## Press release

Bonn, May 12, 2010

# Deutsche Telekom off to a good start in 2010

- Adjusted net profit up 36 percent
- Free cash flow more than tripled to EUR 1.4 billion
- German mobile market leadership consolidated
- Data revenue per user in the United States increased by USD 1.50
- Stable development in Southern and Eastern Europe in the first quarter

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Deutsche Telekom got off to a good start in the 2010 financial year, recording sound figures in the first quarter. Adjusted EBITDA increased by 1.6 percent compared with the first quarter of 2009 to EUR 4.9 billion. With revenue almost stable – down 0.6 percent to EUR 15.8 billion – the adjusted EBITDA margin improved by 0.6 percentage points to 30.9 percent.

The development of adjusted net profit was particularly encouraging, increasing by 36 percent year-on-year to EUR 0.9 billion. Unadjusted net profit jumped by just under EUR 2 billion from EUR -1.1 billion to EUR +0.8 billion. The free cash flow trend was also impressive, with free cash flow of EUR 1.4 billion being recorded in the first three months of 2010, up from EUR 0.4 billion in the first quarter of 2009.

“These results show that we got off to a good start in 2010,” said René Obermann, CEO of Deutsche Telekom. “We have further stabilized our operations – in some cases achieving substantial improvements – and implemented important steps in our new strategy at the same time.”

Among the operating highlights in the first three months of 2010 were the outstanding figures in the German mobile business. The surge in the profitability of the mobile subsidiaries in the Europe operating segment and the revenue growth at T-Systems were also satisfactory. Business in Southern and Eastern Europe was stable with consistently high margins in spite of the difficult economic situation in countries such as Greece. T-Mobile USA reported sustained high demand for 3G-enabled converged devices.

By acquiring online payment service provider ClickandBuy in March of this year, the Group secured itself a leading position in a fast-growing segment. Furthermore, as of the end of the first quarter, the official launch of Telekom Deutschland GmbH marked the completion of the integration of fixed-network and mobile operations in Germany.

Deutsche Telekom maintains its guidance for the Group as communicated. Excluding the effects of the joint venture between T-Mobile UK and Orange UK in the United Kingdom, Deutsche Telekom expects to generate adjusted EBITDA of approximately EUR 20 billion and free cash flow of around EUR 6.2 billion in the 2010 financial year.

The assets and liabilities of T-Mobile UK have no longer been shown in the consolidated statement of financial position since April 1, 2010, following the establishment of the joint venture in the United Kingdom. Equally, T-Mobile UK's income statement has no longer been included in the consolidated income statement since the same date. Instead, the joint venture is included in the consolidated statement of financial position under investments accounted for using the equity method and the joint venture's profit or loss reported in the consolidated income statement under profit/loss from financial activities.

These changes affect Deutsche Telekom’s adjusted EBITDA in the amount of EUR 0.4 to 0.5 billion. Taking into account the agreed advance dividend from

the joint venture, Deutsche Telekom does not expect to see any impact on free cash flow.

**Overview of developments in the operating segments:**

**Germany**

The Company further consolidated its market leadership in service revenues in the German mobile communications sector. The focus remained on value-driven growth. Business in Germany progressed overall in the first quarter despite the challenging economic environment, regulatory requirements, and more intense competition. As a result, the broadband market share has remained stable since 2007, at 46 percent. The positive trend continued with an additional 130,000 Entertain packages sold, bringing the figure up to 1.2 million as of March 31, 2010.

The Germany operating segment significantly slowed the decline in revenues compared with the prior year, reporting a decrease of 2.2 percent to EUR 6.2 billion in the first quarter of 2010 compared with the first three months of 2009, when total revenue was down 4.6 percent. Adjusted EBITDA decreased by 2.7 percent to EUR 2.3 billion in the first quarter of 2010.

Total revenue from mobile operations in Germany rose by 2.5 percent in the first quarter of 2010 to EUR 2.0 billion, mainly as a result of 3.3 percent higher service revenues. Mobile data revenues continued their solid growth trend, increasing by 39 percent year-on-year. Adjusted EBITDA from mobile communications increased by 8.8 percent to EUR 0.8 billion and the adjusted EBITDA margin grew by 2.4 percentage points. This was attributable in particular to the positive revenue trend and lower general and administrative expenses. The success of value-driven growth is also reflected in the increased share of contract customers in the total customer base. As of March 31, 2010,

Deutsche Telekom served 17.3 million mobile contract customers in Germany, up 1.9 percent compared with the prior-year quarter.

