

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

as Issuer

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 official list of 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

Lehman Brothers

UniCredit (HVB)

Deutsche Bank

Goldman Sachs International

Merrill Lynch International

DZ BANK AG

JPMorgan

UBS Investment Bank

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 26 April 2007 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 official list of the Luxembourg Stock Exchange and admitted to trading 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 over-allot 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 Stabilising Manager (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. Any stabilising action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws 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 in respect of the Notes

Issuers:	Deutsche Telekom AG Deutsche Telekom International Finance B.V.
Guarantor:	Deutsche Telekom AG, in respect of Notes issued by Deutsche Telekom International Finance B.V.
Arranger:	Deutsche Bank Aktiengesellschaft
Dealers:	Bayerische Hypo- und Vereinsbank AG Commerzbank Aktiengesellschaft Deutsche Bank Aktiengesellschaft Dresdner Bank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Goldman Sachs International J.P. Morgan Securities Ltd. Lehman Brothers International (Europe) Merrill Lynch International UBS Limited WestLB AG
Fiscal and Principal Paying Agent:	Deutsche Bank Aktiengesellschaft
Paying Agents:	Fortis Banque Luxembourg S.A. and other institutions, all as indicated in the applicable Final Terms.
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, EUR 1,000, if in any currency other than euro, an amount in such other currency nearly equivalent to EUR 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.

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 GBP 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.

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: Floating Rate Notes and Index-linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

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.

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 GBP 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% 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:	<p>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.</p>
Guarantee:	<p>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.</p>
Governing Law:	<p>The Notes will be governed by German law.</p>
Jurisdiction:	<p>Non-exclusive place of jurisdiction for any legal proceedings arising under the Notes is Frankfurt am Main.</p>
Clearance and Settlement:	<p>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 SA/NV ("Euroclear").</p>

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:	F2
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 Deutsche Telekom's customers' purchases of products and services in each of the operating segments, which could have a negative impact on the operating results and financial condition of Deutsche Telekom.
- Because Deutsche Telekom operates in heavily regulated business environments, decisions that regulatory authorities impose on Deutsche Telekom restrict flexibility in managing its business and may force it to offer services to competitors, or reduce the prices it charges for products and services, either of which could have a material negative impact on Deutsche Telekom's revenues, profits and market shares.
- Deutsche Telekom faces intense competition in all areas of its business, which could lead to reduced prices for its products and services and a decrease in market share in certain service areas, thereby having an adverse effect on Deutsche Telekom's revenues and net profit.
- Deutsche Telekom may realise neither the expected level of demand for its 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 Deutsche Telekom's cash flows.
- Failure to achieve the planned reduction and restructuring of personnel could negatively affect Deutsche Telekom's financial objectives and profitability.
- Failure to reach the goals set forth for Deutsche Telekom's recently established call center, technical customer service and technical infrastructure units in Germany (Telekom Service) may jeopardise its aspirations of improved customer service quality and further cost-cutting.
- As a result of dispositions of certain non-core businesses in Germany, there is an increased risk of return of civil servants transferred out of the Group, which could have a negative impact on the staff and cost reduction objectives.
- 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 Deutsche Telekom's mobile telecommunications services business.
- Deutsche Telekom continuously engages in large-scale programmes to reshape its IT-infrastructure to adapt to changing customer needs and organisational requirements. Failure

to effectively plan and monitor these activities could lead to misallocations of resources and impaired processes with negative consequences for Deutsche Telekom's operations.

- System failures due to natural or man-made disruptions could result in reduced user traffic and reduced revenues and could harm Deutsche Telekom's reputation and results.
- Shortcomings in Deutsche Telekom's supply and procurement process could negatively affect its product portfolio, revenues and profits.
- Deutsche Telekom is 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 Deutsche Telekom's results of operations and financial condition.
- Future sales of our shares by the Federal Republic of Germany or KfW Bankengruppe (KfW) may adversely affect the trading prices of Deutsche Telekom's shares and American Depository Shares ("ADS").
- Unexpected difficulties related to the integration of SunCom Wireless Holdings and Orange Nederland or other acquired entities could adversely affect Deutsche Telekom's business and profits.
- Exchange-rate and interest-rate risks have had, and may continue to have, an adverse effect on Deutsche Telekom's revenue and cost 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 Deutsche Telekom's 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

Notes may not be a suitable investment

A potential investor should not invest in Notes which are complex financial Notes unless the investor has the expertise (either alone or with a financial advisor) 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 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. Also, the holder may only be able to reinvest on less favourable conditions as compared to the original investment.

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.

Risk of potential Conflicts of Interest

In case of Notes linked to an underlying, the Issuer, each Dealer or any of their respective affiliates may from time to time engage in transactions relating to such underlying which could create conflicts of interest and may have a negative impact on the underlying value.

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, 53113 Bonn, Germany.

Integrated company

Deutsche Telekom provides network access, communication services and value-added services with ever increasing bandwidth via fixed and mobile networks. With innovative products and services, the Company promotes the personal and social networking between people. There are three customer brands under the global umbrella brand "T": T-Home for all products and services at home; T-Mobile for products and services while on the go; and the brand T-Systems offers medium to large-sized customers ICT solutions around the world.

The focus of T-Home is on the high-growth broadband market with top customer care and retention in voice and data communication. The fixed network paves the way for increasingly higher bandwidths and interactive services, such as the IPTV product Entertain, and is the starting point for the continuing convergence of IT and telecommunications services.

T-Mobile is where Deutsche Telekom bundles its mobile communications activities. T-Mobile International AG is one of the world's leading mobile communications providers, with more than 110 million customers in Europe and the United States. Here, too, the focus of further development is on mobile broadband services with innovative voice and data solutions, such as the mobile Internet service web'n'walk or the social networking feature MyFaves.

T-Systems, Deutsche Telekom's business customer brand, offers multinational corporations and around 160,000 large and medium-sized companies within Germany integrated ICT solutions from one source.

Internationalisation and sustainability

As an internationally oriented company, Deutsche Telekom AG is represented in about 50 countries around the globe. More than half of the revenues from the first half-year of 2007 were generated outside of Germany. The Group is committed to the principles of sustainability and uses economic as well as social and ecological criteria as the basis for its actions. With its environmental and social performance, Deutsche Telekom is regularly at the top of international sustainability indexes.

Financial Information

The consolidated financial statements of Deutsche Telekom as of and for the years ended 31 December 2006 and 31 December 2007 have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**"), in 2006 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), and in 2007 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) and as issued by the International Accounting Standards Board. In each case an unqualified auditors' report has been provided.

Share Capital

As of 1 February 2008 the share capital of Deutsche Telekom amounted to € 11,164,979,182.08 divided into 4,361,319,993 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.

Financial Information

The unconsolidated financial statements under Dutch GAAP as of and for the years ended 31 December 2006 and 31 December 2007 have been audited by Ernst & Young Accountants. In each case an unqualified auditors' report has been provided.

Share capital

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

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

Emittentinnen:	Deutsche Telekom AG Deutsche Telekom International Finance B.V.
Garantin:	Deutsche Telekom AG, in Bezug auf Schuldverschreibungen begeben von Deutsche Telekom International Finance B.V.
Arrangeur:	Deutsche Bank Aktiengesellschaft
Platzeure:	Bayerische Hypo- und Vereinsbank AG Commerzbank Aktiengesellschaft Deutsche Bank Aktiengesellschaft Dresdner Bank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Goldman Sachs International J.P. Morgan Securities Ltd. Lehman Brothers International (Europe) Merrill Lynch International UBS Limited WestLB AG
Fiscal Agent und Hauptzahlstelle:	Deutsche Bank Aktiengesellschaft
Zahlstellen:	Fortis Banque Luxembourg S.A. and other institutions, all as indicated in the applicable Final Terms.
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 EUR 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 annähernd dem Gegenwert von EUR 1.000 entspricht.

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.

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)

**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 können. 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 SA/NV ("**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:	F2
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, Ertragslage, 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 operativen Segmente 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.
- Sollten die mit den vor kurzen in Deutschland eingerichteten Servicegesellschaften (Call Center, Technischer Kundendienst und Technische Infrastruktur) festgelegten Ziele nicht erreicht werden, könnten die Bestrebungen für eine bessere Kunden-Service-Qualität und Kostensenkungsziele der Deutschen Telekom gefährdet werden.

- Als Folge der getätigten Veräußerung bestimmter Nicht-Kerngeschäfte in Deutschland besteht das Risiko der Rückkehr der übertragenen Beamten, was einen negativen Einfluss auf Personal- und Kostenreduzierungsziele der Deutschen Telekom haben könnte.
- 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.
- Zur Anpassung an sich verändernde Kundenbedürfnisse und interne Organisationsanforderungen stößt die Deutsche Telekom fortlaufend und im großen Umfang Programme zur Neugestaltung der IT-Infrastruktur an. Sollten diese Aktivitäten nicht wirksam geplant und überwacht werden, wären Fehlallokationen von Ressourcen und gestörte Prozesse möglich, was negative Konsequenzen für den Geschäftsbetrieb der Deutschen Telekom zur Folge hätte.
- 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.
- Unerwartete Schwierigkeiten im Zusammenhang mit der Integration von SunCom Wireless Holding und Orange Nederland oder anderer Unternehmenserwerbe könnten Geschäft und Ertragslage der Deutschen Telekom negativ 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 Buchwertes bestimmter Vermögenswerte 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.

Zusammenfassung der Risikofaktoren in Bezug auf die Schuldverschreibungen

Schuldverschreibungen als nicht geeignetes Investment

Schuldverschreibungen sind komplexe Finanzinstrumente, in die potentielle Anleger nur investieren sollten, wenn sie (selbst oder durch ihre Finanzberater) über die nötige Expertise verfügen, um die Performance der Schuldverschreibungen unter den wechselnden Bedingungen, die resultierenden Wertveränderungen der Schuldverschreibungen sowie die Auswirkungen einer solchen Anlage auf ihr Gesamtportfolio einzuschätzen.

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 Emittent 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. Außerdem besteht die Möglichkeit, dass der Gläubiger der Schuldverschreibungen eine Wiederanlage nur zu schlechteren als den Bedingungen des ursprünglichen Investments tätigen kann.

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.

Interessenkonflikte

Bei Schuldverschreibungen, die an einen Basiswert gebunden sind, können die Emittentin und die Platzeure oder mit diesen verbundene Unternehmen Geschäfte mit Bezug auf den diesen Schuldverschreibungen zu Grunde liegenden Basiswert abschließen, die Interessenkonflikte auslösen und einen negativen Einfluss auf den diesen Wertpapieren zu Grunde liegenden Basiswert haben können.

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, 53113 Bonn, Bundesrepublik Deutschland.

Integrierter Telekommunikationsanbieter

Netzzugänge, Kommunikations- und Mehrwertdienste stellt die Deutsche Telekom über Festnetz und Mobilfunk mit zunehmend hoher Bandbreite zur Verfügung. Mit innovativen Produkten und Dienstleistungen fördert der Konzern die persönliche und soziale Vernetzung der Menschen. Unter dem Dach des "T", der konzernweiten Unternehmensmarke, stehen die Marken T-Home für "Alles für zu Hause" und T-Mobile für "Alles für unterwegs". Unter der Marke T-Systems bietet der Konzern weltweit Angebote für Mittelstand und Großunternehmen.

Bei T-Home liegt der Schwerpunkt in der Ausrichtung auf den wachstumsstarken Breitbandmarkt mit einer optimalen Kundenbetreuung und Kundenbindung in der Sprach- und Datenkommunikation. Das Festnetz ist der Wegbereiter für immer höhere Bandbreiten und interaktive Dienste – wie etwa die IPTV Entertain-Angebote von T-Home - sowie Ausgangspunkt für die fortschreitende Konvergenz – also das Zusammenwachsen - von IT- und TK-Diensten.

T-Mobile bündelt die Mobilfunkaktivitäten im Konzern. Die T-Mobile International AG gehört zu den weltweit führenden Mobilfunkanbietern mit mehr als 110 Millionen Kunden in Europa und den USA. Im Fokus der Weiterentwicklung stehen mobile Breitbanddienste mit innovativen Sprach- und Datenlösungen – wie web'n'walk oder MyFaves.

T-Systems, die Geschäftskundenmarke der Deutschen Telekom, bietet multinationalen Konzernen und rund 160.000 großen und mittelständischen Unternehmen in Deutschland integrierte ICT-Lösungen aus einer Hand.

Internationalisierung und Nachhaltigkeit

Als international ausgerichteter Konzern ist die Deutsche Telekom AG in rund 50 Ländern rund um den Globus vertreten. Mehr als die Hälfte des Konzernumsatzes wurde im ersten Halbjahr 2007 außerhalb Deutschlands erwirtschaftet. Der Konzern bekennt sich zum Leitbild der Nachhaltigkeit und legt seinem geschäftlichen Handeln sowohl wirtschaftliche als auch soziale und ökologische Kriterien zugrunde. Mit ihrer Umwelt- und Sozialperformance belegt die Deutsche Telekom regelmäßig Spitzenpositionen in internationalen Nachhaltigkeitsratings.

Finanzinformationen

Die Konzernabschlüsse der Deutschen Telekom für die am 31. Dezember 2006 und am 31. Dezember 2007 beendeten Geschäftsjahre wurden nach den International Financial Reporting Standards ("IFRS") aufgestellt, in 2006 in der Form wie sie in der Europäischen Union (EU) anzuwenden sind, und den ergänzend nach § 315a Abs. 1 HGB zu beachtenden handelsrechtlichen Vorschriften sowie in 2007 in der Form wie sie in der Europäischen Union (EU) anzuwenden sind, den ergänzend nach § 315a Abs. 1 HGB zu beachtenden handelsrechtlichen Vorschriften sowie wie von dem International Accounting Standard Board ("IASB") herausgegeben.

Aktienkapital

Zum 1. Februar 2008 betrug das Aktienkapital der Deutschen Telekom € 11.164.979.182,08, eingeteilt in 4.361.319.993 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.

Finanzinformationen

Die nicht-konsolidierten Jahresabschlüsse unter niederländischen Rechnungslegungsgrundsätzen für die am 31. Dezember 2006 und am 31. Dezember 2007 beendeten Geschäftsjahre wurden von Ernst & Young Accountants geprüft. Es wurde jeweils ein uneingeschränkter Bestätigungsvermerk erteilt.

Aktienkapital

Das genehmigte Kapital der Finance besteht aus 5.000 Stammaktien mit einem Nennbetrag von jeweils EUR 453,78. Das ausgegebene Aktienkapital beträgt EUR 453.780 und besteht aus 1.000 Stammaktien mit einem Nennbetrag von jeweils EUR 453,78. 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:	F2

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.

F2: Indicates satisfactory 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 Deutsche Telekom's customers' purchases of its products and services in each of its operating segments, which could have a negative impact on the operating results and financial condition of Deutsche Telekom.

Deutsche Telekom's business is influenced by general economic conditions in Germany, Europe and the United States. If economic growth in the countries in which it conducts business deteriorates in 2008, this could have an adverse effect on the level of demand by Deutsche Telekom's individual customers for its products and services and the willingness of the business customers to invest in information and communications technology (ICT). This could, in turn, jeopardise the attainment of the 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 Deutsche Telekom operates in heavily regulated business environments, decisions that regulatory authorities impose on Deutsche Telekom's restrict flexibility in managing its business and may force it to offer services to competitors, or reduce the prices it charges for products and services, either of which could have a material negative impact on Deutsche Telekom's revenues, profits and market shares.

Unlike many of Deutsche Telekom's competitors, the Company is subject to strict regulation in many market segments in Germany and Central and Eastern Europe, particularly with respect to the fixed-line network business of the Broadband/Fixed Network operating segment. Government agencies regularly intervene in the offerings and in the pricing of the fixed-line products and services. Regulation can impede Deutsche Telekom's ability to grow and to react to the initiatives of competitors and technological change.

At the European Union level, the framework for telecommunications regulation is currently under review. The European Commission has proposed changes that would not lead to a significant reduction of regulation. 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, either of which could have negative effects on Deutsche Telekom's business and pricing flexibility and, as a result, could affect its ability to generate revenue and profit. For example, the European Commission has proposed, under certain conditions, to regulate separately network operations and services provided through a network. The European Parliament and the Council of Ministers are expected to discuss these proposals in 2008.

Access and price regulation applies primarily to telecommunications services that are considered to involve an operator with "significant market power". Deutsche Telekom has been designated an operator with significant market power in most fixed-line markets in which it operates, 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 its business. So far, Deutsche Telekom has 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.

Additionally, since Deutsche Telekom is offering mobile and fixed-line triple-play services (high-speed Internet access, communications services and entertainment offerings), media regulation may become increasingly important to its business. This regulation might restrict the 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.

Mobile Communications

Deutsche Telekom's mobile telecommunications operations, which are conducted through its operating segments Mobile Communications Europe and Mobile Communications USA, are supervised by regulatory authorities in the countries in which Deutsche Telekom operates. It expects a tightening of regulatory control in the area of mobile telecommunications, with a probable negative effect on pricing and revenues, including as a result of further reductions in international roaming charges for the wholesale and retail voice market, data and SMS roaming charges, call termination charges and also possible access regulation in some markets. In Europe, national regulatory authorities and various EU bodies have the power to regulate based on market investigations or reviews.

With respect to international roaming charges for the wholesale and retail voice market, a European Union-wide regulation, valid until June 2010, is presently in place. However, in late 2008, the European Commission is expected to report on its evaluation of the present regulation and will make recommendations for modifications it deems appropriate.

Mobile call termination charges are also subject to regulatory measures in T-Mobile's markets that can have a negative effect on revenues. Various reviews of call termination rates and court proceedings relating to regulatory measures are pending in several of T-Mobile's markets.

Recently, the European Commission launched an inquiry into the data and SMS roaming market. Should the European Commission determine that prices for data and SMS roaming are too high, a regulation with subsequent price reductions may be imposed.

Deutsche Telekom's 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 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 Deutsche Telekom's business. If it fails to comply with applicable regulations, Deutsche Telekom may be subject to sanctions, which may have an adverse effect on its mobile telecommunications business in the United States.

Broadband/Fixed Network

Deutsche Telekom believes that, for the foreseeable future, the Federal Network Agency is likely to consider the Company 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 it held monopoly rights in the past. As a result, Deutsche Telekom expects that the strict regulatory provisions of the Telecommunications Act relating to providers with significant market power will continue to be applied to our activities in those markets. Considering that in many markets Deutsche Telekom's competitors are unlikely to gain significant market power in the near future, it expects that it will have to compete in important markets with providers not subject to these regulatory obligations. Therefore, these competitors may be expected to have more flexibility than Deutsche Telekom has 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, Deutsche Telekom is required to offer an Internet Protocol (IP) Bitstream Access product in the wholesale-market, which is regulated in terms of price, possibly below the current prices for Resale DSL. Additionally, it is required to offer unbundled broadband access to competitors by April 2008 or sooner if Broadband/Fixed Network introduces its own all IP-product. Unbundled broadband access for Deutsche Telekom's 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 Deutsche Telekom's market shares, revenues and profits.

Regulatory authorities may choose to classify its entry into new markets as extensions of our existing services and subject such new businesses to regulation instead of considering it an unregulated new product offering. For example, the triple-play offerings using DSL technology over our new 50 Mbit/s high-speed fiber-optic network (VDSL) may be viewed by the Federal Network Agency as an extension of the prior double-play and triple-play service offerings, which were based on ADSL2+ technology, and not as a new market. This could subject the VDSL technology-based product offerings to extensive regulation.

According to a regulatory order dated 29 June 2007, Deutsche Telekom must grant access to competitors to ducts or, alternatively, to dark fiber cable. The replication of VDSL products in particular by competitors using their own infrastructures is hence being made easier at Deutsche Telekom's expense. Some network operators have expressed the intention to establish VDSL access through Deutsche Telekom's ducts. This would increase the competitive pressure on the "Entertain" products and other services, which could have a negative impact on Deutsche Telekom's market shares, revenues and profits.

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

Further market analysis procedures under the EU regulatory framework continue to be carried out in Hungary and Slovakia throughout 2008, which could eventually lead to reductions in the prices Deutsche Telekom may charge to customers for wholesale and retail services. These developments could also contribute to a loss of its market shares in these countries. The 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.

Deutsche Telekom faces intense competition in all areas of its business, which could lead to reduced prices for its products and services and a decrease in market share in certain service areas, thereby having an adverse effect on Deutsche Telekom's revenues and net profit.

Mobile Communications

Each of T-Mobile USA's three main national competitors in the United States - AT&T, Verizon Wireless and Sprint/Nextel - is 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 terms of pricing, products, coverage and the introduction of new technologies and services. Intense competition from various regional and other small national operators also exists in T-Mobile USA's markets. Since T-Mobile USA is a significant contributor to Deutsche Telekom's overall revenues 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 and profitability of our Group as a whole.

Competition in the European mobile telecommunications markets has increased and can be expected to increase further in the future. Growing competition results, in part, from the market entry of low cost carriers, such as mobile virtual network operators (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 W-LAN, DSL, WiMax and Voice over Internet Protocol (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.

Broadband/Fixed Network

In Germany, and to a lesser extent in Central and Eastern Europe, fixed-line network voice telephony service revenues and prices have continued to decline, primarily due to intense competition and adverse decisions imposed by the national regulation authorities, and also due to customers' ongoing substitution of mobile telecommunications and VoIP services for fixed-line usage.

Due to intense competition from mobile operators, fixed-line carriers and cable operators, Deutsche Telekom continued to lose market share in 2007. Deutsche Telekom expects 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 as well as in Central and Eastern Europe. Furthermore, regulatory actions by the Federal Network Agency and the increasing quality and acceptance of VoIP services will increase pressure on the 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, Deutsche Telekom could face even fiercer competition and lose further market share if the competitors were to combine their businesses.

Existing mobile substitution effects are intensified as a result of the proliferation of MVNOs. 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. Wholesale DSL competitors are already offering broadband/VoIP bundles without a Deutsche Telekom fixed-line connection. Thus, Deutsche Telekom expects that the 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 Deutsche Telekom's Broadband/Fixed Network operating segment will be to improve its reputation for customer service while implementing cost-saving measures. If Deutsche Telekom does not continue to improve the customer service sustainably, there is a risk that it might not stop the continuing loss of customers.

Business Customers

Deutsche Telekom's Business Customers operating segment, operated through T-Systems Business Services GmbH and T-Systems Enterprise Services GmbH (collectively, "**T-Systems**"), is a provider of solutions covering the entire 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. In addition, T-Systems has employed some restructuring and enhancement initiatives to improve the efficiency and integration of its ITC services. Therefore, Deutsche Telekom is in negotiations with some international IT providers for international partnerships with T-Systems or parts of T-Systems. Deutsche Telekom can provide no assurance that these negotiations will result in any transactions. If the various initiatives introduced by T-Systems are not successful, T-Systems may lose market share to its competitors or incur loss.

Deutsche Telekom may realise neither the expected level of demand for its 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 Deutsche Telekom's cash flows.

