Notes are from time to time listed as soon as possible after their determination, but in no event later than the first day of the applicable Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are for the time being listed and to the Holders in accordance with § 13.

[(6)] *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, [the Guarantor,] the Fiscal Agent, the Paying Agents and the Holders.

[In the case of Notes represented by Permanent Global Notes insert:

[(7)] *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the expiry of the day preceding the day of actual redemption of the Notes. The applicable Rate of Interest will be the default rate of interest established by law.²⁾]

[In the case of Definitive Notes insert:

[(7)] *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the expiry of the day preceding the day of actual redemption of the Notes, but not beyond the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent. The applicable Rate of Interest will be the default rate of interest established by law.²⁾]

in the case of Zero Coupon Notes insert:

[(1)] *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes.

[In the cases of Zero Coupon Notes which are represented by a Permanent Global Note insert:

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the outstanding principal amount of the Notes as from the due date to the expiry of the day preceding the day of actual redemption at the default rate of interest established by law.²⁾]

[In the case of Zero Coupon Definitive Notes insert:

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the outstanding principal amount of the Notes as from the due date to the expiry of the day preceding the day of actual redemption at the default rate of interest established by law²⁾, but not beyond the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent.]

[In the case of Index Linked Notes or Credit Linked Notes relating to interest, insert all applicable provisions regarding interest. The same applies in the case of Dual Currency Notes.]

[()] *Day Count Fraction.* “Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (the “Calculation Period”):

²⁾The default rate of interest established by law is five percentage points above the basic rate of interest published by *Deutsche Bundesbank* from time to time, §§ 288(1), 247 German Civil Code.

[if Actual/Actual (ICMA Rule 251) with annual interest payments insert: the actual number of days in the Calculation Period divided by the actual number of days in the respective interest period.] **[in the case of first/last short or long Interest Periods insert appropriate Actual/Actual (ICMA Rule 251) method]**

[if Actual/Actual (ICMA Rule 251) with two or more constant interest periods within an interest year insert: the number of days in the Calculation Period divided by (x) in the case of Notes where interest is scheduled to be paid only by means of regular annual payments, the number of days in the Interest Period or (y) in the case of Notes where interest is scheduled to be paid other than only by means of regular annual payments, the product of the number of days in the Interest Period and the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year.] **[in the case of first/last short or long Interest Periods insert appropriate Actual/Actual (ICMA Rule 251) method]**

[if Actual/Actual (ISDA) insert: the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

[if Actual/365 (Fixed): the actual number of days in the Calculation Period divided by 365.]

[if Actual/360: the actual number of days in the Calculation Period divided by 360.]

[if 30/360, 360/360 or Bond Basis: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[if 30E/360 or Eurobond Basis: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period).]

§ 5 Payments

(1) *Payment of Principal.* **[in the case of Notes represented by Definitive Notes:** Payment of principal in respect of Definitive Notes shall be made, subject to subparagraph (3) below, against presentation and (except in the case of partial payment) surrender of the relevant Note at the specified office of any Paying Agent outside the United States.]

in the case of Notes represented by a Permanent Global Note insert:

[Payment of principal in respect of Notes represented by a Global Note shall be made, subject to subparagraph (3) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and surrender of the Global Note at the specified office of any Paying Agent outside the United States.]

in the case of Instalment Notes insert:

[Payment of Instalment Amounts in respect of an Instalment Note with Receipts will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt and, in the case of the final Instalment Amount, surrender of the Note at the specified office of any Paying Agent outside the United States. Receipts are not documents of title and, if separated from the Note to which they relate, shall not represent any obligation of the Issuer. Accordingly, the presentation of an Instalment Note without the relevant Receipt or the presentation of a Receipt without the Note to which it pertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.]

For purposes of **[in the case of TEFRA D Notes insert:** subparagraph [(4)] of § 1 and] this § 5, "United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

in the case of Notes other than Zero Coupon Notes insert:

(2) *Payment of Interest.* **[in the case of Notes represented by Definitive Notes:** Payment of interest on Definitive Notes with Coupons shall be made, subject to paragraph (3), against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment

of interest, against presentation of the relevant Notes, at the specified office of any Paying Agent outside the United States.]

[in the case of Notes represented by a Permanent Global Note insert: Payment of interest on Notes represented by a Permanent Global Note shall be made, subject to subparagraph (3), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System against presentation of the Permanent Global Note at the specified office of any Paying Agent outside the United States.]

[in the case of interest payable on a TEFRA D Temporary Global Note insert: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (3), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, against presentation of the Temporary Global Note at the specified office of any Paying Agent outside the United States, upon due certification as provided in § 1[(4)](b).]

(3) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made

In the case of Notes represented by Global Notes insert:

[in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.]

In the case of Notes represented by Definitive Notes insert:

[in the case of payments in a currency other than Euro or U.S. dollars insert: by [insert Specified Currency] check drawn on a bank in [insert Principal Financial Centre of Country of Specified Currency] or, at the option of the payee, by transfer to an account denominated in [insert Specified Currency] maintained by the payee with a bank in [insert Principal Financial Centre of Country of Specified Currency].]

[in the case of payments in U.S. dollars insert: by U.S. dollar check drawn on a bank in New York City or, at the option of the payee, by transfer to a U.S. dollar account maintained by the payee at a bank outside the United States. If payment of principal or interest at the offices of all paying agents outside the United States becomes illegal or is effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, the Issuer will appoint an office or agent in the United States at which such payment may be made.]

[in the case of payments in Euro insert: in cash or by check denominated in Euro drawn on or, at the option of the payee, by transfer to a Euro account maintained by the payee with, a bank in the principal financial centre of a country which has become a participating member state in European Economic and Monetary Union as contemplated by the Treaty on European Union which was signed at Maastricht on 7 February 1992 and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.]

(4) *Discharge.*

[In the case of Notes represented by Global Notes insert:

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

[In the case of Definitive Notes insert:

In the case of any Notes held through any Clearing System, the Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Note [or Coupon] [or Receipt] is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "Payment Business Day" means any day which is **[in the case of Notes not denominated in Euro insert:** a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in [insert all relevant financial centres]] **[in the case of Notes denominated in Euro insert:** a day (other than a Saturday or a Sunday) on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) are operational to forward the relevant payment] **[in the case of Definitive Notes insert:** and banks in the place where the Paying Agent is located and where the Notes [,] [Coupons] [,] [Talons] [or] [Receipts] are presented for payment are open for business].

in the case of Definitive Notes initially delivered with Coupons, Talons or Receipts insert:

(6) *Surrender of [Coupons][,][Talons] [and][Receipts]*. Each Note initially delivered with Coupons [or Talons] [or Receipts] attached thereto must be presented and, except in the case of partial payment of the redemption amount, surrendered for final redemption together with all unmatured Coupons [and Talons] [and Receipts] relating thereto, failing which

[in the case of Fixed Rate Notes insert: the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due) shall be deducted from the amount otherwise payable on such final redemption [,] [and] [.]

[in the case of Floating Rate Notes insert: all unmatured Coupons relating to such Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them [,] [and] [.]

[in the case of Definitive Notes initially delivered with Talons insert: all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them [,] [and] [.]

[in the case of Definitive Notes initially delivered with Receipts insert: all Receipts relating to such Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect to them.]

If the Notes should be issued with a maturity date and an interest rate or rates such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted in accordance with the foregoing would be greater than the redemption amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that the amount required to be deducted in accordance with the foregoing would not be greater than the redemption amount otherwise due for payment. Where the application of the preceding sentence requires some but not all of the unmatured Coupons relating to a Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.]

[in the case of Definitive Notes initially delivered with Talons insert:

(7) *Exchange of Talons*. On or after the Interest Payment Date on which the final Coupon in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent, in exchange for a further Coupon sheet (including any appropriate further Talon). Each Talon shall, for the purpose of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon in the relative Coupon sheet matures.]]

[(8)] *References to Principal and Interest*. Reference in these Terms and Conditions to principal in respect of the Notes be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[if redeemable at option of Issuer for other than taxation reasons insert:** the Call Redemption Amount of the Notes;] **[if redeemable at option of the Holder insert:** the Put Redemption Amount of the Notes;] **[in the case of Zero Coupon Notes insert:** the Amortised Face Amount of the Notes;] **[in the case of Instalment Notes insert:** the Instalment Amount(s) of the Notes;] and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 8.

[(9)] *Deposit of Principal and Interest*. The Issuer may deposit with the *Amtsgericht* in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 6 Redemption

(1) *Redemption at Maturity*.

in the case of Notes other than Instalment Notes insert:

[Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[in the case of a specified Maturity Date insert such Maturity Date]** (the "Maturity Date") **[in the case of a Redemption Month insert: the Interest Payment Date falling in [insert Redemption Month]]**. The redemption amount of this series of Notes shall be 100 per cent. of the aggregate principal amount of the Notes. The Final Redemption Amount in respect of each Note shall be **[insert Final Redemption Amount per Specified Denomination]**.]

in the case of Instalment Notes insert:

[Unless previously redeemed in whole or in part or purchased and cancelled, the notes shall be redeemed at the Instalment Date(s) and in the Instalment Amount(s) set forth below:

Instalment Date(s)	Instalment Amount(s)
[insert Instalment Date(s)]	[insert Instalment Amount(s)]
[]	[]
[]	[]

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of **[in the case of Notes issued by Finance: the Netherlands or]** the Federal Republic of Germany or any political subdivision or taxing authority thereof or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after **[insert Issue Date]**, the Issuer **[in the case of Notes issued by Finance: or the Guarantor being unable for reasons outside its control to procure payment by the Issuer,]** will become obligated to pay Additional Amounts (as defined in § 8 herein **[in the case of Notes issued by Finance: and in the Guarantee, respectively]**) and this obligation cannot be avoided by the use of measures reasonably available to the Issuer **[in the case of Notes issued by Finance: or the Guarantor]**, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 13 to the Holders, at their Early Redemption Amount (as defined below), together with interest accrued to the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** would be obligated to pay such Additional Amounts, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect, **[in the case of Floating Rate Notes insert: The date fixed for redemption must be an Interest Payment Date.]**

Prior to the publication of any notice of redemption pursuant to this paragraph (3), the Issuer shall deliver to the Fiscal Agent a certificate signed by a director of **[in the case of Notes issued by Deutsche Telekom: the Issuer] [in the case of Notes issued by Finance: the Guarantor]** stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer **[in the case of Notes issued by Finance: or the Guarantor]** has or will become obliged to pay such additional amounts as a result of such change or amendment.

Any such notice of redemption shall be given in accordance with § 13. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

if Notes are subject to Early Redemption at the option of the Issuer insert:

[(3) *Early Redemption at the Option of the Issuer.*

(a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes on the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Call Redemption Date, **[if Minimum Redemption Amount or Higher Redemption Amount applies insert: Any such redemption must be of a principal amount equal to [at least [Minimum Redemption Amount]] [Higher Redemption Amount]**

Call Redemption Date(s)	Call Redemption Amount(s)
[insert Call Redemption Date(s)]	[insert Call Redemption Amounts]

[]

[]

[]

[]

[if Notes are subject to Early Redemption at the Option of the Holder insert: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph ([4]) of this § 6.]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 13 and to the Fiscal Agent (the notice to the Fiscal Agent to be given not less than 15 days before the giving of notice to the Holders). Such notice shall specify:
 - (i) the Series of Notes subject to redemption;
 - (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and, if the Notes are represented by Definitive Notes, the serial numbers of the Notes which are to be redeemed;
 - (iii) the Call Redemption Date, which shall be not less than 15 nor more than 30 days after the date on which notice is given by the Issuer to the Holders; and
 - (iv) the Call Redemption Amount at which such Notes are to be redeemed.
- (c) In the case of a partial redemption of Notes, **[in the case of Definitive Notes insert:** the Notes to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair.] **[if Notes are represented by a Permanent Global Note insert:** the Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.] **[In the case of Notes in NGN form insert:** Such partial redemption shall be reflected in the records of CBL and Euroclear as either a pool factor or a reduction in principal amount, at the discretion of CBL and Euroclear.]

if the Notes are subject to Early Redemption at the Option of a Holder insert:

[[4)] *Early Redemption at the Option of a Holder.*

- (a) The Issuer shall, upon the exercise of the relevant option by the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)	Put Redemption Amount(s)
[insert Put Redemption Date(s)]	[insert Put Redemption Amount(s)]
[]	[]
[]	[]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under paragraph (2) **if Notes are subject to Early Redemption at the Option of the Issuer insert:** or (3)] of this § 6.

- (b) In order to exercise such option, the Holder must, not less than 15 days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), deposit the relevant Note [together with all unmatured Coupons appertaining thereto] during normal business hours at the specified office of any Paying Agent together with a duly completed early redemption notice (“Put Notice”) in the form available from the specified office of any of the Paying Agents. No Note so deposited and option so exercised may be withdrawn or revoked.]

[(5)] *Early Redemption Amount.*

in the case of Notes other than Zero Coupon Notes insert: in the case of Zero Coupon Notes insert:

[For purposes of subparagraph (2) of this § 6 and § 10, the Early Redemption Amount of a Note shall be [its Final Redemption Amount] **[other Redemption Amount - provide details].**]

in the case of Zero Coupon Notes insert:

- [(a) For purposes of subparagraph (2) of this § 6 and § 10, the Early Redemption Amount of a Note shall be equal to the Amortised Face Amount of the Note.
- (b) The Amortised Face Amount of a Note shall be an amount equal to the sum of:
- (i) **[insert Reference Price]** (the “Reference Price”), and
 - (ii) the product of **[insert Amortisation Yield]** (compounded annually) and the Reference Price from (and including) **[insert Issue Date]** to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year (the “Calculation Period”) shall be made on the basis of the Day Count Fraction (as defined in § 4).

- (c) If the Issuer fails to pay the Early Redemption Amount when due, the Amortised Face Amount of a Note shall be calculated as provided herein, except that references in subparagraph (ii) above to the date fixed for redemption or the date on which such Note becomes due and repayable shall refer to the earlier of (i) the date on which upon due presentation and surrender of the relevant Note (if required), payment is made, and (ii) the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent.]

§ 7

Fiscal Agent[,] [and] Paying Agents [and Calculation Agent]

(1) *Appointment; Specified Offices.* The initial Fiscal Agent[,] [and] Paying Agents [and the Calculation Agent] and their respective initial specified offices are:

Fiscal Agent and Principal Paying Agent: Deutsche Bank Aktiengesellschaft
Trust & Securities Services (TSS)
Grosse Gallusstrasse 10-14
D-60272 Frankfurt am Main

Paying Agent[s]: Fortis Banque Luxembourg S.A.
50, avenue J. F. Kennedy
L-2951 Luxembourg

[insert other Paying Agents and specified offices]

[insert name and specified office]

[Calculation Agent] **[insert name and specified office]**

The Fiscal Agent[,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent [or the Calculation Agent] and to appoint another Fiscal Agent or additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent[,] [and] (ii) a Paying Agent in addition to the Fiscal Agent with a specified office in a continental European city and outside Germany **in the case of Notes listed on a stock exchange insert: [,] [and]** (iii) so long as the Notes are listed on the **[name of Stock Exchange]**, a Paying Agent (which may be the Fiscal Agent) with a specified office in **[location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange] **in the case of Notes denominated in U.S. dollars insert: [,] [and]** [(iv)] in the circumstances described in § 5 (3), a Paying Agent with a specified office in New York City] **if any Calculation Agent is to be appointed, insert [,] [and]** [(v)] a Calculation Agent **[insert if Calculation Agent is required to maintain a specified office in a required location: with a specified office located in [insert required location]], [in the case of Definitive Notes insert: In the event that any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN**

Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive is introduced, the Issuer shall at all times maintain a Paying Agent in a Member State of the European Union that will not be obliged to deduct or withhold tax pursuant to any such Directive or law, to the extent this is possible in a Member State of the European Union.] Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.

§ 8 Taxation

Principal and interest shall be payable by the Issuer without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of **[in the case of Notes being issued by Finance insert: The Netherlands or]** the Federal Republic of Germany or by or on behalf of any political subdivision or authority therein having power to tax (hereinafter together called "Withholding Taxes"), unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts of principal and interest as may be necessary in order that the net amounts received by the Holder after such deduction or withholding shall equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. No such additional amounts shall, however, be payable on account of any taxes, duties or governmental charges which

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with **[in the case of Notes being issued by Finance insert: The Netherlands or]** the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, **[in the case of Notes being issued by Finance insert: The Netherlands or]** the Federal Republic of Germany; or
- (c) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany, The Netherlands or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with such directive, regulation, treaty or understanding; or
- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for, and notice thereof is published in accordance with the Conditions whichever occurs later [.] [;or]

In the case of Definitive Notes insert:

- [(e) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or
- (f) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution.]

[§ 9 Presentation Period

In the case of Notes represented by Global Notes insert:

The presentation period provided in § 801 paragraph 1, sentence 1 BGB (German Civil Code) is reduced to ten years for the Notes.]

[§ 9 Presentation Period, Replacement of Notes

[If the Notes are issued with Coupons insert: and Coupons]

In the case of Definitive Notes insert:

The presentation period provided in § 801 paragraph 1, sentence 1 BGB (*German Civil Code*) is reduced to ten years for the Notes. **[if the Notes are issued with Coupons insert:** The presentation period for the Coupons shall, in accordance with § 801 paragraph 2 BGB (*German Civil Code*), be four years, beginning with the end of the calendar year in which the relevant Coupon falls due. The right pursuant to § 804 paragraph 1, sentence 1 BGB in respect of lost or destroyed coupons is excluded (§ 804 paragraph 2 BGB).] Should any Note **[if the Notes are issued with Coupons insert:** or Coupon] be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent, subject to relevant stock exchange requirements and all applicable laws, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes **[if the Notes are issued with Coupons insert:** or Coupons] must be surrendered before replacements will be issued.]

§ 10 Acceleration

(1) *Right of Acceleration.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 6[(5)], together with accrued interest (if any) to the date of repayment, in the event that any of the following events (each, an “Acceleration Event”) occurs:

- (a) the Issuer fails to pay principal or interest within 30 days from the relevant due date, or
- (b) the Issuer fails duly to perform any other obligation arising from the Notes **[in the case of Notes issued by Finance:** or the Guarantor fails to perform any obligation arising from the Guarantee referred to in § 3] which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 60 days after the Fiscal Agent has received notice thereof from a Holder, or
- (c) any Capital Market Indebtedness (as defined in § 3 (1)) of the Issuer **[in the case of Notes issued by Finance:** or the Guarantor] becomes prematurely repayable as a result of a default in respect of the terms thereof, or the Issuer **[in the case of Notes issued by Finance:** or the Guarantor] fails to fulfil any payment obligation in excess of Euro 25,000,000 or the equivalent thereof under any Capital Market Indebtedness or under any guarantee or suretyship given for any Capital Market Indebtedness of others within 30 days from its due date or, in the case of a guarantee or suretyship, within 30 days after the guarantee or suretyship has been invoked, unless the Issuer, **[in the case of Notes issued by Finance:** or the Guarantor] shall contest in good faith that such payment obligation exists or is due or that such guarantee or suretyship has been validly invoked, or if a security granted therefor is enforced on behalf of or by the creditor(s) entitled thereto, or
- (d) the Issuer **[in the case of Notes issued by Finance:** or the Guarantor] announces its inability to meet its financial obligations or ceases its payments, or
- (e) a court opens insolvency proceedings against the Issuer **[in the case of Notes issued by Finance:** or the Guarantor], or the Issuer **[in the case of Notes issued by Finance:** or the Guarantor] applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or **[in the case of Notes issued by Finance:** the Issuer applies for a “*surseance van betaling*” (within the meaning of the Statute of Bankruptcy of The Netherlands), or]
- (f) the Issuer **[in the case of Notes issued by Finance:** or the Guarantor] goes into liquidation unless this is done in connection with a merger, or other form of combination with another company and such company assumes all obligations contracted by the Issuer **[in the case of Notes issued by Finance:** or the Guarantor], as the case may be, in connection with this issue, or
- (g) any governmental order, decree or enactment shall be made in or by **[in the case of Notes issued by Finance:** The Netherlands or] the Federal Republic of Germany whereby the Issuer **[in the case of Notes issued by Finance:** or the Guarantor] is prevented from observing and performing in full its obligations as set forth in these Conditions **[in the case of Notes issued by Finance:** and in the Guarantee, respectively,] and this situation is not cured within 90 days [.] [, or]

in the case of Notes issued by Finance:

[(h) the Guarantee ceases to be valid and legally binding for any reason whatsoever.]

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(2) *Quorum*. In the events specified in § 10 subparagraph (1)(b) or subparagraph (1)(c), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in § 10 subparagraph (1)(a), (1)(d), (1)(e), (1)(f) [or] (1)(g) [or] (1)(h)] entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such notices from the Holders of at least one-tenth in principal amount of Notes then outstanding.

(3) *Form of Notice*. Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration delivered by hand or registered mail to the specified office of the Fiscal Agent.

