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Start statement René Obermann

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René Obermann

Chairman of the Board of Management

Deutsche Telekom AG

Good morning, Ladies and Gentlemen,

I am delighted to be able to present to you this morning a pleasing set of results for the first quarter of 2010.

We have had a good, dynamic start into the year. Just over a week ago at our shareholders' meeting, we ran through the further development of our strategy again, so today we can concentrate on taking a brief look at the figures for the first three months.

Where did we stand at the beginning of the quarter? Where do we stand now?

Despite the tough economic environment we have improved all of our key financial performance indicators – some of them by a considerable margin. Net

revenue remained largely stable at EUR 15.8 billion. Adjusted EBITDA rose by 1.6 percent to EUR 4.9 billion.

Earnings before interest and taxes increased more than eightfold to EUR 2 billion, which was largely a result of the non-recurrence of the special factor associated with the impairment of T-Mobile UK in 2009. But even excluding this factor, adjusted EBIT improved substantially by 16.3 percent to EUR 2.2 billion.

Net profit amounted to EUR 0.8 billion in the first quarter, EUR 1.9 billion higher than in the prior year. This was also heavily influenced by the non-recurrence of the impairment of goodwill at T-Mobile UK. Adjusted net profit grew by 36 percent to EUR 0.9 billion, driven chiefly by the improvement in EBITDA as well as lower depreciation on property, plant, and equipment.

Free cash flow more than tripled to EUR 1.4 billion.

These, Ladies and Gentlemen, are good figures and they show that we are well on the way to achieving our guidance for the year as a whole. So I can confirm our guidance in full.

I would now like to give you a few examples of some of the key steps we are taking as part of our further developed strategy, "Fix – Transform – Innovate."

Thanks to the legally binding implementation of Telekom Deutschland as of April 1, we have made major progress toward our goal of leveraging our lead in integrated markets more effectively. In Croatia we have already been working under a "One Company" structure since the start of the year and in Slovakia we intend to merge fixed network and mobile halfway through the year.

We are expanding our networks for the fast-growing data traffic segment – the keyword here is *Gigabit society*. Following the roll-out of 3G in the USA, we are

now tackling the upgrade of our mobile base stations to HSPA+, for example in New York. In the SEE region, the roll-out of the fiber-optic network is running on schedule. In Romania we are integrating ZAPP, which was acquired in 2009 and has a 3G license. In the Czech Republic and Romania the 3G network is currently being rolled out. And in the Netherlands we have acquired a license for 10 MHz of mobile spectrum in the 2.6 gigahertz range.

In terms of internet services for connected life, which covers everything from cell phones to television, we have substantially bolstered our offering with two acquisitions – Strato and ClickandBuy. On top of this, we have concluded partnerships in Germany for the mobile distribution of *Bild* tabloid and *Spiegel* magazine. The number of Entertain packages sold in the first quarter increased by around 130,000. In Southern and Eastern Europe we gained 110,000 new Internet television customers in the first quarter.

And we also chalked up successes in connected work thanks to our leading ICT solutions and intelligent networks. For example, we have teamed up with ABB to develop solutions for intelligent power networks in the future-oriented energy market. We are launching a pilot project for these smart grids in the T-City, Friedrichshafen. And for our Deutschland-LAN product, we have got the German Association for Small and Medium-Sized Businesses, which counts more than 150,000 businesses and partner associations among its members, on board as one of the first users.

We have also made further progress with our mobile-focused companies outside Germany. I already mentioned our network roll-out in the United States. Data business at T-Mobile USA has developed very well: Monthly data revenue per customer – excluding text messaging – grew to USD 10.90, a year-on-year increase of USD 1.50 or 16 percent. The number of 3G-capable devices on T-Mobile USA's network rose by a third in the first three months of 2010 to 5.2 million compared to year end 2009. We have reinforced the technical basis

for the mobile Internet in the United States and it is being well received by customers.

In the UK we closed the joint venture deal on April 1. In the Netherlands, Austria, and Poland we substantially increased adjusted EBITDA margins by between 9 and 14 percentage points.

Ladies and Gentlemen,

At our Investors' Day in mid-March we presented five areas where the Group intends to grow between now and 2015.