There is a risk that Deutsche Telekom 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 it would want to charge. There is also a risk that Deutsche Telekom will not identify trends correctly, or that it 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 Deutsche Telekom's 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 Deutsche Telekom's investments, in particular in UMTS licenses and network infrastructure may be negatively affected, which could result in significant write-downs of the value of its UMTS or other licenses or other network-related investments.

In September 2007, Deutsche Telekom re-launched our triple-play offering under the product name "Entertain" for the customers in Germany with an enlarged content offering and new features. "Triple-play" refers to the interaction between high-speed Internet access, communications services and entertainment offerings. The market acceptance for these new products and services could be negatively affected by a reduced willingness to pay for additional channels. Since the product is very complex with regard to content and technology, it may prove hard to convey its benefits to the customers via the traditional sales channels. Furthermore, potential software and IT problems could have a negative impact on its market success. In addition, the bulk of German apartment buildings have been equipped with low-priced cable TV facilities for a long time, which could lessen the propensity to switch to a new technology. Each of these factors could also have an adverse effect on Deutsche Telekom's 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 further our market share and revenues in our fixed-line business. The introduction of mobile handsets with VoIP functionality may also adversely affect Deutsche Telekom's pricing structures and market share in its mobile voice telephony business. If Deutsche Telekom does not appropriately anticipate the demand for new technologies, and adapt its strategies and cost structures accordingly, Deutsche Telekom may be unable to compete effectively, with the result that its business activities, financial condition and results may suffer.

Failure to achieve the planned reduction and restructuring of personnel could negatively affect Deutsche Telekom's financial objectives and profitability.

Deutsche Telekom announced an extensive staff restructuring programme for its operations in Germany in November 2005, under which a total of approximately 32,000 employees are scheduled to leave the Group by the end of 2008. Some of these employees have already left Deutsche Telekom as part of the sale of Vivento business lines and others through voluntary early retirement and other voluntary measures. By the end of 2007, the Group had already realised about 26,500 of these planned staff reductions.

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

In 2007, approximately 1,200 employees of Vivento Customer Services GmbH were transferred to walter services ComCare GmbH & Co. KG/walter services Holding GmbH and several regional units of arvato AG in connection with the transfer of certain Vivento call center operations. Further sales of

Vivento's business lines are planned for 2008 and are dependent on, among other things, finding suitable buyers and achieving certain financial objectives.

Failure to reach the goals set forth for Deutsche Telekom's recently established call center, technical customer service and technical infrastructure units in Germany (Telekom Service) may jeopardise its aspirations of improved customer service quality and further cost-cutting.

On 25 June 2007, certain call center units, technical customer service units and the operational units of Deutsche Telekom's technical infrastructure were transferred into three newly established companies within the Group. This transfer involved about 50,000 employees and was designed to focus on quality of service under conditions that are in line with market expectations and to secure the competitiveness in the German market. The success of the "Telekom Service" initiative largely depends on the rapid transformation of business processes, effective reporting lines and, despite the agreed upon salary reductions, enhanced employee productivity. Failure to successfully adapt to the new organisational requirements could make Deutsche Telekom fall short of its customer service and cost efficiency goals, which could impair the ability to stem loss of market share and improve employee productivity.

As a result of dispositions of certain non-core businesses in Germany, there is an increased risk of return of civil servants transferred out of the Group, which could have a negative impact on the staff and cost reduction objectives.

Deutsche Telekom's employees who have civil servant status can, based on German civil service law, only be completely transferred to the buyer of a business from it in exceptional cases. Therefore, as a general matter, such transferred civil servants are placed on leave of absence while employed with the transferred business unit. Accordingly, in the event of termination of employment with the transferred business unit, there is a risk that such civil servants will return to the Deutsche Telekom Group. This risk of return can be reduced by an agreement on compensation payments, but it cannot be completely eliminated. As of 31 December 2007, the total number of civil servants that can avail themselves of this right of return to the Deutsche Telekom Group was approximately 1,400.

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 Deutsche Telekom's wireless 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 Organisation 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. Deutsche Telekom cannot provide assurance that research in the future will not establish 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 devices and may result in significant restrictions on the location and operation of T-Mobile's cell sites and the usage of T-Mobile's wireless devices, telephones or products using W-LAN technology. Such restrictions on use could have material adverse effects on Deutsche Telekom'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.

Deutsche Telekom does not know whether legislators, regulators or private litigants will refrain from taking other actions adverse to it, 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 the mobile communications businesses.

Deutsche Telekom continuously engage in large-scale programmes to reshape the IT infrastructure to adapt to changing customer needs and organisational requirements. Failure to effectively plan and monitor these activities could lead to misallocations of resources and impaired processes with negative consequences for Deutsche Telekom's operations.

In May 2007, Deutsche Telekom launched the "IT 2010" initiative as a comprehensive Group plan for all IT activities. This programme has been established to implement the Group IT strategy and is supervised by the Chief Information Officer (CIO) board. The initiative comprises several cross-company workstreams and additional intra-company initiatives. The overall focus of the programme is oriented towards "Customer Value", "Operational Excellence" and "Cost Reduction". By 2010, cost savings of up to EUR 1 billion, which are expected to be realised through reduced IT budgets, unified workplace systems and minimised manual interfaces, are anticipated. In accordance with the needs of Deutsche Telekom's customers, the programme is geared towards boosting the development of IP-based telecommunications products and services.

Due to the enormous complexity of the implementation of this IT strategy, malfunctions, connectivity issues, implementation delays, and other unforeseen problems, could result in costly process impairments and remediation, and possible extended down-times of IT processes, and therefore frustrate the attainment of Deutsche Telekom's cost-savings goals.

One of Deutsche Telekom's most important IT programmes deals with the long-term development and implementation of a comprehensive IP platform that will 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, Deutsche Telekom will be subject to risks inherent in all IT systems connected to the Internet, such as hacker attacks, "spam calls" and other disruptions. These risks could lead to a temporary interruption of Deutsche Telekom's IT resources and, as a result, impair the performance of its technical infrastructure.

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

Deutsche Telekom's 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. Deutsche Telekom attempts 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. Deutsche Telekom cannot, however, be certain that these measures will be effective under all circumstances and that disruptions or damages will not occur. Damage or disruption to its infrastructure may result in reduced user traffic and revenues, increased costs, and damage to its reputation.

Shortcomings in the supply and procurement process could negatively affect Deutsche Telekom's product portfolio, revenues and profits.

As a fully integrated ICT service provider, Deutsche Telekom cooperates 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 its business. Although it does not believe that it is materially dependent on any single supplier, Deutsche Telekom's contractors may want to extend delivery times, raise prices and limit supply due to their own shortages or changing business and product strategies.

If the commercial partners fail to deliver products and services in a timely and qualitative manner, the ensuing disruptions in Deutsche Telekom's chain of supply could negatively affect the product portfolio, cost structure, revenues and profits. Deutsche Telekom takes a variety of measures to shelter ourselves from these risks, but it cannot be sure that these measures will be effective under all circumstances.

Deutsche Telekom is 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 Deutsche Telekom's results of operations and financial condition.

Deutsche Telekom is subject to numerous risks relating to legal and regulatory proceedings, in which it is currently a party or which could develop in the future. Litigation and regulatory proceedings are inherently unpredictable. Legal or regulatory proceedings in which it is or come to be involved (or

settlements thereof) may have a material adverse effect on Deutsche Telekom's results of operations or financial condition.

Future sales of Deutsche Telekom's shares by the Federal Republic of Germany or KfW Bankengruppe (KfW) may adversely affect the trading prices of our shares and American Depository Shares ("ADS").

The Federal Republic of Germany (which owns, together with KfW, approximately 31.7% of our outstanding shares) has announced its intention to continue its privatisation policy. Accordingly, Deutsche Telekom cannot predict if and when the Federal Republic of Germany will further reduce its holdings of its equity interest in Deutsche Telekom AG. The reduction in the Federal Republic of Germany'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 of Germany or KfW, or speculation to this effect on the markets, could have a negative impact on the price of our shares and ADSs.

In April 2006, the Blackstone Group purchased 191.7 million of Deutsche Telekom's 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. As the Blackstone lock-up period ends in April 2008, market speculation regarding a significant sale of shares currently held by Blackstone could have a negative impact on the price of our shares. Deutsche Telekom is not a party to these agreements and has no right to enforce or waive the lock-up restrictions.

Certain of KfW's debt instruments are exchangeable into shares of Deutsche Telekom AG, which, upon exchange, could also have a negative impact on the price of Deutsche Telekom's shares. KfW issued a class of exchangeable bonds in 2003 that matures on 8 August 2008. Exchangeable bonds are debt securities that the holder may exchange for shares in another company during a predefined period and at a predefined price. When the exchange price is exceeded and when the holder exercises the exchange right, KfW will be obligated to exchange the bonds offered for Deutsche Telekom AG shares. When the exchangeable bonds mature on 8 August 2008, KfW has the right to settle them in Deutsche Telekom AG shares. These exchangeable bonds in the aggregate amount of EUR 5 billion have a share exchange price of EUR 17.526 per ordinary share. Accordingly, approximately 285.3 million shares may be delivered by KfW in exchange for the outstanding bonds maturing in August 2008. The delivery to debtholders by KfW of a significant amount of Deutsche Telekom's shares could have a negative impact on the market price of its shares.

Unexpected difficulties related to the integration of SunCom Wireless Holdings and Orange Nederland or other acquired entities could adversely affect Deutsche Telekom's business and profits.

On 16 September 2007, T-Mobile USA and SunCom Wireless Holdings, Inc. ("**SunCom**") announced that they had entered into a definitive merger agreement for the acquisition by T-Mobile USA of all of the outstanding shares of common stock of SunCom, for an aggregate of approximately USD 1.6 billion (EUR 1.1 billion). With the acquisition of SunCom, completed on 22 February 2008, Deutsche Telekom hopes to realise significant cost synergies, reduce roaming expenses and improve Deutsche Telekom's market presence.

On 1 October 2007, T-Mobile Netherlands had concluded a transaction with France Télécom regarding the acquisition of the Dutch mobile operator, Orange Nederland, for a purchase price of EUR 1.3 billion. By combining these businesses, Deutsche Telekom expects to realise significant synergies with regard to marketing expenses and network infrastructure.

Any major problem in integrating networks, operations, product offerings, personnel, standards and procedures of these or other acquired companies may have material adverse effects on the results of operations and the ability to improve Deutsche Telekom's market position as anticipated.

Exchange-rate, interest-rate and rating risks have had, and may continue to have, an adverse effect on Deutsche Telekom's revenue and cost development.

Deutsche Telekom is exposed to currency risks related to its international business activities. Generally, its Central Treasury seeks to hedge currency risks that may have a negative impact on Deutsche Telekom's cash flows, although there can be no guarantee that the hedging strategies will succeed. Currency risks may have a negative impact on the results of operations when amounts in

local currencies are translated into euro, particularly in connection with U.S. dollar-denominated and British pound sterling-denominated results.

Deutsche Telekom is also exposed to interest-rate risks, primarily in relation to 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, the Management Board specifies ratios of fixed and variable debt in these three currencies. The Central Treasury then takes measures, using derivative instruments and other measures, to implement the interest-risk management decisions of the Management Board.

In 2007, all three rating agencies maintained Deutsche Telekom's long-term rating at either A- or A3. However, in May 2007, Fitch Ratings changed its outlook from "stable" to "negative". A decrease in Deutsche Telekom's credit ratings below certain thresholds by various rating agencies would result in an increase in interest rates due to step-up provisions in certain bonds and medium-term notes.

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

Deutsche Telekom reviews on a regular basis the value of each of its subsidiaries and their assets. In addition to the 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, Deutsche Telekom considers the necessity of performing certain valuation tests, which may result in impairment charges. The recognition of impairments of intangible assets, property, plant and equipment and financial assets could cause Deutsche Telekom to take large, non-cash charges against net profit, which could lead to a reduction in the trading price of its 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 financial year ended on 31 December 2007 consisting of

- Consolidated income statement (page 104 in the Annual Report of 2007),
- Consolidated balance sheet (page 105 in the Annual Report of 2007),
- Consolidated cash flow statement (page 106 in the Annual Report of 2007),
- Statement of recognised income and expense (page 107 in the Annual Report of 2007),
- Notes to the consolidated financial statements (pages 108 to 196 in the Annual Report of 2007).

Auditors' Report (page 198 in the Annual Report of 2007).

the audited consolidated financial statements of Deutsche Telekom for the financial 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 recognised 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 financial year ended on 31 December 2007 consisting of

- Balance sheet (page 5 in the Annual Report of 2007),
- Profit and loss account (page 6 in the Annual Report of 2007),
- Cash flow statement (page 7 in the Annual Report of 2007),
- Notes to the balance sheet and profit and loss account (pages 8 to 23 in the Annual Report of 2007),

Auditors' Report (page 26 in the Annual Report of 2007).

the audited financial statements of Finance for the financial 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 to the balance sheet and profit and loss account (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 EUR 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, EUR 1,000 and if in any currency other than euro, in an amount in such other currency nearly equivalent to EUR 1,000 at the time of the issue of the Notes. The minimum denomination of the Notes may be smaller than EUR 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 GBP 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 the Company is Deutsche Telekom AG. Deutsche Telekom is a private stock corporation organised under German law registered with the local court (*Amtsgericht*) of Bonn under the number HRB 6794. The 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 of Germany. In 1989, the Federal Republic of Germany 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 Deutsche Telekom's predecessor, Deutsche Bundespost Telekom. At the same time, the Federal Republic of Germany also began the liberalisation of the German telecommunications market. Deutsche Telekom was 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 EU Commission, the telecommunications sector in Germany was further liberalised on 1 January 1998, through the opening of the public fixed-line voice telephony services to competition.

Since then, Deutsche Telekom has faced intense competition and has been required, among other things, to offer competitors access to its 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.

Deutsche Telekom's business areas are Broadband/Fixed Network, Mobile Communication and Business Customers.

Description of Business

Mobile Communications

Principal Activities

Deutsche Telekom's mobile communications business is comprised of two separate reporting segments, Mobile Communications Europe and Mobile Communications USA, collectively referred to as T-Mobile. Mobile Communications Europe includes the mobile operations in Germany, the United Kingdom, Poland, Hungary, The Netherlands, the Czech Republic, Austria, Croatia, Slovakia, Macedonia and Montenegro. Mobile Communications USA includes the mobile operations in the United States through T-Mobile USA.

The principal services offered by the mobile communications business to residential and business customers are digital mobile telephony voice services and data services, such as SMS (Short Message Service), MMS (Multimedia Messaging Services), Mobile Internet and other data services.

These voice and data services are provided based on mobile communication technologies such as GSM (Global System for Mobile communications), including GPRS (General Packet Radio Service), and EDGE (Enhanced Data rates for Global Evolution), and UMTS (Universal Mobile Telecommunications System), including HSDPA (High-Speed Downlink Packet Access) and HSUPA (High-Speed Uplink Packet Access). T-Mobile also operates numerous W-LAN HotSpots. T-Mobile offers national and international roaming services to its customers through a number of 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 on both a prepay basis and a contract basis.

T-Mobile customers generally 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 specified 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) cards 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 rate 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 rate plan, such as whether the called party is also a customer of the same network.

Global Branding and Alliances

In 2007, T-Mobile, through the Open Handset Alliance, joined with leading technology and wireless companies and announced the development of Android, which is anticipated to be an open and comprehensive platform for mobile devices. The Open Handset Alliance currently consists of thirty-four multinational companies, including, among others, T-Mobile, Google Inc., High Tech Computer Corp., Qualcomm Inc., and Motorola, Inc. This alliance shares common goals to foster innovation relating to mobile devices and to provide consumers with a better user experience. By providing developers with a new level of openness that enables them to work more collaboratively, Android aims to accelerate the pace at which new and compelling mobile applications are made available to consumers. The first phones based on Android are expected to be available in the second half of 2008.

In 2006, Deutsche Telekom 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 Telefónica to leave the alliance in 2006 following Telefónica's acquisition of O₂ plc.

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 Deutsche Telekom's markets is based on GSM network technology. GPRS technologies have been deployed to add data capabilities to the GSM network, which are being further enhanced in terms of performance and capacity by EDGE technology. EDGE is currently commercially available in the United States, Germany, the Czech Republic, Austria, Poland, Hungary, Croatia, Macedonia, Slovakia and Montenegro. In urban and suburban areas in Europe with a higher demand for data capacity, this technology is supplemented by UMTS-FDD (Frequency Division Duplex) or UMTS-TDD (Time Division Duplex) technology. The network is fully integrated and allows a seamless user experience for voice and data services.

In 2006, all of Deutsche Telekom's markets in Europe with UMTS-FDD coverage areas were upgraded to support HSDPA (High-Speed Downlink Packet Access) and HSUPA (High-Speed Uplink

Packet Access) technology. HSDPA allows data rates of up to 7.2 Mbit/s in the downlink and HSUPA allows data rates of up to 1.4 Mbit/s in the uplink.

Based on the spectrum acquired in 2006, T-Mobile USA also started to build out its UMTS-FDD network in 2007 and expects to launch services employing this technology to specific markets in 2008.

In 2007, T-Mobile USA launched FlexPay, a new product which combines characteristics of contract and prepay offerings. FlexPay allows services to be purchased with or without a contract on the basis of a fixed monthly fee paid in advance. This product includes similar specified amounts of airtime, data volume or messages for a monthly fee as traditionally offered to contract customers who pay for their services in arrears. Usage over the paid-in-advance bundle is charged based on the purchase of prepay services at specific FlexPay rates. FlexPay customers who subscribe to a contract are reported as contract customers; otherwise they are considered prepay customers.

Also in 2007, T-Mobile USA launched its HotSpot@Home product, which combines W-LAN and T-Mobile USA's nationwide voice and data network. Customers with the HotSpot@Home service can get improved mobile coverage, and, with the purchase of an add-on plan, unlimited domestic calling over their personal W-LAN connection when at home. When mobile, customers can get the same benefits at all of the 9,700 T-Mobile HotSpot locations across the United States (including roaming). During 2008, T-Mobile USA's Wi-Fi agreement with Starbucks will end and Wi-Fi operations in Starbucks locations will transition from T-Mobile USA to AT&T. After the transition is complete, T-Mobile USA HotSpot and HotSpot@Home customers will be able to continue to obtain Wi-Fi access at Starbucks locations for the next five years under a roaming agreement between T-Mobile USA and AT&T.

In addition, T-Mobile offers mobile broadband data services through its W-LAN HotSpots in Europe and in the United States. The integration of W-LAN HotSpots and the mobile network enables 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

Deutsche Telekom's 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 Deutsche Telekom's 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. Competitors may calculate their churn rates using methods different from ours. In addition, because Deutsche Telekom uses different calculation methodologies in different jurisdictions, the own churn figures are not comparable across all of our national operations. Deutsche Telekom's churn methodologies are described in greater detail under each national discussion below.

Mobile Communications Europe

Germany

Through T-Mobile Deutschland, T-Mobile offers mobile telecommunications services to individual and business customers in Germany. At 31 December 2007, T-Mobile Deutschland had approximately 36.0 million customers, including approximately 0.7 million M2M cards in use in machine-to-machine applications that were counted as customers for the first time in 2006. There were approximately 31.4 million customers at 31 December 2006, including approximately 0.5 million M2M cards in use. Of the total customers at 31 December 2007, approximately 16.1 million were contract customers,

compared to approximately 15.1 million at 31 December 2006. T-Mobile Deutschland had approximately 19.9 million prepay customers at 31 December 2007, compared to approximately 16.3 million at 31 December 2006.

T-Mobile Deutschland's total average churn rate for 2007 was 1.1% per month, compared to an average churn rate of 1.6% per month in 2006, due primarily to a decrease in the prepay churn rate. The average contract customer churn rate was 1.2% per month in 2007, which remained unchanged compared to 2006. The average prepay churn rate during 2007 was 1.0% per month, compared to the average prepay churn rate of 2.0% per month during 2006, which was primarily driven by the change of churn policy in 2007. In general, a contract customer of T-Mobile Deutschland is churned either after the voluntary termination upon the lapse of the customer's contract or after forced contract termination due to the customer's failure to fulfill contractual obligations.

As a result of court proceedings against competitors, T-Mobile Deutschland changed its deactivation policy at the beginning of 2007 in favor of its prepay customers. These customers can now use their prepaid credit longer than before. Since the beginning of 2007, T-Mobile Deutschland's prepay churn policy states that the contractual relationship between T-Mobile and the prepay customer starts with the activation of the prepay SIM card and continues for an indefinite time. Without a notice period, the contractual relationship can be terminated by the customer in writing or by calling a T-Mobile service center. The termination of the contractual relationship by the customer is directly followed by disconnection from the network (churn). The contractual relationship can be terminated by T-Mobile in writing or by SMS with one month prior notice. After the one month notice period, the customer is churned, unless the account is topped up or the customer generates outgoing voice or data traffic during the one-month notice period.

Until 31 December 2006, T-Mobile Deutschland's prepay churn policy stated that in the 12 months following activation, a customer could originate calls/data traffic and receive data or voice communication ("**phone-time**"). In the following 92 days, the customer could only receive data and voice communication ("**message-time**") and originate only SMS traffic. After these approximately 15 months, the prepay customer was churned, unless the prepay account was topped-up during the approximately 15-month period. In that case, if a EUR 15 top-up credit was added to the account, the customer got 215 days of phone-time plus 92 days of message-time. With EUR 30 and EUR 50 top-up credits, the phone-time period was again 12 months plus 92 days message-time. For two prepaid tariffs, the churn policy was different than described above. For these special tariffs, phone-time for standard top-ups of EUR 15, EUR 30 and EUR50 was 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 2007, T-Mobile UK had approximately 17.3 million customers, compared to approximately 16.9 million at 31 December 2006. Of the total customers at 31 December 2007, approximately 3.9 million were contract customers, compared to approximately 3.7 million at 31 December 2006, and approximately 13.4 million were prepay customers at 31 December 2007, compared to approximately 13.2 million at 31 December 2006. 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. In the T-Mobile UK customer base, M2M cards account for less than one percent of the overall prepay customer base.

Of the total number of T-Mobile UK customers at 31 December 2007 and 2006, approximately 5.2 million and 5.3 million, respectively, were customers of Virgin Mobile Telecoms Limited ("**Virgin Mobile**"), which is an MVNO. T-Mobile UK is reporting Virgin Mobile customers as prepay customers. All Virgin Mobile customers currently use T-Mobile UK prepaid technology. Virgin Mobile is continuing to increase their contract tariff offerings. However, due to the technology used it is currently impossible for T-Mobile UK to differentiate Virgin Mobile customers as either contract customers or 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 mobile 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.

In December 2007, "3" (a brand name of Hutchison 3G UK Limited) and T-Mobile UK entered into a network sharing agreement to consolidate the 3G Radio Access Networks to provide customers with enhanced network coverage and faster access to high-speed mobile services at a lower cost.

