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**Statement
delivered at the press conference
on Deutsche Telekom's FY results 2008
February 27, 2009 in Bonn**

**René Obermann
Chairman of the Board of Management
Deutsche Telekom AG**

Good morning, Ladies and Gentlemen,

I, too, would like to extend a warm welcome to our annual press conference.

The press conference on Deutsche Telekom's financial statements traditionally revolves around the figures for the past financial year, and today will be no exception, particularly as we are presenting a set of figures that documents Deutsche Telekom's solid performance. Let me start by mentioning that we succeeded in stabilizing our business and improving our earnings and cash flow again.

For us, the figures that I am presenting to you today are reason enough to continue along the path we have chosen. We believe that now is the right time to take the next step towards integrating fixed-network and mobile communications.

There are two central ideas behind this:

Firstly: Customers in our markets can be better served by a “one-stop shopping” approach, as shown by the success of integrated sales and services in Germany. In the future, it will become increasingly common for the products for “connected life and work” to be used across different networks.

Secondly: Integrating fixed and mobile communications will enable us to maximize the strengths of our international group to an even greater extent. In recent years, T-Mobile International has demonstrated how competitive advantages can be leveraged through cross-border cooperation. We are now planning to apply this model to the Group: In the future, we will focus even more heavily on combined product development and product innovation. What is more, centralized management – particularly in the areas of procurement, and network and IT management – will help us reduce costs!

An integrated marketing strategy and integrated customer service, as well as expansion of our platforms for products, IT, and networks across the whole of Europe – these are the main goals of the new alignment of our organization.

I am happy that Deutsche Telekom set the course for this yesterday with the Supervisory Board’s approval of the boardroom expansion and restructuring.

The new SEE Board department, i.e. the integrated companies in South Eastern Europe, including OTE and its subsidiaries, will be headed by Guido Kerkhoff as a new Board member. Guido Kerkhoff has held various positions in Deutsche Telekom’s Finance department since 2002, and took over as head of Group Accounting and Controlling in mid-2006. He therefore not only has in-depth knowledge of the Group, but has also been involved from a financial perspective in the key acquisitions and integration

projects of the past few years, all of which prepares him for his new task. Guido Kerkhoff will take office on March 1 and will build the new Board department.

In addition, we had to fill the position of the CFO. It is Tim Höttges who will take over this task, having previously been the Board member responsible for T-Home, Sales & Service. There can be no doubt that Tim Höttges has earned a great deal of respect with his successful efforts to strengthen T-Home's position in the German market. Many of you will also remember him from his time as Managing Director of Finance and Controlling at T-Mobile Deutschland. He has demonstrated his financial expertise not only at Deutsche Telekom, but also before that: He held various positions in the finance departments of the former VIAG between 1992 and 2000.

We have put Niek Jan Van Damme in charge of T-Home Sales & Service. Niek Jan Van Damme has acted as the Managing Director of T-Mobile Netherlands since 2004.

As I mentioned before, this is just the start. We will now work out the details of the other steps required for integration and discuss them with the Supervisory Board at the upcoming meetings.

A key cornerstone of the future structure will be the new Board department to be created for a Chief Operating Officer will manage product development and innovation, technology, IT and network management throughout Europe. This centralized function will also include responsibility for global procurement. Hamid Akhavan will take over this pivotal position, probably sometime mid-year. He will maintain his position as the Board member responsible for mobile communications in the United Kingdom, the Netherlands, Austria, Poland and the Czech Republic.

Niek Jan van Damme will take on responsibility for the sales, marketing and service activities of the fixed-network and mobile operations in Germany from mid-2009.

The Board of Management has requested Thomas Dannenfeldt to manage the preparations for integrating fixed-network and mobile communications and the reinforcement of the centralized functions as part of a project. He will work out the necessary details over the next two to three months.

The target structure is scheduled to go live from summer this year, and it shouldn't be long before our customers see the first signs of progress.

And this brings me now to the developments over the past year.

2008 was far from easy for the global economy. The effects of the financial crisis have dominated the headlines on an almost daily basis since the fall of last year.

That's why I am particularly pleased to be able to present to you today good financial and business figures for the 2008 financial year.