In the first quarter of 2010 we increased our revenues from the mobile Internet to EUR 1.1 billion with growth rates of close to 40 percent in key markets such as Germany and the United States.

In the networked home – our double and triple-play services, the Home Gateway, and the Communication Suite – revenues amounted to EUR 1.4 billion. Annualized, that equates to around EUR 5.6 billion.

We generated revenues of EUR 0.2 billion with Internet services in the first quarter of 2010. This will continue to grow as of the second quarter with the acquisition of ClickandBuy.

T-Systems increased its net revenue by 2.4 percent in the first three months of 2010 to EUR 1.5 billion.

With regards to intelligent network solutions we have initiated a range of measures and thus laid the foundation for the future in the fields of energy, healthcare, media distribution, and the connected car.

This brings me to the details of developments in the first quarter.

We further increased the Group's earnings. The 1.6-percent increase in adjusted EBITDA despite a slight decrease of 0.6 percent in revenue represents an improvement in the EBITDA margin of 0.6 percentage points.

Specifically:

We expanded our market leadership in mobile communications in Germany. In the broadband market we maintained our market share of DSL net adds at 45 percent and our share of existing customers at 46 percent.

We improved our revenue trend, both in the fixed network and in mobile communications, and kept our earnings at a high level with an adjusted EBITDA margin of 37 percent.

Revenue in Southern and Eastern Europe increased by 22 percent and adjusted EBITDA by 16 percent. Changes in exchange rates had a positive effect here, as did the fact that OTE was consolidated for one month longer than in the prior-year period. The adjusted EBITDA margin was at the high level of 39 percent.

Revenues in the Europe segment were almost at the level of the prior year. Adjusted EBITDA, on the other hand, increased by 42 percent – a development to which all companies contributed.

Systems Solutions increased its net revenue by 2.4 percent and its international revenue by 5.7 percent. Earnings also increased further.

Mobile data business at T-Mobile USA is going very well. Earnings also developed well with adjusted EBITDA slightly higher than in the prior year and a 0.7 percentage points higher margin. In a generally weaker market

environment, however, the development of customer numbers at T-Mobile USA was less than satisfying with a decrease of 118,000 contract customers.

Ladies and Gentlemen,

Mobile data figures at T-Mobile USA show that our major roll-out of our 3G network is starting to pay off. The USD 1.5 year-on-year increase in average monthly data revenue per customer and the 1.3 million new 3G-enabled handsets in operation on our network within a single quarter speak for themselves.

In the meantime, our 3G network covers 208 million people. By the end of the year, we will also increase the network transmission speed for some 185 million people considerably with the upgrade to HSPA+, thus making our networks and services an even more compelling proposition.

Following our pilot test in Philadelphia we have also reached download speeds of up to 21 Mbit/s in New York based on HSPA+, with the next major market, Los Angeles, to follow shortly.

And we have continued to review our prices, particularly for families and in data business.

With that, I would now like to hand you over to **Tim Höttges**.

[Speech Timotheus Höttges]

Thank you, Tim: That just about covers the figures and trends in the first quarter. Operating business in the first quarter moved in the right direction,

testimony to the fact that our efforts have been worthwhile and are now paying off.

Based on that, I can confirm Deutsche Telekom's guidance for 2010 in full.

This means:

We maintain our guidance for the Group as communicated. Excluding the effects of the joint venture between T-Mobile UK and Orange UK in the United Kingdom, that means adjusted EBITDA of approximately EUR 20 billion and free cash flow of around EUR 6.2 billion.

The assets and liabilities of T-Mobile UK have no longer been reported in the consolidated statement of financial position since April 1. The same applies to the income statement. Instead, the joint venture is included in the consolidated statement of financial position under investments accounted for using the equity method and its earnings in the Group's profit and loss from financial activities.

The deconsolidation impact of T-Mobile UK will be approximately EUR 0.4 to 0.5 billion with regard to Deutsche Telekom's adjusted EBITDA. Taking into account the agreed advance dividend from the joint venture, we do not expect to see any impact on free cash flow.

Ladies and Gentlemen, that just about wraps up what I wanted to say. I would be happy to take any questions.