– The spoken word shall prevail –

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Thank you, René Obermann!

Overall, I am quite satisfied with the financial performance in Germany, especially considering that last year in Q3 we still benefitted from approximately EUR 80 million of revenues and EBITDA from the O_2 roaming deal, which ended in 2009.

Revenues declined by 2.4 percent year-on-year. Excluding O_2, the decline would have been just 1.1 percent. Similarly, adjusted EBITDA was stable at EUR 2.5 billion. Excluding O_2, adjusted EBITDA would have increased by 3.3 percent. The O_2 effect is disproportionately impacting our German performance in the second half of the year due to the fact that the majority of the O_2 roaming revenues last year were booked in Q3 and Q4.

The strong EBITDA performance demonstrates the success of our cost-cutting program Save for Service in Germany. Adjusted opex was reduced by

EUR 0.2 billion or almost 5 percent year-on-year in Q3. Accordingly, the adjusted EBITDA margin improved by almost 1 percentage point year-on-year to close to 40 percent.

The majority of the German cost savings came through on the fixed side, where adjusted opex declined by 6.9 percent year-on-year, demonstrating the success of our Save for Service program in Germany.

Adjusted EBITDA remained almost stable year-on-year at around EUR 1.6 billion and the margin improved by 1.4 percentage points to 35.4 percent. The somewhat weaker revenue performance in Q3 can be explained by an exceptionally strong revenue performance last year in Q3 due to one-timers in value-added services and wholesale. We expect an improvement in the revenue trend for Q4.

In terms of KPIs in German fixed, our broadband net adds market share was impacted, as expected, by the exceptionally large volume of contract expirations in Q3. On a cumulated view for the first 9 months, our market share was still slightly above 40 percent and we remain confident that we can achieve a share of 40 to 45 percent for the year.

Cumulated traditional PSTN line losses were 1.2 million, 26 percent below the level in 2009. Line losses in Q3 were higher than in Q2 at 525,000 due to our lower broadband net add share and resale DSL losses of 210,000. The latter was in connection with the migration from traditional DSL resale to all-IP packages at competitors.

Positively, VDSL, including VDSL double-play packages, is starting to accelerate with a gain of 166,000 VDSL lines year-on-year in Q3.

Also, Entertain is ramping up with incremental sales of 130,000 packages in Q3, ending the quarter at 1.4 million. Therefore, our year-end target of 1.5 million looks very achievable.

German mobile had another very strong quarter, especially considering the O_2 impact. Service revenues grew by 5 percent to almost EUR 1.9 billion, supported by strong data growth. Adjusted EBITDA grew by 0.9 percent to EUR 928 million. Excluding O_2, the growth rate would have amounted to an impressive 10.7 percent.

We saw a continuous ramp-up of high-value customers with record iPhone sales, a further increased contract customer base, up 25,000 in Q3, and growing contract ARPU, up EUR 2 or 6.7 percent compared to Q3 last year.

Smartphones accounted for 53 percent of handsets sold in Q3, up 28 percentage points year-on-year. Despite record smartphone sales, the margin amounted to 43 percent, similar to last year despite the O_2 impact.

Turning to Europe, the integrated operations, namely OTE, Croatia, Magyar, and Slovak Telekom, continued to exhibit strong cash contributions and strong margins, especially considering the continuing top-line pressure in some of these markets.

The situation at OTE remains difficult, though it appears that trends are not deteriorating further. Despite a revenue decline of 9 percent, OTE achieved an almost stable margin of 37 percent and a stable cash contribution, despite an EBITDA decline of 11 percent.

In this context, let me welcome the new CEO of OTE, Michael Tsamaz. Michael was previously and continues to be the head of Cosmote, which has out-performed its peers in Greece and other markets.

On a positive note, Croatia Telecom achieved stable revenues and an increase in EBITDA and EBITDA margin and a strong increase in cash contribution, up 36 percent year-on-year. This good performance is partially reflecting the fact that the Croatian economy is showing signs that the decline is slowing down.

Magyar Telekom, in very difficult economic circumstances, managed a margin increase to a very healthy 47 percent and a 2 percent increase in cash contribution. Mobile service revenues, down 2 percent year-on-year, would have grown by 0.8 percent without regulation, due to good growth in the contract sub base, up 10.4 percent year-on-year.