Our sound performance tells me two things:

- Firstly, telecommunications have so far proven more resilient to economic cycles and downturns than other industries.
- And secondly, we have considerably improved our cost base and competitiveness over recent years, irrespective of the current crisis.

I would like to illustrate this first of all by highlighting a few of our key figures from the 2008 financial year:

- At EUR 19.5 billion, we exceeded our stated EBITDA guidance.
- On a like-for-like basis and excluding exchange rate fluctuations, net revenue remained on a par with the 2007 figure.

- Free cash flow increased from EUR 6.6 billion to EUR 7 billion, clearly exceeding our target figure.
- Reported net profit more than doubled to EUR 1.5 billion, adjusted for special factors we posted a 14 percent increase to EUR 3.4 billion.
- Our balance sheet figures are sound: With net debt of EUR 38.2 billion and a ratio of net debt to adjusted EBITDA of 2.0, Deutsche Telekom remains very stable despite acquisitions and share purchases amounting to significantly more than EUR 4 billion for Sun-Com and OTE, and capital expenditure of around EUR 9 billion.

Based on these healthy results and Deutsche Telekom's good financial shape, we will be proposing a dividend of EUR 0.78 per share to the shareholders' meeting.

That concludes my snapshot of the key financial figures. Today for the last time, Karl-Gerhard Eick will, as always, run through the details with you in a moment.

Let me now turn to the developments in the individual operating segments.

We have achieved our main goals. One example is the extremely satisfactory development in the German broadband business where our net adds market share for 2008 in full was 45 percent. With around half a million Entertain customers we have also taken another step towards turning Internet TV into a mass market.

We have further expanded our customer base in the mobile communications business – especially with contract net adds. Innovative devices such as the Apple iPhone 3G and the T-Mobile G1 have made significant contributions to this trend. They also helped promote growth in our mobile data business.

We continued to pursue our disciplined, clearly communicated acquisition strategy by acquiring U.S. mobile operator SunCom and investing in OTE in Greece.

And, not least, we further strengthened T-Systems' international business thanks to several large-scale contracts and substantial revenue growth.

At the same time as our efforts in the areas of marketing and customer service, we have continued to pursue our "Save for Service" program in a disciplined manner, reducing our cost base by around EUR 4.1 billion by the end of the year compared with 2006. A considerable proportion of these savings has been reinvested in improving products, marketing and customer service. As the name says, the idea is to save for service, not to save just for the sake of it.

I would like to now run through the development of operations in detail, starting with the improvement in competitiveness in Germany and in Central and Eastern Europe.

Let's start with the fixed network:

For two years we have always stated frankly that we expected, on the one hand, a decrease in net revenue as a result of regulatory and competitive pressure in the domestic fixed-network business and, on the other, were planning substantial cost reductions, which we intend to use in part to once again bolster our market presence.

The decrease in revenue posted by T-Home in Germany was in line with our expectations; adjusted EBITDA was slightly better than we had expected at the start of the year.

In the German fixed-network business, revenue decreased by 5.1 percent to EUR 19.1 billion, which is within our guidance range of between 4 and 6

percent. Additional net cost reductions of around EUR 0.8 billion largely offset this trend's impact on earnings. The 4.9 percent decrease in adjusted EBITDA to EUR 6.5 billion came in slightly better than our guidance and was also lower than the decrease in revenue. As a result, we slightly improved the margin in Germany to 33.9 percent.

We substantially expanded our leading market position in the growth market for broadband lines. This is quite clearly reflected in our DSL net add market share of 45 percent on an annual basis. In the fourth quarter, it increased even further to just short of the 50-percent mark.

We have an undisputed leading position in the German DSL market, with a retail customer base, i.e. excluding resellers, of 10.6 million. And we underpinned this position in 2008. The DSL net add market share has been at least 40 percent for two years now, and our total market share remains constant at 46 percent. This is a major achievement. A significant part of this positive development is down to the number of customers wanting to return to Deutsche Telekom. In the past year, more than half a million customers registered with us for this purpose. That is the first time in years we managed to gain more customers than we lost to competitors. And that is despite the fact that we are not at the same price level as many providers, but above it. So you see, it's value for money that's important, rather than a euro or two more or less.