During 2007, T-Mobile UK's average monthly churn rate (not including Virgin Mobile customers) was 3.2%, compared to 3.3% in 2006. The decrease in churn was predominantly caused by a decrease in T-Mobile UK's contract churn rate of 2.0% per month in 2007, compared to 2.1% per month in 2006. This decrease was primarily the result of longer contract duration and improved credit review procedures. The prepay churn rate was 3.8% per month in 2007, which is approximately the same as in 2006.

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 Mobile Communications Europe.

At 31 December 2007, PTC had approximately 13.0 million customers, compared to approximately 12.2 million at 31 December 2006. Of the total customers at 31 December 2007, approximately 5.4 million were contract customers, compared to approximately 4.5 million at 31 December 2006. PTC had approximately 7.6 million prepay customers at 31 December 2007, compared to approximately 7.7 million at 31 December 2006.

PTC's average churn rate during 2007 was 3.1% per month. The average contract churn rate during 2007 was 0.7% and the average prepay churn rate was 4.6% in 2007. A comparison with 2006 is not meaningful due to the first-time consolidation as of 1 November 2006.

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 or data traffic and receive data or voice communications during his respective validity period. The length of the validity period can be up to 12 months depending on the recharge amount (account validity). The validity period can be extended by additional top-up credits. If a customer exceeds the account validity date, he will receive a grace period depending on his tariff, during which the customer can only receive voice and data communications. The grace period is either 3 months or 12 months depending on the tariff plan. If the prepay account has not been topped-up during this grace period, the customer is churned.

Hungary

T-Mobile Hungary, the mobile operations of Magyar Telekom, offers mobile telecommunications services to individual and business customers in Hungary. Deutsche Telekom holds a 59% interest in Magyar Telekom.

At 31 December 2007, T-Mobile Hungary had approximately 4.9 million customers, compared to approximately 4.4 million at 31 December 2006. Of the total customers at 31 December 2007, approximately 1.8 million were contract customers, compared to approximately 1.5 million at 31 December 2006. T-Mobile Hungary had approximately 3.1 million prepay customers at 31 December 2007, compared to approximately 2.9 million at 31 December 2006.

T-Mobile Hungary's average churn rate during 2007 was 1.4% per month, compared to approximately 1.5% per month in 2006. The average contract churn rate in 2007 was approximately 0.8% per month, which was about the same as in 2006. The corresponding prepay customer churn rate was 1.8% in both 2007 and 2006. Generally, a contract customer of T-Mobile Hungary is churned either after the

voluntary termination upon the lapse of his contracted loyalty period or after forced contract termination due to the customer's failure to fulfill payment 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.

On 1 October 2007, T-Mobile Netherlands acquired the Dutch telecommunications provider, Orange Nederland, from France Télécom for approximately EUR 1.3 billion. Through the acquisition of Orange Nederland, T-Mobile Netherlands is the second largest mobile operator in the Dutch market in terms of customer market share.

At 31 December 2007, T-Mobile Netherlands had approximately 4.9 million customers (of which 2.2 million were attributable to Orange Nederland) compared to approximately 2.6 million customers (which did not include Orange Nederland) at 31 December 2006. At the end of 2007, approximately 2.1 million customers were contract customers (of which 0.7 million were attributable to Orange Nederland) and approximately 2.8 million were prepay customers (of which 1.5 million were attributable to Orange Nederland), compared to approximately 1.3 million contract customers and approximately 1.2 million prepay customer at the end of 2006.

T-Mobile Netherlands' average churn rate for 2007 (including Orange Nederland) was 2.8% per month, compared to an average churn rate of 2.8% per month in 2006. Excluding Orange Nederland, T-Mobile Netherlands' average churn rate for 2007 was 3.0% per month, which represents an increase of 0.2 percentage points compared to 2006. This increase was due to an increase in the prepay churn rate, which was partially offset by a decrease in the contract churn rate. The average contract churn rate excluding Orange Nederland decreased from 1.5% per month in 2006 to 1.4% per month in 2007 due to attractive retention offers to contract customers. The average prepay churn rate excluding Orange Nederland increased from 4.2% per month in 2006 to 4.6% per month in 2007 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 data 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.

If an Orange Nederland's prepay customer has neither originated nor received a voice or data activity (or received only SMS/MMS messages) and has not recharged for a period of 3 months, the customer is churned and removed from the reported customer base.

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 2007, T-Mobile Czech Republic had approximately 5.3 million customers, compared to approximately 5.0 million at 31 December 2006. Of the total customers at 31 December 2007, approximately 2.2 million were contract customers, compared to approximately 1.8 million at 31 December 2006. T-Mobile Czech Republic had approximately 3.0 million prepay customers at 31 December 2007, compared to approximately 3.2 million prepay customers at 31 December 2006.

T-Mobile Czech Republic's average churn rate during 2007 was 1.4% per month, which is approximately the same as in 2006. The average contract churn rate during 2007 was 0.6% per month, compared to the average contract churn rate of 0.7% per month during 2006. The average prepay churn rate during 2007 was 1.9% per month, compared to the average prepay churn rate of 1.7% per month during 2006, which was caused 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 2007, T-Mobile Austria had approximately 3.3 million mobile customers (including approximately 1.0 million tele.ring customers). Of the total customers at 31 December 2007, approximately 2.1 million were contract customers (including approximately 0.8 million tele.ring customers) and approximately 1.1 million were prepay customers (including approximately 0.2 million tele.ring customers). In the T-Mobile Austria customer base, M2M cards account for less than one percent of the overall prepay customer base.

T-Mobile Austria's acquisition of tele.ring was subject to certain conditions imposed by the European Commission and the Austrian Telekom-Control-Kommission. The main conditions were the sale of certain sites and UMTS frequencies to smaller competitors in order to strengthen their market and competitive positions. T-Mobile Austria sold 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 2007 slightly increased to 2.0% per month (tele.ring's average churn rate was 2.3% per month during 2007), as compared to the average churn rate of 1.9% per month during 2006. The average churn rate for contract customers during 2007 decreased to 1.2% per month compared to 1.3% per month in 2006 (tele.ring's average contract churn rate was 1.5% per month during 2007). 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 September 2007, T-Mobile Austria has generally churned prepay customers if they had 13 months and two weeks without any charged data or voice communication.

From the beginning of December 2004 until the end of August 2007, T-Mobile Austria had 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 charged data or voice communications.

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 2007, T-Mobile Croatia had approximately 2.4 million customers, compared to approximately 2.2 million at 31 December 2006. Of the total customers at 31 December 2007, approximately 0.7 million were contract customers, compared to approximately 0.6 million at 31 December 2006. T-Mobile Croatia had approximately 1.7 million prepay customers at 31 December 2007, compared to approximately 1.6 million at 31 December 2006.

T-Mobile Croatia's average monthly churn rate during 2007 was 1.3%, compared to 1.1% in 2006. The average contract churn rate was 0.7% per month in 2007, which decreased compared to 1.1% in 2006. The average prepay churn rate during 2007 was 1.5% per month, compared to 1.1% per month in 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. In general, a prepay customer is churned after a period of 270 days without re-charging.

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, Deutsche Telekom did not fully consolidate T-Mobile Slovensko as Deutsche

Telekom was 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 2007, T-Mobile Slovensko had approximately 2.4 million customers, compared to approximately 2.2 million at 31 December 2006. Of the total customers at 31 December 2007, approximately 1.2 million were contract customers, compared to approximately 1.0 million at 31 December 2006. T-Mobile Slovensko had approximately 1.2 million prepay customers at 31 December 2007, which is about the same number of prepay customers it had at 31 December 2006.

T-Mobile Slovensko's average churn rate during 2007 was 1.5% per month, which represents a decrease from 1.6% in 2006. The average contract churn rate decreased, from 1.0% per month in 2006 to 0.8% per month in 2007, primarily due to intensive retention campaigns. The average prepay churn increased from 2.0% per month in 2006 to 2.1% per month in 2007.

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.

Macedonia

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

At 31 December 2007, T-Mobile Macedonia had approximately 1.2 million customers, compared to approximately 0.9 million at 31 December 2006.

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 2007, T-Mobile Crna Gora (Montenegro) had approximately 0.4 million customers, compared to 0.3 million customers at 31 December 2006.

Mobile Communications USA

Through T-Mobile USA, T-Mobile offers mobile telecommunications services to individual and business customers in the United States. At 31 December 2007, T-Mobile USA had approximately 28.7 million customers, compared to approximately 25.0 million at 31 December 2006. Of the total customers at 31 December 2007, approximately 23.9 million, or 83%, were contract customers, compared to approximately 21.2 million, or 85%, at 31 December 2006, and approximately 4.8 million were prepay customers at 31 December 2007, compared to approximately 3.8 million at 31 December 2006.

T-Mobile USA's average churn rate for 2007 was 2.8% per month, down from 2.9% in 2006. The contract customer churn rate decreased to 1.9% in 2007, from 2.2% in 2006, largely due to the introduction of two-year customer contracts in the second quarter of 2006, consistent with plans offered by the other large U.S. national carriers. 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 the 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.

Generally, a contract customer of T-Mobile USA 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 States is churned after a period of 90 days of

inactivity (*i.e.*, the customer has neither originated nor received a voice or data communication in that period).

On 16 September 2007, T-Mobile USA entered into an agreement to purchase the regional mobile communications carrier, SunCom Wireless Holdings, Inc. After obtaining all necessary regulatory and other approvals, on 22 February 2008, T-Mobile USA acquired all of the shares in SunCom for USD 27.00 per share, or USD 1.6 billion (approximately EUR 1.1 billion). The total value of this transaction including net debt of approximately USD 0.8 billion (approximately EUR 0.5 billion) is EUR 1.6 billion. Through this acquisition, T-Mobile USA will be expanding its network in the southeastern United States, Puerto Rico and the U.S. Virgin Islands, thereby expanding its footprint in the United States market.

On 29 November 2006, T-Mobile USA was awarded 120 licenses in the FCC Auction No. 66 ("**Auction 66**"), which offered a total of 90 MHz of Advanced Wireless Services (AWS) spectrum in the 1700 MHz and 2100 MHz frequency bands across the United States. The total purchase price for these licenses was USD 4.2 billion (EUR 3.3 billion). 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. During 2007, T-Mobile USA has been investing in network infrastructure in certain markets to utilise the AWS spectrum and expects to launch AWS services in 2008 in these markets.

On 5 January 2005, T-Mobile USA and AT&T (formerly Cingular Wireless) 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 as previously disclosed in Deutsche Telekom's Annual Reports in 2006 and 2005. In connection with this transaction, on 7 January 2007, T-Mobile USA gave up 10 MHz of spectrum in the New York City Basic Trading Area (BTA) to AT&T, and T-Mobile USA received 5 MHz of spectrum from AT&T in each of the nine BTAs in the California/Nevada market. In addition, T-Mobile USA acquired an option to purchase from AT&T 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, T-Mobile USA elected to exercise the option with respect to the San Diego BTA only.

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, IT services 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 Deutsche Telekom's business caused by any such contractual breaches.

Marketing and Sales

Each of T-Mobile's principal subsidiaries uses its own mix 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 sells its products and services to retail customers through its own network of direct retail stores, which are continuously being expanded. In Germany, these direct retail stores (Telekom shops (formerly T-Punkt shops)) are operated by a subsidiary of the Deutsche Telekom Group. Further direct sales channels include a direct sales force dedicated to business customers, sales through customer service and the T-Mobile websites, 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. Deutsche

Telekom's 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 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. In the United States, MVNOs are currently a minor but growing distribution channel for T-Mobile USA products and services. In general, mobile telecommunications resellers purchase minutes and data 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 at no additional charge, 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.

Through its "HotSpot" product, T-Mobile USA operates one of the largest carrier-owned W-LAN networks in the United States, available in more than 9,700 convenient public access locations nationwide (including roaming locations).

Since 2005, T-Mobile, through its "web'n walk" product, offers to 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 their customers.

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

T-Mobile and its subsidiaries own a large number of registered patents and generally have 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 continuous development activities. Patent protection activity is focused on countries with T-Mobile operations. Deutsche Telekom does not believe that T-Mobile or any of its subsidiaries is dependent on any one patent or group of patents.

To enable Deutsche Telekom to offer mobile telecommunications services in the different jurisdictions in which it operates, it requires, and therefore is dependent on, telecommunications licenses from the relevant authorities in each of these jurisdictions.

Deutsche Telekom does 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 subsidised 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 stimulate 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 trend will continue in the coming years.

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

Mobile Communications Europe

Germany

In Germany, T-Mobile Deutschland faces intense competition from mobile network operators Vodafone, E-Plus and O₂. Deutsche Telekom believes that T-Mobile Deutschland maintained its market leadership position, in terms of number of customers, at 30 September 2007.

T-Mobile believes that T-Mobile Deutschland had a customer market share of approximately 37% at 30 September 2007, while Vodafone had a customer market share of approximately 35%, 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 113% at 30 September 2007.

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 market entry of existing and potentially new resellers will significantly further 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". T-Mobile believes that T-Mobile UK's customer market share, which includes customers of Virgin Mobile, remained stable at 24% as of 30 September 2007, compared to 30 September 2006. T-Mobile believes that the penetration rate in the United Kingdom mobile telecommunications market was approximately 119% at 30 September 2007.

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, Centertel and P4. T-Mobile believes that PTC's customer market share was approximately 32% at 30 September 2007, compared to 34% at 30 September 2006. T-Mobile believes that the penetration rate in the Polish mobile telecommunications market was approximately 104% at 30 September 2007.

Hungary

In Hungary, T-Mobile Hungary faces competition from Pannon and Vodafone Hungary. T-Mobile believes that T-Mobile Hungary's customer market share was approximately 44% at 30 September 2007, compared to approximately 45% at 30 September 2006. Pannon had a market share of approximately 35% at 30 September 2007, compared to 34% at 30 September 2006, and Vodafone Hungary had a market share of approximately 21% at 30 September 2007, approximately the same share as in 2006. T-Mobile believes that the penetration rate in the Hungarian mobile telecommunications market was approximately 104% at 30 September 2007.

The Netherlands

In The Netherlands, T-Mobile Netherlands faces intense competition from KPN Mobile (including Telfort), Vodafone and, until 30 September 2007, from Orange Nederland. T-Mobile believes that T-Mobile Netherlands' customer market share (excluding Orange Nederland's customers) was approximately 15% at 30 September 2007, compared to approximately 15% at 30 September 2006, while KPN Mobile (including Telfort), Vodafone and Orange Nederland had a market share of approximately 51%, 22% and 12%, respectively, at 30 September 2007, compared to approximately 50%, 23% and 12%, respectively, at 30 September 2006. T-Mobile believes that the penetration rate in the Dutch mobile telecommunications market was approximately 109% at 30 September 2007.

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 2007, compared to approximately 41% at 30 September 2006, Telefónica O₂ Czech Republic had a market share of approximately 39% at 30 September 2007, compared to approximately 40% at 30 September 2006, and Vodafone Czech Republic had a market share of approximately 20% at 30 September 2007, compared to approximately 19% at 30 September 2006. T-Mobile believes that the penetration rate in the Czech mobile telecommunications market was approximately 124% at 30 September 2007.

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 34% at 30 September 2007, and the customer market shares of mobilkom austria, ONE and "3" were approximately 40%, 21% and 5%, respectively, at 30 September 2007. T-Mobile believes that the penetration rate in the Austrian mobile telecommunications market was approximately 115% at 30 September 2007.

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 47% at 30 September 2007, compared to approximately 50% at 30 September 2006. T-Mobile believes that the penetration rate in the Croatian mobile telecommunications market was approximately 108% at 30 September 2007.

Slovakia

In Slovakia, T-Mobile Slovensko faces competition from Orange and Telefónica O₂. T-Mobile believes that T-Mobile Slovensko's customer market share was approximately 41% at 30 September 2007, compared to approximately 45% at 30 September 2006. T-Mobile believes that the penetration rate in the Slovak mobile telecommunications market was approximately 103% at 30 September 2007.

Macedonia

In Macedonia, T-Mobile Macedonia faces competition from Cosmofon AD, and since September 2007 also from VIP, which is 100% owned by Mobilkom Austria. Based on the published customer numbers of T-Mobile Macedonia and Cosmofon, T-Mobile believes that T-Mobile Macedonia's customer market share was approximately 66% at 30 September 2007, compared to approximately 67% at 30 September 2006. T-Mobile believes that the penetration rate in the Macedonian mobile telecommunications market was approximately 77% at 30 September 2007.

Montenegro

In Montenegro, T-Mobile Crna Gora (Montenegro) faces competition from ProMonte and Mtel. T-Mobile believes that T-Mobile Crna Gora's customer market share was approximately 38% at 30 September 2007, which represents an increase from approximately 36% at 30 September 2006.

Mobile Communications USA

T-Mobile USA faces intense competition in the United States mobile telecommunications market from the three other large national mobile providers, Verizon, AT&T and Sprint/Nextel, and from various regional operators and MVNOs. The four largest national carriers are estimated to represent approximately 85% of the total U.S. mobile telephony customer base as of 30 September 2007. T-Mobile USA's customer market share, measured against the other large nation-wide operators, was approximately 13% at 30 September 2007, about the same as of 30 September 2006. Most of these competitors or their predecessors had been operating in the United States mobile telecommunications market for a considerable time prior to the entry of T-Mobile USA's predecessors into the United States market.

Verizon, AT&T and Sprint/Nextel together represent approximately 74% of the total United States mobile telephony market in terms of customers as of 30 September 2007. 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 United States 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. Mobile telecommunications operators in the United States market generally continue to invest heavily in their networks in order to generate customer growth. However, as of 30 September 2007, penetration in the United States has reached approximately 82% and slowing wireless industry customer growth expectations and decreasing churn rates indicate that the market is maturing.

Usage and pricing practices in the United States 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. The majority of prepay usage is 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 United States 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 Deutsche Telekom's service and product offerings, its revenues could decline, its costs could increase and its customer retention could be adversely affected.

Broadband/Fixed Network

The Broadband/Fixed Network operating segment 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 operating segments.

During 2007, the "T-Com" business unit and brand name were renamed "T-Home". The T-Home business unit's activities include Broadband/Fixed Network's domestic (Germany) operations. T-Home's operations include all consumer products and services for the home, as well as for very small business customers. These products and services include triple-play packages, comprising voice communication, Internet access, and IPTV, that are marketed under the "Entertain" brand name in Germany. The merger of T-Online International AG into Deutsche Telekom AG, completed in June 2006, has enabled Broadband/Fixed Network to achieve improved structural as well as product and service efficiencies. The merger established Broadband/Fixed Network as an integrated telecommunications wireline service provider offering customers fully integrated products and services from a single source.

In July 2007, Deutsche Telekom launched the "congstar" brand, to offer wireless telephone and broadband services aimed at younger, price sensitive customers. congstar's business model is centered on the less assistance-intensive sale of products via the Internet and call centers.

T-Home continues to adapt its simplified and integrated portfolio of rates and services, which was initially introduced in September 2006 in anticipation of market developments in Germany. This

portfolio of integrated products, called "Complete Packages" (*Komplettpakete*), includes an access line and 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 voice communications services, high-speed Internet access and entertainment offerings ("**triple-play**"). Triple-play was launched in October 2006.

T-Online France and T-Online Spain, Deutsche Telekom's IP/Internet services in France and Spain were divested on 29 June 2007 and 31 July 2007, respectively.

In 2007, Deutsche Telekom created three new service companies, Deutsche Telekom Kundenservice GmbH, Deutsche Telekom Technischer Service GmbH and Deutsche Telekom Netzproduktion GmbH. These companies were part of Deutsche Telekom's objectives to improve its competitiveness and to offer first-class service to its customers at competitive rates and in a cost-effective manner (Telekom Service).

Principal Activities

Broadband/Fixed Network operates one of the largest fixed-line networks in Europe in terms of the number of lines provided. Broadband/Fixed Network reports its domestic and international operations separately. The Scout24 group and T-Online Austria are included within domestic operations. The principal activities of the Broadband/Fixed Network operating segment 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, 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);
- Other services, including data communications services and solutions provided through the Business Customers operating segment to small- and medium-sized enterprises, value-added services (special purpose telephony services including toll-free services and public payphones), terminal equipment for telecommunications, as well as, publishing services, customer retention programmes, installation and maintenance services; and
- Fixed-line network services, wholesale services, IP/Internet services and multimedia services in Central and Eastern Europe, through Magyar Telekom (Hungary), Slovak Telekom (Slovakia) and T-Hrvatski Telekom (Croatia).

Most of Broadband/Fixed Network's revenues in 2007 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 fixed network access lines in operation supported by Deutsche Telekom's Broadband/Fixed Network operating segment:

	As of 31 December 2007	As of 31 December 2006	% Change 31 December 2007/ 31 December 2006	As of 31 December 2005	% Change 31 December 2006/ 31 December 2005
Broadband					
Lines (total) ⁽¹⁾⁽²⁾⁽³⁾	13.9	11.3	23.6	8.5	32.8
of which: retail	10.2	7.9	29.0	6.8	16.4
Domestic ⁽⁴⁾	12.5	10.3	22.0	7.9	29.8
of which: retail	9.0	7.1	27.6	6.3	11.7
International ⁽²⁾⁽³⁾⁽⁵⁾	1.4	1.0	39.6	0.6	74.7

	As of 31 December 2007	As of 31 December 2006	% Change 31 December 2007/ 31 December 2006	As of 31 December 2005	% Change 31 December 2006/ 31 December 2005
of which: Magyar Telekom ⁽⁵⁾	0.8	0.6	31.1	0.4	64.0
of which: Slovak Telekom.....	0.3	0.2	43.3	0.1	75.0
of which: T-Hrvatski Telekom	0.3	0.2	59.6	0.1	n.m.
Broadband ISP rates (total) ⁽³⁾⁽⁶⁾	9.9	7.1	38.5	4.9	45.6
of which: domestic	8.7	6.3	38.2	4.5	41.2
Fixed-network lines					
Lines (total)⁽¹⁾⁽⁷⁾	36.6	39.0	(6.2)	41.2	(5.5)
Domestic	31.1	33.2	(6.4)	35.2	(5.8)
Standard analog lines.....	22.4	24.2	(7.2)	25.5	(5.2)
ISDN lines.....	8.6	9.0	(4.5)	9.8	(7.5)
International (Central and Eastern Europe only) ⁽⁵⁾	5.5	5.8	(4.7)	6.0	(3.9)
Narrowband ISP rates (total) ⁽³⁾⁽⁶⁾	2.3	3.1	(25.1)	4.3	(26.9)
Wholesale/resale					
DSL resale ⁽⁸⁾	3.7	3.4	10.8	1.7	98.5
of which: domestic	3.5	3.2	9.7	1.6	n.m.
Unbundled local loop lines ⁽⁹⁾	6.4	4.7	36.8	3.3	43.2

n.m.—not meaningful

The tables include broadband lines in Germany and Central and Eastern Europe. The prior-year figures were adjusted to reflect the deconsolidation of T-Online France and T-Online Spain. The total was calculated on the basis of actual figures and rounded to millions. Percentages are calculated on the basis of actual figures.