In the first quarter of the year, revenue in the fixed network fell by 4.1 percent year-on-year to EUR 4.5 billion. Adjusted EBITDA amounted to EUR 1.5 billion, the decrease in revenue being largely offset by effective cost management. At 372,000, the number of line losses in the first quarter was down 38.2 percent compared with the same quarter in 2009.

**United States**

In the United States, demand for mobile Internet services is rising in line with strategic expectations. The number of 3G-enabled converged devices in T-Mobile's network rose by one third to 5.2 million in the first three months of 2010 alone. This represents an increase of 3.7 million compared with the previous year. As a result, non-voice revenue per customer also increased by USD 1.50 year-on-year.

Customer numbers at T-Mobile USA declined by 77,000 in the first quarter of 2010 as a result of the intense competitive environment and an industry-wide downturn. As of March 31, 2010, the U.S. mobile subsidiary served 33.7 million customers, 0.5 million more than one year earlier.

T-Mobile USA's business figures were negatively impacted by the exchange rate of the U.S. dollar against the euro. On a U.S. dollar basis, Deutsche Telekom's U.S. subsidiary posted a revenue shortfall of just 2.2 percent, while adjusted EBITDA rose by 0.8 percent. On a euro basis, however, revenue in the first quarter of 2010 was down 7.8 percent compared with the prior-year period to EUR 3.8 billion. At the same time, adjusted EBITDA decreased by 5.0 percent to EUR 1 billion. The adjusted EBITDA margin improved year-on-year by 0.8 percentage points to 26.4 percent in the first quarter of this year. The profitability of the U.S. business is underlined by

the net profit of USD 362 million generated in the first three months of 2010, compared with USD 322 million in the same period of 2009.

**Europe**

The mobile companies assigned to the Europe operating segment all recorded a pleasing rise in profitability. This segment posted an adjusted EBITDA margin of 27.6 percent in the first quarter, an increase of 8.4 percentage points compared with the previous year. The revenue trend is also encouraging. Total revenue fell by a mere 1.0 percent to EUR 2.4 billion. Adjusted for the impact of regulatory decisions and exchange rates, revenue actually increased slightly.

The customer base in the segment remained stable at 44.0 million in spite of the deregistration of inactive prepay customers. 171,000 net contract additions were recorded in the first three months of 2010. The companies in Poland and the Netherlands were particularly successful at customer acquisition and once again shifted their customer base clearly towards lucrative contract customers.

Due to strict cost control, all national companies succeeded in increasing their profit margins despite intense competition and unfavorable regulatory decisions. Non-recurring effects, for instance in Austria, also contributed to this positive trend. T-Mobile CZ in the Czech Republic remains the most profitable company with an adjusted EBITDA margin of 48.4 percent.

The first quarter of 2010 was the last time T-Mobile UK reported its business figures. The new joint venture company with Orange UK commenced operations on April 1, 2010, and will publish its figures separately in the future. Going forward, the national companies in Poland, the Czech Republic, Austria, and the Netherlands will be disclosed in the new Europe segment together with the companies that had previously been assigned to the Southern and Eastern European segment.

**Southern and Eastern Europe**

In the first quarter of 2010, Deutsche Telekom further strengthened its position in the markets of Southern and Eastern Europe despite the challenging economic environment. Total revenue increased by EUR 0.4 billion year-on-year to EUR 2.4 billion. Adjusted EBITDA grew by EUR 0.1 billion in the same period to EUR 0.9 billion. Revenue and adjusted EBITDA were significantly affected by the inclusion of the OTE group. OTE has only been fully consolidated since February 2009 and was therefore not included in the figures for the entire first quarter of 2009.

The strained economic situation and continuing intense competition in both mobile communications and the traditional fixed network negatively affected the organic revenue trend in the first quarter of 2010. In addition, tax burdens had a negative impact on mobile revenue in Croatia. Intensive cost savings did fully compensate for these effects on adjusted EBITDA. The adjusted EBITDA margin nevertheless remained high at almost 39 percent.