§ 11 Substitution

(1) *Substitution*. The Issuer may, without the consent of the Holders, if no payment of principal or interest on any of the Notes is in default, at any time substitute for the Issuer **[in the case of Notes issued by Finance: either the Guarantor or] any Subsidiary (as defined below) [in the case of Notes issued by Deutsche Telekom: of it] [in the case of Notes issued by Finance: of the Guarantor]** as principal debtor in respect of all obligations arising from or in connection with this issue (the “Substitute Debtor”) provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes [and the Coupons] [and the Receipts];
- (b) the Substitute Debtor has obtained all necessary authorisations and may transfer to the Fiscal Agent in the Specified Currency and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes [and Coupons] [and Receipts];
- (c) **[in the case of Notes issued by Deutsche Telekom: the Issuer] [in the case of Notes issued by Finance: the Guarantor if it is not itself the Substitute Debtor]** irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes **[in the case of Notes issued by Finance:; such guarantee being substantially in the form of the Guarantee] [in the case of Notes issued by Deutsche Telekom: and such guarantee contains a covenant by the guarantor corresponding to the provisions in § 3]**.
- (d) there shall have been delivered to the Fiscal Agent an opinion or opinions of lawyers of recognised standing to the effect that subparagraphs (a), (b) and (c) above have been satisfied.

For purposes of these Conditions “Subsidiary” shall mean any corporation or partnership in which Deutsche Telekom directly or indirectly in the aggregate holds not less than 90% of the capital of any class or of the voting rights.

(2) *Notice*. Any notice of such substitution shall be published in accordance with § 13.

(3) *References*. In the event of such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.

§ 12 Further Issues, Purchases and Cancellation

(1) *Further Issues*. The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases.* The Issuer may at any time purchase Notes [,] [and] [Coupons] [and] [Receipts] in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.

[If the Notes are to be issued with Coupons insert:

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith together with all unmatured Coupons surrendered therewith or attached thereto and may not be reissued or resold.]

[If the Notes are to be issued without Coupons insert:

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.]

§ 13 Notices

All notices concerning the Notes shall be published in the electronic Federal Gazette (*elektronischer Bundesanzeiger*) and, to the extent legally required, in one newspaper authorized by the stock exchanges in Germany (*Börsenpflichtblatt*). This newspaper is expected to be the [*Börsen-Zeitung*] **[insert other applicable newspaper]**. If publication in this newspaper is no longer possible, the notices shall be published in another newspaper authorized by the stock exchanges in Germany (*Börsenpflichtblatt*). Any notice so given will be deemed to have been validly given on the third calendar day following the date of such publication (or, if published more than once, on the third calendar day following the date of the first such publication).

[insert additional provisions here, if applicable (e.g. on the website of the Luxembourg Stock Exchange www.bourse.lu)]

[In case of Notes issued by Finance insert:

[In the case of Notes which are listed on a Stock Exchange insert: (1) *Publication.* All notices concerning the Notes shall be published in one leading daily newspaper having general circulation in [Luxembourg] **[specify other location]**. This newspaper is expected to be the [d' Wort] [Tageblatt] **[insert other applicable newspaper having general circulation]**. Any notice so given will be deemed to have been validly given on the second day following the date of such publication (or, if published more than once, on the second day following the date of the first such publication.)

[(2)] *Notification to Clearing System.*

[In the case of Notes which are unlisted insert: The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the fourth [London] [Target] **[insert other relevant location]** Business Day after the day on which the said notice was given to the Clearing System.]

[In the case of Notes which are listed on the regulated market of the Luxembourg Stock Exchange insert: So long as any Notes are listed on the regulated market of the Luxembourg Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the Rate of Interest or if the rules of the regulated market of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication in the newspapers set forth in subparagraph (1) above; any such notice shall be deemed to have been given to the Holders on the fourth [London] [Target] **[insert other relevant location]** Business Day after the day on which the said notice was given to the Clearing System.]

[In the case of Notes which are listed on a Stock Exchange other than the regulated market of the Luxembourg Stock Exchange insert: The Issuer may, in lieu of publication in the newspapers set forth in subparagraph (1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Holders, provided that, the rules of the stock exchange on which the Notes are listed permit such form of notice. Any such notice shall be deemed to have been given to the Holders on the fourth [London] [Target] **[insert other relevant location]** Business Day after the day on which the said notice was given to the Clearing System.]

[(3)] *Form of Notice.* Notices to be given by any Holder shall be made by means of a written declaration to be lodged together with the relevant Note or Notes with the Agent. So long as any of the Notes are represented by a global Note, such notice may be given by any Holder of a Note to the Agent through the Clearing System in such manner as the Agent and the Clearing System may approve for such purpose.]

§ 14

Applicable Law, Place of Performance, Place of Jurisdiction and Enforcement

(1) *Applicable Law.* The Notes[,] [and] [the Coupons] [,] [and] [the Talons] [and the Receipts], as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.

(2) *Place of Performance.* Place of performance shall be Frankfurt am Main.

(3) *Submission to Jurisdiction.* The [in the case of Notes issued by Deutsche Telekom: exclusive] place of jurisdiction for all legal proceedings arising out of or in connection with the Notes [or the Coupons] [or the Talons] [or the Receipts] shall be Frankfurt am Main, [in the case of Notes issued by Finance: Each Holder, however, may pursue his claims also before any other court of competent jurisdiction] The German courts shall have exclusive jurisdiction over the annulment of lost or destroyed Notes. The Issuer hereby submits to the jurisdiction of the courts referred to in this subparagraph.

[in the case of Notes issued by Finance:

(4) *Appointment of Authorized Agent.* For any legal disputes or other proceedings before German courts, the Issuer appoints Deutsche Telekom Aktiengesellschaft, as its authorized agent for service of process in Germany].

[(5)] *Enforcement.* Any Holder of Notes [and Coupons] [and Receipts] through a Clearing System may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes [and Coupons] [and Receipts] on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global or definitive form certified as being a true copy by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global Note or Definitive Note. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings. For purposes of the foregoing, "Custodian" means any banker other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

§ 15

Language

[The Conditions are written in the [German] [English] language only.]

[The Conditions are written in the [German] [English] language and provided with [an English] [a German] language translation. The [German] [English] text shall be controlling and binding. The [English] [German] language translation is provided for convenience only.]

[in the case of Notes that are publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der Deutsche Telekom Aktiengesellschaft, Friedrich-Ebert-Allee 140, D-63105 Bonn, und [der] [den] Zahlstelle[n] zur kostenlosen Ausgabe bereit-gehalten.]

Emissionsbedingungen (German Language Version of the Terms and Conditions)

Diese Serie von Schuldverschreibungen wird gemäß einem geänderten und neugefaßten Agency Agreement vom 26. April 2007 (das „Agency Agreement“) zwischen Deutsche Telekom AG („Deutsche Telekom“), Deutsche Telekom International Finance B.V. („Finance“), Deutsche Bank Aktiengesellschaft, als Fiscal Agent und Zahlstelle (der „Fiscal Agent“, wobei dieser Begriff auch Nachfolger des Fiscal Agent einschließt) sowie den weiteren darin genannten Zahlstellen (gemeinsam mit dem Fiscal Agent die „Zahlstellen“ genannt, wobei dieser Begriff auch Nachfolger dieser Zahlstellen oder weitere Zahlstellen einschließt) begeben. **Bei von Finance begebenen Schuldverschreibungen:** Die Schuldverschreibungen sind mit einer unbedingten und unwiderruflichen Garantie (die „Garantie“) der Deutsche Telekom (die „Garantin“) ausgestattet.]

bei nicht-konsolidierten Bedingungen:

[Die Bestimmungen dieser Emissionsbedingungen gelten für diese Schuldverschreibungen so, wie sie durch die Angaben der beigefügten endgültigen Bedingungen (die „Endgültigen Bedingungen“) vervollständigt, geändert, ergänzt oder ganz oder teilweise ersetzt werden. Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen dieser Emissionsbedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen tatsächlich in den betreffenden Bestimmungen durch diese Angaben ausgefüllt worden wären. Sofern die Endgültigen Bedingungen die Änderung, Ergänzung oder (vollständige oder teilweise) Ersetzung von Bestimmungen dieser Emissionsbedingungen vorsehen, gelten die betreffenden Bestimmungen dieser Emissionsbedingungen als entsprechend geändert, ergänzt oder ersetzt. Alternative oder wählbare Bestimmungen dieser Emissionsbedingungen, deren Entsprechungen in den Endgültigen Bedingungen nicht ausdrücklich ausgefüllt oder die gestrichen sind, gelten als aus diesen Emissionsbedingungen gestrichen. Sämtliche auf die Schuldverschreibungen nicht anwendbaren Bestimmungen dieser Emissionsbedingungen (einschließlich der Anweisungen, Anmerkungen und der Texte in eckigen Klammern) gelten als insoweit aus diesen Emissionsbedingungen gestrichen, wie dies erforderlich ist, um den Bestimmungen der Endgültigen Bedingungen Geltung zu verschaffen. Kopien der Endgültigen Bedingungen werden bei den bezeichneten Geschäftsstellen der Zahlstellen zur kostenlosen Ausgabe bereit gehalten. Soweit die Schuldverschreibungen nicht an einer Börse notiert sind, sind Kopien der Endgültigen Bedingungen allerdings ausschließlich für die Gläubiger solcher Schuldverschreibungen erhältlich.]

§ 1

Währung, Nennbetrag, Form und Eigentumsrecht Definitionen

(1) *Währung und Nennbetrag.* Diese Serie der Schuldverschreibungen der [] (die „Emittentin“) wird in **[festgelegte Währung einfügen]** (die „festgelegte Währung“) im Gesamtnennbetrag von **[falls die Globalurkunde eine NGN ist, einfügen:** (vorbehaltlich § 1(8)) **[Gesamtnennbetrag einfügen]** begeben und ist eingeteilt in [[] Schuldverschreibungen im Nennbetrag von [],] [[] Schuldverschreibungen im Nennbetrag von []] [und] [] Schuldverschreibungen im Nennbetrag von [] (die „festgelegten Nennbeträge“).

bei vorläufiger Globalurkunde, die gegen Einzelkunden ausgetauscht wird:

[(2) *Einzelkunden.* Schuldverschreibungen in Form von Einzelkunden („Einzelkunden“) [sind bei ihrer anfänglichen Lieferung [Zinsscheine („Zinsscheine“) [und Talons („Talons“) für weitere Zinsscheine] [und] [Rückzahlungsscheine („Rückzahlungsscheine“) für die Zahlung der Tilgungsraten] beigefügt] [und sie] sind fortlaufend nummeriert.]

[(3)] *Form und Eigentumsrecht.* Die Schuldverschreibungen [und die Zinsscheine] lauten auf den Inhaber und sind durch eine oder mehrere Globalurkunden verbrieft (jede eine „Globalurkunde“). Die Übertragung des Eigentumsrechts an den Schuldverschreibungen [und Zinsscheinen] [und den durch die Rückzahlungsscheine verbrieften Rechten] erfolgt nach den Vorschriften des jeweils anwendbaren Rechts. Weder die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** noch die Garantin] noch der Fiscal Agent oder die Zahlstellen sind verpflichtet, das Eigentumsrecht desjenigen, der Schuldverschreibungen [oder Zinsscheine] [oder Rückzahlungsscheine] vorlegt, zu überprüfen.

bei Schuldverschreibungen, die anfänglich in einer vorläufigen Globalurkunde verbrieft sind:

[[(4)] *Vorläufige Globalurkunde - Austausch.*

- (a) Die Schuldverschreibungen sind anfänglich in einer vorläufigen Globalurkunde (die „vorläufige Globalurkunde“) **[bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:** ohne Zinsscheine] verbrieft. Die vorläufige Globalurkunde wird, wie nachstehend bestimmt, **[bei Austausch der vorläufigen Globalurkunde gegen Einzelurkunden:** gegen Einzelurkunden in den festgelegten Nennbeträgen [mit beigefügten [Zinsscheinen] [und] [Talons] [,] [und Rückzahlungsscheinen]]] **[bei Austausch der vorläufigen Globalurkunde gegen Einzelurkunden und Sammelglobalurkunden:** zum Teil gegen Einzelurkunden in den festgelegten Nennbeträgen [mit [Zinsscheinen] [und] [Talons] [,] [und Rückzahlungsscheinen] und zum anderen Teil gegen eine oder mehrere Sammelglobalurkunden (jeweils eine „Sammelglobalurkunde“) [mit Globalzinsscheinen (jeweils ein „Globalzinsschein“)] ausgetauscht; das Recht der Gläubiger, die Auslieferung von Einzelurkunden im Austausch gegen Schuldverschreibungen, die durch eine Sammelglobalurkunde verbrieft sind, zu fordern, richtet sich nach § 9a Absatz 3, Satz 1 Depotgesetz] **[bei Austausch der vorläufigen Globalurkunde gegen eine oder mehrere Dauerglobalurkunden:** gegen Schuldverschreibungen in den festgelegten Nennbeträgen, die durch [eine] [falls mehrere Dauerglobalurkunden, Zahl angeben] Dauerglobalurkunde[n] ([die] [jeweils eine] „Dauerglobalurkunde“) **[bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:** ohne Zinsscheine] verbrieft sind ausgetauscht].
- (b) Die vorläufige Globalurkunde wird an einem Tag (der „Austauschtag“) gegen [Einzelurkunden] [zum Teil Einzelurkunden und zum anderen Teil Sammelglobalurkunden] [durch [eine] Dauerglobalurkunde[n] verbrieft]e Schuldverschreibungen] ausgetauscht, der **[bei TEFRA D Schuldverschreibungen:** mindestens 40 Tage und] nicht mehr als 180 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt **[bei TEFRA D Schuldverschreibungen:**, und zwar nach Vorlage von Bescheinigungen durch den jeweiligen Kontoinhaber bei dem Clearing-System sowie durch das Clearing-System bei der Emissionsstelle, in der Form von für diese Zwecke bei dem Fiscal Agent erhältlichen Formularen. Darin wird bescheinigt, daß der bzw. die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind, ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten]. [Dauerglobalurkunden] [Einzelurkunden], die im Austausch für die vorläufige Globalurkunde geliefert werden, werden ausschließlich außerhalb der Vereinigten Staaten (wie in § 5 Absatz 3 definiert) ausgeliefert.]

bei Schuldverschreibungen, die von Anfang an durch eine Dauerglobalurkunde verbrieft sind:

[[4)] *Dauerglobalurkunde.* Die Schuldverschreibungen sind in [einer] **[falls mehrere Dauerglobalurkunden, Zahl angeben]** Dauerglobalurkunde[n] ([die] [jeweils eine] „Dauerglobalurkunde“) **[bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:** ohne Zinsscheine] verbrieft.] Die Lieferung von Einzelurkunden kann nicht verlangt werden.

bei Schuldverschreibungen, die anfänglich in einer vorläufigen Globalurkunde verbrieft sind:

[[5)] *Bei Austausch von Globalurkunden zahlbare Gebühren.* Der Austausch einer Globalurkunde gemäß diesem § 1 erfolgt für die Inhaber der Schuldverschreibungen kostenfrei. **[Bei Einzelurkunden einfügen:** Lediglich in dem Fall, in dem die Einzelurkunden nicht persönlich bei der Geschäftsstelle des Clearing-Systems in Empfang genommen werden, sind die für Versicherung, Versand, Transport und ähnliches anfallenden Kosten vom Empfänger der Einzelurkunden zu tragen.]

[[6)] *Unterzeichnung der Schuldverschreibungen.* Die Globalurkunden sind namens der Emittentin durch zwei vertretungsberechtigte Personen der Emittentin zu unterschreiben. Sie tragen die Kontrollunterschrift des Fiscal Agent oder seines Beauftragten. **[Bei Einzelurkunden einfügen:** Einzelurkunden [,] [und] [Zinsscheine] [und] [Talons] [und Rückzahlungsscheine] sind namens der Emittentin durch faksimilierte Unterschriften von zwei vertretungsberechtigten Personen der Emittentin zu unterzeichnen. Die Einzelurkunden tragen außerdem die Kontrollunterschrift des Fiscal Agent oder seines Beauftragten. Jede Schuldverschreibung [,] [und] [jeder Zinsschein] [und] [jeder Talon] [und Rückzahlungsschein] ist mit einem Prägestempel versehen.]

[[7)] *Definitionen.* In diesen Emissionsbedingungen bedeutet:

„Clearing-System“ [sowohl] [Clearstream Banking AG, Frankfurt am Main, („CBF“)][,][als auch] [Clearstream Banking, société anonyme, Luxembourg („CBL“)] [,] [und] [Euroclear Bank S.A./N.V., als Betreiber des Euroclear Systems („Euroclear“)] [CBL and Euroclear jeweils ein „ICSD“ und zusammen die „ICSDs“] [und] [ggf. weitere Clearing-Systeme einfügen] sowie jeder Funktionsnachfolger.

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, einfügen:

[Falls die Globalurkunde eine NGN ist, einfügen: Die Schuldverschreibungen werden in Form einer new global note ("NGN") ausgegeben und von einem common safekeeper im Namen beider ICSDs verwahrt.]

[Falls die Globalurkunde eine CGN ist, einfügen: Die Schuldverschreibungen werden in Form einer classical global note ("CGN") ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]

[im Falle einer Berechnungsstelle: „Berechnungsstelle“ [der Fiscal Agent] [andere Berechnungsstelle einfügen] und jeder Nachfolger des [Fiscal Agent] [andere Berechnungsstelle einfügen] in seiner Eigenschaft als Berechnungsstelle.]

„Globalurkunde“ die/jede [vorläufige Globalurkunde] [oder Sammelglobalurkunde] [oder Dauerglobalurkunde].

„Gläubiger“ in Bezug auf die bei einem Clearing-System oder einem sonstigen zentralen Wertpapierverwahrer hinterlegten Schuldverschreibungen der Inhaber eines Miteigentumsanteils oder anderen Rechts an den hinterlegten Schuldverschreibungen, und andernfalls der Inhaber einer Schuldverschreibung [und/oder eines Zinsscheins] [und/oder eines Rückzahlungsscheins].

„Zahlstelle“ den Fiscal Agent in seiner Eigenschaft als Zahlstelle handelnd durch ihre nachstehend in § 7 bezeichnete Geschäftsstelle, die in § 7 genannte(n) Zahlstelle(n) oder eine gemäß § 7 ernannte Ersatz- oder weitere Zahlstelle.

Bezugnahmen in diesen Emissionsbedingungen auf die „Schuldverschreibungen“ beziehen sich auf die Schuldverschreibungen dieser Serie und schließen, wenn der Zusammenhang dies erfordert, Globalurkunden [und Einzelurkunden] ein.

Bezugnahmen auf die „festgelegte Währung“ schließen jede Nachfolge-Währung ein, die entweder durch Gesetz in dem Hoheitsgebiet, in dem die festgelegte Währung ausgegeben wird, oder durch eine zwischen-staatliche Vereinbarung eingeführt wird (die „Nachfolgewährung“), sofern Zahlungen in der ursprünglichen Währung nicht mehr als zulässiges Zahlungsmittel für Zahlungen der Emittentin hinsichtlich der Schuldverschreibungen **[bei von Finance begebenen Schuldverschreibungen:** bzw. für Zahlungen der Garantin hinsichtlich der Garantie] gelten.

Falls die Globalurkunde eine NGN ist, einfügen:

[(8) *Register der ICSDs.* Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen, und ein zu diesen Zwecken von einem ICSD jeweils aufgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei Rückzahlung oder Zahlung einer Rate oder einer Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung und Zahlung bzw. Kauf und Löschung bezüglich der Globalurkunde *pro rata* in die Unterlagen der ICSDs eingetragen werden, und dass, nach dieser Eintragung, vom Nennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird]

[Falls die vorläufige Globalurkunde eine NGN ist, einfügen: Bei Austausch eines Anteils von ausschließlich durch eine vorläufige Globalurkunde verbrieften Schuldverschreibungen wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Aufzeichnungen der ICSDs aufgenommen werden.]

**§ 2
Status**

Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind.