In Slovakia, the cash contribution grew by 24 percent and the margin remained at a high 46 percent despite a 2 percent revenue decline. The mobile margin increased sequentially to 50 percent, compared to 50.7 percent in the third quarter of 2009.

Turning to the mobile-centric markets of the Czech Republic, Austria, Poland, and the Netherlands, results were impacted by higher market invest, reflecting the greater appetite for smartphones.

The Czech Republic saw a regulatory impact, without which revenues would have been flat year-on-year. Despite an increase in market invest (in euros) of 31 percent due to higher retention and an increase in the cost base due to the integration of the broadband business and the 3G rollout, EBITDA remained healthy in absolute terms with a strong margin of 48 percent.

In Austria, revenues were also impacted by regulation. Excluding the regulatory impact, revenues would have grown by 3.8 percent. EBITDA was impacted by a 50 percent increase in market invest due to a 24 percent increase of retained and acquired customers with a mix shift to contract.

In Poland, we saw a significantly improved revenue trend with revenues in euros increasing by 5 percent year-on-year (flat in local currency). This was driven by strong data revenues, up 37 percent in euro terms (31 percent in local currency). EBITDA on the other hand was impacted by an increase in market invest of 22 percent due to an increase in retention expenses and more data devices. The contract churn rate decreased sequentially to an impressive 0.8 percent.

In the Netherlands, we achieved a service revenue growth of almost 1 percent, almost 3 percentage points ahead of the market leader. Service revenue growth was impacted by regulation, without which the growth rate would have been 5.4 percent. Total revenues and EBITDA were impacted by the loss of an MVNO contract, which had a low double-digit million euro impact on EBITDA.

In addition, EBITDA was impacted by a 27 percent increase in market invest due in particular to strong iPhone sales of 100,000 in Q3 alone. Contract net adds nearly tripled year-on-year to 70,000 in Q3 with contract churn down to 1.1 percent. Nevertheless, indirect costs were further reduced by EUR 17 million, demonstrating that the synergy case is up to speed.

In Systems Solutions the positive revenue trend continued with an increase in total revenues of 3.8 percent and in external revenues of 6 percent, pushed by Big Deals such as ARIVIA in South Africa, Philips, BP, and TUI. This is now the third consecutive quarter of year-on-year total revenue growth for Systems Solutions despite decreasing internal revenues, as T-Systems contributes to the optimization of Group IT costs.

International revenues grew by 11 percent to EUR 715 million, now accounting for almost one third of total revenues. At the same time, Systems Solutions continued its adjusted EBIT improvement, despite additional expenses from new deals. Adjusted EBIT increased year-on-year by 9 million to

EUR 73 million in Q3, representing a margin of 3.3 percent, compared to 3 percent in Q3 last year and 0.5 percent in Q3 two years ago. This improved margin reflects the forceful execution of T-Systems' efficiency program with a Save for Service contribution of EUR 0.4 billion in the first nine months of 2010.

Turning to free cash flow, free cash flow for the first nine months amounted to EUR 4.8 billion, which means that we are well on track to reach at least EUR 6.2 billion in 2010. Free cash flow in the third quarter was a strong EUR 1.9 billion. When comparing it with the exceptionally strong third quarter last year, please recall that free cash flow last year benefitted from EUR 0.8 billion of factoring deals. Overall free cash flow, excluding last year's factoring deals, was much more evenly spread between the quarters in 2010 than in 2009, showing the impact of our improved free cash flow management.

With regard to our cost-cutting program Save for Service we are well on track. In the first nine months we achieved gross savings on corporate level of EUR 1.7 billion, with strong contributions from all operating segments. Importantly, over the past twelve months we achieved a reduction in the net cost base of the Group of EUR 740 million. We had strong underlying net savings in Germany and the Europe segment, each amounting to approximately half a billion euros, which were, however, partially offset by cost increases, predominantly in the U.S.

Finally, our balance sheet remained in excellent health and actually improved significantly compared to Q2. We reduced net debt by EUR 2.5 billion in the quarter, resulting in improved metrics, including a net debt to adjusted EBITDA ratio of 2.2 and an equity ratio of 33.9 percent. We are well within all our comfort zone ratios and have a BBB+ (Baa1 from Moody's) or A rating with a stable outlook from all four major rating agencies.

For the UK we are considering a significant non-recourse funding which would further reduce our consolidated debt.

With this we are now coming to the Q&A. René Obermann and I look forward to your questions.