The broadband market also grew in the first quarter of 2010. With 3.9 million broadband lines in total, the operating segment recorded an increase of 3.0 percent compared with the end of 2009. Growth in the broadband market was also driven by the ongoing success in the marketing of IPTV, with the number of IPTV customers almost doubling within one year.

All mobile companies contributed to the increase in contract customer numbers in absolute terms. The percentage of contract customers in the total customer base increased slightly in all countries except Slovakia. The total mobile customer base was reduced by 0.6 million in the first quarter of 2010 to 34.0 million. The mobile business in the Southern and Eastern Europe segment declined compared with the end of 2009 in several countries, reflecting macroeconomic trends and new registration requirements for prepay products in some countries.

**Systems Solutions**

In the first quarter of the year, total revenue from T-Systems' operations returned to an upward trend, increasing by 1.2 percent year-on-year to EUR 2.1 billion, driven in particular by the 5.7 percent growth in T-Systems' international business.

The large number of deals with corporate customers in the previous year had a positive effect on the figures. This positive upward trend in incoming orders also continued in the first quarter due to major new deals with the German Aerospace Center (DLR), Deutsche Post DHL, TUI Travel, and Swiss Federal Railways. In spite of the universal economic and financial crisis, new orders increased by 7.3 percent in the first three months of 2010.

Business with customers outside the Deutsche Telekom Group expanded by 2.4 percent, reflecting T-Systems' increasingly strong positioning on national and international markets. Intragroup revenue declined by 1.8 percent compared with the previous year to EUR 0.6 billion, further underlining T-Systems' contribution to the Group's cost-cutting efforts.

Adjusted EBIT increased by 38.2 percent to EUR 47 million as a result of the extensive restructuring and efficiency enhancement program Save for Service as well as the extension of the economic useful lives of non-current assets. The adjusted EBIT margin totaled 2.2 percent, up from 1.6 percent the prior-year quarter. By contrast, adjusted EBITDA of the Systems Solutions operating segment declined by 7.1 percent to EUR 0.2 billion in the first quarter, largely attributable to higher costs of goods and services purchased in connection with the new major deals.

## The Deutsche Telekom Group at a glance*:

| | Q1 2010 millions of EUR | Q1 2009 millions of EUR | Change millions of EUR | Change % | FY 2009 millions of EUR |
|---|---|---|---|---|---|
| **Net revenue** | 15,812 | 15,902 | (90) | (0.6) | 64,602 |
| **- Domestic** | 6,739 | 6,943 | (204) | (2.9) | 28,033 |
| **- International** | 9,073 | 8,959 | 114 | 1.3 | 36,569 |
| **Profit (loss) from operations (EBIT)** | 2,029 | 244 | 1,785 | n.a. | 6,012 |
| **Adjusted EBIT** | 2,230 | 1,917 | 313 | 16.3 | 9,158 |
| **EBITDA** | 4,690 | 4,942 | (252) | (5.1) | 19,906 |
| **Adjusted EBITDA** | 4,890 | 4,812 | 78 | 1.6 | 20,668 |
| **Net profit (loss)** | 767 | (1,124) | 1,891 | n.a. | 353 |
| **Adjusted net profit (loss)** | 891 | 655 | 236 | 36.0 | 3,390 |
| **Free cash flow before dividend payments** | 1,439 | 416 | 1,023 | n.a. | 6,969 |
| **Net cash from operating activities** | 3,271 | 2,966 | 305 | 10.3 | 15,795 |
| **Cash outflows for investments in property, plant and equipment, and intangible assets (excluding goodwill)** | 1,934 | 2,611 | (677) | (25.9) | 9,202 |
| **Net debt at reporting date** | 40,418 | 42,833 | (2,415) | (5.6) | 40,911 |
| **Number of employees at reporting date** | 258,240 | 260,798 | (2,558) | (1.0) | 259,920 |