§ 3

Negativverpflichtung der Emittentin [, Garantie und Negativverpflichtung der Garantin]

[(1)] *Negativverpflichtung.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt worden sind, weder ihr gegenwärtiges noch ihr zukünftiges Vermögen ganz oder teilweise in irgendeiner Weise zur Besicherung einer gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeit, die von der Emittentin oder einer anderen Person eingegangen oder gewährleistet ist, zu belasten oder eine solche Belastung zu diesem Zweck bestehen zu lassen, ohne gleichzeitig die Gläubiger an derselben Sicherheit im gleichen Rang und gleichen Verhältnis teilnehmen zu lassen. „Kapitalmarktverbindlichkeit“ ist jede Verbindlichkeit zur Zahlung aufgenommenen Gelder, die durch Schuldscheine verbrieft, verkörpert oder dokumentiert ist oder durch Schuldverschreibungen oder sonstige Wertpapiere, die an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert oder gehandelt werden können. Um etwaige Zweifel bezüglich von asset-backed financings der Emittentin zu vermeiden, schließt das in diesem § 3 benutzte Wort „Vermögen“ nicht solche Vermögensgegenstände der Emittentin ein, die nach dem jeweils auf die Transaktion anwendbaren Zivilrecht ohne Rückgriffsmöglichkeiten veräußert sind.

bei von Finance begebenen Schuldverschreibungen:

[(2)] *Garantie und Negativverpflichtung der Garantin.* Die Garantin hat die unbedingte und unwiderrufliche Garantie (die „Garantie“) für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen und sonstiger auf die Schuldverschreibungen [oder Zinsscheine] [oder Rückzahlungsscheine] zahlbarer Beträge übernommen. Die Garantin hat sich außerdem in einer Negativverpflichtung (die „Negativverpflichtung“) verpflichtet, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt worden sind, weder ihr gegenwärtiges noch ihr zukünftiges Vermögen ganz oder teilweise in irgendeiner Weise zur Besicherung einer gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeit (wie vorstehend definiert), die von der Garantin oder einer anderen Person eingegangen oder gewährleistet ist, zu belasten oder eine solche Belastung zu diesem Zweck bestehen zu lassen, ohne gleichzeitig die Gläubiger an derselben Sicherheit im gleichen Rang und gleichem Verhältnis teilnehmen zu lassen. Die Garantie und die Negativverpflichtung stellen einen Vertrag zugunsten jedes Gläubigers als begünstigtem Dritten gemäß § 328 BGB dar, welcher das Recht jedes Gläubigers begründet, Erfüllung aus der Garantie und der Negativverpflichtung unmittelbar von der Garantin zu verlangen und die Garantie und die Negativverpflichtung unmittelbar gegen die Garantin durchzusetzen. Um etwaige Zweifel bezüglich von asset-backed financings der Garantin zu vermeiden, schließt das in diesem § 3 benutzte Wort „Vermögen“ nicht solche Vermögensgegenstände der Garantin ein, die nach dem jeweils auf die Transaktion anwendbaren Zivilrecht ohne Rückgriffsmöglichkeiten veräußert sind. Kopien der Garantie und Negativverpflichtung werden bei den bezeichneten Geschäftsstellen der Zahlstellen zur kostenlosen Ausgabe bereit gehalten.]

§ 4

Zinsen

bei festverzinslichen Schuldverschreibungen:

[(1)] *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden in Höhe ihres Nennbetrages verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) mit jährlich **[Zinssatz einfügen]** %. Die Zinsen sind nachträglich am **[Festzinstermine) einfügen]** eines jeden Jahres zahlbar (jeweils ein „Zinszahlungstag“). Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag einfügen]** **[sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist:** und beläuft sich auf **[den anfänglichen Bruchteilszinsbetrag/die anfänglichen Bruchteilszinsbeträge einfügen].]** **[Sofern der Fälligkeitstag kein Festzinstermine) einfügen]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf **[den abschließenden Bruchteilszinsbetrag/die abschließenden Bruchteilszinsbeträge einfügen].]**

[Im Fall von Schuldverschreibungen, die durch Globalurkunden verbrieft sind, einfügen:

(2) *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen

vom Tag der Fälligkeit bis zu dem Tag, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht, in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen.¹⁾]

[Im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft sind, einfügen:

(2) *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht, spätestens jedoch mit Ablauf des vierzehnten Tages nach der Bekanntmachung durch den Fiscal Agent gemäß § 13, daß ihm die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind. Der jeweils geltende Zinssatz ist der gesetzlich festgelegte Satz für Verzugszinsen.¹⁾]

(3) *Berechnung der Zinsen für gebrochene Zeiträume.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).]

bei variabel verzinslichen Schuldverschreibungen:

[(1) *Zinszahlungstage.*

(a) Die Schuldverschreibungen werden in Höhe ihres Nennbetrages ab dem **[Verzinsungsbeginn einfügen]** (der „Verzinsungsbeginn“) (einschließlich) verzinst. Die Zinsen sind an jedem Zinszahlungstag zahlbar. „Zinszahlungstag“ in diesem Sinne ist **bei festgelegten Zinszahlungstagen:** jeweils **[festgelegte Zinszahlungstage einfügen]** **[bei festgelegten Zinsperioden:** (sofern diese Emissionsbedingungen keine abweichenden Bestimmungen vorsehen) jeweils der Tag, der [] [Wochen] [Monate] **ggf. einen anderen festgelegten Zeitraum/andere festgelegte Zeiträume einfügen]** nach dem vorausgehenden Zinszahlungstag liegt oder, im Falle des ersten Zinszahlungstages, nach dem Verzinsungsbeginn liegt.]

(b) Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag:

[bei Anwendung der Modified Following Business Day Convention: auf den nächstfolgenden Geschäftstag verschoben, es sei denn, dieser würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zahlungstag auf den unmittelbar vorausgehenden Geschäftstag verlegt.]

[bei Anwendung der FRN Convention: auf den nächstfolgenden Geschäftstag verschoben, es sei denn, dieser würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zahlungstag auf den unmittelbar vorangehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zahlungstag der jeweils letzte Geschäftstag des Monats, der [] [Monate] **[ggf. einen anderen Zeitraum/andere Zeiträume einfügen]** nach dem vorangegangenen gültigen Zahlungstag liegt.]

[bei Anwendung der Following Business Day Convention: auf den nächstfolgenden Geschäftstag verschoben.]

[bei Anwendung der Preceding Business Day Convention: auf den unmittelbar vorangegangenen Geschäftstag verlegt.]

In diesem § 4 bezeichnet „Geschäftstag“ **[falls die festgelegte Währung nicht Euro ist, einfügen:** einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken allgemein für Geschäfte in **[sämtliche relevanten Finanzzentren einfügen]** geöffnet sind und Devisenmärkte Zahlungen in **[sämtliche relevanten Finanzzentren einfügen]** abwickeln **[falls die festgelegte Währung Euro ist, einfügen:** einen Tag an dem alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) betriebsbereit sind, um die betreffende Zahlung abzuwickeln].

(2) *Zinssatz.* **[Bei Bildschirmfeststellung:** Der Zinssatz (der „Zinssatz“) für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts abweichendes bestimmt wird, der Angebotssatz

¹ Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 BGB.

(ausgedrückt als Prozentsatz per annum) für Einlagen in der festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) um 11.00 Uhr ([Londoner] [Brüsseler] Ortszeit) angezeigt wird **[im Falle einer Marge: [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)]**, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

„Zinsperiode“ bezeichnet jeweils den Zeitraum von dem Verzinsungsbeginn bis zum ersten Zinszahlungstag bzw. von jedem Zinszahlungstag bis zum jeweils darauffolgenden Zinszahlungstag.

„Zinsfestlegungstag“ bezeichnet den [zweiten] **[zutreffende andere Zahl von Tagen einfügen]** [TARGET] [Londoner] **[zutreffende andere Bezugnahmen einfügen]** Geschäftstag vor Beginn der jeweiligen Zinsperiode. **[Im Falle eines TARGET-Geschäftstages einfügen:** „TARGET-Geschäftstag“ bezeichnet einen Tag, an dem TARGET (Trans-European Automated Real-time Gross Settlement Express Transfer System) betriebsbereit ist.] **[Im Falle eines nicht-TARGET-Geschäftstages einfügen:** „[Londoner] **[zutreffenden anderen Ort einfügen]** Geschäftstag“ bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [London] **[zutreffenden anderen Ort einfügen]** für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]

[Im Fall einer Marge einfügen: Die „Marge“ beträgt [-]% per annum.]

„Bildschirmseite“ bedeutet **[Bildschirmseite einfügen]**.

[Sofern eine andere Basis zur Bestimmung eines Referenzzinssatzes gelten soll, sind die entsprechenden Bestimmungen hier einzufügen.]

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird kein Angebotssatz angezeigt (zur genannten Zeit), wird die Berechnungsstelle von jeder der Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz per annum ausgedrückt) für Einlagen in der festgelegten Währung für die betreffende Zinsperiode bei führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] um ca. 11.00 ([Londoner] [Brüsseler] Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[falls der Referenzsatz EURIBOR ist, einfügen:** Tausendstel Prozent auf- oder abgerundet, wobei 0,0005] **[falls der Referenzsatz nicht EURIBOR ist, einfügen:** Hunderttausendstel Prozent auf- oder abgerundet, wobei 0,000005] aufgerundet wird) dieser Angebotssätze **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz per annum, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[falls der Referenzsatz EURIBOR ist, einfügen:** Tausendstel Prozent auf- oder abgerundet, wobei 0,0005] **[falls der Referenzsatz nicht EURIBOR ist, einfügen:** Hunderttausendstel Prozent auf- oder abgerundet, wobei 0,000005] aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. 11.00 Uhr ([Londoner] [Brüsseler] Ortszeit) an dem betreffenden Zinsfestlegungstag Einlagen in der festgelegten Währung für die betreffende Zinsperiode von führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] angeboten werden **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge]; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, dann soll der Zinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der festgelegten Währung für die betreffende Zinsperiode sein, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken am [Londoner] Interbanken-Markt [in der Euro-Zone] (bzw. den diese Banken gegenüber der Berechnungsstelle) nennen **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge]. Für den Fall, daß der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden **[im Falle einer Marge:** [zuzüglich] [abzüglich] der Marge (wobei jedoch, falls für die betreffende Zinsperiode eine andere Marge als für die unmittelbar vorangegangene Zinsperiode gilt, die Marge der betreffenden Zinsperiode an die Stelle der Marge für die vorangegangene Zinsperiode tritt).]

„Referenzbanken“ bezeichnen **falls in den Endgültigen Bedingungen keine anderen Referenzbanken bestimmt werden:** diejenigen Niederlassungen von vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde. **Falls in den Endgültigen Bedingungen andere Referenzbanken bestimmt werden, sind sie hier einzufügen.]**

[Im Fall des Interbankenmarktes in der Euro-Zone einfügen: „Euro-Zone“ bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft, geändert durch den Vertrag über die Europäische Union, in der jeweils geltenden Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.]

[Sofern ein anderer Referenzzinssatz als LIBOR oder EURIBOR anwendbar ist, sind die Einzelheiten hier einzufügen, und zwar in Ersetzung der Bestimmungen dieses Absatzes 2]

[Sofern ISDA-Feststellung gelten soll, sind die entsprechenden Einzelheiten hier einzufügen und der betreffende von der International Swap and Derivatives Association veröffentlichten 2000 ISDA-Definitionen beizufügen]

[Sofern eine andere Methode der Bestimmung anwendbar ist, sind die entsprechenden Einzelheiten in Ersetzung der Bestimmungen dieses Absatzes 2 hier einzufügen.]

[Falls ein Mindest- oder Höchstzins gilt:

(3) *[Mindest-][und] [Höchst-] Zinssatz.*

[Falls ein Mindestzinssatz gilt: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als **[Mindestzinssatz einfügen]**, so ist der Zinssatz für diese Zinsperiode **[Mindestzinssatz]**.]

[Falls ein Höchstzinssatz gilt: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als **[Höchstzinssatz einfügen]**, so ist der Zinssatz für diese Zinsperiode **[Höchstzinssatz]**.]

[(4)] *Zinsbetrag.* Die Berechnungsstelle wird zu - oder baldmöglichst nach - jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen und den zahlbaren Zinsbetrag in bezug auf jeden festgelegten Nennbetrag (der „Zinsbetrag“) für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf jeden festgelegten Nennbetrag angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

[(5)] *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, daß der für die jeweilige Zinsperiode geltende Zinssatz, Zinsbetrag und Zinszahlungstag der Emittentin **bei von Finance begebenen Schuldverschreibungen:** und der Garantin] und den Gläubigern gemäß § 13 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden [Londoner] [TARGET] **[zutreffenden anderen Ort einfügen]** Geschäftstag (wie in § 4 Absatz 2 definiert) sowie jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert werden und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode, mitgeteilt werden. Im Falle einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag nachträglich angepaßt (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert werden, sowie den Gläubigern gemäß § 13 mitgeteilt.

[(6)] *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 4 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, [die Garantin,] den Fiscal Agent, die Zahlstellen und die Gläubiger bindend.

[Im Fall von Schuldverschreibungen, die durch Dauerglobalurkunden verbrieft sind, einfügen:

[(7)] *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen

Rückzahlung der Schuldverschreibungen vorangeht. Der jeweils geltende Zinssatz ist der gesetzlich festgelegte Satz für Verzugszinsen.²⁾]

[Im Fall von Schuldverschreibungen, die durch Einzelkunden verbrieft sind, einfügen:

[(7) *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht, spätestens jedoch mit Ablauf des vierzehnten Tages nach der Bekanntmachung durch den Fiscal Agent gemäß § 13, daß ihm die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind. Der jeweils geltende Zinssatz ist der gesetzlich festgelegte Satz für Verzugszinsen.²⁾]

im Falle von Nullkupon-Schuldverschreibungen:

[(1) *Periodische Zinszahlungen.* Es erfolgen keine periodischen Zinszahlungen auf die Schuldverschreibungen.

[Im Fall von Nullkupon-Schuldverschreibungen, die durch Dauerglobalurkunden verbrieft sind, einfügen:

(2) *Auflaufende Zinsen.* Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den Nennbetrag der Schuldverschreibungen ab dem Fälligkeitstag bis zu dem Tag, der dem Tag der tatsächlichen Rückzahlung vorangeht, Zinsen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen.²⁾]

[Im Fall von Nullkupon-Schuldverschreibungen, die durch Einzelkunden verbrieft sind, einfügen:

(2) *Auflaufende Zinsen.* Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den Nennbetrag der Schuldverschreibungen ab dem Fälligkeitstag bis zum Tag, der dem Tag der tatsächlichen Rückzahlung vorangeht, Zinsen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen²⁾; die Verzinsung endet jedoch spätestens mit Ablauf des vierzehnten Tages nach Bekanntmachung durch den Fiscal Agent gemäß § 13, daß ihm die für die Rückzahlung der Schuldverschreibungen erforderlichen Mittel zur Verfügung gestellt worden sind.]

[Im Fall von indexierten Schuldverschreibungen oder Credit Linked Notes sind die anwendbaren Bestimmungen die Zinsen betreffend einzufügen. Dasselbe gilt für Doppelwährungs-Schuldverschreibungen.]

[() *Zinstagequotient.* „Zinstagequotient“ bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der „Zinsberechnungszeitraum“):

[Im Falle von Actual/Actual (ICMA Regelung 251) mit jährlichen Zinszahlungen einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen in der jeweiligen Zinsperiode.] **bei ersten/letzten langen oder kurzen Zinsperioden entsprechende Actual/Actual Regelung 251 Berechnungsmethode angeben.]**

[Im Falle von Actual/Actual (ICMA Regelung 251) mit zwei oder mehr gleichbleibenden Zinsperioden innerhalb eines Zinsjahres einfügen: die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch (x) die Anzahl der Tage in der Zinsperiode im Fall von Schuldverschreibungen, bei denen die planmäßige Zinszahlung nur durch regelmäßige jährliche Zahlungen erfolgt, oder (y) das Produkt der Anzahl der Tage in der Zinsperiode und der Anzahl von Zinszahlungstagen, die angenommen, daß Zinsen für das gesamte Jahr zu zahlen wären in ein Kalenderjahr fallen würden, im Fall von Schuldverschreibungen, bei denen die planmäßige Zinszahlung anders als nur durch regelmäßige jährliche Zahlungen erfolgt.] **bei ersten/letzten langen oder kurzen Zinsperioden entsprechende Actual/Actual Regelung 251 Berechnungsmethode angeben.]**

[Falls Actual/Actual (ISDA) anwendbar ist, einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden

²⁾ Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 BGB.

Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365.])

[im Falle von Actual/365 (Fixed): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[im Falle von Actual/360: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[im Falle von 30/360, 360/360 oder Bond Basis: die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraumes fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch den 31. Tag eines Monats fällt, in welchem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, in welchem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[im Falle von 30E/360 oder Eurobond Basis: die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des ersten oder letzten Tages des Zinsberechnungszeitraumes).]

§ 5 Zahlungen

(1) *Zahlungen auf Kapital.*

bei durch Einzelurkunden verbrieften Schuldverschreibungen:

[Zahlungen auf Kapital in bezug auf durch Einzelurkunden verbrieft Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes 3 gegen Vorlage und (Teilzahlungen ausgenommen) Einreichung der entsprechenden Schuldverschreibung bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

bei durch eine Dauerglobalurkunde verbrieften Schuldverschreibungen:

[Zahlungen auf Kapital in bezug auf durch eine Globalurkunde verbrieft Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes 3 an das Clearing-System oder dessen Order zur Gutschrift auf die Konten der jeweiligen Kontoinhaber des Clearing-Systems gegen Vorlage und Einreichung der Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

bei Raten-Schuldverschreibungen:

[Die Zahlung von Raten auf eine Raten-Schuldverschreibung mit Rückzahlungsscheinen erfolgt gegen Vorlage der Schuldverschreibung zusammen mit dem betreffenden Rückzahlungsschein und Einreichung dieses Rückzahlungsscheins und, im Falle der letzten Ratenzahlung gegen Einreichung der Schuldverschreibung bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten. Rückzahlungsscheine begründen keinen Titel. Rückzahlungsscheine, die ohne die dazugehörige Schuldverschreibung vorgelegt werden, begründen keine Verpflichtungen der Emittentin. Daher berechtigt die Vorlage einer Raten-Schuldverschreibung ohne den entsprechenden Rückzahlungsschein oder die Vorlage eines Rückzahlungsscheins ohne die dazugehörige Schuldverschreibung den Gläubiger nicht, die Zahlung einer Rate zu verlangen.]

Für die Zwecke **[bei TEFRA D Schuldverschreibungen einfügen:** des § 1 Absatz [4] und] dieses § 5 bezeichnet „Vereinigte Staaten“ die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, die U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:

[(2) *Zahlung von Zinsen.* **[Bei durch Einzelurkunden verbrieften Schuldverschreibungen:** Die Zahlung von Zinsen auf durch Einzelurkunden verbrieft Schuldverschreibungen mit Zinsscheinen erfolgt nach Maßgabe des nachstehenden Absatzes 3 gegen Einreichung der entsprechenden Zinsscheine, oder im Falle von Zinsen, die zwar fällig sind, aber nicht an einem der vorher festgelegten Zinszahlungstage, gegen Vorlage der entsprechenden Schuldverschreibungen bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

[im Falle von auf TEFRA C-Schuldverschreibungen zahlbaren Zinsen: Die Zahlung von Zinsen auf durch eine Dauerglobalurkunde verbriefte Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes 3 an das Clearing-System oder dessen Order zur Gutschrift für die betreffenden Kontoinhaber des Clearing-Systems gegen Vorlage der Dauerglobalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]

[im Falle von auf TEFRA D- Schuldverschreibungen zahlbaren Zinsen: Die Zahlung von Zinsen auf durch eine vorläufige Globalurkunde verbriefte Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes 3 an das Clearing-System oder dessen Order zur Gutschrift für die betreffenden Kontoinhaber des Clearing-Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 Absatz [4] (b) gegen Vorlage der vorläufigen Globalurkunde bei der bezeichneten Geschäftsstelle einer der Zahlstellen außerhalb der Vereinigten Staaten.]]

(3) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf Schuldverschreibungen

bei durch Globalurkunden verbrieften Schuldverschreibungen:

[in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist.]

bei Einzelurkunden einfügen:

[im Falle von Zahlungen in einer anderen Währung als Euro oder U.S.-Dollar: durch [festgelegte Währung einfügen] Scheck, der auf eine Bank in [Hauptfinanzzentrum des Landes der festgelegten Währung einfügen] ausgestellt ist oder nach Wahl des Zahlungsempfängers durch Überweisung auf ein auf [festgelegte Währung] lautendes von diesem bei einer Bank in [Hauptfinanzzentrum des Landes der festgelegten Währung] geführtes Konto.]

[im Falle von Zahlungen in U.S.-Dollar: durch U.S.-Dollar Scheck, ausgestellt auf eine Bank in New York City oder nach Wahl des Zahlungsempfängers durch Überweisung auf ein auf U.S.-Dollar lautendes Konto des Zahlungsempfängers bei einer Bank außerhalb der Vereinigten Staaten. Falls die Zahlung von Kapital oder Zinsen bei den Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in U.S.-Dollar widerrechtlich wird oder tatsächlich ausgeschlossen wird, wird die Emittentin eine Geschäftsstelle oder einen Beauftragten innerhalb der Vereinigten Staaten ernennen, bei dem solche Zahlungen vorgenommen werden dürfen.]

[bei Zahlungen in Euro: in Bar oder durch in Euro zahlbaren Scheck ausgestellt auf eine Bank in einem Hauptfinanzzentrum eines Landes, das Teilnehmerstaat in der Europäischen Wirtschafts- und Währungsunion im Sinne des am 7. Februar 1992 in Maastricht unterzeichneten Vertrages über die Europäische Union und des Amsterdamer Vertrages vom 2. Oktober 1997, in seiner jeweiligen Fassung, geworden ist, oder nach Wahl des Zahlungsempfängers durch Überweisung auf ein auf Euro lautendes Konto des Zahlungsempfängers bei einer Bank in einem solchen Finanzzentrum.]

(4) *Erfüllung.*

[Im Fall von Schuldverschreibungen, die durch Globalurkunden verbrieft werden, einfügen:

Die Emittentin wird durch Leistung der Zahlung an das Clearing-System oder dessen Order von ihrer Zahlungspflicht befreit.]