We have also made good progress with our triple play package Entertain. Around half a million customers in Germany had signed up for a T-Home Entertain product by the end of the year. This was also in line with our guidance.

In terms of line losses in Germany, even in spite of special factors we are at the bottom end of our own expectations – in this case the positive end, if there can be anything positive about line losses. In addition to the losses caused by competition and regulatory intervention, this figure for 2008 also

includes for the first time those technically induced line losses resulting from the shift of resale customers to an All-IP platform.

We had assumed a figure somewhere between 2.5 and 3.0 million for 2008. The actual figure was just under 2.5 million.

At this point, let me briefly say something about the current debate surrounding the DSL roll-out in Germany.

The future undoubtedly belongs to broadband networks and services. We have already made massive investments along these lines in the past, and we are willing to continue doing so.

We aim to increase the coverage of the DSL network in Germany and help ensure more and more people have access to state-of-the-art infrastructure – especially in rural areas.

We have been moving in new directions, cooperating with suitable partners to make progress as fast as possible. This includes, for instance, the 400 or so local authorities with whom we concluded agreements in the past year to put them online. Other examples include the alliances in Schleswig-Holstein or even with our competitor Vodafone. And only a few weeks ago, we found another partner in the shape of EWE-tel that will help us roll out infrastructure in the north of Germany.

The political community has set some ambitious targets. The German government's intention, as you no doubt know, is to provide each and every household with a broadband line supporting transmission rates of 50 Mbit/s by 2018. It goes without saying that we support this goal and are doing everything we can justify in business terms to ensure we can all achieve it.

But one thing must also be clear: To achieve the German government's goal, we need a better regulatory environment that encourages investment,

ensures the risk of major investments is shared among market players in the long term, and provides financial leeway for large investments in infrastructure. That is the only way it will work. The necessary investment of billions of euros also has to pay off for investors. They have to be given the opportunity to generate a reasonable return on their investment. Even though it's a popular tactic to win votes with talk of cutting roaming and termination charges, cheaper text messaging and other things – it's a huge mistake that will have unpleasant consequences for customers in the long term. Then there's no money to invest. That's a very short-sighted way to look at things.

Let me now quickly look at our fixed-network business in Central and Eastern Europe.

Here too, competition remains fierce. Nonetheless, our companies continue to deliver good profitability. The opex reduction from EUR 1.8 billion to EUR 1.4 billion largely offset the decrease in revenue in the traditional fixed-network business, enabling us to post adjusted EBITDA of EUR 1.0 billion and a high margin of 41.6 percent at year-end.

Internet TV is also attracting more and more customers in Eastern Europe. By the end of 2008, Deutsche Telekom's subsidiaries in Croatia, Slovakia, Hungary, Macedonia and Montenegro had acquired a total of more than 220,000 customers for this new, interactive television product.

And now I would like to turn to our German mobile communications business.

Domestically, revenue for the full year 2008 decreased slightly by 2.8 percent to EUR 7.8 billion in line with expectations. This trend improved somewhat in the fourth quarter. The decrease was offset in terms of EBITDA, which increased by 3.1 percent to EUR 3.0 billion on an adjusted basis. This includes a one-time effect resulting from an asset disposal. As

such, the adjusted EBITDA margin increased in the full year from 36.8 percent to 39.0 percent.

Service revenues, i.e. from mobile communications services excluding, for instance, the sale of terminal devices, developed better than total revenue, decreasing slightly by 1.6 percent year-on-year. T-Mobile Deutschland took over as market leader in terms of service revenues.

T-Mobile Deutschland also maintained its leading position in terms of the number of customers in Germany. With over 950,000 contract net adds, the high level of the previous year was reached once again. The successful launch of the Apple iPhone 3G and the attractive range of calling plans were the main reasons for this.

Furthermore, usage has increased substantially among contract customers: Minutes of use increased by an average of around 6 percent. Non-voice revenue excluding text messaging also increased by 45 percent in the full year. I will return to this in more detail later.

Mobile communications remains the powerhouse behind our development. We have increased revenue in this segment by 2.4 percent to EUR 35.6 billion.

You should also bear in mind that exchange rate fluctuations had a net negative impact of EUR 1.3 billion, affecting T-Mobile UK and U.S. operations in particular.