- (1) Lines in operation.
- (2) Total of retail and resale.
- (3) No longer includes T-Online France and T-Online Spain, which were divested on 29 June 2007 and 31 July 2007, respectively. Prior year periods have been adjusted accordingly.
- (4) Broadband lines excluding lines for internal use.
- (5) Subscriber-line figures for 31 December 2007 and 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.
- (6) Total calculated on the basis of customers (broadband and fixed network rates) in Germany and Central 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).
- (7) Telephone lines excluding internal use and public telecommunications, including wholesale services.
- (8) Definition of resale: Sale of broadband lines based on DSL technology to alternative providers outside the Deutsche Telekom Group. Resale is included in the total number of broadband lines.
- (9) Unbundled local loop lines (TAL—*Teilnehmeranschlussleitung*) in Germany only: Deutsche Telekom wholesale service that can be leased by other telecommunications operators without upstream technical equipment in order to offer their own customers a telephone or DSL line.

Operations in Germany

During 2007, the number of T-Home's fixed network access lines and call minutes in Germany continued to decrease. This is primarily due to increased competition from alternative fixed network providers with fully integrated bundled packages, cable network operators, resellers and fixed-to-mobile substitution.

In Germany, the number of T-Home fixed network access lines decreased by 2.1 million, or 6.4%, to 31.1 million in 2007. The number of call minutes decreased by only 2.7% in 2007 as compared to 2006, primarily due to the increased acceptance of call plans with a flat-rate component. T-Home's estimated market share for fixed network access lines declined from 91.3% in 2005 to 87.1% in 2006 to an estimated 81.4% in 2007 based on information from the Federal Network Agency's draft 2007 Annual Report. Although not as significant as the factors mentioned above, substitution by cable network operators also contributed to this decline.

The Complete Packages integrated product and rate portfolio, which was introduced in September 2006, were accepted by 10.1 million customers as of 31 December 2007 as compared to 3.6 million customers as of 31 December 2006.

Broadband/Fixed Network intends to pursue new business opportunities, and expects to continue its growth in the broadband area. In 2006 and 2007, Broadband/Fixed Network introduced more competitive rate plans, including flat-rate plans, and new products and services, which increased the number of broadband lines in operation through the offering of attractive bundled rate plans with a flat-rate component. Broadband/Fixed Network also intends to continue to introduce non-access related broadband services. In addition, the Broadband/Fixed Network operating segment is focusing on defending its market share in its core businesses by slowing the decline of fixed network access lines.

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.

The broadband market continued to grow during 2007. Falling prices for services provided by Internet service providers (ISPs) and cable network operators, 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 T-Home increased by 2.3 million, or 22.0%, from 10.3 million at 31 December 2006 to 12.5 million at 31 December 2007. This increase was primarily due to the strong growth in the number of retail DSL customers in the highly competitive German market, especially in connection with T-Home's continued introduction of new bundled offerings providing broadband access, voice and ISP products in anticipation of market demand. This is reflected by the successful introduction of the Complete Packages in 2006 and has been complemented by continued adaptation in 2007 of these packages when necessary to more closely follow customer demand. This combination of proactive introduction of innovative products and subsequent reaction to specific customer demands by fine tuning Deutsche Telekom's product offerings resulted in considerable growth in the number of retail DSL lines in operation in 2007. This increase was also due to an increase in the number of unbundled local loop lines from 4.7 million at 31 December 2006 to 6.4 million at 31 December 2007, and to a lesser extent to an increase in the number of Resale DSL lines sold to alternative providers from 3.2 million at 31 December 2006 to 3.5 million at 31 December 2007. However, the absolute number of Resale DSL lines sold to alternative providers decreased for the first time in the fourth quarter of 2007 as these alternative providers increased their demand for stand-alone bitstream access (unbundled local loop lines), which offers were introduced in the fourth quarter. This trend is expected to continue.

Broadband/Fixed Network is one of the largest integrated fixed network operators in Europe, based on both revenues and number of customers with approximately 9.9 million broadband ISP rate customers as of 31 December 2007. The total number of customers with broadband ISP rates increased by 2.7 million, or 38.5%, from 7.1 million as of 31 December 2006 to 9.9 million at the end of 2007. Customers with narrowband ISP rates decreased by 0.8 million, or 25.1%, from 3.1 million as of 31 December 2006 to 2.3 million at the end of 2007, primarily due to customer migration from narrowband ISP rates to broadband ISP rates. In Germany, the number of customers with broadband ISP rates increased 38.2%, from 6.3 million as of 31 December 2006 to 8.7 million as of 31 December 2007. Operations in Central and Eastern Europe realised a 40.3% increase in the number of customers with broadband ISP rates as of 31 December 2007, compared to 31 December 2006. The growth internationally is primarily due to attractive products and rate offerings in Central and Eastern Europe. The comparatively low market penetration rates in Central and Eastern Europe provide for continuing growth opportunities.

Broadband/Fixed Network expects that market share in fixed network access lines and the prices for fixed-network products will continue to decrease due to continued high competition from other fixed-line operators, cable network operators, fixed-to-mobile substitution and an increase in sales of broadband products as part of bundled offers 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 fixed network access lines, which Deutsche Telekom believes will be accompanied by a smaller

increase in the number of broadband lines in operation and related demand for products by ISP customers.

The Complete Packages integrated product and rate portfolio has contributed to an increase in broadband customers and increased use of broadband lines and ISP products. The integrated broadband access, ISP and VoIP features available from T-Home in combination with the new service initiatives are expected to continue to increase customer satisfaction and loyalty.

T-Home's present network infrastructure is comprised of access and transmission networks and service platforms.

T-Home has been investing in modern network infrastructure technologies since 2005, which will form the basis of its next generation network (NGN). The development of T-Home'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-Home'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 utilisation of ethernet and passive optical network technologies. An NGN approach results in a reduction in an assortment of technologies and platforms through its utilisation 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 of the existing network and Deutsche Telekom's ability to expand its portfolio of products and services. Implementation of the NGN will result in the replacement of certain service platforms in the mid- to long-term, including its PSTN network.

Access Network

T-Home offers ICT access for individual customers, very small business customers and other carriers. Typically a customer has access to T-Home's network by means of a copper cable that runs from T-Home'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". T-Home began to significantly upgrade its access network in 2005 through implementation of VDSL high-speed access technology. The implementation of VDSL began in 2006 and continued in 2007. T-Home also intends to continue to upgrade its broadband access network by expanding the use of ADSL2+ technology. ADSL2+ will enable customers to realise access speeds of up to 20 Mbit/s.

Transmission Network

T-Home'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 T-Home 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. T-Home continued to reduce its investment in SDH in 2007. T-Home plans to extend further its use of WDM and other network enhancement technologies based on the demands of its customers and in conjunction with Deutsche Telekom's ongoing broadband strategy.

Service Platforms

T-Home uses its service platforms to enable the provision of voice, data and other value-added services to its customers. T-Home'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 T-Home 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 T-Home's service platforms.

Network Communication Services

Network Access Products

T-Home 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."

Fixed Network Access (formerly Narrowband)

Analog Access

T-Home's standard access voice products permit the customer to use a single telecommunications channel for voice, data or facsimile transmission. The following table shows the number of analog access lines in operation, excluding public payphones, as of 31 December for each of the periods presented:

Year	Analog Access Lines
2005	25.5 million
2006	24.2 million
2007	22.4 million

The number of analog access lines in operation has continued to decrease from 2005 to 2007. T-Home expects this trend to continue in the future. Competition, due to regulatorily mandated unbundling of the PSTN and DSL access lines in 2008, customer acceptance of bundled voice and Internet products, and conversion of the network to the NGN, are expected to be significant factors in this continued decrease.

ISDN Access

T-Home's ISDN access products permit a single customer access line to be used simultaneously to provide multiple products and services, including voice, data and facsimile transmission.

T-Home offers two types of ISDN access lines to customers—basic and primary. Basic ISDN access lines provide two telecommunications channels per access line and are offered to individual as well as business customers. Primary 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⁾		Total ISDN Channels ⁽²⁾
	Basic	Primary	
2005	9.8 million	93,000	22.5 million
2006	9.1 million	89,000	20.9 million
2007	8.7 million	88,000	20.0 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 ISDN access lines decreased in 2007 compared to 2006, primarily as a result of increased competition, especially from bundled voice and Internet products, and saturation of the ISDN market. T-Home expects this trend to continue.

T-Home expects the number of fixed network access lines in operation to continue to decrease in the future due to increased competition, fixed-to-mobile substitution and increased acceptance of VoIP. In addition, T-Home no longer actively markets ISDN access lines to customers.

Calling Services

Analog and ISDN access permit comprehensive local, regional and international calling services, and dial-up Internet access, and offers customers many of the same services, such as three-way calling, call-waiting and caller ID. ISDN access also offers several features not available to analog access 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 2007, T-Home'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 T-Home's call minutes in Germany continued in 2007, due to loss of access lines to these competitors, fixed-to-mobile substitution and increased acceptance of VoIP. T-Home's call plans with a flat-rate component, which were initially introduced in 2005 and expanded and improved in 2006 and 2007, have led to an increase in call minutes by customers through those plans.

To counter some of these competitive challenges, T-Home 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 T-Home's existing rate plans. T-Home believes that there is a trend towards including and increasing flat-rate components in rate plans. The continued increase in customer acceptance of the Complete Packages has led to a decrease in demand for individual products that are components of these bundles, such as fixed network access.

In addition, in October 2006, T-Home completed the introduction of its new Complete Packages product portfolio, which offers customers a choice of three different levels of single-play, double-play and triple-play. T-Home expects calling minutes with respect to the newly introduced flat-rate plans to increase. However, overall, T-Home expects calling minutes and revenues in the future to decrease due to increased acceptance of Complete Packages, continued loss of fixed network access lines, continued fixed-to-mobile substitution and the increased acceptance of VoIP.

Wholesale Services

Through its wholesale services business, T-Home 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

T-Home's interconnection services primarily consist of call origination and the transit and termination of switched voice traffic. The terms under which T-Home 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 2007, T-Home had 100 bilateral interconnection agreements and 47 interconnection orders (issued by the Federal Network Agency). The Federal Network Agency mandated price reductions on interconnection prices from 1 June 2006 until 30 November 2008.

IP services

T-Home provides Internet transport services for broadband and fixed network service providers ("**virtual ISP services**") as well as transport services for carrier interconnection. In addition, T-Home offers nationwide access through its IP backbone and regional IP access to broadband IP providers. T-Home also provides scalable fixed network 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 2007. The trend of telecommunications operators leasing access to the local loop to enable themselves to supply their customers with telephone and Internet services, using T-Home's network infrastructure continued to increase significantly to 6.4 million lines in 2007 from 4.7 million in 2006 and 3.3 million lines in 2005. 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, and, in part due to regulatory decisions, T-Home expects that the demand for access in the unbundled local loop will increase in the future. T-Home expects that regulatory decisions will continue to have a significant effect.

Furthermore, since July 2004, T-Home 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 in 2007 to 3.5 million, from 3.2 million in 2006 and from 1.6 million in 2005. T-Home expects that unbundled local loop access, as mentioned above, will continue to increase, particularly at the expense of Resale DSL.

Network Services

T-Home 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. T-Home also offers Carrier Services Networks, which combine leased lines with network management services.

International Services

International Carrier Sales & Solutions (ICSS) provides broadband operators, mobile operators and MVNOs, content, application and media providers, corporate service providers and virtual network operators (VNOs), fixed voice carriers, and carriers' carriers and their customers, 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 Deutsche Telekom's network for termination in Germany or a third country. During 2007, ICSS managed total worldwide voice traffic of approximately 17.5 billion minutes providing connections to more than 190 countries worldwide. With continuously changing markets, ICSS has redesigned its portfolio from traditional voice and transport services to advanced innovative wholesale services and customised IP solutions.

IP/Internet Services

T-Home's integrated broadband strategy includes new offerings for voice, Internet and entertainment services. T-Home 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.

In 2007, T-Home continued to develop its portfolio to include new innovative broadband services. The new high-speed VDSL network, which T-Home began to roll out in 2005, provides bandwidths of up to 50 Mbit/s. In conjunction with this roll out, T-Home continued to develop new markets in which it will be possible to offer innovative services. In March 2005, T-Home 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, T-Home 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, T-Home launched the T-DSL 16000 product line primarily for data-intensive applications.

In October 2006, T-Home launched its first triple-play product consisting of high-speed Internet access, telephony and Internet Protocol TV (IPTV). As part of the launch of IPTV via the new high-speed network, T-Home has concluded agreements with numerous broadcasters in Germany. Since

August 2006, T-Home 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 videoload (formerly marketed as "**video-on-demand**") portfolio is being continually expanded, with a film library of over 2,000 titles from all genres. T-Home 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, T-Home 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, FinanceScout24, FriendScout24, ImmobilienScout24 (real estate), JobScout24 and TravelScout24.

Broadband Access

T-Home 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. T-Home 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. T-Home provides analog and 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 T-Home will offer DSL on a stand-alone basis, enabling customers to substitute broadband access for fixed- network access. In addition, T-Home expects the number of broadband lines in operation to increase in the near future.

The number of broadband access lines provided by T-Home continued to increase in 2007, and T-Home 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 T-Home's ISP service. Since the merger of T-Online into Deutsche Telekom, T-Home has offered integrated services, such as Complete Packages, which include ISP services, Internet access and telephony services.

Other Services

Other services includes data communications, value-added services and terminal equipment which were previously reported separately, as well as various other services such as publishing, support services and the sale of products and services through T-Home's Telekom Shop (formerly T-Punkt) outlets.

Data Communications

T-Home's full portfolio of data communications solutions, which is also offered by the Business Customers operating segment, includes the following products and services:

- Telekom Design Networks (TDN), 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 customised system solution, which can then be adjusted, based on changing client requirements and new technologies;
- Internet solutions and IP-related services, primarily provided through the CompanyConnect and "IP-Transit" products;
- 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 T-Home, in cooperation with T-Systems, to wholesale services customers and large-sized companies; and

- Dedicated customer lines: T-Home'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

T-Home 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.

T-Home'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. T-Home provides contact-routing solutions to the customers. Through its product, "T-VoteCall", T-Home provides media broadcasting companies (largely television and radio stations) with the ability to catalogue and switch customer calls to pre-defined locations.

Terminal Equipment

Through its terminal equipment business, T-Home distributes, for purchase or lease, an extensive range of third-party and T-Home'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.

Most of T-Home's terminal equipment sales occur through its Telekom Shop outlets, which offer an extensive product portfolio, including ISDN and DSL business products, and products and services from T-Mobile and third-party vendors. T-Home receives commissions on its sales of products and services provided by other Deutsche Telekom operating segments. At 31 December 2007, T-Home had 804 Telekom Shop outlets in Germany.

Additional Services

Other services also includes publishing services, which include the sale of marketing and advertising services to small- and medium-sized companies via T-Home'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. T-Home 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.

In addition, other services includes support services, such as installation, maintenance, hotline, customer consulting, training and software installation services, which are provided on a standardised basis and, for business customers, on a customised basis.

Broadband/Fixed Network operates primarily in the fixed-line and ISP business areas in Central and Eastern Europe. The majority of the business activities of the Central and Eastern European subsidiaries, except for mobile telecommunication, are included in the Broadband/Fixed Network's results of operations. Since January 2007, the shared services and headquarters functions in Hungary of Magyar Telekom have been reported under the Group Headquarters and Shared Services operating segment, and the business customers results of operations have been reported under the Business Customers operating segment.

Broadband/Fixed Network sold T-Online France on 29 June 2007 and T-Online Spain on 31 July 2007. The results of these companies are included in results of operations through their respective dates of divestiture.

Central and 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 Central and Eastern Europe, through its subsidiaries Magyar Telekom (Hungary), Slovak Telekom (Slovakia) and T-Hrvatski Telekom (Croatia). As an integrated telecommunications provider, Broadband/Fixed Network also markets triple-play services and intends to market quadruple-play services (which includes mobile communications in addition to triple-play services) through 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 telephone services, data communications services, wholesale services, IP/Internet services, multimedia broadcast services and other services such as IT outsourcing services for customers throughout most of Hungary. Magyar Telekom holds a 56.7% stake in MakTel, the incumbent fixed-line carrier in the Republic of Macedonia. In addition, Magyar Telekom has a stake of 76.5% in Crnogorski Telekom, which provides fixed-line and Internet services in the Republic of Montenegro.

In response to the competitive pressure from cable television network operators offering cable TV, cable broadband Internet and voice over cable services, call-by-call and preselection competitors, and mobile substitution, Magyar Telekom continued to promote several flat-rate tariff packages and DSL offers and launched the first IPTV offering in Hungary in November 2006.

Magyar Telekom maintained its leading position among ISPs in the Hungarian market based on the number of customers. The number of broadband access lines provided by Magyar Telekom continued to increase in 2007. The number of customers with broadband ISP rates at Magyar Telekom (including MakTel & Crnogorski Telekom) increased from 437,000 at 31 December 2006 to 580,000 at 31 December 2007. On 30 March 2007, Magyar Telekom introduced an unbundled ADSL service.

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 414,000 in 2006 to 419,000 in 2007.

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. Capitalising 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 leading fixed-line operator in Macedonia in terms of revenues. 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.

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 and wholesale services.

T-Hrvatski Telekom introduced entertainment services with the launch of IPTV in September 2006. T-Hrvatski Telekom also operates a digitalised 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 2007, the number of T-Hrvatski Telekom's fixed network access lines in operation decreased slightly compared to 2006 and 2005. However, the number of its broadband access lines in operation increased by 59.9% to 345,000 at 31 December 2007, from 216,000 at 31 December 2006 and 101,000 at 31 December 2005.

T-Hrvatski Telekom's IP/Internet business is the largest Croatian ISP in terms of revenues, and its market share at the end of 2007, based on revenues, was approximately 77%. The number of T-Hrvatski Telekom's online customers increased by 15.9% to approximately 1,128,000 in 2007 compared to 2006. 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., which was rebranded "Slovak Telekom" in March 2006. 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. On 5 October 2007, Slovak Telekom sold TBDS (Tower Broadcasting & Data Services a.s.), its subsidiary operating in the broadcasting business area (formerly Rádio komunikácie o.z. and RK Tower s.r.o.) to TRI R a.s.

Slovak Telekom offers access and local, long-distance and international fixed-line telephone services, data communications services, wholesale services, IP/Internet services. Until the disposition of TBDS Slovak Telekom provided 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 fixed network access lines decreased in 2007 by 3.5% compared to 2006, due to mobile substitution and to increasing customer migration to unbundled DSL, which was introduced in May 2006. In 2006, Slovak Telekom's total number of fixed network access lines decreased by 2.3% compared to 2005.

The number of broadband access lines in operation in Slovak Telekom's network continued to increase in 2007. The number of broadband access lines in operation at 31 December 2007 was 261,000 compared to 182,000 at 31 December 2006, and 104,000 at 31 December 2005.

As of 31 December 2007, Slovak Telekom's online customer base increased to approximately 265,000 customers, a 19.7% increase, compared to 2006. The number of Internet customers using broadband services increased to 216,000 at 31 December 2007. Slovak Telekom believes that the development of high-bandwidth Internet services in Slovakia will encourage customer migration from fixed network to broadband access.

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 channels include its Telekom Shop retail outlets, direct sales force 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.

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 Deutsche Telekom does 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-Lucent Deutschland AG, Grey Global Group (MediaCom), AVM Computersysteme, Cisco Systems Inc., Corning Cable Systems GmbH & Co. KG, and IBM.

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

Deutsche Telekom does not believe that Broadband/Fixed Network is dependent on any patent or other intellectual property rights. Deutsche Telekom also does 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 fixed network 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 packages to customers by Broadband/Fixed Network and other fixed-line carriers as well as cable operators is evidence of this increase in competition. Deutsche Telekom expects 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, Deutsche Telekom believes that it continues to be exposed to the risk of further market share losses and falling margins.

Competition in the fixed-line network business in Central and 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, T-Home 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 continued to increase in 2007. 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 continued to decrease significantly in Germany in 2007, primarily due to increased competition and technological progress, and to a lesser extent to 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 the competitors have intensified the downward pricing pressure on Deutsche Telekom's 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 Deutsche Telekom faces is influenced by the fact that it is required to permit other telecommunications companies to interconnect with its 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 Deutsche Telekom is 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 characterised 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 operating segment provides, through T-Systems, ICT services worldwide, primarily to German and international companies, non-profit organisations and governmental agencies. T-Systems is also responsible for servicing all of the Deutsche Telekom Group's business customers.

Principal Activities

T-Systems uses advanced information technology and its telecommunications expertise to provide ICT infrastructure and tailored ICT solutions to its customers. T-Systems supports its customers through its global telecommunications network and through its IT infrastructure network, which connects more than twenty countries worldwide.

In 2007, German-based operations contributed approximately 79.1% of T-Systems' total revenues, which include intersegment revenues from other Deutsche Telekom Group companies and affiliates. T-Systems' other primary markets are in Western Europe, but T-Systems serves its multinational customers globally through its delivery organisations. Although the majority of T-Systems' customers are headquartered in Germany, as of 31 December 2007, approximately 30.9% of T-Systems' 56,516 employees provided services from locations outside Germany.

Business Model

T-Systems' activities in 2008 are organised through a new Business Model. This will lead T-Systems to meet the expectations of its customers even better. Important changes will be described in more detail below.

Development of a new Business Model

T-Systems is planning to focus its activities and to position itself more strongly in the network-centric ICT market. In 2008, T-Systems began implementation of its "Next Generation T-Systems" programme, which has been developed to react to customer needs through the creation of two simplified and specific go-to-market models: The Corporate Customers unit, which will address multinational and large customers, and the Business Customers unit, which will focus on smaller enterprises.

Corporate Customers will combine a dedicated account management for major customers and a direct sales approach with regional focus for large customers, allowing Deutsche Telekom to interact more closely with the customers. Corporate Customers will also support Deutsche Telekom in optimising its IT needs and achieving its cost targets. Corporate Customers will also be responsible for all of Deutsche Telekom's multinational customers. Due to its specific requirements, the public sector will be serviced by a separate dedicated team.

In the Business Customers unit, Deutsche Telekom will serve its customers with a multi-channel sales approach comprised of a decentralised sales force, e-channels (e.g., Internet Shops), telesales and partner sales.