[Im Fall von Schuldverschreibungen, die durch Einzelurkunden verbrieft sind, einfügen:

Im Fall von Schuldverschreibungen, die über ein Clearing-System gehalten werden, wird die Emittentin durch Leistung der Zahlung an das Clearing-System oder dessen Order von ihrer Zahlungspflicht befreit.]

(5) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in bezug auf eine Schuldverschreibung [oder einen Zinsschein] [oder einen Rückzahlungsschein] auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet „Zahltag“ einen Tag, **bei nicht auf Euro lautenden Schuldverschreibungen, einfügen:** der ein Tag (außer einem Samstag oder Sonntag) ist, an dem Geschäftsbanken und Devisenmärkte Zahlungen in **[sämtliche relevanten Finanzzentren angeben]** abwickeln] [bei auf Euro lautenden Schuldverschreibungen, einfügen: der ein Tag (außer einem Samstag oder Sonntag) ist, an dem alle betroffenen Bereiche des Trans-European Automated Real-

time Gross Settlement Express Transfer System (TARGET) betriebsbereit sind, um die betreffenden Zahlungen weiterzuleiten] [bei Einzelkunden einfügen: und an dem Banken am Ort einer Zahlstelle, bei der Schuldverschreibungen [,] [Zinsscheine] [,] [Talons] [oder] [Rückzahlungsscheine] zur Zahlung eingereicht werden, geöffnet sind].

bei Einzelkunden, die anfänglich mit Zinsscheinen, Talons oder Rückzahlungsscheinen ausgeliefert der:

[[(6) *Einreichung von [Zinsscheinen][,][Talons][und] [Rückzahlungsscheinen].* Jede Schuldverschreibung, die anfänglich mit beigefügten Zinsscheinen [oder Talons] [oder Rückzahlungsscheinen] ausgegeben wurde, ist bei Rückzahlung vorzulegen und, außer im Falle einer Teilzahlung des Rückzahlungsbetrages, bei Endfälligkeit zusammen mit allen dazugehörigen noch nicht fälligen Zinsscheinen [und Talons] [und Rückzahlungsscheinen] einzureichen; erfolgt dies nicht

[im Falle von festverzinslichen Schuldverschreibungen: wird der Betrag der fehlenden noch nicht fälligen Zinsscheine (oder falls die Zahlung nicht vollständig erfolgt, der Anteil des Gesamtbetrages solcher fehlenden, nicht fälligen Zinsscheine, wie er dem Verhältnis zwischen dem tatsächlich gezahlten Betrag und der fälligen Summe entspricht) von dem ansonsten bei der Rückzahlung fälligen Betrag abgezogen[.] [und][.]

[im Falle von variabel verzinslichen Schuldverschreibungen: werden alle nicht fälligen zugehörigen Zinsscheine (gleich, ob sie zusammen mit diesen eingereicht werden oder nicht) ungültig und es erfolgt ab diesem Zeitpunkt keine Zahlung mehr auf sie[.] [und] [.]

[im Falle von Einzelkunden, die anfänglich mit beigefügten Talons ausgegeben werden: werden sämtliche nicht fälligen Talons (gleich, ob sie zusammen mit diesen eingereicht werden oder nicht) ungültig und können nicht zu einem späteren Zeitpunkt gegen Zinsscheine ausgetauscht werden [,] [und] [.]

[im Falle von Einzelkunden, die anfänglich mit beigefügten Rückzahlungsscheinen ausgegeben werden: werden sämtliche zugehörigen Rückzahlungsscheine, die in bezug auf die Zahlung einer Rate, die (wäre sie nicht zur Rückzahlung fällig geworden) an einem Tag nach Rückzahlung fällig geworden wäre (gleich, ob sie mit dieser Schuldverschreibung eingereicht wurde oder nicht) ungültig, und bei Vorlage zu einem späteren Zeitpunkt erfolgt auf sie keine Zahlung.]

Werden Schuldverschreibungen mit einer Fälligkeit und einem Zinssatz oder Zinssätzen begeben, die dazu führen würden, daß bei Vorlage zur Zahlung dieser Schuldverschreibungen ohne dazugehörige noch nicht fällige Zinsscheine der wie vorstehend dargelegt in Abzug zu bringende Betrag den ansonsten zu zahlenden Rückzahlungsbetrag übersteigt, so werden diese noch nicht fälligen Zinsscheine (gleich, ob sie beigefügt sind oder nicht) zum Zeitpunkt der Fälligkeit solcher Schuldverschreibungen ungültig (und es erfolgt auf sie keine Zahlung), insoweit als dies erforderlich ist, damit der gemäß der vorstehenden Regelung in Abzug zu bringende Betrag den vorgesehenen Rückzahlungsbetrag nicht übersteigt. Sofern die Anwendung des letzten Satzes die Entwertung einiger, aber nicht sämtlicher noch nicht fälliger Zinsscheine einer Schuldverschreibung erfordert, bestimmt die betreffende Zahlstelle, welche nicht fälligen Zinsscheine ungültig werden sollen, wobei zu diesem Zwecke später fällige Zinsscheine vor früher fälligen Zinsscheinen für ungültig zu erklären sind.

[im Falle von Einzelkunden, die anfänglich mit Talons ausgegeben wurden:

(7) *Austausch von Talons.* Am oder nach dem Zinszahlungstag, an dem der letzte Zinsschein eines Zinsscheinbogens fällig wird, kann der im Zinsscheinbogen enthaltene Talon bei der bezeichneten Geschäftsstelle einer Zahlstelle im Austausch gegen einen weiteren Zinsscheinbogen (einschließlich ggf. eines weiteren Talons) eingereicht werden. Jeder Talon gilt für die Zwecke dieser Emissionsbedingungen als am Zinszahlungstag fällig, an dem der letzte im jeweiligen Zinsscheinbogen enthaltene Zinsschein fällig wird.]]

[[(8) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; **[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen aus anderen als steuerlichen Gründen vorzeitig zurückzahlen, einfügen:** den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] **[falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:** den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;] **[im Fall von Nullkupon-Schuldverschreibungen einfügen:** den Amortisationsbetrag der Schuldverschreibungen;] **[im Fall von Raten-Schuldverschreibungen einfügen:** die auf die Schuldverschreibungen anwendbare(n) Rate(n);] sowie jeden Aufschlag sowie sonstige auf oder in bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in

diesen Emissionsbedingungen auf Zinsen auf Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 8 zahlbaren zusätzlichen Beträge einschließen.

[(9)] *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

§ 6 Rückzahlung

(1) *Rückzahlung bei Endfälligkeit.*

im Falle von Schuldverschreibungen außer Raten-Schuldverschreibungen:

[Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[im Falle eines festgelegten Fälligkeitstages Fälligkeitstag einfügen]** (der „Fälligkeitstag“) [im Falle eines Rückzahlungsmonats: an dem in den **[Rückzahlungsmonat]** fallenden Zinszahlungstag] zurückgezahlt. Der Rückzahlungsbetrag dieser Serie von Schuldverschreibungen beträgt 100% des Gesamtnennbetrages der Schuldverschreibungen. Der Rückzahlungsbetrag in bezug auf jede Schuldverschreibung beträgt **[Rückzahlungsbetrag für jeweiligen Nennbetrag einfügen].**]

im Falle von Raten-Schuldverschreibungen:

[Soweit nicht vorher bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen an dem/den nachstehenden Ratenzahlungstermin(en) zu der/den folgenden Rate(n) zurückgezahlt:

Ratenzahlungstermin(e) [Ratenzahlungstermin(e)]	Rate(n) [Rate(n)]
[]	[]
[]	[]

(2) *Vorzeitige Rückzahlung aus Steuergründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber dem Fiscal Agent und gemäß § 13 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin, die aus von ihr nicht zu verantwortenden Gründen die Leistung der Zahlung durch die Emittentin nicht bewirken kann,] als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften **[bei von Finance begebenen Schuldverschreibungen:** der Niederlande oder] der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem **[Ausgabetag]** wirksam) zur Zahlung von zusätzlichen Beträgen (wie in § 8 dieser Bedingungen, **[bei von Finance begebenen Schuldverschreibungen:** bzw. in der Garantie] definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen der Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder der Garantin] zur Verfügung stehender und ihr zumutbarer Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, und (ii) zu dem Zeitpunkt, zu dem die Kündigung erfolgt, muß die Verpflichtung zur Zahlung von zusätzlichen Beträgen noch wirksam sein, **[bei variabel verzinslichen Schuldverschreibungen:** Der für die Rückzahlung festgelegte Termin muß ein Zinszahlungstag sein.]

Vor der Veröffentlichung einer Kündigung gemäß dieser Bestimmung muß die Emittentin dem Fiscal Agent eine Bescheinigung vorlegen, die von einem Vorstandsmitglied **[bei von Deutsche Telekom begebenen Schuldverschreibungen:** der Emittentin] [bei von Finance begebenen Schuldverschreibungen: der Garantin] unterschrieben ist und welche darlegt, daß die Voraussetzungen dieses Kündigungsrechts vorliegen und außerdem eine Stellungnahme eines

unabhängigen und anerkannten Rechtsberaters enthält, in der festgestellt wird, daß die Emittentin **bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] verpflichtet ist oder sein wird, solche zusätzlichen Beträge aufgrund einer solchen Rechts- oder Auslegungsänderung zu zahlen.

Eine solche Kündigung hat gemäß § 13 zu erfolgen. Sie ist unwiderruflich, muß den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die Umstände darlegt, die das Rückzahlungsrecht der Emittentin begründen.

[(3) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen:

- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt oder teilweise am/an den Wahl-Rückzahlungstag(en) (Call) zum/zu den Wahl-Rückzahlungsbetrag bzw. beträgen (Call), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages:** Eine solche Rückzahlung muß in Höhe eines Nennbetrages von [mindestens **[Mindestrückzahlungsbetrag]** **[erhöhter Rückzahlungsbetrag]** erfolgen.]

Wahl-Rückzahlungstag(e)	Wahl-Rückzahlungsbetrag/beträge
(Call)	(Call)
[Wahl-Rückzahlungstag(e)]	[Wahl-Rückzahlungsbetrag/beträge]
[]	[]
[]	[]

[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen: Der Emittentin steht dieses Wahlrecht nicht in bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Absatz [4] dieses § 6 verlangt hat.]

- (b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 13 und dem Fiscal Agent bekannt zu geben (die Kündigung gegenüber dem Fiscal Agent hat 15 Tage vor der Kündigung gegenüber den Gläubigern zu erfolgen). Sie beinhaltet die folgenden Angaben:
- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
 - (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtbetrag der zurückzuzahlenden Schuldverschreibungen und, falls die Schuldverschreibungen durch Einzelkunden verbrieft sind, die entsprechenden Seriennummern;
 - (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als 15 und nicht mehr als 30 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und
 - (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.
- (c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen **bei Einzelkunden einfügen:** in einer von dem Fiscal Agent bestimmten europäischen Stadt durch das Los oder nach billigem Ermessen des Fiscal Agent auf andere Weise oder an einem anderen Ort ermittelt.] **[im Falle von durch eine Dauerglobalurkunde verbrieften Schuldverschreibungen:** in Übereinstimmung mit den Regeln des betreffenden Clearing-Systems ausgewählt.] **[Falls die Schuldverschreibungen in Form einer NGN begeben werden, einfügen:** Die teilweise Rückzahlung wird in den Registern von CBL und Euroclear nach deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Nennbetrags wiedergegeben.]

[[4)] *Vorzeitige Rückzahlung nach Wahl des Gläubigers.*

falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen:

- (a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Wahl-Rückzahlungstag(en) (Put) zum/zu den Wahl-Rückzahlungsbetrag/beträgen (Put), wie nachstehend angegeben nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

Wahl-Rückzahlungstag(e) (Put)	Wahl-Rückzahlungsbetrag/ - beträge (Put)
[Wahl-Rückzahlungstag(e)]	[Wahl-Rückzahlungsbetrag/-beträge
[]	[]
[]	[]

Dem Gläubiger steht dieses Wahlrecht nicht in bezug auf eine Schuldverschreibung zu, deren Rückzahlung durch die Emittentin in Ausübung ihres Wahlrechts nach § 6 Absatz 2 **falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen:** oder Absatz 3] verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, darf der Gläubiger die betreffende Schuldverschreibung [zusammen mit allen dazugehörigen noch nicht fälligen Zinsscheinen] nicht früher als 15 Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei einer bezeichneten Geschäftsstelle einer Zahlstelle während der normalen Geschäftszeiten zusammen mit einer ordnungsgemäß ausgefüllten Mitteilung zur vorzeitigen Rückzahlung („Ausübungserklärung“), wie sie von der bezeichneten Geschäftsstelle jeder Zahlstelle erhältlich ist, hinterlegen. Eine so hinterlegte Schuldverschreibung kann nicht zurückgefordert und die Ausübung des Wahlrechts kann nicht widerrufen werden.]

[(5)] *Vorzeitiger Rückzahlungsbetrag.*

bei Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:

[Für die Zwecke des § 6 Absatz 2 und § 10 entspricht der vorzeitige Rückzahlungsbetrag [dem Rückzahlungsbetrag] **[bei einem sonstigen Rückzahlungsbetrag Einzelheiten einfügen].**]

bei Nullkupon-Schuldverschreibungen:

- [(a) Für die Zwecke des § 6 Absatz 2 und § 10 ist der vorzeitige Rückzahlungsbetrag der Amortisationsbetrag der Schuldverschreibung.
- (b) Der Amortisationsbetrag entspricht der Summe aus:
- (i) **[Referenz-Preis einfügen]** (der „Referenz-Preis“), und
 - (ii) dem Produkt aus **[Emissionsrendite einfügen]** (jährlich kapitalisiert) und dem Referenz-Preis ab **[Ausgabebetrag einfügen]** (einschließlich) bis zu dem vorgesehenen Rückzahlungstag (ausschließlich) oder (je nachdem) dem Termin, an dem die Schuldverschreibungen fällig und rückzahlbar werden.

Wenn diese Berechnung für einen Zeitraum, der nicht vollen von Kalenderjahren entspricht, durchzuführen ist, hat sie im Falle des nicht vollständigen Jahres (der „Zinsberechnungszeitraum“) auf der Grundlage des Zinstagequotienten (wie vorstehend in § 4 definiert) zu erfolgen.

- (c) Falls die Emittentin den vorzeitigen Rückzahlungsbetrag bei Fälligkeit nicht zahlt, wird der Amortisationsbetrag einer Schuldverschreibung wie vorstehend beschrieben berechnet, jedoch mit der Maßgabe, daß die Bezugnahmen in Unterabsatz (ii) auf den für die Rückzahlung vorgesehenen Rückzahlungstag oder den Tag, an dem diese Schuldverschreibungen fällig und rückzahlbar werden, durch den früheren der nachstehenden Zeitpunkte ersetzt werden: (i) der Tag, an dem die Zahlung gegen ordnungsgemäße Vorlage und Einreichung der betreffenden Schuldverschreibungen (sofern erforderlich) erfolgt, und (ii) der vierzehnte Tag, nachdem der Fiscal Agent gemäß § 13 mitgeteilt hat, daß ihm die für die Rückzahlung erforderlichen Mittel zur Verfügung gestellt wurden.]

§ 7

Der Fiscal Agent[,] [und] die Zahlstellen [und die Berechnungsstelle]

- (1) *Ernennung; bezeichnete Geschäftsstellen.* Der anfänglich bestellte Fiscal Agent[,] [und] die

anfänglich bestellten Zahlstellen [und die anfänglich bestellte Berechnungsstelle] und deren bezeichnete Geschäftsstellen lauten wie folgt:

Fiscal Agent und Zahlstelle: Deutsche Bank Aktiengesellschaft
Trust & Securities Services (TSS)
Grosse Gallusstrasse 10-14
D-60272 Frankfurt am Main

Zahlstelle[n]: Fortis Banque Luxembourg S.A.
50, avenue J. F. Kennedy
L-2951 Luxembourg

[weitere Zahlstellen und deren bezeichnete Geschäftsstellen]

[Name und Geschäftsstelle]

[Berechnungsstelle] **[Name und Geschäftsstelle]**

Der Fiscal Agent[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] behalten sich das Recht vor, jederzeit ihre jeweiligen bezeichneten Geschäftsstellen durch andere bezeichnete Geschäftsstellen in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung des Fiscal Agent oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und einen anderen Fiscal Agent oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird jedoch zu jedem Zeitpunkt (i) einen Fiscal Agent unterhalten[,] [und] (ii) zusätzlich zu dem Fiscal Agent eine Zahlstelle mit einer bezeichneten Geschäftsstelle in einer kontinentaleuropäischen Stadt außerhalb der Bundesrepublik Deutschland **[für an einer Börse notierte Schuldverschreibungen:** [,] [und] (iii) solange die Schuldverschreibungen an der **[Name der Börse]** notiert sind, eine Zahlstelle (die der Fiscal Agent sein kann) mit bezeichneter Geschäftsstelle in **[Ort der Börse]** und/oder an einem anderen gemäß den Vorschriften einer anderen Börse hierfür vorgeschriebenen Ort] **[für auf US-Dollar lautende Schuldverschreibungen:** [,] [und] [(iv)] unter den in § 5 Absatz 3 genannten Umständen eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City] [,] [und] [(v)] **[falls eine Berechnungsstelle bestellt werden soll einfügen:** eine Berechnungsstelle **[falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort haben muß:** mit bezeichneter Geschäftsstelle in **[vorgeschriebenen Ort einfügen]]** ernannt halten, **[im Falle von Einzelurkunden einfügen:** Sollte eine Richtlinie der Europäischen Union zur Umsetzung der Schlußfolgerungen des Treffens des ECOFIN-Rates vom 26-27. November 2000 oder eine Rechtsnorm, die zur Umsetzung einer solchen Richtlinie vorgesehen ist, dieser entspricht oder zur Anpassung an die Richtlinie eingeführt wird, ergehen, verpflichtet sich die Emittentin, eine Zahlstelle in einem Mitgliedstaat der Europäischen Union zu unterhalten, welche nicht zur Vornahme von steuerlichen Einbehalten oder Abzügen nach Maßgabe einer solchen Richtlinie oder Rechtsnorm verpflichtet ist, soweit dies in einem Mitgliedstaat der Europäischen Union möglich ist.] Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird (außer im Insolvenzfall, wo eine solche Änderung sofort wirksam wird) nur wirksam, sofern die Gläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 und höchstens 45 Tagen informiert wurden.

§ 8 Steuern

Kapital und Zinsen werden von der Emittentin ohne Abzug oder Einbehalt wegen gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art gezahlt, die von oder in **[im Fall von Schuldverschreibungen, die von Finance begeben werden einfügen:** den Niederlanden oder] der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden (nachstehend zusammen „Quellensteuern“) genannt), es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem letzteren Fall wird die Emittentin die zusätzlichen Beträge an Kapital und Zinsen zahlen, die erforderlich sind, damit der dem Gläubiger nach diesem Abzug oder Einbehalt zufließende Nettobetrag jeweils den Beträgen an Kapital und Zinsen entspricht, die ihm zustehen würden, wenn der Abzug oder Einbehalt nicht erforderlich wäre. Solche zusätzlichen Beträge sind jedoch nicht zahlbar wegen Steuern, Abgaben oder amtlicher Gebühren, die

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, daß die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) wegen gegenwärtiger oder früherer persönlicher oder geschäftlicher Beziehungen des Gläubigers zu **[im Fall von Schuldverschreibungen, die von Finance begeben werden, einfügen:** den Niederlanden oder] der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in **[im Fall von Schuldverschreibungen, die von Finance begeben werden einfügen:** den Niederlanden oder] der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland, die Niederlande oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) aufgrund einer Rechtsänderung zahlbar sind, die später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß den Bedingungen wirksam wird [.] [; oder]

Falls die Schuldverschreibungen durch Einzelurkunden verbrieft sind, einfügen:

- [(e) von einer Zahlstelle abgezogen oder einbehalten werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Abzug oder Einbehalt hätte vorgenommen werden können; oder
- (f) nicht zahlbar wären, wenn die Schuldverschreibungen bei einer Bank oder einem vergleichbaren Institut verwahrt worden wären und die Bank oder das vergleichbare Institut die Zahlungen eingezogen hätte.]

**[§ 9
Vorlegungsfrist**

Falls die Schuldverschreibungen durch Globalurkunden verbrieft sind, einfügen:

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.]