## Germany operating segment*:

| | Q1 2010 millions of EUR | Q1 2009 millions of EUR | Change millions of EUR | Change % | FY 2009 millions of EUR |
|---|---|---|---|---|---|
| **Total revenue** | 6,189 | 6,331 | (142) | (2.2) | 25,423 |
| **- Fixed network** | 4,530 | 4,724 | (194) | (4.1) | 18,736 |
| **- Mobile communications** | 2,000 | 1,952 | 48 | 2.5 | 8,109 |
| **Net revenue** | 5,804 | 5,969 | (165) | (2.8) | 23,813 |
| **Profit (loss) from operations (EBIT)** | 1,171 | 1,325 | (154) | (11.6) | 5,062 |
| **Adjusted EBIT** | 1,285 | 1,347 | (62) | (4.6) | 5,418 |
| **EBITDA** | 2,185 | 2,341 | (156) | (6.7) | 9,258 |
| **Adjusted EBITDA** | 2,299 | 2,363 | (64) | (2.7) | 9,607 |
| **- Fixed network** | 1,468 | 1,609 | (141) | (8.8) | 6,247 |
| **- Mobile communications** | 828 | 761 | 67 | 8.8 | 3,373 |
| **Adjusted EBITDA margin** | 37.1% | 37.3% | | (0.2)%p | 37.7% |
| **Number of employees (average)** | 80,729 | 86,086 | (5,357) | (6.2) | 84,584 |

**Comments on the table:**

The contributions of the fixed-network and mobile communications sub-segments generally show the unconsolidated view, and do not take consolidation effects at operating segment level into consideration.

Effective July 1, 2009, the Germany operating segment includes the fixed-network and mobile communications business. The fixed-network figures include PASM (Power and Air Condition Solution Management GmbH & Co. KG) without Global Network, International Carrier Services & Solutions (ICSS), the share of Deutsche Telekom AG in the Product House as well as the business customers transferred from the Systems Solutions operating segment effective January 1, 2009. The mobile communications figures include DFMG (Deutsche Funkturm GmbH).

All prior-quarter and prior-year figures have been adjusted for better comparability. Percentages were calculated on the basis of figures shown.

## United States operating segment*:

| | Q1 2010 millions of EUR | Q1 2009 millions of EUR | Change millions of EUR | Change % | FY 2009 millions of EUR |
|---|---|---|---|---|---|
| **Total revenue** | 3,814 | 4,137 | (323) | (7.8) | 15,471 |
| **Profit (loss) from operations (EBIT)** | 544 | 530 | 14 | 2.6 | 2,233 |
| **Adjusted EBIT** | 544 | 530 | 14 | 2.6 | 2,233 |
| **EBITDA** | 1,008 | 1,061 | (53) | (5.0) | 4,261 |
| **Adjusted EBITDA** | 1,008 | 1,061 | (53) | (5.0) | 4,261 |
| **Adjusted EBITDA margin** | 26.4% | 25.6% | | 0.8%p | 27.5% |
| **Number of employees (average)** | 38,663 | 37,720 | 943 | 2.5 | 38,231 |

## Europe operating segment*:

| | Q1 2010 millions of EUR | Q1 2009 millions of EUR | Change millions of EUR | Change % | FY 2009 millions of EUR |
|---|---|---|---|---|---|
| **Total revenue** | 2,412 | 2,436 | (24) | (1.0) | 10,034 |
| **Of which: T-Mobile UK** | 783 | 836 | (53) | (6.3) | 3,390 |
| **Of which: T-Mobile NL** | 442 | 444 | (2) | (0.5) | 1,807 |
| **Of which: PTC** | 441 | 416 | 25 | 6.0 | 1,757 |
| **Of which: T-Mobile CZ** | 279 | 275 | 4 | 1.5 | 1,191 |
| **Of which: T-Mobile A** | 248 | 267 | (19) | (7.1) | 1,038 |
| **Net revenue** | 2,264 | 2,307 | (43) | (1.9) | 9,486 |
| **Profit (loss) from operations (EBIT)[a]** | 375 | (1,786) | 2,161 | n.a. | (905) |
| **Adjusted EBIT** | 380 | 23 | 357 | n.a. | 996 |
| **EBITDA** | 660 | 461 | 199 | 43.2 | 2,506 |
| **Adjusted EBITDA** | 665 | 467 | 198 | 42.4 | 2,557 |
| **Of which: T-Mobile UK** | 167 | 113 | 54 | 47.8 | 611 |
| **Of which: T-Mobile NL** | 102 | 64 | 38 | 59.4 | 430 |
| **Of which: PTC** | 169 | 110 | 59 | 53.6 | 616 |
| **Of which: T-Mobile CZ** | 135 | 127 | 8 | 6.3 | 614 |
| **Of which: T-Mobile A** | 83 | 53 | 30 | 56.6 | 283 |
| **Adjusted EBITDA margin** | 27.6% | 19.2% | | 8.4%p | 25.5% |
| **Number of employees (average)** | 17,594 | 18,277 | (683) | (3.7) | 18,105 |