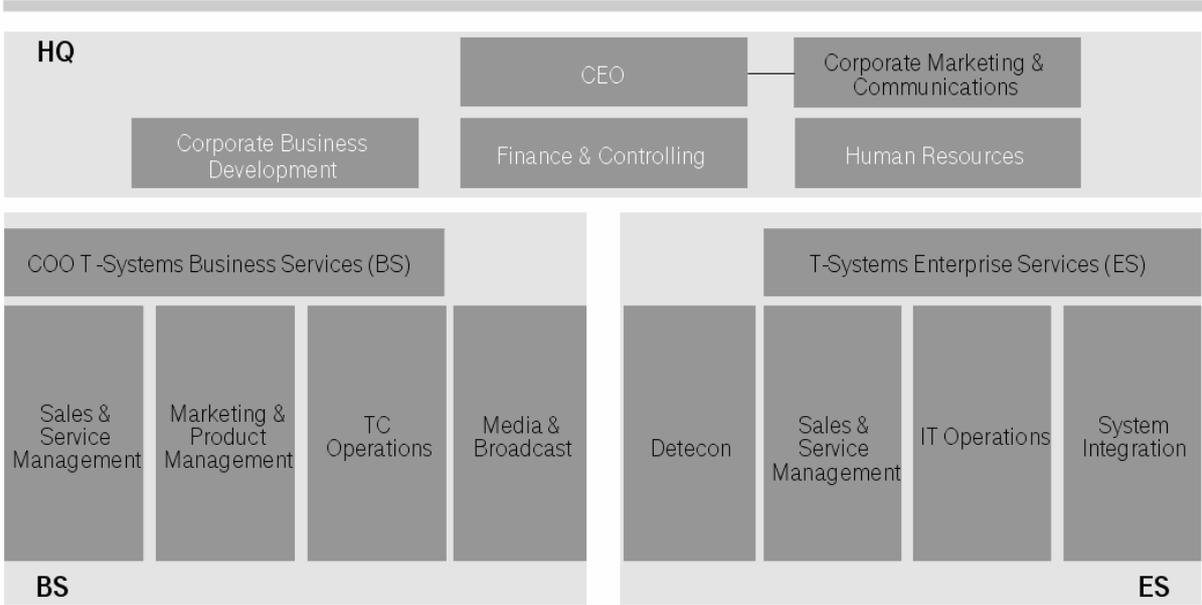
T-Systems also intends to standardise and modularise its portfolio. The offerings of Next Generation T-Systems will include application management (i.e., end-to-end operational responsibility for an application) and ICT infrastructure (e.g., provisioning of capacity in combination with communication technology related applications).

There will be a clear functional separation of production delivery and sales. The delivery basis for the network centric model will be one integrated factory for Computing Services, Desktop Services, and Telecommunications Services. Deutsche Telekom intends to focus on centralised ICT services production with global delivery capabilities.

The integrated IT and TC factory will enable the delivery of high quality services with a comprehensive scope. Deutsche Telekom believes that an integrated customer management focus will ensure consistent handling of contracts and service delivery across all services.

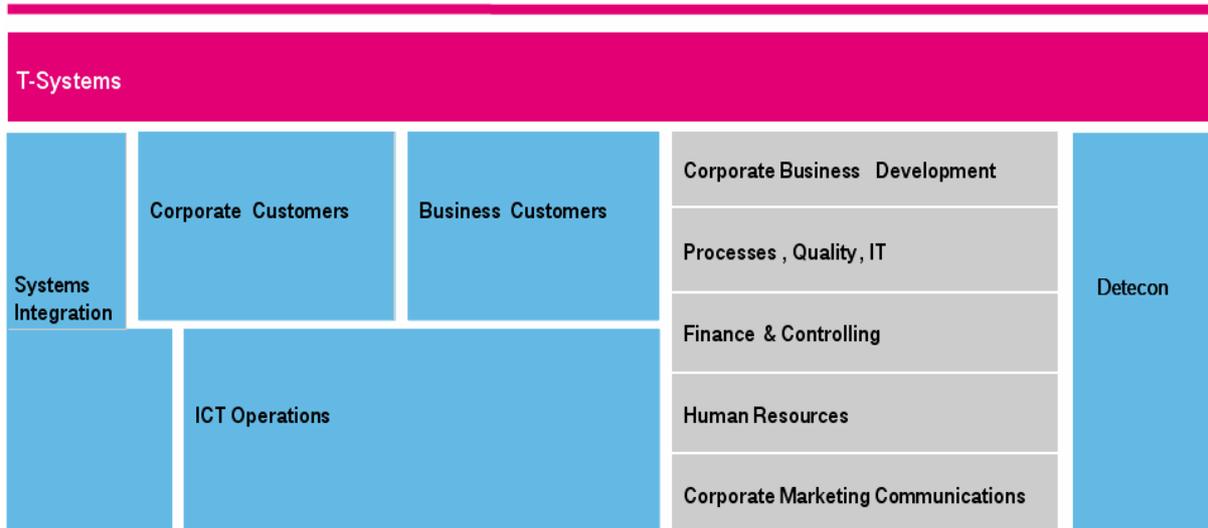
March 2008, T-Systems, and global IT services provider, Cognizant (NASDAQ: CTSI), announced that they have entered into a truly global Systems Integration alliance. The alliance is primarily aimed at catering to European corporations with global delivery requirements for system integration services.

The following graphic shows the structure of T-Systems 2007 and the planned organisational target structure of T-Systems.



Organisation 2007





T-Systems Target Organisation

A complex organisation with complicated processes, high overhead costs and a lack of transparency will be transformed to an organisation with

- Clear responsibilities
- Simplified and focused go to market model with competitive cost structures
- More transparency with tight performance and cost management and
- Reduced bureaucracy.

Corporate Customers

The Business Unit "Corporate Customers" has a clear focus on its approximately 1600 multinational and large customers with two worldwide go-to-market models

- Key Account Management (customer services with dedicated key account managers; realisation of "one face to the customer")
- Direct Sales (customer services through expert sales managers with professional competences; proximity to customers with regional structure).

With such selective procedures T-Systems will supply for every customer the individual needed support.

This will lead to the growth of T-Systems through its strong big deal management, through the push of IT business, expansion of Systems Integration business with the new partner Cognizant and the push of its international business.

The customers will benefit through one worldwide business model in every country for every customer. T-Systems will introduce best-in-class key account managers for its top accounts and its expert sales on regional basis. Last but not least T-Systems will simplify its processes and gain speed and time for its customers.

Business Customers

Within the unit "Business Customers" T-Systems will have in addition to the "Corporate Customer Unit" a strong focus on smaller customers. T-Systems will concentrate on four sales channels to ensure the most effective way to serve customers and to handle customers request fast and satisfying. These channels are

- Direct Sales
- Online Channel
- Tele Sales
- Partner Sales.

The sales approach will be complemented through an adequate and focused product portfolio. This portfolio will be characterised by reduced complexity within telecommunication products, usage of IT standard products and last but not least focus on ICT innovations.

ICT Operations

T-Systems delivers products and services through the ICT Operations where telecommunications- and IT-operations are concentrated. Consequently T-Systems offers end-to-end services and service delivery with one single point of customer interaction.

TC Operations is responsible for planning, building and operating T-Systems' global telecommunications service-generating platforms and its customers' LAN and WAN networks. TC Operations is also responsible for quality and process management, as well as external procurement of telecommunications services for T-Systems.

IT Operations provides ICT solutions to support business processes 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

Systems Integration develops, integrates and manages customised ICT solutions for customers, including industry specific, as well as industry independent, solutions with a strong focus on expanding business based on global delivery capabilities. Its strategic imperatives within these contexts are:

- Significant increase of offshore capabilities
- Increase of global presence at its customer sites
- Expand of its vertical portfolio

March 2008, T-Systems, and global IT services provider, Cognizant (NASDAQ: CTSI), announced that they have entered into a truly global Systems Integration alliance. The alliance is primarily aimed at catering to European corporations with global delivery requirements for system integration services. This unique partnership – between a global delivery IT powerhouse and a European giant – will enable customers to leverage the benefits of global delivery.

The partnership combines the onsite and offshore expertise of T-Systems and Cognizant across industry segments with an enhanced geographical footprint, a broader range of service offerings, and greater access to the best global talent. The new alliance will draw upon a combined talent base of over 110,000 employees worldwide, comprising more than 40,000 employees working offshore. Expanded operations in key geographies – Europe, Americas and Asia – are expected to significantly augment the growth of the two companies. As part of the new business partnership, T-Systems India and its approximately 1150 employees will be transferred to Cognizant, subject to appropriate regulatory clearance.

By harnessing the onsite, near-shore and offshore strengths of T-Systems and Cognizant, the partnership will facilitate the adoption of a global services delivery model in and beyond Europe that will enable the customers to save costs through labor arbitrage and drive business transformation and innovation through a powerful front-end deeply rooted in the local business environment. The two companies will provide customers with the synergy of local business power – business culture, language capabilities and operating philosophy – and global resources.

Media & Broadcast

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 was sold to Télédiffusion de France for EUR 850 million on 15 January 2008.

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 multinational companies, and an ICT leader for mid-market companies in Germany. T-Systems is continuing the process of aligning its operations to provide combined IT and telecommunications services more effectively, through improved service management, and solutions development.

Here we are referring to Real ICT services with a high percentage of network-dependent components. An example of this type of ICT service is SAP Dynamic Computing, which enables the usage-independent access to SAP applications that are provided and serviced by the provider and are made available to the customer via a network connection - whenever the customer needs them. Comprehensive services and capabilities, from application operations to state-of-the-art network expertise, are required on the part of an ICT provider.

What's really new is the approach of providing customers with so-called "end-to-end service level guarantees" – from end-devices and local networks (DSS) to TC networks all the way to data centers with servers, storage, and application operation. This way T-Systems can guarantee comprehensive availability to its customers as opposed to providing individual guarantees for desktop, network and server capability. Also new is the fact that, based on the above, it is possible to bring together the service levels with the customer's business processes for the first time. For example, for customers in the Mobile communication business T-Systems no longer only guarantees the availability of the individual components or the availability of services for various components, but rather it now guarantees the cycle time of the "Activation of a SIM card" process.

T-Systems has the technical capabilities in IT and TC, it already has world-class economies of scale in its platforms today – i.e., quantities and volumes – and it has made great progress in the past 24 months in globalising its platforms, i.e., in being able to provide its services globally. T-Systems has a great opportunity to use these IT and TC capabilities to offer customers something new, namely, "network-centric ICT". The main idea behind this is to be able to offer the customers cost advantages through the integration of IT and TC but also primarily increased quality, productivity improvement and new services. T-Systems truly can offer IT and TC solutions from one source - and it is unique in this.

Seasonality

The revenues of the Business Customers operating segment 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. Deutsche Telekom does not believe that Business Customers is dependent on any single supplier.

Dependence on Intellectual Property

Deutsche Telekom does not believe that the Business Customers operating segment 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 2007, the other Deutsche Telekom Group companies accounted for approximately 25.2% of Business Customers' total revenues, compared to 27.7% in 2006 and 29.0% in 2005. No other customer accounted for a significant portion of Business Customers' total revenues in 2007.

Competition

T-Systems operates in markets that are subject to intense competitive pressures, and the overall market has been characterised 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 specialised organisations. T-Systems believes that its combination of ICT service and solutions, 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 believes it is still the market leader in 2007 in the IT and telecommunications areas. In Western Europe, T-Systems was one of the five largest vendors in 2007, 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 (Business), Verizon (Business), NTT, France Télécom (Enterprise) and BT Global Services.

Competition in the telecommunications markets in which T-Systems competes is very intense, both in Germany and globally. The market is characterised 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 characterised by market participants attempting to reduce their indebtedness and increase their profitability through strategic refocusing and concentration on IP services, fixed-mobile convergence and network-centric ICT solutions. Additionally, consolidation (primarily in the U.S. market) in the ICT market has increased the competitive landscape. T-Systems expects this strategic refocusing to continue in 2008 and therefore expects similarly fierce competition.

Competition is also intense in the information technology area. The current market is characterised by strong pricing pressures, reduced customer IT budgets, prolonged customer sales cycles and aggressive competition from offshore providers. 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 2008, but competition will likely remain intense.

Group Headquarters and Shared Services

General

Group Headquarters and Shared Services perform strategic and cross-divisional management functions for the Deutsche Telekom Group. Group Headquarters functions include those performed by many of Deutsche Telekom's central departments, such as treasury, legal, accounting and human resources. Operating functions not directly related to the core businesses of Deutsche Telekom's operating segments are considered shared services functions. These functions also include, among others, the management and servicing of the real estate portfolio (primarily within Germany), fleet management and Vivento. Since the beginning of 2007, Group Headquarters and Shared Services have also included the shared services and headquarters functions of Magyar Telekom. Although many of the Group Headquarters and Shared Services functions are legally part of Deutsche Telekom AG, Deutsche Telekom manages 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 Deutsche Telekom's real estate portfolio, renting commercial real estate and providing facility management services for the Group, primarily in Germany. The 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 the telecommunications facilities;
- facility management services;
- real estate management for Magyar Telekom and Slovak Telekom, as well as third parties in Hungary and Slovakia; and
- the operation, management and servicing of the radio transmission sites, such as the radio towers and transmitter masts in Germany (primarily used in mobile, radio and satellite communications, as well as for television broadcasting).

In the second quarter of 2007, Deutsche Telekom sold its remaining minority stake in Sireo Real Estate Asset Management GmbH of 25.1% to a former co-shareholder, Corpus Immobiliengruppe GmbH & Co. KG.

Vivento was established in 2002 with the goal of efficiently implementing Deutsche Telekom's 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 the Group companies and, to a lesser extent, to third parties. These call center operations consist of a portion of the former call center operations of Broadband/Fixed Network, as well as those of Vivento Customer Services GmbH, which was established in the first quarter of 2004.

Vivento Customer Services provides customer-relationship services, including call center and back-office services, within the Group as well as to third parties. As of 31 December 2007, Vivento Customer Services employed approximately 2,600 people. In addition, approximately 900 people from Vivento were employed by Vivento Customer Services on a temporary basis as of that date. In the first quarter of 2007, Deutsche Telekom sold seven call center locations of Vivento Customer Services, including a total of approximately 1,200 jobs, to external companies. As of 1 April 2007, two call center locations were transferred to walter services ComCare. Five call center locations were transferred to the arvato group as of 1 May 2007. At the beginning of 2008, Deutsche Telekom sold five additional call center locations of Vivento Customer Services to the arvato group. The transfer of these call centers and the approximately 600 employees associated with them will be effective as of 1 March 2008.

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 2007, Vivento Technical Services had approximately 1,900 employees, and a further 300 were temporary staff from Vivento. In October 2007, Deutsche Telekom and Nokia Siemens Networks signed a strategic partnership agreement, an essential part of which is the transfer of operations of Vivento Technical Services to Nokia Siemens Networks as of 1 January 2008. In connection with the transfer of operations, approximately 1,600 employees were transferred to Nokia Siemens Networks.

During 2007, approximately 1,700 of Deutsche Telekom's employees were transferred to Vivento. As of 31 December 2007, a total of approximately 38,600 employees have been transferred to Vivento since its creation. Approximately 70% of these employees were transferred from Broadband/Fixed Network, both as part of Broadband/Fixed Network's programme to increase its efficiency, and through the transfer of some Broadband/Fixed Network operations to the Vivento business lines. The remaining transferred employees were either apprentices who had finished their professional training

within the Group, but had not obtained full-time employment, or came from the other Deutsche Telekom operating segments.

At 31 December 2007, a total of approximately 28,300 employees had left Vivento since its formation, of which approximately 5,000 left during 2007. About 77% of these employees were external placements. As of 31 December 2007, approximately 10,200 employees were in Vivento, of which approximately 600 were permanent staff, approximately 5,200 were employees of the Vivento business lines and approximately 2,900 were engaged on a temporary or contract basis within or outside of the Group.

In 2008, Vivento will focus on Deutsche Telekom's capacity management programme in order to support further staff restructuring measures within the Deutsche Telekom Group. This programme intends to create further external employment opportunities, especially for civil servants in the public sector.

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

	2007 ⁽¹⁾	2006 ⁽¹⁾	2005 ⁽¹⁾
Number of employees transferred to Vivento...	1,700	2,700	2,400
Number of employees that have left Vivento ...	5,000	4,400	6,100
Total number of employees in Vivento as of year-end	10,200	13,500	15,300
of which: Operational staff of Vivento.....	600	700	700
of which: Number of employees in business lines	5,200	7,200	7,200

(1) Figures have been rounded to nearest 100.

Deutsche Telekom's fleet management company, DeTeFleetServices GmbH, provides fleet management and mobility services, with approximately 42,000 vehicles provided to the 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 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 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 operating segments.

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 10,400 apprentices during 2007.

Group Headquarters and Shared Services also includes the establishment and maintenance of international intellectual property rights for the Deutsche Telekom Group, including all Telekom brands.

Group strategy

The Deutsche Telekom group's "Focus, fix and grow" strategy is being implemented successfully throughout the group companies.

Deutsche Telekom faces disparate market and competitive scenarios. While the markets for traditional fixed network and mobile communications are becoming increasingly saturated throughout Europe, Deutsche Telekom still believes there is potential growth in other areas, including the broadband

market, mobile Internet use and the mobile communications market in the United States. However, this potential for growth could be adversely affected by a deteriorating economic situation. Deutsche Telekom has responded to these challenges with its "Focus, fix and grow" strategy that focuses on four areas:

- Improve competitiveness in Germany and Central and Eastern Europe
- Grow abroad with mobile communications
- Mobilise the Internet and the Web 2.0 trend
- Roll out network-centric ICT

Improve competitiveness

Deutsche Telekom continues to promote the development of the broadband market. Efforts are focused on the Mobile Communications operating segments with the expansion of UMTS and HSDPA, and the Broadband/Fixed Network operating segment with the continued roll-out of DSL and VDSL coverage. This high-speed network provides a telecommunications infrastructure that offers not only voice telephony and broadband Internet, but also high-definition television (HDTV) with interactive potential. The success of this broadband initiative depends on the ability to offer attractively priced products and exceptional customer service.

Deutsche Telekom has significantly improved its customer orientation by simplifying the consumer brand structure. T-Home represents products and services for the home and T-Mobile covers products and services used on the move. Additionally, Deutsche Telekom has launched product offerings aimed at price-sensitive customers, particularly through the introduction of its congstar brand in Germany and a highly flexible product portfolio.

Sales and customer service have also been improved. During 2007, Deutsche Telekom expanded the sales network through the newly branded Telekom Shops. Additionally, the reorganisation of the call center, technical customer service and technical infrastructure activities into three independent service companies in June 2007 enabled it to improve service and sales and also improve cost structures.

Given the expected continuing competition in several of our markets, it is imperative that Deutsche Telekom continues to adjust the cost structures. The "Save for Service" savings program slightly exceeded the target of EUR 2 billion in savings in 2007. Deutsche Telekom's completely IP-based network infrastructure, which will be expanded in the coming years, is expected to contribute significantly to this savings program. Full interoperability between fixed and mobile networks is a key advantage of such an infrastructure.

Grow abroad with mobile communications

Deutsche Telekom's international revenue accounted for more than 50% of total revenue in 2007. T-Mobile USA remained the main growth driver for Deutsche Telekom's international mobile communications business. The acquisition of SunCom, a mobile communications company active in the southeastern United States and in the Caribbean, is expected to result in an expansion of the customer base and a significant increase in mobile communications coverage. By acquiring Orange Nederland in October 2007, Deutsche Telekom has become the number two mobile communications company in the Dutch mobile market in terms of customer market share.

Deutsche Telekom intends to continue to leverage international economies of scale and synergies, and thus grow further in its international markets. This may entail consolidation in existing markets, where this is feasible and worthwhile, and also may involve markets where Deutsche Telekom does not currently operate.

Mobilise the Internet and the Web 2.0 trend

The key trends in the industry are mobile Internet access, Web 2.0, where users play an active role in influencing and shaping Internet content, and personal, social, and business networking between users. Deutsche Telekom believes that these trends represent a growth opportunity for it, including its web'n'walk service, which provides mobile access to the Internet. The Apple iPhone, which T-Mobile launched in Germany in November 2007 as the exclusive distributor, also reinforces this trend toward mobile Internet usage since all iPhone calling plans include a data flat rate.

In order to advance the trends towards the individualisation of personal communication and the use of social networks, Deutsche Telekom is turning inward and outward for development and partnering. T-Mobile added new functionalities to the web'n'walk service in 2007, providing even faster mobile access to e-mails and to users' favorite websites and Internet services such as eBay, Windows Live, Google, and Yahoo!. The innovative MyFaves service addresses the growing customer need for easy-to-use contacts in their personalised networks. T-Mobile USA had already rolled out this service in the market. T-Mobile Deutschland introduced MyFaves in October 2007. Deutsche Telekom's website products now offer Web 2.0 functionalities, such as the ability to integrate up-to-date information from other websites as RSS feeds and podcasts.

In May 2007, the T-Online Venture Fund invested in Jajah, a web telephony start-up, opening up the prospect of future synergies and market opportunities. Such opportunities are expected to develop in both the mobile and fixed network businesses, as well as in the online segment, particularly with social networking. Deutsche Telekom also integrated numerous popular Internet services into its Internet portal, such as Wikipedia, Lycos IQ, Webnews, Mister Wong and moviepilot.de.

Roll out network-centric ICT

While margins in the telecommunications sector for business customers are shrinking, the information technology (IT) market is growing. The continuing convergence of IT and telecommunications is the driving force behind the growth of network-centric ICT. This area primarily includes IP-based network services and all network-based IT services. Deutsche Telekom is focusing on business with large corporate accounts and mid-sized business customers. The next steps to continue implementation of the ICT strategy have also been defined. IT and telecommunications production is to be combined in a single organisational unit within T-Systems. The new structure provides superior conditions for modularising production in terms of building solutions that can be used again, thus helping improve T-Systems' competitiveness. T-Systems is also looking for a partner for certain divisions such as Systems Integration. The appointment of Mr. Reinhard Clemens to the Group Board of Management in December 2007 enabled Deutsche Telekom to further consolidate its position by drawing on the services of a renowned expert in international IT markets who will advance the further development of T-Systems.

Deutsche Telekom's strategies may, of course, be adapted and changed to respond to opportunities and changing conditions. As reported in past years, Deutsche Telekom may embark on capital expenditure programs and pursue acquisitions, joint ventures or full or partial dispositions or combinations of businesses where it perceives opportunity for profitable growth, cost savings or other benefits for the group. Transactions may be conducted using newly issued shares of Deutsche Telekom or shares of affiliates, cash or a combination of cash and shares, and may individually or in the aggregate be material to Deutsche Telekom's financial and business condition or results. As a result, they may affect the market trading prices of our securities. 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 Deutsche Telekom owned, directly or indirectly, as of 31 December 2007. The revenues of these companies, together with Deutsche Telekom AG, account for more than 90% of Deutsche Telekom Group's revenues.