**[§ 9
Vorlegungsfrist, Ersetzung von Schuldverschreibungen
[falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen: und
Zinsscheinen]**

Falls die Schuldverschreibungen durch Einzelurkunden verbrieft sind, einfügen:

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt. **[Falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:** Die Vorlegungsfrist für Zinsscheine beträgt gemäß § 801 Absatz 2 BGB vier Jahre und beginnt mit dem Ablauf des Kalenderjahres, in dem der betreffende Zinsschein zur Zahlung fällig geworden ist. Der Anspruch gemäß § 804 Absatz 1, Satz 1 BGB wegen abhandengekommener oder vernichteter Zinsscheine ist ausgeschlossen.] Sollte eine Schuldverschreibung **[falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:** oder ein Zinsschein] verloren gehen, gestohlen, beschädigt, unleserlich gemacht oder zerstört werden, so kann sie [er] bei der bezeichneten Geschäftsstelle des Fiscal Agent vorbehaltlich der betreffenden Börsenbestimmungen und aller anwendbaren Gesetze ersetzt werden; dabei hat der Anspruchsteller alle dabei möglicherweise entstehenden Kosten und Auslagen zu zahlen und alle angemessenen Bedingungen der Emittentin hinsichtlich des Nachweises, der Sicherheit, einer Freistellung und dergleichen zu erfüllen. Eine beschädigte oder unleserlich gemachte Schuldverschreibung **falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:** oder ein solcher Zinsschein] muß eingereicht werden, bevor eine Ersatzkunde ausgegeben wird.]

**§ 10
Kündigung**

(1) *Kündigungsrecht.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen zu kündigen und deren sofortige Tilgung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 6 Absatz [5] beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls einer der folgenden Kündigungsgründe („Kündigungsgründe“) vorliegt:

- (a) die Emittentin zahlt Kapital oder Zinsen nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag; oder
- (b) die Emittentin unterläßt die ordnungsgemäße Erfüllung irgendeiner anderen Verpflichtung aus den Schuldverschreibungen **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin unterläßt die Erfüllung einer Verpflichtung aus der Garantie, auf die in § 3 Bezug genommen wird.] und diese Unterlassung, falls sie geheilt werden kann, länger als 60 Tage fort dauert, nachdem der Fiscal Agent hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder
- (c) eine Kapitalmarktverbindlichkeit (wie in § 3 Absatz 1 definiert) der Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder der Garantin] vorzeitig zahlbar wird aufgrund einer Nicht- oder Schlechterfüllung des dieser Kapitalmarktverbindlichkeit zugrundeliegenden Vertrages, oder die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] einer Zahlungsverpflichtung in Höhe oder im Gegenwert von mehr als Euro 25.000.000 aus einer Kapitalmarktverbindlichkeit oder aufgrund einer Bürgschaft oder Garantie, die für eine Kapitalmarktverbindlichkeit Dritter gegeben wurde, nicht innerhalb von 30 Tagen nach ihrer Fälligkeit bzw. im Falle einer Bürgschaft oder Garantie nicht innerhalb von 30 Tagen nach Inanspruchnahme aus dieser Bürgschaft oder Garantie nachkommt, es sei denn die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] bestreitet in gutem Glauben, daß diese Zahlungsverpflichtung besteht oder fällig ist bzw. diese Bürgschaft oder Garantie berechtigterweise geltend gemacht wird, oder falls eine für solche Verbindlichkeiten bestellte Sicherheit für die oder von den daraus berechtigten Gläubiger(n) in Anspruch genommen wird, oder
- (d) die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] ihre Zahlungsunfähigkeit bekanntgibt oder ihre Zahlungen einstellt, oder
- (e) ein Gericht ein Insolvenzverfahren gegen die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] eröffnet, oder die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] ein solches Verfahren einleitet oder beantragt, oder eine allgemeine Schuldenregelung zugunsten ihrer Gläubiger anbietet oder trifft, oder **[bei von Finance begebenen Schuldverschreibungen:** die Emittentin ein „surseance van betaling“ (Schuldenmoratorium im Sinne des niederländischen Insolvenzrechts) beantragt, oder]
- (f) die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] in Liquidation tritt, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und diese Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] im Zusammenhang mit diesen Schuldverschreibungen eingegangen ist, oder
- (g) in **[bei von Finance begebenen Schuldverschreibungen:** den Niederlanden oder in] der Bundesrepublik Deutschland irgendein Gesetz, eine Verordnung oder behördliche Anordnung erlassen wird oder ergeht, aufgrund derer die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] daran gehindert wird, die von ihr gemäß diesen Bedingungen **[bei von Finance begebenen Schuldverschreibungen:** bzw. der Garantie] übernommenen Verpflichtungen in vollem Umfang zu beachten und zu erfüllen und diese Lage nicht binnen 90 Tagen behoben ist [.,], oder]

bei von Finance begebenen Schuldverschreibungen:

- [(h) die Garantie aus irgendeinem Grund nicht mehr gilt.]

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(2) *Quorum.* In den Fällen des § 10 Absatz 1 (b) oder 1 (c) wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in § 10 Absatz 1(a), 1(d), 1(e), 1(f) [oder] 1(g) [oder] 1(h)] bezeichneten

Kündigungsgründe vorliegt, erst wirksam, wenn bei dem Fiscal Agent Kündigungserklärungen von Gläubigern von Schuldverschreibungen im Nennbetrag von mindestens $\frac{1}{10}$ der dann ausstehenden Schuldverschreibungen eingegangen sind.

(3) *Form der Erklärung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Absatz 1 ist schriftlich gegenüber dem Fiscal Agent zu erklären und persönlich oder per Einschreiben an dessen bezeichnete Geschäftsstelle zu übermitteln.

§ 11

Ersetzung der Emittentin

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger, **[bei von Finance begebenen Schuldverschreibungen:** entweder die Garantin oder] eine Tochtergesellschaft (wie nachstehend definiert) **[bei von Deutsche Telekom begebenen Schuldverschreibungen:** der Emittentin] **[bei von Finance begebenen Schuldverschreibungen:** der Garantin] an ihrer Stelle als Hauptschuldnerin (die „Nachfolgeschuldnerin“) für alle Verpflichtungen aus und im Zusammenhang mit dieser Emission einzusetzen, vorausgesetzt, daß:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in bezug auf die Schuldverschreibungen [und Zinsscheine] [und Rückzahlungsscheine] übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erlangt hat und berechtigt ist, an den Fiscal Agent die zur Erfüllung ihrer Zahlungsverpflichtungen aus den Schuldverschreibungen [oder Zinsscheinen] [oder Rückzahlungsscheinen] zahlbaren Beträge in der festgelegten Währung zu zahlen, ohne verpflichtet zu sein, in dem Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat, erhobene Steuern oder sonstige Abgaben jeder Art, abzuziehen oder einzubehalten;
- (c) **[bei von Deutsche Telekom begebenen Schuldverschreibungen:** die Emittentin] [bei von Finance begebenen Schuldverschreibungen: die Garantin, sofern sie nicht selbst die Nachfolgeschuldnerin ist,] unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge garantiert **[bei von Finance begebenen Schuldverschreibungen:**, wobei diese Garantie im wesentlichen die Form der „Garantie“ hat] **[bei von Deutsche Telekom begebenen Schuldverschreibungen:** und diese Garantie eine Verpflichtung der Garantin gemäß den Bestimmungen des § 3 enthält];
- (d) dem Fiscal Agent ein oder mehrere Rechtsgutachten von anerkannten Rechtsanwälten vorgelegt wurden, die bestätigen, daß die Bestimmungen in vorstehenden Unterabsätzen (a), (b) und (c) erfüllt wurden.

Im Sinne dieser Bedingungen bedeutet „Tochtergesellschaft“ eine Kapital- oder Personengesellschaft, an der die Deutsche Telekom direkt oder indirekt insgesamt nicht weniger als 90% des Kapitals jeder Klasse oder der Stimmrechte hält.

(2) *Bekanntmachung.* Jede solche Ersetzung wird gemäß § 13 bekanntgegeben.

(3) *Änderung von Bezugnahmen.* Im Falle einer solchen Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin, und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.

§ 12

Begebung weiterer Schuldverschreibungen, Ankauf und Entwertung

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, daß sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Die Emittentin ist berechtigt, Schuldverschreibungen [,] [und] [Zinsscheine] [und] [Rückzahlungsscheine] im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder beim Fiscal Agent zwecks Entwertung eingereicht werden. Sofern diese Käufe durch öffentliches Angebot erfolgen, muß dieses Angebot allen Gläubigern gemacht werden.

[Falls die Schuldverschreibungen mit Zinsscheinen begeben werden, einfügen:

(3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zusammen mit allen nicht fälligen und zusammen mit den Schuldverschreibungen eingereichten oder den Schuldverschreibungen beigefügten Zinsscheinen zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.]

[Falls die Schuldverschreibungen ohne Zinsscheine begeben werden, einfügen:

(3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.]

§ 13 Mitteilungen

Alle die Schuldverschreibungen betreffenden Mitteilungen sind im elektronischen Bundesanzeiger und, soweit gesetzlich erforderlich, in einem deutschen Börsenpflichtblatt, voraussichtlich [der Börsen-Zeitung] **[anderes Börsenpflichtblatt einfügen]**, zu veröffentlichen. Falls eine Veröffentlichung in diesem Börsenpflichtblatt nicht mehr möglich ist, werden die Mitteilungen in einem anderen Börsenpflichtblatt veröffentlicht. Jede derartige Mitteilung gilt am dritten Kalendertag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

[zusätzliche Bestimmungen sind ggf. hier einzufügen (z.B. auf der Internetseite der Luxemburger Börse (www.bourse.lu)]

[Bei von Finance begebenen Schuldverschreibungen:

[Im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen: (1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen sind in einer führenden Tageszeitung mit allgemeiner Verbreitung in [Luxemburg] [anderen Ort einfügen], voraussichtlich [der Börsen-Zeitung] [d' Wort] [dem Tageblatt] **[andere Zeitung mit allgemeiner Verbreitung einfügen]** zu veröffentlichen. Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.]

[(2)] *Mitteilungen an das Clearing System.*

[Im Fall von Schuldverschreibungen, die nicht notiert sind, einfügen: Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am vierten [Londoner] [TARGET] **[anderen relevanten Ort einfügen]** Geschäftstag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen: Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, findet Absatz 1 Anwendung. Soweit dies Mitteilungen über den Zinssatz betrifft oder die Regeln der Luxemburger Börse es zulassen, kann die Emittentin eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am vierten [Londoner] [TARGET] **[anderen relevanten Ort einfügen]** Geschäftstag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die an einer anderen Börse als der Luxemburger Börse notiert sind, einfügen: Die Emittentin ist berechtigt, eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger zu ersetzen, vorausgesetzt, dass die Regeln der Börse, an der die Schuldverschreibungen notiert sind, diese Form der Mitteilung zulassen. Jede derartige Mitteilung gilt am vierten [Londoner] [TARGET] **[anderen relevanten Ort einfügen]** Geschäftstag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

[(3)] *Form der Mitteilung.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit der oder den betreffenden Schuldverschreibungen an die Emissionsstelle geleitet werden. Solange Schuldverschreibungen durch eine Globalurkunde verbrieft sind, kann eine solche Mitteilung von einem Gläubiger an die Emissionsstelle über das Clearing System in der von der Emissionsstelle und dem Clearing System dafür vorgesehenen Weise erfolgen.]

§ 14

Anwendbares Recht, Erfüllungsort, Gerichtsstand und gerichtliche Geltendmachung

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen[,] [und] [Zinsscheine] [,] [und] [Talons] [und Rückzahlungsscheine] sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main.

(3) *Gerichtsstand.* **[Bei von Deutsche Telekom begebenen Schuldverschreibungen:** Ausschließlicher] Gerichtsstand für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit den Schuldverschreibungen [oder den Zinsscheinen] [oder den Talons] [oder den Rückzahlungsscheinen] ist Frankfurt am Main, **[bei von Finance begebenen Schuldverschreibungen:** Die Gläubiger können ihre Ansprüche jedoch auch vor anderen zuständigen Gerichten geltend machen.] Die deutschen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhandengekommener oder vernichteter Schuldverschreibungen. Die Emittentin unterwirft sich hiermit der Gerichtsbarkeit der nach diesem Absatz zuständigen Gerichte.

[bei von Finance begebenen Schuldverschreibungen:

(4) *Ernennung von Zustellungsbevollmächtigten.* Für etwaige Rechtsstreitigkeiten oder sonstige Verfahren vor deutschen Gerichten bestellt die Emittentin die Deutsche Telekom Aktiengesellschaft zu ihrem Zustellungsbevollmächtigten in Deutschland].

[(5)] *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen [und Zinsscheinen] [und Rückzahlungsscheinen], der diese über ein Clearing-System hält, darf in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen [und Zinsscheinen] [und Rückzahlungsscheinen] im eigenen Namen auf der folgenden Grundlage schützen oder geltend machen: (i) Er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, daß die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der betreffenden Schuldverschreibungen als Global- oder Einzelurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing-Systems oder der Verwahrstelle des Clearing-Systems bestätigt hat, ohne daß eine Vorlage der Original-belege oder der Globalurkunde oder der Einzelurkunde in einem solchen Verfahren erforderlich wäre. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist. Im Vorstehenden bezeichnet „Depotbank“ jede Bank oder ein sonstiges anerkanntes Kreditinstitut, das berechtigt ist, das Wertpapierverwahrgeschäft zu betreiben und bei dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing-Systems.

§ 15

Sprache

[Diese Emissionsbedingungen sind ausschließlich in [deutscher] [englischer] Sprache abgefaßt.]

[Diese Emissionsbedingungen sind in [deutscher] [englischer] Sprache abgefaßt und mit einer Übersetzung in die [englische] [deutsche] Sprache versehen. Der [deutsche] [englische] Text soll bindend und maßgeblich sein. Die [englische] [deutsche] Übersetzung ist unverbindlich.

Guarantee
and
Negative Pledge
of
DEUTSCHE TELEKOM AG
Bonn, Federal Republic of Germany,
for the benefit of the Holders of Notes (the “Notes”)
issued by
Deutsche Telekom International Finance B.V.
(incorporated with limited liability in The Netherlands)
under the Debt Issuance Programme (the “Programme”)
as in force from time to time

WHEREAS:

(A) Deutsche Telekom AG (the “Guarantor”) and Deutsche Telekom International Finance B.V. (“Finance”) intend to issue from time to time Notes under the Programme;

(B) the Guarantor wishes to guarantee the payment of principal and interest and any other amounts payable in respect of any and all Notes that may be issued by Finance under the Programme;

(C) the Guarantor wishes to enter into a negative pledge for the benefit of each Holder of Notes that may be issued by Finance under the Programme;

IT IS AGREED AS FOLLOWS:

- (1) (a) The Guarantor unconditionally and irrevocably guarantees to the holder of each Note (which expression shall include any Temporary Global Note or Permanent Global Note representing Notes), Coupon or Receipt (each a “Holder”), now or at any time hereafter issued by Finance under the Programme, the due and punctual payment of the principal of, and interest on, the Notes, Coupons or Receipts, and any other amounts which may be expressed to be payable under any Note, Coupon or Receipt, in accordance with the Conditions, as and when the same shall become due in accordance with the Conditions.
- (b) This Guarantee constitutes an unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor from time to time outstanding.
- (c) All payments under this Guarantee shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of the Federal Republic of Germany or by or on behalf of any political subdivision or authority therein having power to tax (hereinafter together called “Withholding Taxes”), unless such deduction or withholding is required by law. In such event, the Guarantor shall pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such deduction or withholding shall equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. No such additional amounts shall, however, be payable on account of any taxes, duties or governmental charges which
 - (i) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payments made by it; or
 - (ii) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Federal Republic of Germany; or

- (iii) are deducted or withheld pursuant to (x) any European Union directive or regulation concerning the taxation of interest income, or (y) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (z) any provision of law implementing, or complying with, or introduced to conform with such directive, regulation, treaty or understanding; or
 - (iv) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with the Conditions whichever occurs later; or
 - (v) are withheld or deducted by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such withholding or deduction; or
 - (vi) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution.
- (d) The obligations of the Guarantor under this Guarantee (i) shall be separate and independent from the obligations of Finance under the Notes, Coupons or Receipts, (ii) shall exist irrespective of the legality, validity and binding effect or enforceability of the Notes, Coupons or Receipts, and (iii) shall not be affected by any event, condition or circumstance of whatever nature, whether factual or legal, save the full, definitive and irrevocable satisfaction of any and all payment obligations expressed to be assumed under the Notes, Coupons or Receipts.
- (e) The obligations of the Guarantor under this Guarantee shall, without any further act or thing being required to be done or to occur, extend to the obligations of any Substituted Debtor which is not the Guarantor arising in respect of any Note, Coupon or Receipt by virtue of a substitution pursuant to the Conditions.
- (f) This Guarantee is given in respect of any and all Notes which are or will be issued by Finance under the Programme on or after the date hereof. The Guarantee dated 31 October 1997 extends to any and all Notes which have been issued by Finance during the period beginning on 31 October 1997 through 9 November 1999. The Guarantee dated 10 November 1999 extends to any and all Notes which have been issued by Finance during the period beginning on 10 November 1999 through 5 June 2001. The Guarantee dated 6 June 2001 extends to any and all Notes which have been issued by Finance on or after 6 June 2001 and prior to the date hereof.

(2) The Guarantor undertakes towards each Holder, so long as any of the Notes remains outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to grant or permit to subsist any encumbrance over any or all of its present or future assets, as security of any present or future Capital Market Indebtedness issued or guaranteed by the Guarantor or by any other person, without at the same time having the Holders share equally and rateably in such security. "Capital Market Indebtedness" means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, a certificate of indebtedness or in the form of, or represented or evidenced by, bonds, notes or other securities which are, or are capable of being, quoted, listed, dealt in or traded on a stock exchange or other recognised securities market. For the purposes of avoiding any doubt in respect of asset-backed financings originated by the Guarantor, the expression "assets" as used in this subparagraph (2) does not include assets of the Guarantor that are sold on a non-recourse basis determined in accordance with the civil law applicable to such transaction.

(3) This Agreement and all undertakings herein contained constitute a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to § 328 (1) of the German Civil Code. They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from the Guarantor and to enforce such obligations directly against the Guarantor.

(4) Deutsche Bank Aktiengesellschaft does not act as fiduciary or in any similar capacity for the Holders.

(5) Terms used in this Agreement and not otherwise defined herein shall have the meanings attributed to them in the Terms and Conditions.

(6) This Agreement shall be governed by, and construed in accordance with, German law.

(7) This Agreement is written in the English language and attached hereto is a non-binding German language translation.

(8) The original version of this Agreement shall be delivered to, and kept by, Deutsche Bank Aktiengesellschaft.

(9) The place of jurisdiction for all legal proceedings arising out of or in connection with this Agreement shall be Frankfurt am Main. Each Holder, however, may pursue his claims also before any other court of competent jurisdiction.

(10) Each Holder may in any legal proceedings against the Guarantor or to which such Holder and the Guarantor are parties protect and enforce in his own name his rights arising under this Agreement on the basis of a copy of this Agreement certified as being a true copy by a duly authorised officer of Deutsche Bank Aktiengesellschaft, without the need for production in such proceedings of this Guarantee.

Bonn, 1 September 2005

DEUTSCHE TELEKOM AG

We accept the terms of the above Guarantee without recourse, warranty or liability.

1 September 2005

DEUTSCHE BANK AKTIENGESELLSCHAFT

Non-binding translation of the Guarantee and the Negative Pledge:

Garantie
und
Negativverpflichtung
der
DEUTSCHE TELEKOM AG
Bonn, Bundesrepublik Deutschland,
zugunsten der Gläubiger von Schuldverschreibungen (die „Schuldverschreibungen“),
die von der
Deutsche Telekom International Finance B.V.
(einer mit beschränkter Haftung in den Niederlanden errichteten Gesellschaft)
im Rahmen des Debt Issuance Programme (das „Programm“)
in seiner jeweils geltenden Fassung begeben werden.