**Comments on the table:**

a) Including an impairment loss of EUR 1.8 billion recognized on the goodwill of the cash-generating unit T-Mobile UK in the first quarter of 2009.

## Southern and Eastern Europe operating segment*:

| | Q1 2010 millions of EUR | Q1 2009 millions of EUR | Change millions of EUR | Change % | FY 2009 millions of EUR |
|---|---|---|---|---|---|
| **Total revenue** | 2,387 | 1,964 | 423 | 21.5 | 9,685 |
| **Of which: Hungary** | 402 | 391 | 11 | 2.8 | 1,682 |
| **Of which: Croatia** | 267 | 278 | (11) | (4.0) | 1,161 |
| **Of which: Slovakia** | 230 | 244 | (14) | (5.7) | 974 |
| **Of which: Greece** | 997 | 655 | 342 | 52.2 | 3,899 |
| **Of which: Romania** | 291 | 204 | 87 | 42.6 | 1,104 |
| **Of which: Other**[a] | 229 | 206 | 23 | 11.2 | 976 |
| **Net revenue** | 2,349 | 1,929 | 420 | 21.8 | 9,510 |
| **Profit (loss) from operations (EBIT)** | 304 | 504 | (200) | (39.7) | 1,037 |
| **Adjusted EBIT** | 352 | 323 | 29 | 9.0 | 1,579 |
| **EBITDA** | 877 | 980 | (103) | (10.5) | 3,784 |
| **Adjusted EBITDA** | 925 | 799 | 126 | 15.8 | 3,826 |
| **Of which: Hungary** | 162 | 164 | (2) | (1.2) | 675 |
| **Of which: Croatia** | 113 | 128 | (15) | (11.7) | 525 |
| **Of which: Slovakia** | 107 | 112 | (5) | (4.5) | 439 |
| **Of which: Greece** | 376 | 239 | 137 | 57.3 | 1,447 |
| **Of which: Romania** | 72 | 67 | 5 | 7.5 | 293 |
| **Of which: Other**[a] | 98 | 92 | 6 | 6.5 | 444 |
| **Adjusted EBITDA margin** | 38.8% | 40.7% | | (1.9)%p | 39.5% |
| **Number of employees (average)** | 52,531 | 43,348 | 9,183 | 21.2 | 51,172 |

**Comments on the table:**

Including first-time consolidation of OTE from February 1, 2009.

a) “Other” consists of Bulgaria, Albania, Macedonia, and Montenegro.

## Systems Solutions operating segment*:

| | Q1 2010 millions of EUR | Q1 2009 millions of EUR | Change millions of EUR | Change % | FY 2009 millions of EUR |
|---|---|---|---|---|---|
| **Total revenue** | 2,131 | 2,106 | 25 | 1.2 | 8,798 |
| **- Computing services** | 750 | 688 | 62 | 9.0 | 2,925 |
| **- Desktop services** | 344 | 326 | 18 | 5.5 | 1,404 |
| **- Systems integration** | 426 | 432 | (6) | (1.4) | 1,741 |
| **- Telecommunica-tions** | 745 | 780 | (34) | (4.4) | 3,225 |
| **- Other[a]** | (134) | (120) | (14) | (11.7) | (497) |
| **Net revenue** | 1,532 | 1,496 | 36 | 2.4 | 6,083 |
| **New orders** | 2,156 | 2,010 | 146 | 7.3 | 9,305 |
| **Profit (loss) from operations (EBIT)** | 18 | 11 | 7 | 63.6 | (11) |
| **Adjusted EBIT** | 47 | 34 | 13 | 38.2 | 229 |
| **EBITDA** | 168 | 188 | (20) | (10.6) | 710 |
| **Adjusted EBITDA** | 196 | 211 | (15) | (7.1) | 923 |
| **Adjusted EBITDA margin** | 9.2% | 10.0% | | (0.8)%p | 10.5% |
| **Number of employees (average)** | 47,446 | 44,449 | 2,997 | 6.7 | 45,328 |