Name and registered office	% Held
T-Mobile USA, Inc. (" T-Mobile USA "), Bellevue, Washington, United States ⁽¹⁾	100.00
T-Mobile Deutschland GmbH (" T-Mobile Deutschland "), Bonn, Germany ⁽²⁾	100.00
T-Systems Enterprise Services GmbH (" Enterprise Services "), Frankfurt am Main,	100.00

<u>Name and registered office</u>	<u>% Held</u>
Germany.....	
T-Systems Business Services GmbH (" Business Services "), Bonn, Germany	100.00
T-Mobile Holdings Ltd. (" T-Mobile UK "), Hatfield, United Kingdom ⁽¹⁾	100.00
Magyar Telekom Nyrt. (" Magyar Telekom "), Budapest, Hungary ⁽³⁾	59.30
PTC, Polska Telefonia Cyfrowa Sp. z o.o. (" PTC "), Warsaw, Poland ⁽²⁾	97.00
T-Mobile Netherlands Holding B.V. (" T-Mobile Netherlands "), The Hague, The Netherlands ⁽¹⁾	100.00
HT-Hrvatske telekomunikacije d.d. (" T-Hrvatski Telekom "), Zagreb, Croatia	51.00
T-Mobile Austria Holding GmbH (" T-Mobile Austria "), Vienna, Austria ⁽⁴⁾	100.00
T-Mobile Czech Republic a.s. (" T-Mobile Czech Republic "), Prague, Czech Republic ⁽⁵⁾	60.77
Slovak Telekom a.s. (" Slovak Telekom "), Bratislava, Slovakia	51.00
T-Systems GEI GmbH, Aachen, Germany ⁽⁶⁾	100.00

(1) Indirect shareholding via T-Mobile Global Holding GmbH, Bonn

(2) Indirect shareholding via T-Mobile International AG, Bonn

(3) Indirect shareholding via MagyarCom Holding GmbH, Bonn

(4) Indirect shareholding via T-Mobile Global Holding Nr. 2 GmbH, Bonn

(5) Indirect shareholding via CMobil B.V., Amsterdam

(6) Indirect shareholding via T-Systems Enterprise Services GmbH, Frankfurt am Main

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 the Board of Management
Dr. Karl-Gerhard Eick	Board member responsible for Finance, Deputy Chairman of the Board of Management
Thomas Sattelberger	Board member responsible for Human Resources (since 3 May 2007)
Timotheus Höttges	Board member responsible for T-Com and Sales & Service
Hamid Akhavan	Board member responsible for T-Mobile, Product development and Innovation
Reinhard Clemens	Board member responsible for Business Customers (since 1 December 2007)

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

Shareholder representatives:

Dr. Hubertus von Grünberg	Serves on several supervisory boards, including as Chairman of the Supervisory Board, Continental Aktiengesellschaft, Hanover
Lawrence H. Guffey	Senior Managing Director, The Blackstone Group International Ltd., London
Ulrich Hocker	Manager in Chief, Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW), Düsseldorf
Ingrid Matthäus-Maier	Chairwoman of the Board of Managing Directors, KfW Bankengruppe, Frankfurt am Main
Dr. Thomas Mirow	State Secretary, Federal Ministry of Finance, Berlin
Dr. Arndt Overlack	Lawyer
Prof. Dr. Wolfgang Reitzle	Chairman of the Executive Board, Linde AG, Wiesbaden
Prof. Dr. Wulf von Schimmelfmann	Former Chairman of the Board of Management, Postbank AG, Bonn
Dr. Klaus G. Schlede	Member of the Supervisory Board, Deutsche Lufthansa AG, Köln; Chairman of the Supervisory Board, Deutsche Telekom AG
Bernhard Walter	Former Chairman of the Board of Managing Directors, Dresdner Bank AG, Frankfurt am Main

Employee representatives:

Hermann-Josef Becker	Member of the management Deutsche Telekom Direct Sales and Consulting as well as Chairman of the Group Executive Staff Representation Committee and Executive Staff Representation Committee, Deutsche Telekom AG, Bonn
Monika Brandl	Chairwoman of the Central Works Council at Headquarters/GHS, Deutsche Telekom AG, Bonn
Josef Falbisoner	Chairman of the District of Bavaria ver.di trade union
Lothar Holzwarth	Chairman of the Central Works Council, T-Systems Business Services GmbH, Bonn
Sylvia Kühnast	Expert consultant to the Central Works Council, T-Mobile Germany, Hanover
Waltraud Litzenberger	Deputy Chairwoman of the Group Works Council, Deutsche Telekom AG, Bonn
Michael Löffler	Member of the Works Council, Deutsche Telekom AG, Networks Branch Office, Dresden
Lothar Schröder	Member of the ver.di National Executive Board, Berlin
Michael Sommer	Chairman of the German Confederation of Trade Unions (DGB), Berlin
Wilhelm Wegner	Chairman of the Group Works Council and the European Works Council, Deutsche Telekom AG, Bonn

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), Hermann Josef Becker, Lawrence H. Guffey, Lothar Schröder, Bernhard Walter and Wilhelm Wegner. The Audit Committee met four times in 2007.

Corporate Governance

Deutsche Telekom is 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 Deutsche Telekom's World Wide Web site, accompanied by a short description of the German corporate governance concept.

On 6 December 2007, the Supervisory Board and the 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 11 December 2006, the 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 24 July 2006 in the official section of the electronic Federal Gazette.

In the Company's declaration of conformity, the Supervisory Board and the Management Board further declare that the Company complies with the recommendations of the Government Commission for a German Corporate Governance Code published by the Federal Ministry of Justice on 20 July 2007 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, Deutsche Telekom was 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 of Germany. Deutsche Telekom's 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 Deutsche Telekom by the Federal Republic of Germany, at 31 December 2007, the Federal Republic of Germany's direct ownership interest in the Company was 14.83%. KfW, a development bank that is 80% owned by the Federal Republic of Germany and 20% owned by the German federal states, owned 16.87% of the shares at 31 December 2007.

The Federal Republic of Germany 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 of Germany and KfW may exercise only those rights that they have under the Stock Corporation Act and the Articles of Incorporation, which are the same for all of the shareholders.

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

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

Identity of Person or Group	For the year ended 31 December ⁽¹⁾					
	2007		2006		2005	
	Shares owned	%	Shares owned	%	Shares owned	%
Federal Republic of Germany ⁽²⁾	646,575,126	14.83	646,575,126	14.83	646,575,126	15.40
KfW ⁽³⁾	735,667,390 ⁽⁴⁾	16.87	735,667,390 ⁽⁴⁾	16.87	927,367,390 ⁽⁴⁾	22.09
		<u>31.70</u>		<u>31.70</u>		<u>37.49</u>

(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 of Germany 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 security holders in accordance with the terms of outstanding KfW securities maturing in 2008.

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

Based on the share register, as of 27 February 2008, Deutsche Telekom had approximately 1,890,839 registered holders of its ordinary shares, including 1,691 registered holders of its shares with addresses in the United States. As of 31 December 2007, there were 4,361,297,603 total outstanding shares.

As of 27 February 2008, there were 196,505,133 of Deutsche Telekom's ADSs outstanding, with 1,366 holders of record of its ADSs with addresses in the United States and 51 holders of record of its 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 as of and for the years ended 31 December 2006 and 31 December 2007 were prepared in accordance with International Financial Reporting Standards ("IFRS"), in 2006 as adopted by the EU, as well as with the regulations under commercial law as set forth in §315a (1) HGB, and in 2007 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) and as issued by the International Accounting Standards Board. PwC and E&Y audited the mentioned consolidated financial statements. In each case an unqualified auditors' report has been provided.

Selected Financial Information

Deutsche Telekom at a Glance

Financial data of the Group

billions of €	Change compared to prior year (%) ^a	2007	2006	2005
Revenue and earnings				
Net revenue	1.9	62.5	61.3	59.6
Of which: domestic (%)	(3.8)	49.1	52.9	57.4
Of which: international (%)	3.8	50.9	47.1	42.6
Profit from operations (EBIT)	(0.0)	5.3	5.3	7.6
Net profit	(82.0)	0.6	3.2	5.6
Net profit (adjusted for special factors) ^c	(22.0)	3.0	3.9	4.7
EBITDA ^{a, b, c}	3.5	16.9	16.3	20.1
EBITDA (adjusted for special factors) ^{a, b, c}	(0.6)	19.3	19.4	20.7
EBITDA margin (adjusted for special factors) (%) ^a	(0.8)	30.9	31.7	34.8
Balance sheet				
Total assets	(7.3)	120.7	130.2	128.5
Shareholders' equity	(8.9)	45.2	49.7	48.6
Equity ratio (%) ^{a, d}	(1.1)	34.7	35.8	35.5
Financial liabilities (in accordance with consolidated balance sheet)	(7.7)	42.9	46.5	46.7
Net debt ^{a, c}	(5.9)	37.2	39.6	38.6
Additions to intangible assets (including goodwill) and property, plant and equipment	(32.3)	9.1	13.4	11.1
Cash flows				
Net cash from operating activities ^e	(3.6)	13.7	14.2	15.1
Cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment (in accordance with cash flow statement)	32.1	(8.0)	(11.8)	(9.3)
Proceeds from disposal of intangible assets (excluding goodwill) and property, plant and equipment (in accordance with cash flow statement)	34.2	0.8	0.6	0.4
Free cash flow (before dividend payments) ^{a, c, f, g}	n.a.	6.6	3.0	6.2
Free cash flow as a percentage of revenue ^a	5.6	10.5	4.9	10.3
Net cash used in investing activities ^e	43.7	(8.1)	(14.3)	(10.1)
Net cash used in financing activities	n.a.	(6.1)	(2.1)	(8.0)
Employees				
Average number of employees (full-time equivalents without trainees/student interns) (thousands)	(1.9)	244	248	244
Revenue per employee (thousands of €) ^a	3.9	256.5	246.9	244.3
T-Share - key figures				
Earnings per share/ADS (basic and diluted) in accordance with IFRS (€) ^h	(82.4)	0.13	0.74	1.31
Weighted average number of ordinary shares outstanding (basic) (millions) ^{h, i}	(0.3)	4,339	4,353	4,335
Weighted average number of ordinary shares outstanding (diluted) (millions) ^{h, i}	(0.3)	4,340	4,354	4,338
Dividend per share/ADS (€)	8.3	0.78 ^l	0.72	0.72
Dividend yield (%) ^k	(0.0)	5.2	5.2	5.1
Total dividend (billions of €)	8.4	3.4 ^j	3.1	3.0
Number of ordinary shares carrying dividend rights (millions) ^{l, m}	0.0	4,340	4,339	4,174
Total number of ordinary shares at the reporting date (millions) ⁿ	0.0	4,361	4,361	4,198

- a Calculated on the basis of millions for the purpose of greater precision. Changes to percentages expressed as percentage points.
- b Deutsche Telekom defines EBITDA as profit/loss from operations before depreciation, amortisation and impairment losses.
- c Net profit (adjusted for special factors), 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). 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 net debt reported in the consolidated balance sheet, or other Deutsche Telekom key performance indicators presented in accordance with IFRS. For detailed information and calculations, please refer to the section on "Development of business in the Group" of the Group management report in the Company's Annual Report 2007.
- d Based on shareholders' equity excluding amounts earmarked for dividend payments, which are treated as current liabilities.
- e Current finance lease receivables were previously reported in net cash from operating activities. Since the 2007 financial year, they have been reported under net cash from/used in investing activities. Prior-year figures have been adjusted accordingly.
- f Before cash outflows totaling EUR 0.1 billion in 2007 for investments in parts of Centrica PLC taken over by T-Systems UK as part of an asset deal. Figures for 2006 include payments for the acquisition of licenses totaling EUR 3.3 billion; and figures for 2005 include payments for the acquisition of network infrastructure and licenses in the United States totaling EUR 2.1 billion.
- g Since the beginning of the 2007 financial year, Deutsche Telekom has defined free cash flow as cash generated from operations less interest paid and net cash outflows for investments in intangible assets (excluding goodwill) and property, plant and equipment. Prior-year figures have been adjusted accordingly.
- h Calculation of basic and diluted earnings per share in accordance with IFRS as specified in IAS 33, "Earnings per share." The share to ADS ratio is 1:1.
- i Less treasury shares held by Deutsche Telekom AG.
- j Subject to approval by the shareholders' meeting. For more detailed explanations, please refer to Note 13 in the notes to the consolidated financial statements, "Dividend per share."
- k (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.
- l 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 T-Mobile USA/Powertel, are held in trust for later issue and later trading as registered shares and/or American depositary shares (ADSs).
- m Balance at the reporting date.
- n Including treasury shares held by Deutsche Telekom AG.

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 the Group are involved in a number of legal proceedings in the ordinary course of their business. In addition, proceedings involving alleged abuse of a market-dominant position by Deutsche Telekom, 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 Deutsche Telekom's shares sold pursuant to prospectuses dated 25 June 1999, and 26 May 2000, have filed over 2,000 lawsuits in Germany predominantly alleging that the book values of the real property portfolio were improperly established and maintained under German GAAP and that Deutsche Telekom allegedly failed to adequately disclose detailed information relating to merger negotiations between it 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 Deutsche Telekom's 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 its major shareholder, the Federal Republic of Germany, and the risks of the liberalisation of the German telecommunications market. Further, they allege that Deutsche Telekom's 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 (*Vorlagebeschlüsse*) 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 shareholders' claims filed in Germany in these lawsuits is approximately EUR 79 million. The Frankfurt Court of Appeals announced oral hearings for April and May 2008.

Deutsche Telekom is contesting each of the aforementioned lawsuits vigorously, but it is 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 Deutsche Telekom's view, mainly as an effort to stay the statute of limitations. According to information Deutsche Telekom has received from the OeRA, several thousand shareholders have instituted conciliation proceedings. Deutsche Telekom expects the claims made in these conciliation proceedings to be analogous to those made in the prospectus liability lawsuits described above. Deutsche Telekom's participation in these conciliation proceedings would be voluntary, and it has 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 Deutsche Telekom expects 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 Deutsche Telekom expects that a substantial number of additional applicants will file lawsuits analogous to those made in the prospectus liability lawsuits described above.

Reimbursement Proceedings against the Federal Republic of Germany and KfW

In December 2005, Deutsche Telekom filed lawsuits against the Federal Republic of Germany and KfW for the reimbursement of expenses in connection with a June 2000 offering of its shares, in the amount of approximately EUR 112 million. It claims that the Federal Republic of Germany and KfW are obliged to reimburse Deutsche Telekom for legal expenses and settlement costs that it incurred in connection with the resolution of U.S. class action lawsuits relating to that offering. The claim includes a demand for reimbursement of the D&O insurers in the aggregate amount of EUR 46 million. In June 2007, the District Court in Bonn held that the claim is justified on the merits. However, all parties have filed appeals against various aspects of the decision. A hearing with respect to the appeal was scheduled for 10 April 2008. Both, claimant and defendant have now another possibility to present additional statements to the court. A decision on the issue is not expected prior to October 2008.

PTC Proceedings

In December 2000, T-Mobile Deutschland GmbH commenced arbitration proceedings in Vienna, Austria, against Elektrim S.A. ("**Elektrim**") and Elektrim Telekomunikacja Sp. z o.o. ("**Telco**") claiming that Elektrim and Telco breached the terms of the deed of formation and the shareholders' agreement of PTC by transferring all but one of Elektrim's shares in PTC to Telco, a limited company under Polish law in which each of Elektrim and Vivendi 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 the shares required the approval of PTC's supervisory board;
- the shareholders' 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 default, which under the PTC shareholders' 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 Deutsche Telekom's 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 upon expiration of this two months period. Elektrim disputed the validity of the exercise of this call option and claimed it recovered the shares within the two-month period set by the tribunal. As a result, Deutsche Telekom initiated further arbitration proceedings against Elektrim, seeking a declaration that it had validly exercised the call option, and as a result had acquired the shares that Elektrim owned. In two decisions of a Vienna arbitration tribunal (dated 6 June and 2 October 2006), it was held that T-Mobile Deutschland validly exercised the call option and acquired the disputed shares with effect as of 15 February 2005, upon payment of the then book value and provision of an undertaking to pay any additional purchase price the tribunal might award to Elektrim. As consideration for the additional 48% of the shares in PTC, T-Mobile Deutschland has paid approximately EUR 0.6 billion to date. Further payments relating to the acquisition of PTC shares from Elektrim will be required to be made as determined by pending legal proceedings.

Telco brought actions for nullification of the awards of the arbitration tribunal of November 2004. On 20 December 2005, a commercial court in Vienna partially nullified the decision of the arbitration tribunal of November 2004 that the transfer of PTC shares to Telco was invalid. However, a subsequent appeal against this decision by Elektrim and T-Mobile Deutschland before the Vienna Court of Appeals was successful and subsequently confirmed by the Austrian Supreme Court. Accordingly, in Deutsche Telekom's view the ruling of the arbitration tribunal can no longer successfully be challenged or nullified. In December 2007, Telco, and two small PTC shareholder entities (Carcom and Autoinvest) controlled by Vivendi filed a claim with the Austrian courts seeking a declaration to nullify the award. In Deutsche Telekom's view, this remedy is not available, since annulment proceedings are the exclusive remedy to set aside an arbitral award under Austrian law.

On 12 September 2006, Telco, Carcom and Autoinvest also brought annulment proceedings in the Commercial Court in Vienna against the two awards regarding T-Mobile Deutschland's call option, dated 6 June and 2 October 2006. These proceedings are still pending. Deutsche Telekom's position is that, among other things, the plaintiffs do not have standing to bring such proceedings.

Elektrim and T-Mobile Deutschland sought recognition of the November 2004 arbitration ruling before the Polish courts, which recognition was granted by the Warsaw court of first instance on 2 February 2005. On 29 March 2006, the Warsaw Court of Appeals confirmed the lower court decision recognising 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 on the basis of a procedural error made by the Warsaw court of first instance. T-Mobile Deutschland seeks the reaffirmation of the recognition ruling in these further proceedings.

Other litigation among the parties, including Vivendi, Elektrim and Telco continues. In particular, in April 2005, T-Mobile International AG (formerly T-Mobile International AG & Co. KG) and Deutsche Telekom AG were served with a complaint filed by Vivendi with the Tribunal de Commerce de Paris seeking a declaratory judgment on the basis of allegations that that contractual negotiations with Vivendi had been maliciously terminated in September 2004, and seeking damages in the amount of approximately EUR 3.9 billion. The court dismissed the claims on 18 March 2008. Additionally, Telco initiated tort actions in the Warsaw court of first instance against, among others, six employees of Deutsche Telekom and affiliated companies who were nominated to, or have acted as nominees of T-Mobile Deutschland and its affiliates in, the governing bodies of PTC, T-Mobile Deutschland and T-Mobile Poland Holding No. 1 B.V. ("**T-Mobile Poland Holding**") claiming 3 million Polish zloty (approximately EUR 0.8 million), and an additional as yet undetermined amount, in damages.

In February 2006, Deutsche Telekom was informed that Telco had filed a lawsuit before the District Court in Warsaw, seeking to exclude T-Mobile Deutschland, T-Mobile Poland Holding and Polpager Sp. z o.o. ("**Polpager**") from ownership in PTC and to obtain summary relief freezing T-Mobile Deutschland's shareholder rights. Such summary relief was not granted.

On 21 August 2007, Elektrim was declared bankrupt with the possibility of reorganisation. On 26 November 2007, T-Mobile Deutschland filed its claims as well as alternative claims of T-Mobile Poland Holding, Polpager and PTC that had been transferred to T-Mobile Deutschland on a fiduciary basis against Elektrim in the aggregate amount of approximately 14.2 billion Polish zloty

(approximately EUR 3.9 billion). These damage claims relate to interference by TelCo, which was supported by Elektrim at that time, in the business of PTC. The same damages have alternatively been asserted against TelCo in civil proceedings which T-Mobile Deutschland initiated in Polish courts and which are still pending.

In addition, T-Mobile Deutschland initiated arbitration proceedings before the Vienna Arbitration Tribunal against Vivendi, Carcom and Autoinvest in 2007 seeking a damage award in excess of EUR 1.2 billion for damages incurred by T-Mobile Deutschland as a result of Vivendi's tortious interference with its rights as a PTC shareholder and Carcom's and Autoinvest's breaches of the PTC Deed of Formation and the Shareholders' Agreement. Deutsche Telekom also initiated separate arbitration proceedings against Carcom and Autoinvest, seeking a declaration that Carcom and Autoinvest are both in material default under the Shareholders' Agreement.

On 13 April 2006, Vivendi and certain affiliated companies filed arbitration proceedings against Deutsche Telekom AG, T-Mobile International, Elektrim, Telco and other defendants with the International Chamber of Commerce in Paris, France (with the place of arbitration located in Geneva, Switzerland), alleging a breach of an asserted oral contract that purportedly caused Vivendi to incur damages in an amount of more than EUR 3 billion. The Vivendi claimants allege that they and the defendants had reached an oral agreement to end, among other things, all legal disputes concerning the equity interests in PTC. A hearing with respect to this proceeding is scheduled for September 2008.

On 23 October 2006, T-Mobile USA, Inc., T-Mobile Deutschland, T-Mobile International and Deutsche Telekom AG (the "**DT Defendants**") were named as defendants in a complaint filed by Vivendi in the United States District Court for the Western District of Washington. On 1 August 2007, after two previous amended complaints, Vivendi filed a Third Amended Complaint in which it added its U.S. subsidiary, Vivendi Holding I Corp. ("**Vivendi Holding**"), as an additional plaintiff. Plaintiffs' complaint, as amended, alleges violations of the Racketeer Influenced and Corrupt Organisations provisions of the Organised Crime Control Act of 1970 ("**RICO**"), and common law fraud, in connection with the DT Defendants' acquisition of a controlling stake in PTC. Plaintiffs are seeking, among other things, damages equal to the fair market value of Vivendi's alleged investment in PTC, and treble damages pursuant to the RICO statute. In December 2007, the DT Defendants filed a motion to dismiss the Third Amended Complaint on grounds of *forum non conveniens*, lack of subject matter and personal jurisdiction, and failure to state a claim. The Court has not yet ruled on the DT Defendants' motion.

In addition to the foregoing, there are other disputes and proceedings stemming from the conflict over the ownership of PTC and related matters.

Deutsche Telekom is contesting the PTC-related controversies vigorously. Deutsche Telekom can offer no assurances as to the duration or outcome of the proceedings described above. Furthermore, if the proceedings described above were determined in a manner adverse to Deutsche Telekom's interests, its current and future investments in PTC could be put at risk.

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 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 Shareholders' Meeting on 29 April 2005.

On 12 August 2005, T-Online filed an application for release with the District Court in 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 in the release proceedings. In response to T-Online's appeal, the Court of Appeals set aside the decision of the District Court in 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 rejected the transfer of the lawsuits from the District Court in Darmstadt to the District Court in Frankfurt am Main. On 20 October 2006, the District Court in Darmstadt decided to have the Court of Appeals in Frankfurt am Main determine the competent court. On 28 December 2007, the Court of Appeals in Frankfurt am Main decided that the District Court in Frankfurt am Main is the competent court. Deutsche Telekom believes 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. 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 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. The court scheduled a first oral hearing in the case for 12 February 2008 and took evidence by hearing of witnesses. Further, the court indicated that a first decision is expected in April 2008. Most likely, this will be a procedural order (e.g., the appointment of an authorised expert) rather than a final judgment. Deutsche Telekom believes that the judicial review of the appropriateness of the merger exchange ratio is without merit.