IM HINBLICK DARAUF DASS:

(A) Deutsche Telekom AG (die „Garantin“) und Deutsche Telekom International Finance B.V. („Finance“) beabsichtigt, von Zeit zu Zeit Schuldverschreibungen im Rahmen des Programms zu begeben;

(B) die Garantin die Zahlung von Kapital und Zinsen sowie von allen sonstigen Beträgen, die aufgrund der von Finance im Rahmen des Programms begebenen Schuldverschreibungen zu leisten sind, garantieren möchte;

(C) die Garantin gegenüber jedem Gläubiger der von Finance im Rahmen des Programms begebenen Schuldverschreibungen eine Negativverpflichtung eingehen möchte;

WIRD FOLGENDES VEREINBART:

- (1) (a) Die Garantin übernimmt gegenüber jedem Gläubiger („Gläubiger“) der Schuldverschreibungen (wobei dieser Begriff jede vorläufige oder Dauerglobalurkunde, die Schuldverschreibungen verbrieft, einschließt), Zinsscheine und Rückzahlungsscheine, die jetzt oder zu irgendeinem Zeitpunkt nach dem Datum dieser Garantie von Finance im Rahmen des Programms begeben werden, die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen auf die Schuldverschreibungen, Zinsscheine und Rückzahlungsscheine sowie von allen sonstigen Beträgen, die gemäß den Bedingungen auf Schuldverschreibungen, Zinsscheine oder Rückzahlungsscheine zahlbar sind, bei deren Fälligkeit gemäß den Bedingungen.
- (b) Diese Garantie begründet eine unbedingte, unbesicherte und nicht nachrangige Verbindlichkeit der Garantin, die mit allen anderen jeweils bestehenden, nicht besicherten und nicht nachrangigen Verbindlichkeiten der Garantin gleichrangig ist.
- (c) Sämtliche Zahlungen aufgrund dieser Garantie sind ohne Abzug oder Einbehalt wegen gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden (nachstehend zusammen „Quellensteuern“ genannt), es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem letzteren Fall wird die Garantin die zusätzlichen Beträge zahlen, die erforderlich sind, damit der dem Gläubiger nach diesem Abzug oder Einbehalt zufließende Nettobetrag jeweils den Beträgen an Kapital und Zinsen entspricht, die ihm zustehen würden, wenn der Abzug oder Einbehalt nicht erforderlich wäre. Solche zusätzlichen Beträge sind jedoch nicht zahlbar wegen Steuern, Abgaben oder amtlicher Gebühren, die

- (i) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, daß die Garantin aus den von ihr zu leistenden Zahlungen einen Abzug oder Einbehalt vornimmt; oder
 - (ii) wegen gegenwärtiger oder früherer persönlicher oder geschäftlicher Beziehungen des Gläubigers zu der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
 - (iii) aufgrund (x) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (y) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (z) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abziehen oder einzubehalten sind; oder
 - (iv) aufgrund einer Rechtsänderung zahlbar sind, die später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß den Bedingungen wirksam wird; oder
 - (v) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder
 - (vi) nicht zahlbar wären, wenn die Schuldverschreibungen bei einer Bank oder einem vergleichbaren Institut verwahrt worden wären und die Bank oder das vergleichbare Institut die Zahlungen eingezogen hätte.
- (d) Die Verpflichtungen der Garantin aus dieser Garantie (i) sind selbständig und unabhängig von den Verpflichtungen der Finance aus den Schuldverschreibungen, Zinsscheinen oder Rückzahlungsscheinen, (ii) bestehen unabhängig von der Rechtmäßigkeit, Gültigkeit, Verbindlichkeit und Durchsetzbarkeit der Schuldverschreibungen, Zinsscheine oder Rückzahlungsscheine und (iii) werden nicht durch Ereignisse, Bedingungen oder Umstände tatsächlicher oder rechtlicher Art berührt, außer durch die vollständige, endgültige und unwiderrufliche Erfüllung sämtlicher in den Schuldverschreibungen, Zinsscheinen oder Rückzahlungsscheinen eingegangenen Zahlungsverpflichtungen.
- (e) Die Verpflichtungen der Garantin aus dieser Garantie erstrecken sich, ohne daß eine weitere Handlung vorgenommen wird oder ein weiterer Umstand eintreten muß, auf die Verpflichtungen einer nicht mit der Garantin identischen Nachfolgeschuldnerin, die infolge einer Schuldnerersetzung gemäß den Bedingungen in bezug auf die Schuldverschreibungen, Zinsscheine oder Rückzahlungsscheine entstehen.
- (f) Diese Garantie erstreckt sich auf sämtliche Schuldverschreibungen, die am oder nach dem Datum dieser Garantie von Finance unter dem Programm begeben werden. Die Garantie mit Datum vom 31. Oktober 1997 gilt für sämtliche Schuldverschreibungen, die von Finance in der Zeit vom 31. Oktober 1997 bis zum 9. November 1999 begeben worden sind. Die Garantie mit Datum vom 10. November 1999 gilt für sämtliche Schuldverschreibungen, die von Finance in der Zeit vom 10. November 1999 bis zum 5. Juni 2001 begeben worden sind. Die Garantie mit Datum vom 6. Juni 2001 gilt für sämtliche Schuldverschreibungen, die von Finance am oder nach dem 6. Juni 2001 und vor dem Datum dieser Garantie begeben worden sind.

(2) Die Garantin verpflichtet sich gegenüber jedem Gläubiger, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt worden sind, weder ihr gegenwärtiges noch ihr zukünftiges Vermögen ganz oder teilweise in irgendeiner Weise zur Besicherung einer gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeit, die von der Garantin oder einer anderen Person eingegangen oder gewährleistet ist, zu belasten oder eine solche Belastung zu diesem Zweck bestehen zu lassen, ohne gleichzeitig die Gläubiger an derselben Sicherheit im gleichen Rang und gleichem Verhältnis teilnehmen zu lassen. „Kapitalmarktverbindlichkeit“ ist jede Verbindlichkeit zur Zahlung

aufgenommener Gelder, die durch Schuldscheine verbrieft, verkörpert oder dokumentiert ist oder durch Schuldverschreibungen oder sonstige Wertpapiere, die an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert oder gehandelt werden oder werden können. Um etwaige Zweifel bezüglich von asset-backed financings der Garantin zu vermeiden, schließt das in diesem Absatz (2) benutzte Wort „Vermögen“ nicht solche Vermögensgegenstände der Garantin ein, die nach dem jeweils auf die Transaktion anwendbaren Zivilrecht ohne Rückgriffsmöglichkeiten veräußert sind.

(3) Dieser Vertrag und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der Gläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar. Sie begründen das Recht eines jeden Gläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen.

(4) Die Deutsche Bank Aktiengesellschaft handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Gläubiger.

(5) Die in diesem Vertrag verwendeten und darin nicht anders definierten Begriffe haben die ihnen in den Emissionsbedingungen zugewiesene Bedeutung.

(6) Dieser Vertrag unterliegt deutschem Recht.

(7) Dieser Vertrag ist in englischer Sprache abgefaßt und ihm ist eine unverbindliche Übersetzung in die deutsche Sprache beigelegt.

(8) Das Original dieses Vertrages wird der Deutsche Bank Aktiengesellschaft ausgehändigt und von dieser verwahrt.

(9) Gerichtsstand für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit diesem Vertrag ist Frankfurt am Main. Jeder Gläubiger kann seine Ansprüche jedoch auch vor jedem anderen zuständigen Gericht geltend machen.

(10) Jeder Gläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus diesem Vertrag auf der Grundlage einer von einer vertretungsberechtigten Person der Deutsche Bank Aktiengesellschaft beglaubigten Kopie dieses Vertrages ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.

Bonn, 1. September 2005

DEUTSCHE TELEKOM AG

Wir nehmen die Bedingungen der vorstehenden Garantie ohne Obligo, Gewährleistung oder Haftung an.

1. September 2005

DEUTSCHE BANKAKTIENGESELLSCHAFT

Full information on the Issuers and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated 26 April 2007.

The Final Terms will be displayed on the website of the Luxembourg Stock Exchange (www.bourse.lu).

FORM OF FINAL TERMS MUSTER – ENDGÜLTIGE BEDINGUNGEN

[Date]
[Datum]

Final Terms Endgültige Bedingungen

[Title of relevant Series of Notes]

[(to be consolidated, form a single series with the [Title of relevant Series of Notes] issued on •)]
[Bezeichnung der betreffenden Serie der Schuldverschreibungen]
[die mit den am- [Bezeichnung der betreffenden Serie der Schuldverschreibungen]
Schuldverschreibungen konsolidiert werden und eine einheitliche Serie bilden]

Series: [•]/[•], Tranche [•]
Serien: [•]/[•], Tranche [•]

issued pursuant to the
begeben aufgrund des

Euro 25,000,000,000

Debt Issuance Programme

dated [•] [•] April 2007
vom [•] [•] April 2007

of
der

Deutsche Telekom AG

and
und

Deutsche Telekom International Finance B.V.

Issue Price: [] per cent.
Ausgabepreis: []%

Issue Date: []¹
Tag der Begebung: []

These are the Final Terms of an issue of Notes under the Euro 25,000,000,000 Debt Issuance Programme of Deutsche Telekom AG and Deutsche Telekom International Finance B.V. (the "Programme"). Full information on the Issuer and Guarantor and the offer of the Notes is only available on the basis of the combination of the Prospectus dated 26 April 2007 as supplemented (the "Prospectus") and these Final Terms.

¹ The Issue Date is the date of payment and settlement of the Notes. In the case of free delivery, the Issue Date is the delivery date.
Der Tag der Begebung ist der Tag, an dem die Schuldverschreibungen begeben und bezahlt werden. Bei freier Lieferung ist der Tag der Begebung der Tag der Lieferung.

*Dies sind die Endgültigen Bedingungen einer Emission von Schuldverschreibungen unter dem Euro 25.000.000.000 Debt Issuance Programme der Deutsche Telekom AG und der Deutsche Telekom International Finance B.V. (das „**Programm**“). Vollständige Informationen über die Emittentin und die Garantin und das Angebot der Schuldverschreibungen sind nur verfügbar, wenn die Endgültigen Bedingungen und der Prospekt vom 26. April 2007 in der jeweils geltenden Fassung (der "Prospekt") zusammengekommen werden.*

Part I. TERMS AND CONDITIONS
Teil I. EMISSIONSBEDINGUNGEN

**[In case of Long-Form Conditions, insert:
Im Fall von nicht konsolidierten Bedingungen einfügen:**

This part of the Final Terms is to be read in conjunction with the Terms and Conditions of the Notes (the “**Terms and Conditions**”) set forth in the Prospectus dated 26 April 2007 pertaining to the Programme, as the same may be supplemented from time to time. Capitalised terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions.

*Dieser Teil der Endgültigen Bedingungen ist in Verbindung mit den Emissionsbedingungen der Schuldverschreibungen (die „**Emissionsbedingungen**“) zu lesen, die in der jeweils geltenden Fassung des Prospekts vom 26 April 2007 enthalten sind, welcher für das Programm herausgegeben wird. Begriffe, die in den Emissionsbedingungen definiert sind, haben, falls die Endgültigen Bedingungen nicht etwas anderes bestimmen, die gleiche Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.*

All references in this part of the Final Terms to numbered §§ and subparagraphs are to §§ and subparagraphs of the Terms and Conditions.

Bezugnahmen in diesem Teil der Endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Emissionsbedingungen.

All provisions in the Terms and Conditions corresponding to items in the Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes (the “**Conditions**”).

*Sämtliche Bestimmungen der Emissionsbedingungen, die sich auf Variablen dieser Endgültigen Bedingungen beziehen und die weder angekreuzt noch ausgefüllt werden oder die gestrichen werden, gelten als aus den auf die Schuldverschreibungen anwendbaren Emissionsbedingungen (die „**Bedingungen**“) gestrichen.]*

**[In case of Integrated Conditions, insert:
Im Fall von konsolidierten Bedingungen einfügen:**

The Integrated Conditions applicable to the Notes (the “**Conditions**”) and the German or English language translation thereof, if any, are attached hereto and replace in full the Terms and Conditions of the Notes as set out in the Prospectus and take precedence over any conflicting provisions set forth in part I of the Final Terms.

*Die für die Schuldverschreibungen geltenden konsolidierten Bedingungen (die „**Bedingungen**“) und eine etwaige deutsch- oder englischsprachige Übersetzung sind diesen Endgültigen Bedingungen beigelegt. Die Bedingungen ersetzen in Gänze die im Prospekt abgedruckten Emissionsbedingungen und gehen etwaigen abweichenden Bestimmungen in Teil I der Endgültigen Bedingungen vor.]*

Issuer

[]

Emittentin

Form of Conditions²

Form der Bedingungen

² To be determined in consultation with the Issuer. It is anticipated that Long-Form Conditions will generally be used for Notes which are not publicly offered. Integrated Conditions will generally be used for Notes sold and distributed on a syndicated basis. Integrated Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be distributed in whole or in part to non-professional investors.

Die Form der Bedingungen ist in Abstimmung mit der Emittentin festzulegen. Es ist vorgesehen, daß nicht-konsolidierte Bedingungen für Schuldverschreibungen verwendet werden, die nicht öffentlich zum Verkauf angeboten werden. Konsolidierte Bedingungen werden im allgemeinen bei Schuldverschreibungen verwendet werden, die auf syndizierter Basis verkauft und vertrieben werden. Konsolidierte Bedingungen sind erforderlich, wenn die Schuldverschreibungen

- Long-Form
Nicht-konsolidierte Bedingungen
- Integrated
Konsolidierte Bedingungen

Language of Conditions³

Sprache der Bedingungen

- German only
ausschließlich Deutsch
- English only
ausschließlich Englisch
- English and German (English controlling)
Englisch und Deutsch (englischer Text maßgeblich)
- German and English (German controlling)
Deutsch und Englisch (deutscher Text maßgeblich)

CURRENCY, DENOMINATION, FORM AND TITLE, CERTAIN DEFINITIONS (§ 1)⁴

WÄHRUNG, NENNBETRAG, FORM UND EIGENTUMSRECHT, DEFINITIONEN (§ 1)

Currency and Denomination

Währung und Nennbetrag

Specified Currency <i>Festgelegte Währung</i>	[]
Aggregate Principal Amount <i>Gesamtnennbetrag</i>	[]
Specified Denomination(s) <i>Festgelegte(r) Nennbetrag/Nennbeträge</i>	[]
Number of Notes to be issued in each Specified Denomination <i>Zahl der in jedem festgelegten Nennbetrag auszugebenden Schuldverschreibungen</i>	[]

New Global Note New Global Note

**[Yes/No]
[Ja/Nein]**

insgesamt oder teilweise öffentlich zum Verkauf angeboten werden oder insgesamt oder teilweise an nicht berufsmäßige Investoren verkauft werden.

³ To be determined in consultation with the Issuer. In general, German will be the controlling language in case of Notes sold and distributed on a syndicated basis or publicly offered, in whole or in part, in Germany or distributed, in whole or in part, to non-professional investors in Germany. If, however, such Notes are publicly offered, in whole or in part, in Germany, or distributed, in whole or in part, to non-professional investors in Germany with English language Conditions, a German language translation of the Conditions will be available from the Paying Agent[s] and Deutsche Telekom AG.
Die Sprache der Bedingungen ist in Abstimmung mit der Emittentin festzulegen. In der Regel wird für Schuldverschreibungen, die auf syndizierter Basis verkauft und vertrieben werden, für Schuldverschreibungen, die insgesamt oder teilweise öffentlich zum Verkauf in Deutschland angeboten werden und für Schuldverschreibungen, die an nicht berufsmäßige Investoren in Deutschland vertrieben werden, die deutsche Sprache maßgeblich sein. Falls diese Schuldverschreibungen mit englischsprachigen Bedingungen insgesamt oder teilweise in Deutschland öffentlich angeboten oder an nicht berufsmäßige Investoren in Deutschland vertrieben werden, wird eine deutschsprachige Übersetzung der Bedingungen bei [der] [den] Zahlstelle[n] und der Deutsche Telekom AG erhältlich sein.

⁴ The minimum denomination of the Notes will be, if in Euro, Euro 1,000, if in any currency other than Euro, in an amount in such other currency exceeding the equivalent of Euro 1,000 at the time of the issue of the Notes .
Die Mindeststückelung der Schuldverschreibungen beträgt Euro 1.000, bzw. falls die Schuldverschreibungen in einer anderen Währung als Euro begeben werden, einem Betrag in dieser anderen Währung, der zur Zeit der Begebung der Schuldverschreibungen dem Gegenwert von Euro 1.000 entspricht oder diesen übersteigt.

- TEFRA C
TEFRA C
 - Temporary Global Note exchangeable for:
Vorläufige Globalurkunde austauschbar gegen:
 - Definitive Notes
Einzelurkunden
 - Definitive Notes and Collective Global Note(s)
Einzelurkunden und Sammelglobalurkunden
 - Permanent Global Note []
Dauerglobalurkunde
- TEFRA D
TEFRA D
 - Temporary Global Note exchangeable for:
Vorläufige Globalurkunde austauschbar gegen:
 - Definitive Notes
Einzelurkunden
 - Permanent Global Note
Dauerglobalurkunde
- NEITHER TEFRA D NOR TEFRA C⁵
WEDER TEFRA D NOCH TEFRA C
Permanent Global Note
Dauerglobalurkunde

Definitive Notes

[Yes/No]

Einzelurkunden

[Ja/Nein]

- Coupons
Zinsscheine
- Talons
Talons
- Receipts
Rückzahlungsscheine

Certain Definitions

Definitionen

Clearing System

- Clearstream Banking AG, Frankfurt am Main (CBF)
Neue Börsenstraße 1
D-60487 Frankfurt am Main
- Clearstream Banking, société anonyme, Luxembourg (CBL)
42 Avenue JF Kennedy
L-1855 Luxembourg

⁵ Applicable only if Notes have an initial maturity of one year or less.
Nur anwendbar bei Schuldverschreibungen mit einer ursprünglichen Laufzeit von einem Jahr oder weniger.

- Euroclear Bank S.A./N.V. (Euroclear Operator)
1 Boulevard du Roi Albert II
B-1210 Brussels
 - Other – specify []
sonstige (angeben)
- Calculation Agent [Yes/No]
Berechnungsstelle [Ja/Nein]
- Fiscal Agent
Fiscal Agent
 - Other (specify) []
sonstige (angeben)

INTEREST (§ 4)

ZINSEN (§ 4)

- Fixed Rate Notes**
Festverzinsliche Schuldverschreibungen
Rate of Interest and Interest Payment Dates
Zinssatz und Zinszahlungstage
 - Rate of Interest [] per cent. per annum
Zinssatz [] % per annum
 - Interest Commencement Date []
Verzinsungsbeginn
 - Fixed Interest Date(s) []
Festzinstermine
 - First Interest Payment Date []
Erster Zinszahlungstag
 - Initial Broken Amount(s) (per Specified Denomination) []
Anfängliche(r) Bruchteilzinsbetrag(-beträge) (für jede festgelegte Stückelung)
 - Final Broken Amount(s) (per Specified Denomination) []
Abschließende(r) Bruchteilzinsbetrag(-beträge) (für jede festgelegte Stückelung)
- Floating Rate Notes**
Variabel verzinsliche Schuldverschreibungen
Interest Payment Dates
Zinszahlungstage
 - Interest Commencement Date []
Verzinsungsbeginn
 - Specified Interest Payment Dates []
Festgelegte Zinszahlungstage
 - Specified Interest Period(s) [] [weeks/months/other - specify]
Festgelegte Zinsperiode(n) [Wochen/Monate/andere angeben]

Business Day Convention

Geschäftstagskonvention

- Modified Following Business Day Convention
- FRN Convention (specify period(s)) [][months/other– specify]
[Monate/andere angeben]
- Following Business Day Convention
- Preceding Business Day Convention

Relevant Financial Centres (specify all) []

Relevante Finanzzentren (alle angeben)

Rate of Interest

Zinssatz

- Screen Rate Determination
Bildschirmfeststellung
 - EURIBOR (11.00 a.m. Brussels time/Euro Business Day/Euro-Zone Interbank Market)
EURIBOR (11.00 Brüsseler Ortszeit/Euro Geschäftstag/Interbankenmarkt in der Euro-Zone)
Screen page []
Bildschirmseite
 - LIBOR (London time/London Business Day/City of London/London Office/London Interbank Market)
LIBOR (Londoner Ortszeit/Londoner Geschäftstag/City of London/Londoner Geschäftsstelle/Londoner Interbankenmarkt)
Screen page []
Bildschirmseite
 - Other (specify) []
Sonstige (angeben)
Screen page(s) []
Bildschirmseite(n)
Margin [] per cent. per annum
Marge []% per annum
 - plus
plus
 - minus
minus
- Interest Determination Date
Zinsfestlegungstag
 - second Business Day prior to commencement of Interest Period
zweiter Geschäftstag vor Beginn der jeweiligen Zinsperiode
 - other (specify) []
sonstige (angeben) []

Screen Page

Bildschirmseite

Reference Banks (if other than as specified in § 4 (2))

Referenzbanken (sofern abweichend von § 4 Absatz 2)

- ISDA Determination⁶ [specify details]
ISDA-Feststellung [Einzelheiten angeben]
- Other Method of Determination (insert details (including Interest Determination Date, Margin, Reference Banks, fall-back provisions)) []
Andere Methoden der Bestimmung (Einzelheiten angeben (einschließlich Zinsfestlegungstag, Marge, Referenzbanken, Ausweichbestimmungen))

Minimum and Maximum Rate of Interest

Mindest- und Höchstzinssatz

- Minimum Rate of Interest [] per cent. per annum
Mindestzinssatz [] % per annum
- Maximum Rate of Interest [] per cent. per annum
Höchstzinssatz [] % per annum

Zero Coupon Notes

Nullkupon-Schuldverschreibungen

Accrual of Interest

Auflaufende Zinsen

- Amortisation Yield []
Emissionsrendite

Dual Currency Notes []

Doppelwährungs-Schuldverschreibungen

(set forth details in full here (including exchange rate(s) or basis for calculating exchange rate(s) to determine interest/fall-back provisions))

(Einzelheiten einfügen (einschließlich Wechselkurs(e) oder Grundlage für die Berechnung des/der Wechselkurs(e) zur Bestimmung von Zinsbeträgen/Ausweichbestimmungen))

- Index Linked Notes** []
Indexierte Schuldverschreibungen

(set forth details in full here)

(Einzelheiten einfügen)

⁶ ISDA Determination should only be applied in the case of Notes permanently represented by Global Notes because the ISDA Agreement and the ISDA Definitions have to be attached to the relevant Notes.
ISDA-Feststellung sollte nur dann gewählt werden, wenn die betreffenden Schuldverschreibungen während ihrer gesamten Laufzeit durch Globalurkunden verbrieft werden, weil das ISDA-Agreement und die ISDA Definitions den Schuldverschreibungen beizufügen sind.