**Comments on the table:**

The 160,000 or so business customers transferred from the Systems Solutions operating segment effective January 1, 2009, are shown as part of the fixed-network operations in the Germany operating segment. All prior-quarter and prior-year figures have been adjusted for better comparability.

a) Non-core activities and consolidation.

## Group Headquarters & Shared Services*:

| | Q1 2010 millions of EUR | Q1 2009 millions of EUR | Change millions of EUR | Change % | FY 2009 millions of EUR |
|---|---|---|---|---|---|
| **Total revenue** | 565 | 618 | (53) | (8.6) | 2,410 |
| **Net revenue** | 53 | 68 | (15) | (22.1) | 253 |
| **Profit (loss) from operations (EBIT)** | (365) | (309) | (56) | (18.1) | (1,249) |
| **Adjusted EBIT** | (360) | (309) | (51) | (16.5) | (1,148) |
| **EBITDA** | (177) | (50) | (127) | n.a. | (416) |
| **Adjusted EBITDA** | (172) | (50) | (122) | n.a. | (315) |
| **Number of employees (average)** | 22,070 | 19,445 | 2,625 | 13.5 | 20,181 |

*Deutsche Telekom defines EBITDA as profit/loss from operations before depreciation, amortization and impairment losses. For a detailed explanation of non-GAAP performance measures, special factors affecting EBITDA, adjusted EBITDA, the adjusted EBITDA margin as well as special factors affecting profit or loss and the adjusted net profit, please refer to “Reconciliation to pro forma figures” that is posted on Deutsche Telekom's Investor Relations website at www.telekom.com.

## Development of customer numbers in the first quarter of 2010.

### Germany operating segment:

| | Mar. 31, 2010 thousands | Mar. 31, 2009 thousands | Change thousands | Change % |
|---|---|---|---|---|
| **Fixed network** | | | | |
| **Fixed-network lines** | 25,864 | 27,699 | (1,835) | (6.6) |
| **Retail broadband lines** | 11,665 | 10,984 | 681 | 6.2 |
| **Wholesale bundled lines** | 1,523 | 2,209 | (686) | (31.1) |
| **ULLs** | 9,242 | 8,606 | 636 | 7.4 |
| **Wholesale unbundled lines** | 661 | 316 | 345 | n.a. |
| **Mobile communications** | | | | |
| **Mobile customers**[a] | 38,544 | 38,984 | (440) | (1.1) |

**Comments on the table:**

Percentages were calculated on the basis of figures shown.

As a result of the change in the terms of contract, prepay contracts no longer end automatically, but run for an unlimited duration and can be terminated by the customer at any time and by Telekom Deutschland GmbH with one month's notice. Telekom Deutschland GmbH reserves the right to make use of this right of termination and to deregister cards in the system.

## United States operating segment:

| | Mar. 31, 2010 thousands | Mar. 31, 2009 thousands | Change thousands | Change % |
|---|---|---|---|---|
| **Mobile customers[a]** | 33,713 | 33,173 | 540 | 1.6 |

**Comments on the table:**

a) One mobile communications card corresponds to one customer.

## Europe operating segment:

| | Mar. 31, 2010 thousands | Mar. 31, 2009 thousands | Change thousands | Change % |
|---|---|---|---|---|
| **Mobile customers[a]** | **44,003** | **44,026** | **(23)** | **0.1** |
| **Of which: T-Mobile UK[b]** | 17,175 | 16,675 | 500 | 3.0 |
| **Of which: T-Mobile NL[c]** | 4,392 | 5,235 | (843) | (16.1) |
| **Of which: PTC** | 13,361 | 13,287 | 74 | 0.6 |
| **Of which: T-Mobile CZ** | 5,449 | 5,411 | 38 | 0.7 |
| **Of which: T-Mobile A** | 3,626 | 3,418 | 208 | 6.1 |

**Comments on the table:**

a) One mobile communications card corresponds to one customer.

b) Including Virgin Mobile.

c) Around 900,000 inactive customers were added to the customer base due to the acquisition of Orange and the migration in the 2009 financial year of Orange customers to T-Mobile's customer base. After a period of inactivity of 180 days, these customers were churned in the fourth quarter of 2009, substantially reducing prepay customer figures.