Adjusted EBITDA increased by 6.2 percent to EUR 11.4 billion for the full year. The EBITDA margin increased from 30.9 percent to 32.0 percent.

The number of customers served by the companies in Europe and the United States totaled 128.3 million at the year-end, of which 89.2 million were outside Germany. The number of customers increased organically by

7.6 million. The contract customer segment accounts for more than 5 million of this growth with a customer base currently of 65.9 million.

Solid growth is also reflected in revenue, which increased organically by 5.6 percent. Reported revenue rose by 4.0 percent.

The development of adjusted EBITDA was more pronounced, with an increase of 7.5 percent on an organic basis and a reported increase of 7.0 percent.

I would now like to look at the individual companies in more detail, starting with the USA.

Revenue grew in the U.S. by 6.3 percent to EUR 15.0 billion. In the fourth quarter, we saw growth of 24.0 percent to EUR 4.3 billion.

The increase in adjusted EBITDA was even more pronounced. On an annual basis, growth was 8.5 percent compared with the prior year, coming in at EUR 4.2 billion. In the fourth quarter, EBITDA increased by as much as 31.5 percent to EUR 1.2 billion.

The figures look even better when seen in U.S. dollars. On this basis, revenue increased by just under 13.5 percent in 2008, and EBITDA by as much as 16.0 percent.

Our customer base in the United States totaled 32.8 million at the year-end. This figure includes SunCom customers, following full consolidation in February 2008.

Organic customer growth – excluding SunCom – was thus almost 3 million compared to the end of 2007. Including SunCom, total customer additions came to 4.1 million.

We have again set new standards for mobile Internet in the United States, too. I am referring here to the T-Mobile G1 we launched in the United States at the end of October. This handset, which we developed together with Google and other partners, is the first of its kind worldwide and is in great demand. We expect this will also be the case in other important markets, including Germany. Initial indications following the market launch at the start of February certainly seem to add weight to this expectation.

We intend to consistently further upgrade our mobile network in the United States in particular, putting us in a position to once again take full advantage of the growth in mobile data business. At the end of 2008, we already covered some 107 million people in the United States with our third-generation broadband mobile services. We intend to almost double this figure to around 205 million as we roll out the network further in 2009.

This brings me to our Central and Eastern European mobile operations.

Total revenue in this area increased by 10.0 percent in the past year, adjusted EBITDA by as much as 14.3 percent. The adjusted EBITDA margin increased by one percentage point to 34.6 percent.

Here, too, we are focusing on acquiring contract customers. We made good progress again in 2008, posting 1.9 million contract net adds.

The consolidation of OTE adds considerable extra weight to our business activities in South and South Eastern Europe. The relevant resolutions of the OTE's shareholders' meeting to amend its articles of incorporation have now been passed, which allowed us to fully consolidate the company effective February 1, 2009.

Our strategic investment in OTE is an important milestone in our strategy of growing abroad with mobile communications in particular.

This brings me to another strong growth area, our mobile data business.

Ladies and Gentlemen, the mobile Internet also became much more popular in the past year – a fact that is reflected both in the number of customers and in the usage of our services.

Revenue from mobile data business in Europe – excluding messaging – increased by 44.9 percent to EUR 1.4 billion. In the United States, the increase on a U.S. dollar basis was 19.3 percent, bringing the figure to USD 1.5 billion.

Overall, we sold 5.4 million 3G-capable devices in Europe in the past year – undisputable proof that demand for mobile Internet services is there and is growing.

This is also reflected in the number of web'n'walk customers, which has increased by around two thirds to 5.3 million since the end of 2007.

In the United States, the number of customers using the MyFaves community service grew substantially from 5.0 million to 7.7 million.

Revenue growth is attributable both to significantly higher customer numbers and to the increase in monthly average revenue per user.

And now I would like to turn to the Business Customers segment.

T-Systems performed well in the past year. The reported figures are strongly impacted by the now completed deconsolidation of Media & Broadcast and the reassignment of ActiveBilling. Adjusted for this significant effect, the decline in revenue on an organic level would have been 1.2 percent.

International business has, by contrast, performed much better, posting growth of 7.4 percent. In organic terms, EBITDA would have remained on a par with the 2007 figure.