- **Instalment Notes** []
Raten-Schuldverschreibungen
(set forth details in full here)
(Einzelheiten einfügen)
- **Credit linked Notes** []
Schuldverschreibungen mit Kreditkomponente
(set forth details in full here)
(Einzelheiten einfügen)
- **Other structured Floating Rate Notes** []
Sonstige strukturierte variable verzinslichen Schuldverschreibungen
(set forth details in full here)
(Einzelheiten einfügen)

Day Count Fraction⁷

Zinstagequotient

- Actual/Actual (ICMA 251)
- Actual/Actual (ISDA)
- Actual/365 (Fixed)
- Actual/360
- 30/360 or 360/360 (Bond Basis)
- 30E/360 (Eurobond Basis)

Payment Business Day

Zahlungstag

- Relevant Financial Centre(s) (specify all) []
Relevante(s) Finanzzentrum(en) (alle angeben)

REDEMPTION (§ 6)

RÜCKZAHLUNG (§ 6)

Final Redemption

Rückzahlung bei Endfälligkeit

Notes other than Instalment Notes

Schuldverschreibungen außer Raten-Schuldverschreibungen

- Maturity Date []
Fälligkeitstag
- Redemption Month []
Rückzahlungsmonat
- Final Redemption Amount (per Specified Denomination) []
Rückzahlungsbetrag (für jede festgelegte Stückelung)

Instalment Notes

Raten-Schuldverschreibungen

⁷ Complete for all Notes.
Für alle Schuldverschreibungen auszufüllen.

Instalment Date(s)	[]
<i>Ratenzahlungstermin (e)</i>	
Instalment Amount(s)	[]
<i>Rate(n)</i>	
Early Redemption at the Option of the Issuer	[Yes/No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin</i>	<i>[Ja/Nein]</i>
Minimum Redemption Amount	[]
<i>Mindestrückzahlungsbetrag</i>	
Higher Redemption Amount	[]
<i>Höherer Rückzahlungsbetrag</i>	
Call Redemption Date(s)	[]
<i>Wahlrückzahlungstag(e) (Call)</i>	
Call Redemption Amount(s)	[]
<i>Wahlrückzahlungsbetrag/-beträge (Call)</i>	
Early Redemption at the Option of a Holder	[Yes/No]
<i>Vorzeitige Rückzahlung nach Wahl des Gläubigers</i>	<i>[Ja/Nein]</i>
Put Redemption Date(s)	[]
<i>Wahlrückzahlungstag(e) (Put)</i>	
Put Redemption Amount(s)	[]
<i>Wahlrückzahlungsbetrag/-beträge (Put)</i>	
Minimum notice period	[] days
<i>Mindestkündigungsfrist</i>	<i>[] Tage</i>
Maximum notice period (never more than 60 days)	[] days
<i>Höchstkündigungsfrist (nie mehr als 60 Tage)</i>	<i>[] Tage</i>
Early Redemption Amount	
<i>Vorzeitiger Rückzahlungsbetrag</i>	
Notes other than Zero Coupon Notes:	
<i>Schuldverschreibungen außer Nullkupon-Schuldverschreibungen</i>	
Final Redemption Amount	[Yes/No]
<i>Rückzahlungsbetrag</i>	<i>[Ja/Nein]</i>
Other Redemption Amount	[]
<i>Sonstiger Rückzahlungsbetrag</i>	
(specify method, if any, of calculating the same (including fall-back provisions))	[]
<i>(ggf. Berechnungsmethode angeben (einschließlich Ausweichbestimmungen))</i>	
Zero Coupon Notes	
<i>Nullkupon-Schuldverschreibungen</i>	
Reference Price	[]
<i>Referenzpreis</i>	

FISCAL AGENT AND PAYING AGENT[S] [AND CALCULATION AGENT] (§ 7)

EMISSIONSSTELLE UND DIE ZAHLSTELLE[N] [UND DIE BERECHNUNGSSTELLE] (§ 7)

- Paying Agent(s)/specified office(s) []
Zahlstelle(n)/bezeichnete Geschäftsstelle(n)
- Calculation Agent/specified office []
Berechnungsstelle/bezeichnete Geschäftsstelle
- required location of Calculation Agent (specify) []
vorgeschriebener Ort für Berechnungsstelle (angeben)

NOTICES (§ 13)

MITTEILUNGEN (§ 13)

Place and medium of publication

Ort und Medium der Bekanntmachung

- Germany (electronic Federal Gazette)
Deutschland (elektronischer Bundesanzeiger)
- Germany (Börsen-Zeitung)
Deutschland (Börsen-Zeitung)
- London (Financial Times)
London (Financial Times)
- Luxembourg (d' Wort)
Luxemburg (d' Wort)
- Clearing System
Clearing System
- Other (specify) []
sonstige (angeben)

GOVERNING LAW (§ 14)

ANWENDBARES RECHT (§ 14)

Governing Law

German Law

Anwendbares Recht

Deutsches Recht

Part II. ADDITIONAL DISCLOSURE REQUIREMENTS RELATED TO NOTES
Teil II. ZUSÄTZLICHE ANGABEN BEZOGEN AUF SCHULDVERSCHREIBUNGEN

A. Risk Factors⁸

A. Risikofaktoren

B. Key Information

B. Wichtige Informationen

Interest of natural and legal persons involved in the issue/offer

Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind

Reasons for the offer⁹

⁸ Include only product specific risk factors which are not covered under "Risk Factors" in the Prospectus.
Nur produktbezogene Risikofaktoren aufnehmen, die nicht bereits im Abschnitt "Risk Factors" des Prospekts enthalten sind.

⁹ Not required for Notes with a Specified Denomination of at least € 50,000. See "Use of Proceeds" wording in the Prospectus.

Gründe für das Angebot

[specify details]
[Einzelheiten einfügen]

Estimated net proceeds
Geschätzter Nettobetrag der Erträge []

Estimated total expenses of the issue
Geschätzte Gesamtkosten der Emission []

C. Information concerning the Notes to be offered/admitted to trading C. Informationen über die anzubietenden bzw. zum Handel zuzulassenden Schuldverschreibungen

Eurosystem eligibility¹⁰ EZB-Fähigkeit

Intended to be held in a manner which would allow Eurosystem eligibility
Soll in EZB-fähiger Weise gehalten werden [Yes/No]
[Ja/Nein]

Securities Identification Numbers Wertpapier-Kenn-Nummern

Common Code
Common Code []

ISIN Code
ISIN Code []

German Securities Code
Deutsche Wertpapier-Kenn-Nummer (WKN) []

Any other securities number
Sonstige Wertpapiernummer []

Yield¹¹ Rendite

Yield
Rendite []

Method of calculating the yield¹² Berechnungsmethode der Rendite

- ICMA method: The ICMA method determines the effective interest rate of notes taking into account accrued interest on a daily basis.
ICMA Methode: Die ICMA Methode ermittelt die Effektivverzinsung von Schuldverschreibungen unter Berücksichtigung der täglichen Stückzinsen.

If reasons for the offer is different from making profit and/or hedging certain risks include those reasons here.
Nicht erforderlich für Schuldverschreibungen mit einer festgelegten Stückelung von mindestens € 50.000. Siehe "Use of Proceeds" im Prospekt. Sofern die Gründe für das Angebot nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken bestehen, sind die Gründe hier anzugeben.

¹⁰ Complete only if the Notes are to be kept in custody by a common safekeeper on behalf of the ICSDs. If "yes" is selected, the Notes must be issued in NGN form.
Nur auszufüllen, falls die Schuldverschreibungen von einem common safekeeper im Namen der ICSDs gehalten werden sollen. Falls "ja" gewählt wird, müssen die Schuldverschreibungen als NGN begeben werden

¹¹ Only applicable for Fixed Rate Notes.
Nur bei festverzinsliche Schuldverschreibungen anwendbar.

¹² Not required for Notes with a Specified Denomination of at least EUR 50,000.
Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000

- Other method (specify)
Andere Methoden (angeben)

- **Historic Interest Rates¹³**
Zinssätze der Vergangenheit

Details of historic [EURIBOR][LIBOR][OTHER] rates can be obtained from [*insert relevant Screen Page*]

Einzelheiten der Entwicklung der [EURIBOR][LIBOR][ANDERE] Sätze in der Vergangenheit können abgerufen werden unter [relevante Bildschirmseite einfügen]

- **Details Relating to the Performance of the [Index][Formula][Other Variable] and other information concerning the underlying¹⁴**
Einzelheiten hinsichtlich der Entwicklung des [Index][der Formel][einer anderen Variablen] und andere die Basiswerte betreffende Informationen.

Comprehensive explanation of how the value of the investment is affected by the value of the underlying, especially under circumstances when the risks are most evident¹⁵

Umfassende Erläuterung darüber, wie der Wert der Anlage durch den Wert des Basiswerts beeinflusst wird, insbesondere in Fällen, in denen die Risiken am offensichtlichsten sind.

[specify details here] [*Einzelheiten hier angeben*]

Indication where information about the past and further performance of the [Index][Formula][Other Variable] and its volatility can be obtained.

Angaben darüber, wo Informationen über die vergangene und künftige Wertentwicklung des [Index][der Formel][einer anderen Variablen] und deren Volatilität eingeholt werden können.

[specify details here] [*Einzelheiten hier angeben*]

**[[Underlying is an Index
Basiswert ist ein Index**

Name of Index []
Name des Index

[Description of Index]¹⁶ [Details of where information about the Index can be obtained]¹⁷
[Indexbeschreibung][Angaben, wo Informationen zum Index zu finden sind]

[specify details here] [*Einzelheiten hier angeben*]

[Underlying is an Interest Rate

¹³ Only applicable for Floating Rate Notes. Not required for Notes with a Specified Denomination of at least Euro 50,000.
Nur bei variabel verzinslichen Schuldverschreibungen anwendbar. Nicht anwendbar auf Schuldverschreibungen mit einer festgelegten Stückelung von mindestens Euro 50.000.

¹⁴ Only applicable for Index Linked or other Variable Linked Notes.
Nur anwendbar bei Index Linked Schuldverschreibungen und Schuldverschreibungen, die an eine Variable gebunden sind.

¹⁵ Only applicable in case of Notes with a Specified Denomination of less than Euro 50,000.
Nur anwendbar bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als Euro 50.000.

¹⁶ Only applicable if the Index is composed by the Issuer.
Nur anwendbar, sofern der Index von der Emittentin zusammengestellt wird.

¹⁷ Only applicable, if the Index is not composed by the Issuer
Nur anwendbar, sofern der Index nicht von der Emittentin zusammengestellt wird.

Basiswert ist ein Zinssatz

Description of Interest Rate
Beschreibung des Zinssatzes]

[specify details here] *[Einzelheiten hier angeben]*

[Underlying is a Basket of Underlyings Basiswert ist ein Korb von Basiswerten

Weightings of each underlying in the basket
Gewichtung jedes einzelnen Basiswertes im Korb]]¹⁸

[specify details here] *[Einzelheiten hier angeben]*

Comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when risks are most evident¹⁹ [insert details here]
Umfassende Erläuterung darüber, wie der Wert der Anlage durch den Wert des Basiswerts beeinflusst wird, insb. in den Fällen, in denen die Risiken offensichtlich sind *[Einzelheiten hier einfügen]*

Market disruption or settlement disruption events that may affect the underlying²⁰ [insert details here]
Störungen des Markts oder bei der Abrechnung, die den Basiswert beeinflussen *[Einzelheiten hier einfügen]*

Adjustment rules with relation to events concerning the underlying [insert details here]
Korrekturvorschriften in Bezug auf Vorfälle, die den Basiswert beeinflussen *[Einzelheiten hier einfügen]*

- Details Relating to the Performance of Rate(s) of Exchange and Explanation of Effect on Value of Investment²¹ [specify details here]
Einzelheiten der Entwicklung des bzw. der Wechselkurse und Erläuterung der Auswirkungen auf den Wert der Anlage sowie verbundene Risiken *[Einzelheiten hier angeben]*

- **Details Relating to the Performance of Rate(s) of Exchange and Explanation of Effect on Value of Investment²²**

¹⁸ Where the underlying does not fall within the categories Index/Interest Rate/Basket of Underlyings, include equivalent information.

Fällt der Basiswert nicht unter eine der Kategorien Index/Zinssatz/Korb von Basiswerten, sind vergleichbare Informationen einzufügen.

¹⁹ Not required for Notes with a Specified Denomination of at least €50,000 or a minimum transfer amount of at least €50,000.

Nicht erforderlich bei Schuldverschreibungen anwendbar mit einer festgelegten Stückelung von mindestens € 50.000 oder Schuldverschreibungen, die lediglich für mindestens € 50.000 pro Wertpapier erworben werden können.

²⁰ To be completed only if applicable.

Nur falls anwendbar einzufügen.

²¹ Only applicable for Dual Currency Notes. Need to include details of where past and future performance and volatility of the relevant rate(s) can be obtained. In case of Notes with a Specified Denomination of less than €50,000 need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

Nur bei Doppelwährungs-Schuldverschreibungen anwendbar. Angaben darüber erforderlich, wo Informationen über die vergangene und künftige Wertentwicklung und Volatilität der maßgeblichen Wechselkurse eingeholt werden können. Bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als € 50.000 ist eine umfassende Erläuterung vorzunehmen, wie der Wert der Anlage durch den Wert des Basiswerts beeinflusst wird, insbesondere in Fällen, in denen die Risiken offensichtlich sind.

²² Only applicable for Dual Currency Notes. Need to include details of where past and future performance and volatility of the relevant rate(s) can be obtained. In case of Notes with a Specified Denomination of less than Euro 50,000 need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

Nur bei Doppelwährungsschuldverschreibungen anwendbar. Angaben darüber erforderlich, wo Informationen über die

Einzelheiten der Entwicklung des bzw. der Wechselkurse und Erläuterung der Auswirkungen auf den Wert der Anlage sowie verbundene Risiken

[specify details here]

[Einzelheiten hier angeben]

**Selling Restriction
Verkaufsbeschränkungen**

The Selling Restrictions set out in the Prospectus shall apply.
Es gelten die im Prospekt wiedergegebenen Verkaufsbeschränkungen.

- TEFRA C
TEFRA C
- TEFRA D
TEFRA D
- Neither TEFRA C nor TEFRA D
Weder TEFRA C noch TEFRA D

Additional Selling Restrictions (specify) []
Zusätzliche Verkaufsbeschränkungen (angeben)

**Taxation
Besteuerung**

Information on taxes on the income from the notes withheld at source in respect of countries where the offer is being made or admission to trading is being sought²³
Informationen über die an der Quelle einbehaltene Einkommensteuer auf die Schuldverschreibungen hinsichtlich der Länder in denen das Angebot unterbreitet oder die Zulassung zum Handel beantragt wird

[None] [specify details]
[keine] [Einzelheiten einfügen]

**Restrictions on the free transferability of the Notes
Beschränkungen der freien Übertragbarkeit der Wertpapiere**

[None] [specify details]
[Keine] [Einzelheiten einfügen]

**D. TERMS AND CONDITIONS OF THE OFFER²⁴
D. BEDINGUNGEN UND KUNDITIONEN DES ANGEBOTS**

Expected price at which the notes will be offered / method of determining the price and the process for its disclosure and mount of any expenses and taxes specifically charged to the subscriber or

vergangene und künftige Wertentwicklung und Volatilität der maßgeblichen Wechselkurse eingeholt werden können. Bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als Euro 50.000 ist eine umfassende Erläuterung vorzunehmen, wie der Wert der Anlage durch den Wert des Basiswerts beeinflusst wird, insbesondere in Fällen, in denen die Risiken offensichtlich sind.

²³ Unless specified in the Prospectus. Only applicable for Notes with a Specified Denomination of less than EUR 50,000 per Notes.

Soweit nicht bereits im Prospekt beschrieben. Nur bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000 anwendbar.

²⁴ In the case of a public offer of Notes, information regarding items 5.1.1, 5.1.3. – 5.1.8, 5.2, 5.4.1. of Annex V of the Commission Regulation 809/2004 will be completed in the Final Terms.

Im Falle eines öffentlichen Angebotes von Schuldverschreibungen werden Angaben zu den Unterpunkten 5.1.1, 5.1.3 – 5.1.8, 5.2 und 5.4.1 des Anhang V der Verordnung 809/2004 in den Endgültigen Bedingungen ergänzt.

purchaser

Kurs, zu dem die Schuldverschreibungen angeboten werden / Methode, mittels deren der Angebotskurs festgelegt wird und Angaben zum Verfahren für die Offenlegung sowie der Kosten und Steuern, die speziell dem Zeichner oder Käufer in Rechnung gestellt werden

Method of distribution
Vertriebsmethode

[insert details]
[Einzelheiten einfügen]

Non-syndicated
Nicht syndiziert

Syndicated
Syndiziert

Date of Subscription Agreement²⁵
Datum des Subscription Agreements

[]

Management Details including form of commitment²⁶
Einzelheiten bezüglich des Bankenkonsortiums einschließlich der Art der Übernahme

Dealer/Management Group (specify)
Platzeur/Bankenkonsortium (angeben)

firm commitment
feste Zusage

[]

no firm commitment / best efforts arrangements
Keine feste Zusage / zu den bestmöglichen Bedingungen

[]

Commissions²⁷
Provisionen

Management/Underwriting Commission (specify)
Management- und Übernahmeprovision (angeben)

[]

Selling Concession (specify)
Verkaufsprovision (angeben)

[]

Listing Commission (specify)
Börsenzulassungsprovision (angeben)

[]

Other (specify)
Andere (angeben)

[]

Stabilising Dealer/Manager
Kursstabilisierender Dealer/Manager

[insert details/None]
[Einzelheiten einfügen/keiner]

E. ADMISSION TO TRADING AND DEALING ARRANGEMENTS
E. ZULASSUNG ZUM HANDEL UND HANDELSREGELN

Listing(s)
Notierung(en)

[Yes/No]
[Ja/Nein]

Luxembourg Stock Exchange

²⁵ Not required for Notes with a Specified Denomination of at least EUR 50,000.
Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000.

²⁶ Not required for Notes with a Specified Denomination of at least EUR 50,000.
Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000.

²⁷ To be completed in consultation with the Issuer.
In Abstimmung mit der Emittentin auszuführen.

- Regulated Market “Bourse de Luxembourg”
Geregelter Markt “Bourse de Luxembourg”
- Euro MTF
Euro MTF
- Other (insert details) []
Sonstige (Einzelheiten einfügen)

Date of admission []
Termin der Zulassung

Estimate of the total expenses related to admission to trading²⁸ []
Geschätzte Gesamtkosten für die Zulassung zum Handel

Regulated markets or equivalent markets on which, to the knowledge of the Issuer, notes of the same class of the notes to be offered or admitted to trading are already admitted to trading.²⁹
Angabe geregelter oder gleichwertiger Märkte, auf denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel zugelassen sind

- Luxembourg (Regulated Market “Bourse de Luxembourg”)
- Frankfurt am Main (regulated market)
- Other (insert details) []
Sonstige (Einzelheiten einfügen)

F. ADDITIONAL INFORMATION
F. ZUSÄTZLICHE INFORMATIONEN

Rating³⁰ []
Rating

Other relevant terms and conditions (specify) []
Andere relevante Bestimmungen (einfügen)

Information from a third party
Informationen von Seiten Dritter

[Where Information is sourced from a third party, include information here
Informationen von Seiten Dritter hier einfügen]

Source of information []
Quelle der Information

²⁸ Not required for Notes with a Specified Denomination of less than EUR 50,000
Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000.

²⁹ In case of a fungible issue, need to indicate that the original notes are already admitted to trading. Not required for Notes with a Specified Denomination of at least EUR 50,000.
Im Falle einer Aufstockung, die mit einer vorangegangenen Emission fungibel ist, ist die Angabe erforderlich, dass die ursprünglichen Schuldverschreibungen bereits zum Handel zugelassen sind. Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000.

³⁰ Do not complete, if the Notes are not rated on an individual basis. In case of Notes with a Specified Denomination of less than EUR 50,000, need to include a brief explanation of the meaning of the ratings if this has been previously published by the rating provider.
Nicht auszufüllen, wenn kein Einzelrating für die Schuldverschreibungen vorliegt. Bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.0000, kurze Erläuterung der Bedeutung des Ratings wenn dieses unlängst von der Ratingagentur erstellt wurde.

[The Issuer confirms that this information has been accurately reproduced] .
[Die Emittentin bestätigt, daß diese Informationen korrekt wiedergegeben worden sind].

[The Issuer has not independently verified any such information and accepts no responsibility for the accuracy of such information
Die Emittentin hat die Informationen nicht selbständig überprüft und übernimmt keine Verantwortung für die Richtigkeit der Informationen]

[Listing:³¹

[Notierung:

The above Final Terms comprise the details required to list this issue of Notes pursuant to the Euro 25,000,000,000 Debt Issuance Programme of Deutsche Telekom AG and Deutsche Telekom International Finance B.V. (as from **[insert Issue Date of the Notes]**).