## Southern and Eastern Europe operating segment:

| | Mar. 31, 2010 thousands | Mar. 31, 2009 thousands | Change thousands | Change % |
|---|---|---|---|---|
| **Fixed network** | | | | |
| **Fixed-network lines** | 11,654 | 12,637 | (983) | (7.8) |
| **Of which: Hungary** | 1,771 | 1,966 | (195) | (9.9) |
| **Of which: Croatia** | 1,462 | 1,531 | (69) | (4.5) |
| **Of which: Slovakia** | 1,093 | 1,123 | (30) | (2.7) |
| **Of which: Greece** | 4,095 | 4,490 | (395) | (8.8) |
| **Of which: Romania** | 2,721 | 2,971 | (250) | (8.) |
| **Retail broadband lines** | 3,675 | 3,176 | 499 | 15.7 |
| **Wholesale bundled lines** | 212 | 282 | (70) | (24.8) |
| **ULLs** | 1,210 | 796 | 414 | 52.0 |
| **Wholesale unbundled lines** | 35 | 27 | 8 | 29.6 |
| **Mobile communications** | | | | |
| **Mobile customers** | 33,983 | 32,259 | 1,724 | 5.3 |
| **Of which: Hungary** | 5,120 | 5,347 | (227) | (4.2) |
| **Of which: Croatia** | 2,798 | 2,781 | 17 | 0.6 |
| **Of which: Slovakia** | 2,399 | 2,331 | 68 | 2.9 |
| **Of which: Greece** | 8,813 | 8,412 | 401 | 4.8 |
| **Of which: Romania** | 7,155 | 6,106 | 1,049 | 17.2 |

**Comments on the table:**

Including first-time consolidation of OTE from February 1, 2009.

## Net additions in the first quarter of 2010.

### Germany operating segment:

| | Q1 2010 thousands | Q1 2009 thousands | Change thousands | Change % |
|---|---|---|---|---|
| **Fixed network** | | | | |
| **Fixed-network lines** | (372) | (602) | 230 | 38.2 |
| **Retail broadband lines** | 188 | 390 | (202) | (51.8) |
| **Wholesale bundled lines** | (98) | (328) | 230 | (70.1) |
| **ULLs** | 149 | 336 | (187) | (55.7) |
| **Wholesale unbundled lines** | 61 | 110 | (49) | (44.5) |
| **Mobile communications** | | | | |
| **Mobile customers[a]** | (592) | (117) | (475) | n.a. |

**Comments on the table:**

Totals were calculated on the basis of precise figures and rounded to millions. Percentages were calculated on the basis of figures shown.

a) As a result of the change in the terms of contract, prepay contracts no longer end automatically, but run for an unlimited duration and can be terminated by the customer at any time and by Telekom Deutschland GmbH with one month's notice. Telekom Deutschland GmbH reserves the right to make use of this right of termination and to deregister cards in the system.

### United States operating segment:

| | Q1 2010 thousands | Q1 2009 thousands | Change thousands | Change % |
|---|---|---|---|---|
| **Mobile customers[a]** | (77) | 415 | (492) | n.a. |

**Comments on the table:**

a) One mobile communications card corresponds to one customer.

## Europe operating segment:

| | Q1 2010 thousands | Q1 2009 thousands | Change thousands | Change % |
|---|---|---|---|---|
| **Mobile customers[a]** | (321) | (166) | (155) | (93.4) |
| **Of which: T-Mobile UK[b]** | (3) | (111) | 108 | 97.3 |
| **Of which: T-Mobile NL[c]** | (200) | (74) | (126) | n.a. |
| **Of which: PTC** | (138) | 14 | (152) | n.a. |
| **Of which: T-Mobile CZ** | (7) | (11) | 4 | 36.4 |
| **Of which: T-Mobile A** | 27 | 16 | 11 | 68.8 |

**Comments on the table:**

a) One mobile communications card corresponds to one customer.

b) Including Virgin Mobile.

c) Around 900,000 inactive customers were added to the customer base due to the acquisition of Orange and the migration in the 2009 financial year of Orange customers to T-Mobile's customer base. After a period of inactivity of 180 days, these customers were churned in the fourth quarter of 2009, substantially reducing prepay customer figures.