Damage and Information Proceedings Relating the Voluntary Public Offer for T-Online Shares

In December 2005, four shareholders of T-Online International AG, who had tendered their T-Online shares in the voluntary public offer by Deutsche Telekom to acquire T-Online shares, have filed lawsuits with the District Court in Frankfurt am Main. These plaintiffs allege that Deutsche Telekom had provided incomplete information in connection with the offer, and therefore requested a declaratory judgment to the effect that it is liable for damages. The plaintiffs did not specify the amount of damages sought. The District Court in Frankfurt am Main dismissed the lawsuits on 19 June 2006. On 18 April 2007 the Court of Appeals in Frankfurt am Main dismissed the appeals that were filed by the plaintiffs. The Court of Appeals did not admit a further appeal. However, the plaintiffs have filed a complaint against the denial of admission to appeal with the Federal Court of Justice (*Bundesgerichtshof*). Deutsche Telekom believes that these lawsuits are without merit.

In addition, two of these plaintiffs filed an application with the District Court in Frankfurt am Main requesting disclosure with regard to information in connection with the voluntary public offer. They allege that T-Online had provided incomplete information in the 2006 ordinary meeting of the shareholders of T-Online and seek additional information to be provided. The court rejected the application on 12 September 2006. The plaintiffs have filed appeals with the Court of Appeals in Frankfurt am Main. Deutsche Telekom believes that these lawsuits are without merit.

Lawsuits Relating to the Resolutions Passed in the 2006 Ordinary Meeting of the Shareholders of T-Online

Two former T-Online shareholders have filed lawsuits with the District Court in Frankfurt am Main challenging the validity of the resolutions formally approving the acts of the management board and the supervisory board of T-Online and of the resolution rejecting the application for the appointment of a special auditor. Further, the plaintiffs request a declaratory judgment that the application for the appointment of a special auditor be approved instead. They allege that T-Online had provided incomplete information in the 2006 ordinary meeting of the shareholders of T-Online and that Deutsche Telekom was excluded from exercising voting rights at this shareholders' meeting. On 18 September 2006, the court decided it did not have jurisdiction and transferred the lawsuit to the

District Court in Bonn. The District Court in Bonn dismissed the lawsuits on 8 January 2008. The judgment by the District Court in Bonn became final and binding since the plaintiffs did not appeal within the prescribed time.

Competition Law

The German Act Against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*) prohibits the abuse of a market-dominant position as well as the distortion of competition through agreements or collusive behaviour by market participants. Mergers, including the creation of joint ventures, must be notified to the Federal Cartel Office before they can be executed if the concerned undertakings' turnover reaches a certain threshold, but remains below the threshold above which mergers must be notified to the EU Commission. The Federal Cartel Office is obligated to prohibit a merger if it creates or strengthens a market-dominant position.

The Federal Cartel Office is empowered to enforce these provisions and may impose sanctions if its orders are violated. However, before taking action against abuses of market-dominant position in the telecommunications sector, the Federal Cartel Office must consult with the Federal Network Agency. Market participants damaged by abusive practices of a market-dominant provider may claim damages under the Telecommunications Act as well as under the Act Against Restraints of Competition.

In December 2006, Communication Services Tele2 GmbH ("**Tele2**") filed a lawsuit with the District Court in Düsseldorf requesting an injunction ordering Deutsche Telekom 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 bundled 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 September 2007, Tele2 amended its pleadings by requesting an injunction ordering Deutsche Telekom to refrain from (i) offering product bundles to the extent the price advantage exceeds EUR 9.94 per month as well as to refrain from offering bundles containing a minimum contract term (or containing a minimum contract term of 12 months or more with an automatic extension for another 12 months) and (ii) granting subscribers of bundled offers a credit of more than EUR 40 and marketing this credit as a "welcome gift" or as "start credit" In addition, Tele2 was seeking a declaratory judgment that it is entitled to obtain compensation for all material and immaterial damages resulting from the bundled offers described above. Tele2 bases its claims on the assumption that Deutsche Telekom holds a market dominant position in the relevant market and alleges that bundled offers with price discounts exceeding the described thresholds would be abusive and, therefore, prohibited. The court dismissed the claims on 5 December 2007. Tele2 appealed the judgment regarding product bundles with a minimum contract term of 12 months or more.

Tele2 has sued Deutsche Telekom for damages of approximately EUR 170 million alleging Deutsche Telekom had denied accepting voice-files as a sufficient documentation for Tele2 pre-selection orders during 2002 through 2005. The Federal Court of Justice held in 2006 that the claim is justified on the merits. The court will now decide the amount of the damage award. Oral hearings are not yet scheduled. Deutsche Telekom believes the amount claimed by Tele2 to be unfounded and expect to contest these proceedings vigorously.

Proceedings against Decisions of the Federal Network Agency

Wholesale Markets

Interconnection

In December 2003, the Federal Network Agency partly approved an application from 15 local carriers for higher call termination charges. Deutsche Telekom pays these charges for calls originating in its network that are terminated in the networks of other carriers. Before this decision, these charges had always been billed on a reciprocal basis, for example, at the rate approved for Deutsche Telekom. Under this decision, with effect from 15 December 2003 through 31 October 2004, local carriers were allowed to charge EUR 0.005 per minute more for the termination of calls in their networks than Deutsche Telekom could charge for the termination of calls in its network. Deutsche Telekom filed a complaint against this decision in the Cologne Administrative Court and asked the court for an injunction, which was granted in February 2004. The Federal Network Agency appealed this decision, but the Appellate Administrative Court in Münster rejected its appeal. In the main action, the Cologne

Administrative Court decided in favor of Deutsche Telekom, but several of the competitors appealed this decision. The Federal Administrative Court (*Bundesverwaltungsgericht*) in Leipzig rejected the appeals. In addition, 15 local carriers filed a complaint against the Federal Network Agency's December 2003 decision, claiming that the call termination charges they were allowed to charge should be higher. The Cologne Administrative Court rejected the complaints. The carriers appealed these decisions. The Federal Administrative Court referred the cases back to the Cologne Administrative Court. The proceedings are still pending.

In June 2003, the Federal Network Agency issued a decision approving a surcharge of EUR 0.04 on Deutsche Telekom's basic interconnection tariffs (an "**access-cost contribution**"). Certain of the competitors filed complaints with the Cologne Administrative Court, seeking the annulment of the Federal Network Agency's decision, and asked the court for an injunction. The court granted the injunction, but Deutsche Telekom appealed this decision to the Appellate Administrative Court in Münster, which decided in its favour. In the main action, the Cologne Administrative Court granted the competitors' requested relief, but Deutsche Telekom has appealed this decision. The Federal Administrative Court transferred the case to the European Court of Justice. These proceedings are still pending.

In September 2003, the Federal Network Agency revoked the aforementioned access-cost contribution insofar as it applied up to November 2003. Two of the competitors filed complaints against this decision, claiming that the access-cost contribution should have been revoked retrospectively as well as prospectively. These proceedings are still pending.

In September 2006, the Federal Network Agency imposed upon Deutsche Telekom the obligation to offer bitstream access to the competitors. Deutsche Telekom was obliged to publish a reference offer for these access services by mid-December 2006. Bitstream access is viewed by the competitors as essential for the provision of wholesale DSL products and services. The Federal Network Agency's order obliges Deutsche Telekom to provide competitors access to the DSL network to enable them to offer broadband high-speed services to customers. Additionally, Deutsche Telekom is required to provide transmission services to competitors, to carry traffic to a higher level in the network hierarchy where new entrants may already have a point of presence. This will allow competitors to provide data services without the need to enlarge their own IP-based networks. In October 2006, Deutsche Telekom filed a complaint against this decision and asked the Cologne Administrative Court for an injunction to suspend these obligations. The Court rejected the requested injunction, as well as Deutsche Telekom's claims in the main action. Deutsche Telekom appealed against this judgment. The proceedings relating to the appeal in front of the Federal Administrative Court are still pending.

Local Loop

In 1999, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop during the period from 1 April 1999 to 31 March 2001. Certain of the competitors and Deutsche Telekom filed complaints with the Cologne Administrative Court against this decision. Deutsche Telekom subsequently withdrew its complaint. Regarding the complaints of the competitors a dispute arose as to whether, and to what extent, Deutsche Telekom's business secrets disclosed to the Federal Network Agency could also be disclosed to the competitors taking part in the proceedings. In August 2003, the Federal Administrative Court ordered the Federal Network Agency to disclose to the Administrative Court, and thus indirectly to the competitors participating in these proceedings all of its files in connection with its local loop rates decision, including the disclosure of Deutsche Telekom's business secrets. In October 2003, Deutsche Telekom filed a complaint with the Federal Constitutional Court (*Bundesverfassungsgericht*) and applied for an injunction. In February 2004, the Federal Constitutional Court granted the injunction in essence. The court decided that the Federal Network Agency could not disclose the files containing Deutsche Telekom's business secrets, except for those related to the Federal Network Agency's challenged decision in 1999. In March 2006, the Federal Constitutional Court also ruled in Deutsche Telekom's favor in the proceedings in the main action, holding that it has certain constitutional rights. The Federal Constitutional Court stated that the Federal Administrative Court had violated Deutsche Telekom's constitutional rights by ordering the disclosure of its business secrets. In addition, the Federal Constitutional Court remanded the case to the Federal Administrative Court to implement the rules laid down in the main decision of the Federal Constitutional Court. In February 2007, the Federal Administrative Court remanded the case to the Cologne Administrative Court to decide whether or not the files contain business secrets and whether or not these secrets must be disclosed to competitors.

In 2001, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop during the period from 1 April 2001 to 31 March 2003. In April 2001, certain of the competitors and Deutsche Telekom filed complaints against this decision with the Cologne Administrative Court. Deutsche Telekom subsequently withdrew its complaint. Regarding the complaints of the competitors, proceedings are still pending. However, in February 2006, the Cologne Administrative Court submitted ten questions related to the interpretation of the relevant EU local loop regulation to the European Court of Justice. In March 2007, the European Court of Justice held a hearing and in July 2007 the Advocate General gave his opinion in this matter. The proceedings of the Cologne Administrative Court can only continue after the European Court of Justice has reached a decision referring to this interpretation request, which is scheduled for 24 April 2008.

In 2003, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop during the period from 1 May 2003 to 31 March 2005. Certain of the competitors and Deutsche Telekom filed complaints against this decision with the Cologne Administrative Court. These proceedings are still pending.

In 2004, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop (in this case, relating to its activation and termination charges). Certain of the competitors filed complaints against this decision and asked the Cologne Administrative Court for an injunction, but the court rejected this request. The proceedings in the main action are still pending.

In 2005, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop provided during the period from 1 April 2005 to 31 March 2007. Deutsche Telekom filed a complaint against this decision with the Cologne Administrative Court, claiming higher rates, and asked the court for an injunction. The Cologne Administrative Court rejected the requested injunction. In the main action, the proceedings are still pending. Certain of the competitors also filed complaints against the Federal Network Agency's decision seeking lower rates. These proceedings are still pending.

In 2005, the Federal Network Agency issued a decision adjusting the rates Deutsche Telekom could charge for access to the local loop (relating to the activation and termination charges). Certain of the competitors filed complaints with the Cologne Administrative Court against this decision. The proceedings are still pending.

In 2005, the Federal Network Agency issued a decision regarding the access to the local loop according to legal conditions of the new telecommunication law which was implemented in summer 2004. Certain of the competitors filed complaints against this decision. In addition, a competitor asked the Cologne Administrative Court for an injunction. The court, however, rejected the requested injunction. In the main action, the Cologne Administrative Court also rejected the complaint of the competitor. The competitor appealed the decision. In February 2007, the Federal Administrative Court rejected the competitor's appeal. Regarding the complaints of the other competitors, the Cologne Administrative Court dismissed the complaints, but permitted appeal to the Federal Administrative Court. In November 2007, the Federal Administrative Courts rejected the competitor's appeals.

In 2007, the Federal Network Agency issued a decision regarding access to the local loop, which permitted the competitors for the first time access to a portion of Deutsche Telekom's cable ducts between the Main Distribution Frame (*Hauptverteiler*) and the Distribution Frame (*Kabelverzweiger*), or, if such access was not possible due to capacity reasons, access to dark fiber. This access to the ducts is of considerable importance since it would permit the competitors to benefit indirectly from the investments in the newly built VDSL-network. Deutsche Telekom filed an injunctive action with the Cologne Administrative Court against this decision which has been dismissed. The proceedings in the main action are still pending.

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. Regarding the proceedings in the main action, the Cologne Administrative Court partly ruled in Deutsche Telekom's favour and thus dismissed the

ex-ante regulation of mobile termination rates. However, the Cologne Administrative Court permitted the parties to appeal to the Federal Administrative Court. On appeal of the Federal Network Agency, the Federal Administrative Court dismissed the claims of T-Mobile Deutschland and the other mobile network operators on 3 April 2008 leaving them to ex-ante regulation of mobile termination rates.

In addition, on the basis of this decision, the Federal Network Agency issued decisions adjusting the rates Deutsche Telekom could charge for the termination of calls into the mobile network of T-Mobile Deutschland during the periods from 23 November 2006 to 30 November 2007 and from 1 December 2007 to 31 March 2009. Deutsche Telekom filed complaints against the decisions with the Cologne Administrative Court, claiming higher rates, and asked the court for preliminary injunctions and initiated main proceedings, which were either rejected or are still pending. Certain of the competitors also filed complaints against the Federal Network Agency's decision seeking lower rates. These proceedings are still pending.

Leased Lines

Between January 2005 and October 2006, the Federal Network Agency issued several decisions approving the rates Deutsche Telekom could charge for its digital leased lines, which are based on a new tariff structure. Three of the competitors filed complaints with the Cologne Administrative Court against the approval of these tariffs. The proceedings are still pending.

Retail Markets

In June 2006, the Federal Network Agency decided that the rates for retail telecommunications services, including the rates for individually agreed services and VoIP services, charged by Deutsche Telekom are subject to ex-post regulation. Additionally, the Federal Network Agency imposed upon Deutsche Telekom the obligation to inform it about new rates two months prior to their planned effective date. Where planned rates would clearly not be compatible with the German Telecommunications Act, the Federal Network Agency may, within a period of two weeks of notice of the measure, prohibit introduction of the rates until such time as it has completed its examination. In August 2006, Deutsche Telekom filed a complaint against this decision and asked the Cologne Administrative Court for an injunction, asking for the suspension of the obligation. The Cologne Administrative Court rejected the requested injunction. In the main action, the Cologne Administrative Court granted Deutsche Telekom's claim regarding the obligation to inform the Federal Network Agency about new VoIP services rates two months prior to their planned effective date and rejected its complaint in view of the other claims. As a result, Deutsche Telekom has to inform the Federal Network Agency about all other rates for retail communications services two months prior to their planned decision. Deutsche Telekom appealed the decision of the Cologne Administrative Court to the Federal Administrative Court, which is 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. In 2006, the plaintiffs voluntarily dismissed without prejudice three of the four lawsuits in which T-Mobile USA is involved. The remaining case was removed to federal court and, on 14 February 2008, the court denied the plaintiffs' motion to remand the case to state court. T-Mobile USA continues to vigorously defend this case.

Consumer Class Actions

A number of substantially identical purported consumer class-action lawsuits have been pending in various state and federal courts in the United States against T-Mobile USA, as well as other major U.S. wireless carriers, alleging that each of the defendants had violated federal and/or state antitrust laws by improperly tying the sale of wireless mobile devices to the sale of wireless telephone services. The complaints seek injunctive relief, compensatory damages, treble damages, and attorneys' fees. In August 2005, the federal district court granted a motion for summary judgment in favor of all defendants, dismissing all claims in the federal cases except the conspiracy claims, which had not been the subject of the motion. In August 2006, in the federal cases, all claims were settled for a

minimal payment by the defendants. Deutsche Telekom is continuing to defend the various state cases vigorously.

QPSX Patents

In April 2001, QPSX Europe GmbH filed suit for a permanent injunction with the District Court in Munich against us and Siemens AG, alleging that Deutsche Telekom is both infringing on the plaintiff's patent by providing services using ATM technology. Because ATM technology is used in a number of products and services that Deutsche Telekom offers (e.g., T-DSL and T-ATM), an unfavorable outcome in this proceeding could have a substantial adverse effect on its business. In June 2004, the Federal Patent Court (*Bundespatentgericht*) nullified the QPSX-Patent. QPSX has lodged an appeal to the Federal Court of Justice. The appeal is still pending.

VAT Repayment for UMTS Licenses

In 2000, Deutsche Telekom acquired UMTS licenses pursuant to auctions in Germany, the United Kingdom, The Netherlands and Austria, for an aggregate amount of approximately EUR 15.8 billion. These purchases were invoiced by the respective countries without identifying whether a portion of the purchase price included the collection of VAT from the purchaser. Subsequent to the acquisition of these licenses, in the United Kingdom and Austria other licensees and Deutsche Telekom initiated proceedings in the respective home countries under the provisions of the EU directives relating to the recovery of VAT in certain circumstances. In June 2007, the European Court of Justice issued a final ruling in this matter on the EU level indicating that the UMTS auctions were not economic activities and therefore not subject to VAT. Accordingly, Deutsche Telekom will not be able to recover any VAT with respect to the UMTS auctions.

CIF

In October 2007, CIF Licensing LLC filed various suits with the Düsseldorf Regional Court against Deutsche Telekom AG for purported damages totaling EUR 120 million, alleging that Deutsche Telekom is infringing on four of the plaintiff's patents by using DSL technology. CIF is also pursuing a permanent injunction with regard to one patent. Deutsche Telekom intends to contest these proceedings vigorously.

Reimbursement and Damages for Subscriber Data Costs

From December 2004 to February 2008, a number of telephone directory service providers, including among others telegate AG ("**telegate**"), Klicktel and Vodafone, who received data from Deutsche Telekom relating to subscribers of voice telephony services for the purpose of providing their own directory services, filed lawsuits with the District Courts in Cologne and Bonn in the aggregate amount of approximately EUR 122 million, plus interest, claiming reimbursement for payments made to Deutsche Telekom since 1998. The plaintiffs, referring to a decision by the EU Court of Justice (C-109/03; *KPN vs. Onafhankelijke Post en Telecommunicatie Autoriteit*), accused Deutsche Telekom of having included inadmissible costs in the charges for providing customer data.

In a number of cases, the District Court in Cologne ordered Deutsche Telekom essentially to reimburse the plaintiffs. In connection with Deutsche Telekom's appeals against these decisions, the Court of Appeals in Düsseldorf basically confirmed these decisions. Deutsche Telekom has appealed all the decisions of the Court of Appeals to the Federal Court of Justice.

The decisions in the other cases are still pending with the Court of First instance.

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 Deutsche Telekom, 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. In the latter claim, the claimant subsequently increased the amount claimed to approximately EUR 612 million. Both plaintiffs claim that they incurred losses, due to the alleged adverse effect that Deutsche Telekom's alleged inclusion of inadmissible costs in its 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 and the loss of shares of certain shareholders. Oral hearings at the District Court in Cologne took place on 26 June 2006 and on 15 February 2008. The court decided to obtain expert advice before a new date for oral hearing or a decision should be fixed.

On 25 January 2007, klicktel filed another lawsuit with the same court for damages of approximately EUR 13 million based on analogous claims plus interest and the determination to pay damages arising in the future until 2010. Subsequently the claimant specified the amount and is now claiming payment of approximately EUR 11 million plus interest and the determination that Deutsche Telekom is obliged to compensate all damages arising in the future from 2007 to 2010.

Deutsche Telekom defends 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 Deutsche Telekom's wholesale tariffs for access to the local loop and its retail access tariffs between January 1998 and September 2003. Arcor bases its claim primarily on the EU Commission's decision of 21 May 2003 against Deutsche Telekom for allegedly abusing its dominant position by charging the competitors and end-users unfair monthly and one-off charges for access to its local network. In July 2003, Deutsche Telekom 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 realised between September 2003 and June 2005 and a new calculation methodology used by the plaintiff, which, in Deutsche Telekom's view, deviates from the EU Commission's approach. If the Court of First Instance or the European Court of Justice would annul the EU Commission's decision, Deutsche Telekom expects 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 EU Commission's decision. In May 2007, a hearing took place before the Court of First Instance. On 10 April 2008 the Court of First Instance dismissed Deutsche Telekom's claim for reversal of the EU Commission's decision. Against this decision, appeal to the European Court of Justice is possible. Should the decision of the Court of First Instance prevail, the national courts (i.e. the District Court in Cologne) in the damage claim would be bound by the European Court's assessment.

Damage claim by Eutelsat SA

On 31 October 2006, Eutelsat SA filed against Deutsche Telekom AG, T-Systems Business Services GmbH and SES SA a suit before the Commercial Court of Paris claiming EUR 141.5 million in damages. Eutelsat, like SES, operates satellites and markets transponders (*i.e.*, satellite capacity) to customers worldwide. Based on a preferential tariff, T-Systems has leased several transponders on a Eutelsat satellite and has sub-leased six of these transponders to SES. Eutelsat argues that this sub-lease constitutes a breach of contract by T-Systems and SES based on the alleged undertaking by T-Systems to only use these transponders for certain purposes and SES' alleged breach of its undertaking to use certain frequencies utilised on these transponders only outside of Europe. The damages claimed by Eutelsat amount to the difference between the preferential and the alleged market tariffs for each transponder for the remaining life span of the Eutelsat satellite. Eutelsat has waived its claim against SES before the Commercial Court of Paris on 16 October 2007 reserving its right to sue SES before an arbitration court. Deutsche Telekom believes the claims to be unfounded and will contest the proceedings vigorously.

Toll Collect

As previously reported, the Federal Republic of Germany has initiated arbitration proceedings against Daimler 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 German highway toll collection system and alleged breaches of the related operating agreement.

The Federal Republic of Germany, 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 of Germany 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 of Germany, the amount claimed as contractual penalties may increase. Daimler Financial Services AG, Deutsche Telekom AG and the Toll Collect consortium filed their answer to the claim on 30 June 2006 and to the subsequent counterplea of the Federal Republic of

Germany on 1 October 2007. The Federal Republic of Germany has served further briefs on 7 January 2008 and 16 February 2008.

Additionally, in December 2006, Toll Collect GmbH, the operating company of the Toll Collect consortium, initiated an arbitration proceeding seeking a determination that the Federal Republic of Germany'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 Statement of Claims of Toll Collect GmbH was served on the Federal Republic of Germany on 25 May 2007. The answer of the Federal Republic of Germany together with a counterclaim claiming over payment of remuneration to Toll Collect GmbH was received 31 January 2008. The tribunal has given the parties further opportunity to file briefs prior to an initial hearing scheduled for summer 2008.

Although the outcome of these arbitration proceedings is difficult to predict, Deutsche Telekom believes the Federal Republic of Germany's claims presented in the arbitration notice and statement of claims are unsustainable. Deutsche Telekom is contesting the Federal Republic of Germany's claims vigorously.