*Die vorstehenden Endgültigen Bedingungen enthalten die Angaben, die für die Zulassung dieser Emission von Schuldverschreibungen gemäß des Euro 25.000.000.000 Debt Issuance Programme der Deutsche Telekom AG und der Deutsche Telekom International Finance B.V. (ab dem **[Tag der Begebung der Schuldverschreibungen einfügen]**) erforderlich sind].*

Responsibility:
Verantwortlichkeit:

The Issuer accepts responsibility for the information contained in these Final Terms as set out in the section Responsibility Statement on page 4 of the Prospectus.

Die Emittentin übernimmt die Verantwortung für die in diesen Endgültigen Bedingungen enthaltenen Informationen wie im Abschnitt Responsibility Statement auf Seite 4 des Prospekts bestimmt.

[Deutsche Telekom AG

[Name & title of signatories]
[Name und Titel der Unterzeichnenden]]

[Deutsche Telekom International Finance B.V.

[Name & title of signatories]
[Name und Titel der Unterzeichnenden]]

³¹ Insert only if the Notes are listed.
Nur einzufügen, wenn die Schuldverschreibungen gelistet werden.

Taxation

The following is a general discussion of certain German, Dutch and Luxembourg tax consequences of the acquisition and ownership of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. Moreover, this summary does not consider other taxes than taxes on income, in particular not inheritance or gift tax. This summary is based on the laws of the Federal Republic of Germany, The Netherlands and the Grand-Duchy of Luxembourg currently in force and as applied on the date of this prospectus, which are subject to change, possibly with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY, THE NETHERLANDS, THE GRAND DUCHY OF LUXEMBOURG AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

1. Federal Republic of Germany

Tax Residents

Payments of interest on the Notes to persons who are tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal or corporate income tax (plus solidarity surcharge (*Solidarit tszuschlag*) thereon). Such interest may also be subject to trade tax if the Notes form part of the property of a German trade or business. If coupons or interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to tax. The same applies to proceeds from the redemption of coupons or interest claims if the Note is disposed of separately.

Upon the disposition of a Note carrying interest a holder of the Note will also have to include in his taxable income any consideration invoiced separately for such portion of the interest of the current interest payment period which is attributable to the period up to the disposition of the Note (**‘Accrued Interest’**). Accrued Interest paid upon the acquisition of the Notes may be declared as negative income for personal income tax purposes.

If for the determination of the issue price of the Note the redemption amount is reduced by a discount or if the redemption amount is increased as compared with the issue price of the Note (as, for example, in the case of a discounted Note or a Note with accrued interest added), the difference between the redemption amount and the issue price of the Note (**‘Original Issue Discount’**) realized when a Note held as a non-business asset is redeemed to its initial subscriber will be taxable investment income, however, only if the Original Issue Discount exceeds certain thresholds: in such case, the Note is classified as a financial innovation under German tax law.

If the Note qualifies as a financial innovation (*Finanzinnovation*) under German tax law (including, among other things, zero coupon Notes or other, discounted Notes or Notes with accrued interest added) and is disposed of while outstanding, or redeemed at maturity, an individual Holder who is holding the Note as a non-business asset will have to include in his taxable income further amounts. In this case, such portion of the proceeds from the disposition of the Note or of the redemption amount of the Note which equals the yield to maturity of the Note attributable to the period over which the holder has held such Note, minus interest, including Accrued Interest, already taken into account will be subject to income tax (plus solidarity surcharge) in the year of the disposition, assignment or redemption of the Note. The yield to maturity is determined by taking into account the Original Issue Discount. If the Notes do not have a predetermined yield to maturity or the holder does not give proof thereof, the difference between the proceeds from the disposition, assignment or redemption and the issue or purchase price of the Note is subject to income tax (plus solidarity surcharge) in the year of the disposition, assignment or maturity of the Note. Where the Note is expressed in a currency other than the Euro, the difference will be computed in the foreign currency. If, however, the Note forms part of the property of a German trade or business, in each fiscal year the yield to maturity of the Note to the extent attributable to such period must be taken into account as interest income by the initial subscriber of the Note and is subject to income tax (plus solidarity surcharge) and trade tax.

Capital gains from the disposition of Notes other than income described in the preceding paragraph are only taxable to a German tax-resident individual if the Notes are disposed of within one year after their acquisition or form part of the property of a German trade or business. In the latter case the capital gains may also be subject to trade tax.

Capital gains derived by German-resident corporate holders of Notes will be subject to corporate income tax (plus solidarity surcharge thereon) and trade tax, even if the Notes do not qualify as financial innovations.

If the Notes are held in a custodial account which the Holder maintains with a German branch of a German or non-German financial or financial services institution (the **“Disbursing Agent”**) a 30% withholding tax on interest payments (*Zinsabschlag*), plus 5.5% solidarity surcharge on such tax, will be levied, resulting in a total tax charge of 31.65% of the gross interest payment. Withholding tax is also imposed on Accrued Interest.

In addition, if the Notes qualify as financial innovations, as explained above, and are kept in a custodial account which the Holder maintains with a Disbursing Agent such agent will generally withhold tax at a rate of 30% (plus solidarity surcharge at a rate of 5.5% thereon) from interest payments, Accrued Interest as well as from the positive difference between the redemption amount (or the proceeds from the disposition or assignment) and the issue price (or the purchase price) of the Notes if the Note has been kept in a custodial account with such Disbursing Agent since the time of issuance or acquisition, respectively. If the Notes have been transferred into the custodial account of the Disbursing Agent only after such point in time, withholding tax at the aforementioned rate will be levied on a lump-sum basis of 30% of the proceeds from the disposition, assignment or redemption of the Notes. Where the Note is expressed in a currency other than the Euro, the aforementioned difference will be computed in the foreign currency.

In computing the tax to be withheld the Disbursing Agent may deduct from the basis of the withholding tax any Accrued Interest paid by the holder of a Note to the Disbursing Agent during the same calendar year. In general, no withholding tax will be levied if the holder of a Note is an individual (i) whose Note does not form part of the property of a German trade or business nor gives rise to income from the letting and leasing of property, and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the holder of the Note has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If the Notes are not kept in a custodial account with a Disbursing Agent the withholding tax will apply at a rate of 35% (plus solidarity surcharge at a rate of 5.5% thereon), resulting in a total tax charge of 36.925% of the gross amount of interest paid by a Disbursing Agent upon presentation of a Coupon (whether or not presented with the Note to which it appertains) to a holder of such Coupon (other than a non-German financial or financial services institution). If the Notes are not kept in a custodial account with a Disbursing Agent, withholding tax at the aforementioned rate will also be levied upon the proceeds from the disposition or redemption of a Coupon, and if the Notes qualify as financial innovations, upon 30% of the proceeds from the disposition, assignment or redemption of a Note. Where the 35% withholding tax (plus solidarity surcharge) applies Accrued Interest paid cannot be taken into account in determining the withholding tax base.

Withholding tax and solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the German resident. Amounts overwithheld will entitle the holder of a Note to a refund, based on an assessment to tax.

Non-residents

Interest, including Accrued Interest and (in the case of financial innovations) Original Issue Discount, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of a Note or (ii) the interest income otherwise constitutes income taxable in Germany (such as income from the letting and leasing of certain German-situs property). If the non-resident of Germany is subject to German taxation with income from the Notes, a tax regime similar to that explained above at “Tax Residents” applies; capital gains from the disposition of Notes are, however, only taxable in the case of (i).

Non-residents of Germany are, in general, exempt from German withholding tax on interest and solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above at “Tax Residents”.

Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition of a Coupon, or, if the Notes qualify as financial innovations as explained above at “Tax Residents”, proceeds from the disposition, assignment or redemption of a Note are paid by a

Disbursing Agent to a nonresident of Germany, such payments will be subject to withholding tax to the extent and at a rate as explained above at "Tax Residents".

"Corporate Tax Reform Act 2008": Introduction of a Flat Tax on Investment Income

On 14 March 2007 the German Federal Government published draft legislation for a "Corporate Tax Reform Act 2008" ("**the draft bill**"). As of the date of the Prospectus, it remains unclear whether and in which form the envisaged legislative changes will become effective.

The draft bill includes the introduction of measures to broaden the tax base and that may have an adverse effect on the taxation of a Holder.

The measures include, *inter alia*, the introduction of a flat tax on investment income (*Abgeltungssteuer*). Interest income and capital gains from the alienation or redemption of the Notes ("**Private Capital Gains**") would be subject to the flat tax, irrespective of any holding period. The flat tax would only apply where (i) the Notes are held as non-business assets, and (ii) the Holder is a tax resident of Germany or the interest or the Private Capital Gains are taxable to a nonresident Holder (as set out in the preceding subsection entitled "Non-residents").

The flat tax would be collected at a rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax) of the relevant gross income. The relevant gross income would be the gross interest income, or, in case of Private Capital Gains, generally the difference between the proceeds from the alienation or redemption (less any expenses incurred in connection with the alienation or redemption) and the costs incurred for the acquisition (*Anschaffungskosten*) of the Notes. The relevant gross income subject to the flat tax will only be decreased by a lump sum deduction from investment income (*Sparer-Pauschbetrag*) of Euro 801 (Euro 1,602 for married couples filing jointly). A deduction of the expenses actually incurred for the purpose of producing the income shall not be permitted. Payment of the flat tax would satisfy any income tax liability of the investor in respect of such interest income or Private Capital Gains. However, Holders may instead apply for a tax assessment on the basis of applicable general rules if the resulting income tax burden is lower. Even in this case, the relevant gross income would be taken into account and a deduction of the expenses actually incurred would not be allowed.

The flat tax would be levied by way of withholding if a Disbursing Agent in Germany is involved in the payment process. Otherwise, the flat tax would be collected by way of assessment..

The flat tax would apply on interest income received after 31 December 2008. Private Capital Gains shall only be subject to the flat tax where the Notes will have been acquired after 31 December 2008, unless they qualify as financial innovations.

The flat tax shall not apply where the Notes form part of a business property. In this case, the effective tax burden on the interest income and on gains from an alienation (including a redemption) of the Notes may increase as a consequence of other modifications introduced by the "Corporate Tax Reform Act 2008".

2. EU Savings Tax Directive

On 3 June 2003 the Council of the European Union approved a directive regarding the taxation of interest income (the "EU Savings Tax Directive"). Accordingly, each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent (within the meaning of the EU Savings Tax Directive) is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 15% for the first three years from application of the provisions of such directive, of 20% for the subsequent three years, and of 35% from the seventh year after application of the provisions of such directive.

In conformity with the prerequisites for the application of the EU Savings Tax Directive, Switzerland, Liechtenstein, San Marino, Monaco and Andorra have confirmed that from 1 July 2005 they will apply measures equivalent to those contained in such directive, in accordance with agreements entered into by each of them with the European Community. It has also been confirmed that certain dependent or associated territories (the Channel Islands, the Isle of Man and dependent or associated territories in the Caribbean) will apply from that same date an automatic exchange of information or, during the

transitional period described above, a withholding tax in the described manner. Consequently, the Council of the European Union noted that the conditions have been met to enable the provisions of the EU Savings Tax Directive to enter into force as from 1 July 2005.

By legislative regulations dated 26 January 2004 the German Federal Government enacted the provisions for implementing the EU Savings Tax Directive into German law. These provisions apply as from 1 July 2005.

Holders who are individuals should note that the Issuer will not pay additional amounts under § 8(c) of the Terms and Conditions of the Notes in respect of any withholding tax imposed as a result of the EU Savings Tax Directive or a provision of law implementing such directive.

3. The Netherlands

Withholding Tax

All payments by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as debt within the meaning of article 10, paragraph 1, sub d of the Dutch Corporate Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Taxes on Income and capital gains

A holder of a Note who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Dutch taxation on such income or capital gains unless:

- (i) the holder is or is deemed to be resident in The Netherlands, or, where the holder is an individual, such holder has elected to be treated as a resident of The Netherlands; or
- (ii) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (iii) the holder has a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer and, if the holder is not an individual, such interest does not form part of the assets of an enterprise; or
- (iv) the holder is an individual and such income or gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Generally speaking, a holder has a substantial interest in the Issuer if he or a qualifying connected person, alone or together with his partner, has directly or indirectly, the ownership of, or certain rights over shares representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, rights to acquire such interest in the share capital (whether or not already issued) of the Issuer, or the ownership of profit participating certificates (*winstbewijzen*) that relate to 5% or more of the annual profit or liquidation proceeds of the Issuer.

Value Added Tax

There is no Dutch value added tax payable by a holder of a Note in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes, or the transfer of the Notes.

Residence

A holder of a Note will not be treated as resident of The Netherlands by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Notes.

4. Luxembourg

Non-Residents

Under the existing laws of Luxembourg and except as provided for by the Luxembourg law of 20 June 2005 implementing the EU Savings Tax Directive (as defined above), there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes or on payments made under the Guarantee made to non-residents of Luxembourg.

Under the Luxembourg law of 20 June 2005 implementing the EU Savings Tax Directive and as a result of ratification by Luxembourg of certain related Accords with the relevant dependent and associated territories, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual or certain residual entities as defined by the law, who, as a result of an identification procedure implemented by the paying agent, are identified as residents or are deemed to be residents of an EU Member State other than Luxembourg or certain of those dependent or associated territories referred to under "EU Savings Tax Directive" above, will be subject to a withholding tax unless the relevant beneficiary has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her country of residence or deemed residence or has provided a tax certificate from his/her fiscal authority in the format required by law to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 15% during the first three-year period starting 1 July 2005, at a rate of 20% for the subsequent three-year period and at a rate of 35% thereafter.

When used in the preceding paragraph "interest" and "paying agent" have the meaning given thereto in the Luxembourg law of 20 June 2005 (or the relevant Accords). "Interest" will include accrued or capitalised interest at the sale, repayment or redemption of the Notes. "Paying agent" is defined broadly for this purpose and in the context of the Notes means any economic operator established in Luxembourg who pays interest on the Notes to or ascribes the payment of such interest to or for the immediate benefit of the beneficial owner, whether the operator is, or acts on behalf of, the Issuer or Guarantor or is instructed by the beneficial owner to collect such payment of interest.

Payments of interest or similar income under the Notes to the Clearing Systems and payments by or on behalf of Clearstream Banking, *société* anonyme, Luxembourg, to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

Residents

According to the law of 23 December 2005, interest or similar income on Notes paid by a Luxembourg paying agent to an individual holder who is a resident of Luxembourg will be subject to a withholding tax of 10 percent which will operate a full discharge of income tax due on such payments. This withholding tax will also apply in the case such payments are made to Residual Entities for the benefit of Luxembourg resident individuals; notwithstanding the above, the withholding tax will not apply in this last case if, for purposes of the application of the Savings Tax directive, the Residual Entity elects for exchange of information or elects to be treated as an Undertaking for Collective Investment.

General Information

General

The relevant Final Terms will specify which clearing system or systems (including CBF, CBL and Euroclear) has/have accepted the relevant Notes for clearance and provide any further appropriate information.

There are no interests of natural and legal persons involved in potential issues under the Programme, including conflicting ones, that are material to the issue of Notes under the Programme.

Selling Restrictions

1. General

Each Dealer has agreed that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor the Guarantor (if Finance is the Issuer) and any other Dealer shall have any responsibility therefor.

Neither the Issuer nor the Guarantor (if Finance is the Issuer) and any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

2. United States of America

- (a) The Notes have not been and will not be registered under the Securities Act, and, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Note as part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to a Note.
- (b) From and after the time that the Issuer notifies the Dealers in writing that it is no longer able to make the representation set forth in Article 4 (1)(g)(i) of the Dealer Agreement, each Dealer (i) acknowledges that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act; (ii) has represented and agreed that it has not offered and sold any Notes, and will not offer and sell any Notes (x) as part of its distribution at any time and (y) otherwise until 40 days after the later of the commencement of the offering and closing date only in accordance with Rule 903 of Regulation S under the Securities Act, and (iii) accordingly has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S; and (iv) has also agreed that at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903 (b) (2) (iii) (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

- (c) Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of syndicated issue, the relevant Lead Manager) shall determine and notify to the Fiscal Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Fiscal Agent has agreed to notify such Dealer/Lead Manager of the end of the restricted period with respect to such Tranche.

Terms used in the above paragraph have the meanings given to them by Regulation S.

- (d) Each Dealer has represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.
- (e) Notes other than Notes with a initial maturity of one year or less will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the “**D Rules**”), or in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (the “**C Rules**”), as specified in the applicable Final Terms. In addition, in respect of Notes issued in accordance with the D Rules, each Dealer has represented and agreed that:
 - (i) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D), (x) it has not offered or sold, and during the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
 - (ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
 - (iii) if such Dealer is a United States person, it has represented that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if such Dealer retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6); and
 - (iv) with respect to each affiliate that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (x) has repeated and confirmed the agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (y) has agreed that it will obtain from such affiliate for the benefit of the Issuer the agreements contained in sub-clauses (i), (ii) and (iii).

Terms used in this paragraph (e) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

In addition, where the C Rules are specified in the relevant Final Terms as being applicable to any Tranche of Notes, Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions

in connection with the original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Notes in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

- (f) Each issue of index-, commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the Final Terms. Each Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

3. European Economic Area

In relation to each Member State of the European Economic Area (the EU plus Iceland, Norway and Liechtenstein) which has implemented the Prospectus Directive (each, a **“Relevant Member State”**), each Dealer has represented and agreed, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **“Relevant Implementation Date”**) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **“Prospectus Directive”** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

4. United Kingdom

Each Dealer has represented and agreed, that:

in relation to any Notes which have a maturity of less than one year from the date of their issue, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (**“FSMA”**) by the Issuer;

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

5. The Netherlands/Global

Zero Coupon Notes (as defined below) in definitive form of any Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein “**Zero Coupon Notes**” are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Use of Proceeds

The net proceeds from each issue will be used for general financing purposes of the Deutsche Telekom group companies.

Listing Information

Luxembourg Stock Exchange

Application has been made to list Notes to be issued under the Programme on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.

However, Notes may be issued pursuant to the Programme which will not be listed on the regulated market of the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

The above-mentioned documents are available for inspection at the head office of the Paying Agent in Luxembourg, Fortis Banque Luxembourg S.A., at 50, avenue J.F. Kennedy, L-2951 Luxembourg.

Each Paying Agent shall have available at its specified office a copy of the Amended and Restated Dealer Agreement dated 26 April 2007 (the “**Dealer Agreement**”) and the Amended and Restated Agency Agreement dated 26 April 2007 and shall make available the inspection of these documents free of charge during normal business hours. Each Final Terms relating to the Notes which shall be quoted on the regulated market of the Luxembourg Stock Exchange may be obtained from the paying agent in Luxembourg.

Undertaking

Each of the Issuers has undertaken, in connection with the listing of the Notes, that if, while Notes of an Issuer are outstanding and listed on the regulated market of the Luxembourg Stock Exchange, there shall occur any adverse change in the business, financial position or otherwise of such Issuer or the Guarantor that is material in the context of issuance under the Programme which is not reflected in the Prospectus (or any of the Reference Documents) such Issuer and/or the Guarantor, as the case may be, will prepare or produce the preparation of an amendment or supplement to the Prospectus or, as the case may be, publish a new Prospectus for use in connection with any subsequent offering by such Issuer of Notes to be listed on the regulated market of the Luxembourg Stock Exchange.

If the Terms and Conditions of the Notes (as set out in the Prospectus) are modified or amended in a manner which would make the Prospectus, as amended or supplemented, inaccurate or misleading, a new Prospectus will be prepared to the extent required by law.

Each of the Issuers will, at the specified offices of the Paying Agents, provide, free of charge, upon the oral or written request therefor, a copy of the Prospectus (or any Reference Document). Written or oral requests for such documents should be directed to the specified office of any Paying Agent or the specified office of the Listing Agent in Luxembourg.

Authorisation

The establishment of the Programme was authorised by the board of managing directors of Deutsche Telekom and by the board of managing directors and the supervisory board of Finance on 20 June 1997, 18 August 1997 and 1 September 1997, respectively. The increase of the aggregate principal amount of Notes which may be issued under the Programme was authorised by the board of managing directors of Deutsche Telekom and by the board of managing directors and the supervisory board of Finance on 11 April 2000, as well as on 22 March 2000 and 27 March 2000, respectively. The further increase of the aggregate principal amount of Notes which may be issued under the Programme to Euro 15,000,000,000 was authorised by the board of managing directors of Deutsche Telekom on 14 May 2001 and by the board of managing directors of Finance on 18 May 2000 and the supervisory board of Finance on 21 May 2001. The further increase of the aggregate principal amount of Notes which may be issued under the Programme to Euro 20,000,000,000 was authorized by the board of managing directors of Deutsche Telekom on 1 April 2003 and by the board of managing directors of Finance on 1 April 2003 and by the supervisory board of Finance on 1 April 2003. The further increase of the aggregate principal amount of Notes which may be issued under the Programme to Euro 25,000,000,000 was authorized by the board of managing directors of Deutsche Telekom on 29 March 2007 and by the board of managing directors of Finance on 28 March 2007 and by the supervisory board of Finance on 28 March 2007.

Issuers

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Guarantor

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Arranger

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Dealers

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Agents

Fiscal and Principal Paying Agent

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Listing Agent

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Luxembourg

Further Paying Agents

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Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
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