## Southern and Eastern Europe operating segment:

| | Q1 2010 thousands | Q1 2009 thousands | Change thousands | Change % |
|---|---|---|---|---|
| **Fixed network** | | | | |
| **Fixed-network lines** | (281) | (209) | 72 | 34.4 |
| **Of which: Hungary** | (50) | (45) | (5) | (11.1) |
| **Of which: Croatia** | (22) | (19) | (3) | (15.8) |
| **Of which: Slovakia** | (8) | (3) | (5) | n.a. |
| **Of which: Greece** | (133) | (89) | (44) | 49.4 |
| **Of which: Romania** | (55) | (34) | (19) | 61.8 |
| **Retail broadband lines** | 129 | 188 | (59) | (31.4) |
| **Wholesale bundled lines** | (17) | (29) | 12 | n.a. |
| **ULLs** | 127 | 104 | 23 | 22.1 |
| **Wholesale unbundled lines** | 2 | 4 | (2) | (50.0) |
| **Mobile communications** | | | | |
| **Mobile customers** | (593) | 547 | (1,140) | n.a. |
| **Of which: Hungary** | 1 | (14) | 15 | n.a. |
| **Of which: Croatia** | (61) | 91 | (152) | n.a. |
| **Of which: Slovakia** | 23 | (16) | 39 | n.a. |
| **Of which: Greece** | (404) | 386 | (790) | n.a. |
| **Of which: Romania** | (126) | 117 | (243) | n.a. |

**Comments on the table:**

First-time consolidation of OTE from February 1, 2009.

This press release contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These also include statements on market potential, statements on finance guidance, as well as on the dividend outlook. They are generally identified by the terms "expect," "anticipate," "believe," "intend," "estimate," "aim for," "goal," "plan," "will," "strive for," "outlook," or similar expressions and often include information that relates to net revenue expectations or targets for adjusted EBITDA, profit or loss, earnings performance, and other indicators, as well as personnel-related measures and workforce adjustments. Forward-looking statements are based on current plans, estimates, and projections. They should therefore be considered with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom's control, including those described in the sections "Forward-Looking Statements" and "Risk Factors" of the Company's Form 20-F annual report filed with the U.S. Securities and Exchange Commission. Among the relevant factors are the progress of Deutsche Telekom's workforce reduction initiative, the restructuring of operating activities in Germany, and the impact of other significant strategic or business initiatives, including acquisitions, dispositions, business combinations, and cost reduction measures. In addition, regulatory decisions, stronger than expected competition, technological change, litigation and regulatory developments, among other factors, may have a material adverse effect on costs and revenue development. Furthermore, changes in the economic and business environments – for example, the current economic slump – in markets where we, our subsidiaries and affiliates operate, the enduring instability and volatility on the global financial markets, as well as exchange rate and interest rate fluctuations can also adversely affect our business development and the availability of capital at favorable terms. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, Deutsche Telekom's actual results may be materially different from those expressed or implied by such statements. Deutsche Telekom can offer no assurance that its expectations or targets will be met. Deutsche Telekom does not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise. Deutsche Telekom does not reconcile its adjusted EBITDA guidance to a GAAP measure because it would require unreasonable effort to do so. As a rule, Deutsche Telekom does not predict the net effect of future special factors due to their uncertainty. Special factors and interest, taxes, depreciation and amortization (including impairment losses) can have a significant effect on Deutsche Telekom's results.

In addition to figures prepared in accordance with IFRS, Deutsche Telekom presents non-GAAP financial performance measures, including EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBT, adjusted net profit, free cash flow, gross debt and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial

performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. For further information relevant to the interpretation of these terms, please refer to the chapter “Reconciliation of pro forma figures” posted on Deutsche Telekom’s website (www.telekom.com) under the link "Investor Relations."

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