Several major contracts with Shell, insurer Royal & Sun Alliance and Deutsche Post for example have helped increase adjusted new orders by 5.2 percent to EUR 12.3 billion. This successful trend is continuing in the current year with major deals, such as those with Linde and REWE.

All of which needs to be taken into account when analyzing the reported figures, which still contain Media & Broadcast and ActiveBilling in the prior-year figures: Revenue decreased 8.2 percent to EUR 11 billion. In the fourth quarter, the decrease was only 5.6 percent, bringing the figure down to EUR 3 billion. EBITDA declined by 20.0 percent year-on-year to EUR 0.9 billion.

Ladies and Gentlemen, that just about wraps up what I want to say about the 2008 financial year. I hope I have been able to show that we succeeded in continuing Deutsche Telekom's stable performance and meeting our communicated targets.

We are now in a position to create new jobs. Depending on how the business develops, we are planning to hire some 3,500 new staff in 2009. This figure is on a par with the 2008 figure – despite the economic crisis. We will also again be giving some 3,600 young people the opportunity to embark on a future-oriented training course in our Group.

We have fought hard over the past few years to get to this position. And let us not forget that we made substantial headcount reductions and transferred staff to new entities in response to market conditions.

At the same time, Deutsche Telekom employees have also had to endure some painful measures. Only as a result of this restructuring program, in

combination with other measures, have we reached the position the Company is now in.

We have achieved a great deal in the past, that is certainly true and we have a lot to show for it. It is equally true that we need to maintain strict cost discipline in the future as the competitive and market conditions are going to remain tough.

We are currently engaged in collective bargaining negotiations for Deutsche Telekom AG staff. We believe that we have put a good and balanced offer on the table: We are offering 5.5 percent more pay in two stages, subject to renegotiation if inflation exceeds 1.5 percent, and an extension of protection against redundancy for a further year – that would then mean until 2013 for the employees of the service companies. In other words, we are offering more money and job security – neither of which is usually the case in the current economic environment.

If the general political framework for rolling out the state-of-the-art fiber-optic network adds up, our budgeted capital expenditure will generate important growth stimuli – with a positive boost to employment far beyond Deutsche Telekom itself. This may develop into a real job creation machine. I sincerely hope the powers that be take the right decisions so that we can also seize this important opportunity for Germany.

Let me finally say something briefly about our expectations for the current 2009 financial year.

As regards EBITDA and free cash flow, we expect to reach approximately the same levels as last year. The Board of Management therefore remains committed to its policy of paying an attractive dividend.

Ladies and Gentlemen, Deutsche Telekom is currently in a very stable position. We have achieved a great deal through hard work in the past two years

and put Deutsche Telekom back on track with our “Focus, fix and grow” strategy.

Let me summarize the key points again:

- We have stabilized our business in Germany, we are market leader in terms of new DSL business, Entertain is well on the way to becoming a success story, and we are number one in mobile communications, both in terms of customers and revenue. That is a success born not least of major improvements in customer service – even if we still have a lot of work to do.
- We have focused the Group on important tasks and consistently parted company with non-core activities and areas where we did not see good opportunities for development. I’m referring, for example, to our online activities in Spain and France as well as to Media & Broadcast and, most recently, DeTelImmobilien.
- On the other hand, we have also expanded in our core business – especially in the growth area of mobile communications. The acquisition of the U.S. company SunCom and of course our investment in the Greek company OTE are prime examples.
- We have started turning T-Systems around, supported by our partnership with Cognizant.

As such, we have laid a solid foundation for the future. At the same time, however, we face new challenges. We are moving into phase two of our development toward a new Deutsche Telekom.

Ladies and Gentlemen, today is a very significant day for me, and also for Deutsche Telekom.

Despite the good figures, the mood today is somewhat downbeat. Today is the day my colleague Karl-Gerhard Eick, a man highly valued throughout the Company, leaves Deutsche Telekom.

And so, before I close, I would like to say a huge thank you for everything you have done for this Company over the past nine years. I know that it is very much down to you personally that the Company has done so well through difficult times and is now on a solid and stable footing, as the current figures we have presented today demonstrate.

Many, many thanks and all the best for the future.