Magyar Telekom

As previously reported, in the course of conducting their audit of Magyar Telekom's 2005 financial statements, Magyar Telekom's independent auditors identified two contracts the nature and business purposes of which were not readily apparent. In February 2006, Magyar Telekom's Audit Committee initiated an independent investigation into this matter. In the course of the investigation, two further contracts entered into by Magyar Telekom raised concerns. To date, the independent investigators have been unable to find sufficient evidence to show that any of the four contracts under investigation resulted in the provision of services to Magyar Telekom or its subsidiaries under those contracts of a value commensurate with the payments made under those contracts (approximately EUR 8 million). The independent investigators have been unable to determine definitively the purpose of the contracts, and it is possible that the purpose may have been improper. The independent investigators further identified several other contracts that could warrant review. In February 2007, Magyar Telekom's Board of Directors determined that these contracts should be reviewed and expanded the scope of the independent investigation to cover these additional contracts and related transactions.

The investigation, which has been impeded by the destruction of certain documents, delayed the finalisation of Magyar Telekom's 2005 financial statements, and as a result Magyar Telekom and some of its subsidiaries failed to meet certain deadlines prescribed by U.S., Hungarian and other applicable laws and regulations for preparing and filing audited annual results and holding annual general meetings. The 2005 financial statements have now been finalised and the delayed filings and annual general meeting have been completed.

The investigation revealed certain weaknesses in Magyar Telekom's internal controls and procedures, including the lack of consistent approval procedures for procurement and third-party contracts and the lack of a comprehensive compliance training programme. Accordingly, Magyar Telekom has approved and is currently implementing certain remedial measures designed to enhance its internal controls to ensure compliance with Hungarian and U.S. legal requirements and NYSE listing requirements.

Magyar Telekom has notified the Hungarian Financial Supervisory Authority, the Hungarian National Bureau of Investigation, the U.S. Securities and Exchange Commission and the U.S. Department of Justice of the investigation. Magyar Telekom is in regular contact with these authorities regarding the investigation and is responding to inquiries raised in investigations being conducted by these authorities. Additionally, Deutsche Telekom has been contacted by the U.S. Securities and Exchange Commission and the U.S. Department of Justice in connection with their review of Deutsche Telekom's role in certain of the matters currently under investigation by these agencies with respect to Magyar Telekom. Deutsche Telekom has been advised that the U.S. Securities and Exchange Commission and the U.S. Department of Justice are also reviewing the actions taken by Magyar Telekom and Deutsche Telekom in response to the findings of and issues raised by the investigation. Deutsche Telekom is cooperating with these agencies and have provided documents and information responsive to their requests.

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 2007.

Additional Information

Share Capital

As of 1 February 2008 the share capital of Deutsche Telekom amounted to € 11,164,979,182.08 divided into 4,361,319,993 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, Antonio Vivaldistraat 150, 1083 HP Amsterdam, the Netherlands. The auditors of Ernst & Young Accountants are members of the Royal NIVRA (*Koninklijk Nederlands Instituut van Registeraccountants*). They have audited the financial statements of Finance as of and for the years ended 31 December 2006 and 31 December 2007 and issued unqualified auditors' reports. The financial statements for the years 2006 and 2007 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, Strawinskyaan 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.

Selected Financial Information of Deutsche Telekom International Finance B.V.

(Before proposed appropriation of result)

Unconsolidated Balance Sheets

	<u>31 December 2007</u>		<u>31 December 2006</u>	
	EUR'000	EUR'000	EUR'000	EUR'000
<i>Assets</i>				
Fixed assets				
Tangible fixed assets	7		14	
Financial fixed assets	<u>27,851,160</u>		<u>32,753,609</u>	
		27,851,167		32,753,623
Current assets				
Receivables and other current assets		5,254,310		4,663,499
		<u>33,105,477</u>		<u>37,417,122</u>

	<u>31 December 2007</u>		<u>31 December 2006</u>	
	EUR'000	EUR'000	EUR'000	EUR'000
<i>Shareholder's equity and liabilities</i>				
Shareholder's equity				
Issued share capital and other reserves	2,000		2,000	
Result current year	<u>10,916</u>		<u>10,824</u>	
		12,916		12,824
Long-term liabilities		27,687,937		32,552,960
Current liabilities		5,404,624		4,851,338
		<u>33,105,477</u>		<u>37,417,122</u>

Unconsolidated Profit and loss account for the years ended 31 December 2007 and 2006

	<u>2007</u>		<u>2006</u>	
	EUR'000	EUR'000	EUR'000	EUR'000
Income from financing activities	2,793,619		2,728,850	
Direct costs for financing activities	(2,778,378)		(2,712,707)	

Added value	15,241	16,143
General and administrative expenses	<u>(592)</u>	<u>(769)</u>
Total costs	<u>(592)</u>	<u>(769)</u>
Result on ordinary activities before taxation	14,649	15,374
Taxation on result on ordinary activities	<u>(3,733)</u>	<u>(4,550)</u>
Net result after taxation	<u>10,916</u>	<u>10,824</u>

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 2007.

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. Axel Lützner
Vice President Mergers & Acquisitions, 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 authorised share capital of Finance consists of 5,000 shares of common stock at a par value of EUR 453.78 each. The issued share capital amounts to EUR 453,780 and consists of 1,000 shares of common stock at a par value of EUR 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 24 April 2008 (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 BankSA/NV ("**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 depositary, 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 depositary 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 recognised 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

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.

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.*

(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] or any successor 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 Reference Rate is other than EURIBOR, EURO-LIBOR or LIBOR, insert relevant details in lieu of the provisions of this subparagraph (2)]

[If ISDA Determination applies insert the relevant provisions and attach the 2000 ISDA Definitions or the 2006 ISDA Definitions, as applicable, published by the International Swaps and Derivatives Association, Inc.]

[If other 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.^{1]}

[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,

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.

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.¹]

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"):

[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 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 of 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
60272 Frankfurt am Main
Germany

Paying Agent[s]: Fortis Banque Luxembourg S.A.
50, avenue J. F. Kennedy
2951 Luxembourg
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.**

(3) *Agent of the Issuer.* The Fiscal Agent[,] [and] [the Paying Agent[s]] [and the Calculation Agent] act[s] solely as the agent[s] of the Issuer and [does] [do] not assume any obligations towards or relationship of agency or trust for any Holder.

§ 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 EUR 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

[In the case of Notes which are listed on the Luxembourg Stock Exchange insert:

(1) *Publication.* All notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.

(2) *Notification to Clearing System.* The Issuer shall deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been validly given on the seventh day after the day on which the said notice was given to the Clearing System. So long as any Notes are listed on the Luxembourg Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the Rate of Interest or, if the Rules of the Luxembourg Stock Exchange otherwise 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 as set forth in subparagraph (1) above; any such notice shall be deemed to have been validly given on the seventh day after the day on which the said notice was given to the Clearing System.]

[In the case of Notes which are unlisted insert:

(1) *Notification to Clearing System.* 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 validly given on the seventh day after the day on which the said notice was given to the Clearing System.]

[In case of Notes which are listed on a Stock Exchange other than the Luxembourg Stock Exchange insert relevant provisions]

[(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 Authorised Agent.* For any legal disputes or other proceedings before German courts, the Issuer appoints Deutsche Telekom, as its authorised 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 authorised 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 recognised standing authorised 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, 63105 Bonn, Bundesrepublik Deutschland, 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 24. April 2008 (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 bereitgehalten. 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] verbriefte 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 SA/NV ("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 zu-lässiges 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 ausgestellte Bescheinigung 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 verbriefter 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 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 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 bereitgehalten.]

§ 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 Festzinsternin ist:** Die Zinsen für den Zeitraum vom **[den letzten dem Fälligkeitstag vorausgehenden Festzinsternin 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.]

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.

[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 (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 darauf folgenden 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]** oder jede Nachfolgeseite.

[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 Angebotsatz 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 Angebotsatz 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 Angebotsatzes 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 betreffenden von der International Swaps and Derivatives Association, Inc. veröffentlichten 2000 ISDA-Definitionen oder, falls anwendbar, die 2006 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.^{1]}

[Im Fall von Schuldverschreibungen, die durch Einzelurkunden 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 .]

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.^{1]}

[Im Fall von Nullkupon-Schuldverschreibungen, die durch Einzelurkunden 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 Verzugszinsen¹; die Verzinsung endet jedoch spätestens mit Ablauf des vierzehnten Tages nach

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.

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 gleich bleibenden 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 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 verbriefte 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 Einzelkunden verbrieften Schuldverschreibungen:** Die Zahlung von Zinsen auf durch Einzelkunden 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 Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft werden: Die Zahlung von Zinsen auf durch eine Dauerglobalurkunde verbrieft 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 eine Vorläufige Globalurkunde zahlbaren Zinsen: Die Zahlung von Zinsen auf durch eine vorläufige Globalurkunde verbrieft 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 Einzelkunden 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 Einzelurkunden einfügen:** und an dem Banken am Ort einer Zahlstelle, bei der Schuldverschreibungen [,] [Zinsscheine] [,] [Talons] [oder] [Rückzahlungsscheine] zur Zahlung eingereicht werden, geöffnet sind].

bei Einzelurkunden, 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 Einzelurkunden, 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)	Rate(n)
[Ratenzahlungstermin(e)]	[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 frühest möglichen 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) (Call)	Wahl-Rückzahlungsbetrag/-beträge (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 Hauptzahlstelle:	Deutsche Bank Aktiengesellschaft Trust & Securities Services (TSS) Grosse Gallusstrasse 10-14 60272 Frankfurt am Main Bundesrepublik Deutschland
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Zahlstelle[n]: Fortis Banque Luxembourg S.A.
50, avenue J. F. Kennedy
2951 Luxembourg
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 [vorgeschriebenem 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.**

(3) *Erfüllungsgehilfe(n) der Emittentin.* Der Fiscal Agent[,] [und] [die Zahlstelle[n]] [und die Berechnungsstelle] [handelt] [handeln] ausschließlich als Erfüllungsgehilfe[n] der Emittentin und [übernimmt] [übernehmen] keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen [ihm] [ihnen] und den Gläubigern begründet.

**§ 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 zugrunde liegenden Vertrages, oder die Emittentin **[bei von Finance begebenen Schuldverschreibungen:** oder die Garantin] einer Zahlungsverpflichtung in Höhe oder im Gegenwert von mehr als EUR 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 bekannt gibt 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 bekannt gegeben.

(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

[Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen:

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen erfolgen durch elektronische Publikation auf der Website der Luxemburger Börse (www.bourse.lu). Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.

(2) *Mitteilungen an das Clearing System.* Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt. Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, findet Absatz (1) Anwendung. Soweit die Mitteilung den Zinssatz von variabel verzinslichen Schuldverschreibungen betrifft oder die Regeln der Luxemburger Börse dies sonst 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 siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die nicht an einer Börse notiert sind, einfügen:

(1) *Mitteilungen an das Clearing-System.* Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am siebten Tag 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, relevante Bestimmungen einfügen]

[(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 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 Originalbelege 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, abzuziehen 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 beigefügt.

(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 24 April 2008. 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 24 April 2008
vom 24. April 2008

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 24 April 2008 as supplemented (the "**Prospectus**") and these Final Terms.

*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 24. April 2008 in der jeweils geltenden Fassung (der "**Prospekt**") zusammengekommen werden.*

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.

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 24 April 2008 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 24. April 2008 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 Conditions¹

Form der Bedingungen

- Long-Form
Nicht-konsolidierte Bedingungen
- Integrated
Konsolidierte Bedingungen

Language of Conditions²

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)³

WÄHRUNG, NENNBETRAG, FORM UND EIGENTUMSRECHT, DEFINITIONEN (§ 1)

Currency and Denomination

Währung und Nennbetrag

Specified Currency

[]

Festgelegte Währung

¹ 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 insgesamt oder teilweise öffentlich zum Verkauf angeboten werden oder insgesamt oder teilweise an nicht berufsmäßige Investoren verkauft werden.

² 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.

³ The minimum denomination of the Notes will be, if in euro, EUR 1,000, if in any currency other than euro, in an amount in such other currency nearly equivalent to EUR 1,000 at the time of the issue of the Notes .

Die Mindeststückelung der Schuldverschreibungen beträgt EUR 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 annähernd dem Gegenwert von EUR 1.000 entspricht.

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	[Yes/No]
<i>New Global Note</i>	[Ja/Nein]

- 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 C¹
WEDER TEFRA D NOCH TEFRA C
 Permanent Global Note
Dauerglobalurkunde

Definitive Notes	[Yes/No]
<i>Einzelurkunden</i>	[Ja/Nein]

- Coupons
Zinsscheine

¹ 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.

- Talons
Talons
- Receipts
Rückzahlungsscheine

Certain Definitions

Definitionen

Clearing System

- Clearstream Banking AG, Frankfurt am Main (CBF)
Neue Börsenstraße 1
60487 Frankfurt am Main
Bundesrepublik Deutschland
- Clearstream Banking, société anonyme, Luxembourg (CBL)
42 Avenue JF Kennedy
1855 Luxembourg
Luxembourg
- Euroclear Bank SA/NV (Euroclear)
1 Boulevard du Roi Albert II
1210 Brussels
Belgium
- 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 Determination¹ [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)) []

¹ 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.

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)
- 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 Fraction¹

Zinstagequotient

¹ Complete for all Notes.

- 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

Instalment Date(s) []

Ratenzahlungstermin (e)

Instalment Amount(s) []

Rate(n)

Early Redemption at the Option of the Issuer [Yes/No]

Vorzeitige Rückzahlung nach Wahl der Emittentin [Ja/Nein]

Minimum Redemption Amount []

Mindestrückzahlungsbetrag

Higher Redemption Amount []

Höherer Rückzahlungsbetrag

Call Redemption Date(s) []

Wahlrückzahlungstag(e) (Call)

Für alle Schuldverschreibungen auszufüllen.

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>	[Ja/Nein]
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	[] days
<i>Höchstkündigungsfrist</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)	
<i>EMISSIONSSTELLE UND DIE ZAHLSTELLE[N] [UND DIE BERECHNUNGSSTELLE] (§ 7)</i>	
Paying Agent(s)/specified office(s)	[]
<i>Zahlstelle(n)/bezeichnete Geschäftsstelle(n)</i>	
Calculation Agent/specified office	[]
<i>Berechnungsstelle/bezeichnete Geschäftsstelle</i>	
required location of Calculation Agent (specify)	[]
<i>vorgeschriebener Ort für Berechnungsstelle (angeben)</i>	
NOTICES (§ 13)	
<i>MITTEILUNGEN (§ 13)</i>	

Place and medium of publication

Ort und Medium der Bekanntmachung

- Website of the Luxembourg Stock Exchange (www.bourse.lu)

Internetseite der Luxemburger Börse (www.bourse.lu)

- Luxemburger Wort

Luxemburger 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 Factors¹

A. Risikofaktoren

B. Key Information

B. Wichtige Informationen

Interests 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 offer²

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

¹ 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.

² Not required for Notes with a Specified Denomination of at least € 50,000. See "Use of Proceeds" wording in the Prospectus. 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.

Schuldverschreibungen

Eurosystem eligibility¹ 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

Yield² Rendite

Yield []
Rendite

Method of calculating the yield³ 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.

Other method (specify)
Andere Methoden (angeben)

Historic Interest Rates⁴ 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

¹ 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.

² Only applicable for Fixed Rate Notes.
Nur bei festverzinsliche Schuldverschreibungen anwendbar.

³ 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

⁴ Only applicable for Floating Rate Notes. Not required for Notes with a Specified Denomination of at least EUR 50,000.
Nur bei variabel verzinslichen Schuldverschreibungen anwendbar. Nicht anwendbar auf Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000.

können abgerufen werden unter [relevante Bildschirmseite einfügen]

☐ **Details Relating to the Performance of the [Index][Formula][Other Variable] and other information concerning the underlying¹**

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 evident²

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]³ [Details of where information about the Index can be obtained]⁴
[Indexbeschreibung][Angaben, wo Informationen zum Index zu finden sind]]

[specify details here] [Einzelheiten hier angeben]

**[Underlying is an Interest Rate
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

¹ Only applicable for Index-linked or other Variable Linked Notes.
Nur anwendbar bei indexierten Schuldverschreibungen und Schuldverschreibungen, die an eine Variable gebunden sind.

² Only applicable in case of Notes with a Specified Denomination of less than EUR 50,000.
Nur anwendbar bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000.

³ Only applicable if the Index is composed by the Issuer.
Nur anwendbar, sofern der Index von der Emittentin zusammengestellt wird.

⁴ Only applicable, if the Index is not composed by the Issuer
Nur anwendbar, sofern der Index nicht von der Emittentin zusammengestellt wird.

Gewichtung jedes einzelnen Basiswertes im Korb]]¹

[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 evident²

[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 underlying³

[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 Investment⁴

[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 Investment⁵**

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]

¹ 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.

² Not required for Notes with a Specified Denomination of at least EUR 50,000 or a minimum transfer amount of at least EUR 50,000.

Nicht erforderlich bei Schuldverschreibungen anwendbar mit einer festgelegten Stückelung von mindestens EUR 50.000 oder Schuldverschreibungen, die lediglich für mindestens EUR 50.000 pro Wertpapier erworben werden können.

³ To be completed only if applicable.

Nur falls anwendbar einzufügen.

⁴ 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 EUR 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 EUR 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.

⁵ 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 EUR 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 vergangene und künftige Wertentwicklung und Volatilität der maßgeblichen Wechselkurse eingeholt werden können. Bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 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.

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)

Non-exempt Offer [Not applicable] [Applicable]¹
Nicht-befreites Angebot [Nicht anwendbar] [anwendbar]

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 sought²
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]

¹ Not applicable in Germany. If applicable in the relevant jurisdiction, insert: "An offer of the Notes may be made by the Dealers [and **specify, if applicable**] other than pursuant to Article 3(2) of the Prospectus Directive in [**specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported**] during the period from [] until []".
*Nicht anwendbar in Deutschland. Wenn anwendbar in der jeweiligen Jurisdiktion, einfügen: "Die Schuldverschreibungen können von den Platzeuren [und **angeben, falls anwendbar**] anders als gemäß Artikel 3(2) der Prospekttrichtlinie in [**die jeweiligen Mitgliedstaaten angeben, die den Jurisdiktionen entsprechen müssen, in die der Prospekt und etwaige Nachträge notifiziert wurden**] im Zeitraum von [] bis [] angeboten werden".*

² 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.

D. TERMS AND CONDITIONS OF THE OFFER¹
D. BEDINGUNGEN UND KONDITIONEN DES ANGEBOTS

Expected price at which the notes will be offered / method of determining the price and the process for its disclosure and amount of any expenses and taxes specifically charged to the subscriber or 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 Agreement²
Datum des Subscription Agreements

[]

Management Details including form of commitment³
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

[]

Commissions⁴
Provisionen

Management/Underwriting Commission (specify)
Management- und Übernahme provision (angeben)

[]

Selling Concession (specify)
Verkaufsprovision (angeben)

[]

Listing Commission (specify)
Börsenzulassungsprovision (angeben)

[]

Other (specify)
Andere (angeben)

[]

¹ 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.

² 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.

³ 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.

⁴ To be completed in consultation with the Issuer.
In Abstimmung mit der Emittentin auszuführen.

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) [Yes/No]
Notierung(en) [Ja/Nein]

- Luxembourg Stock Exchange
- 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 trading¹ []
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.²
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

¹ 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.

² 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.

Rating¹ []
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

[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:²
[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]

¹ 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.

² Insert only if the Notes are listed.

Nur einzufügen, wenn die Schuldverschreibungen gelistet werden.

[Name und Titel der Unterzeichnenden]

[Deutsche Telekom International Finance B.V.]

[Name & title of signatories]

[Name und Titel der Unterzeichnenden]

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 t szuschlag*) 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**") realised 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 if neither the tax authority can determine such yield nor the holder gives proof thereof, the difference between the proceeds from the disposition, assignment or redemption and the issue or purchase price of the Note will be subject to income tax (plus solidarity surcharge) in the year of the disposition, assignment or redemption 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 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 bank 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 bank 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 other than proceeds from their sale or redemption recharacterised as interest income in the case of

financial innovations (as explained above at "**Tax Residents**") 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

The Corporate Tax Reform Act 2008 dated 14 August 2007 includes, *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**") will be subject to the flat tax, irrespective of any holding period. The flat tax will 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 will be collected at a rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax) of the relevant gross income. The total gross income subject to the flat tax will only be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of € 801 (€ 1,602 for married couples filing jointly), not by a deduction of expenses actually incurred. Payment of the flat tax will 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.

The flat tax will be levied by way of withholding if a Disbursing Agent in Germany is involved in the payment process. Otherwise, the flat tax will be collected by way of assessment.

The flat tax will apply on interest income received after 31 December 2008. As a general rule, 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, in which case the new tax regime will be applicable even if the assets were acquired prior to 1 January 2009. However, special rules apply where under the Notes, as it may be the case with certain types of certificates, neither the repayment of the principal, in whole or in part, nor a coupon is guaranteed or effectively granted, i.e. where the Notes qualify as "full risk" securities which do not generate investment income under the current legislation. Under the new legislation, capital gains from the disposal of Notes will generally also be subject to the flat tax if the principal is effectively repaid in whole or in part although the repayment was not guaranteed, but depended on a contingent event, provided the proceeds are received after 31 December 2008. With respect to Notes for which a capital gain is not subject to tax under the current legislation because they qualify as "full risk" securities, the new legislation will apply if the proceeds are received after 30 June 2009, provided that the Notes have been acquired after 14 March 2007.

2. EU Savings Tax Directive

Under the EU Council Directive 2003/48/EC dated 3 June 2003 on the taxation of savings income in the form of interest payments (the "**EU Savings Tax Directive**"), which is applicable as from 1 July 2005, 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% from 1 July 2005, of 20% from 1 July 2008, and of 35% from 1 July 2011.

In conformity with the prerequisites for the application of the EU Savings Tax Directive, a number of non-EU countries and territories, including Switzerland, have agreed to apply measures equivalent to those contained in such directive (a withholding system in the case of Switzerland).

In Germany, provisions for implementing the EU Savings Tax Directive have been enacted by legislative regulations of the Federal Government. These provisions apply as from 1 July 2005.

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 that effectively functions as equity for tax purposes as meant in article 10, paragraph 1, sub d of the 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 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, *soci t  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 which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto 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) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3 (2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (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 Euro 43,000,000 and (3) an annual net turnover of more than Euro 50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 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 on the official list and Admission to Trading 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, 2951 Luxembourg, Luxembourg.

Each Paying Agent shall have available at its specified office a copy of the Amended and Restated Dealer Agreement dated 24 April 2008 (the "**Dealer Agreement**") and the Amended and Restated Agency Agreement dated 24 April 2008 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 a 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 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 EUR 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 2001 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 EUR 20,000,000,000 was authorised 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 EUR 25,000,000,000 was authorised 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.

Names and Addresses

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Arranger

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Dealers

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