

Traviata Telekommunikationsdienste GmbH

Notes to the annual financial statements for the 2010 financial year

Summary of accounting policies.

Description of business activities.

Traviata Telekommunikationsdienste GmbH (hereinafter referred to as "Traviata") provides telecommunications services and product marketing within and for Deutsche Telekom AG.

The company's sole shareholder is Deutsche Telekom AG, Bonn. Its capital stock amounts to EUR 25,000.00.

The company is a subsidiary of Deutsche Telekom AG, Bonn within the meaning of § 271 (2) of the German Commercial Code (*Handelsgesetzbuch* – HGB). A control and profit transfer agreement exists between Traviata and Deutsche Telekom AG.

Traviata and Deutsche Telekom AG form a consolidated tax group for VAT and income tax purposes.

Comparability with prior-year figures on account of organizational changes and first-time application of the German Accounting Law Modernization Act (*Bilanzrechtsmodernisierungsgesetz* – BilMoG).

In accordance with § 265 (2) sentence 1 HGB, the comparative figures from the company's preceding financial year have been presented for the balance sheet as of December 31, 2010 and the statement of income for the period January 1 to December 31, 2010.

The German Accounting Law Modernization Act was applied in full for the first time in the reporting year (in accordance with Art. 66 of Introductory Act of the German Commercial Code (*Einführungsgesetz zum Handelsgesetzbuch* – EGHGB)). Pursuant to Art. 67 (8) sentence 2 EGHGB, prior-year figures were not restated.

Where the effects of the first-time adoption of the German Accounting Law Modernization Act are significant and necessary for a better understanding of the figures, these transactions are presented separately in the notes to the individual items in the balance sheet and the statement of income.

Basis of preparation.

The annual financial statements of the company are prepared in accordance with the provisions of German GAAP, as specified in HGB in the version provided in BilMoG for small corporations within the meaning of § 267 (1) HGB, as well as the German Act on Limited Liability Companies (*GmbH-Gesetz*) and the current articles of association.

The balance sheet and the statement of income are prepared in accordance with the classification requirements of § 266 and § 275 HGB. The statement of income is prepared using the total cost method in accordance with § 275 (2) HGB. Unless otherwise stated, all amounts shown are in euros (EUR). The financial year is the calendar year.

Certain items have been combined in the balance sheet and the statement of income in order to make the financial statements more informative and understandable. These items are presented separately or described in detail in the notes. In conformity with international practice, reporting begins with the statement of income.

Accounting policies.

Receivables and cash and cash equivalents are carried at their nominal value.

Liabilities are recognized at the higher of nominal value or settlement amount.

Scope of discretion.

The preparation of financial statements requires the company to make estimates and assumptions that affect the reported carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the amounts of income and expenses recognized during the reporting period. Actual results could differ from those estimates.

Notes to the statement of income.

1 Other operating expenses.

Other operating expenses include bank fees and Chamber of Industry and Commerce (IHK) contributions.

2 Appropriation of income.

The company's loss for the current financial year before loss transfers was EUR 254.00. The loss was absorbed by Deutsche Telekom AG, Bonn, in accordance with the profit and loss transfer agreement.

Notes to the balance sheet.

3 Receivables.

Other receivables from subsidiaries relate to receivables from the absorption of losses by the shareholder amounting to EUR 1,826.38 (2009: EUR 1,572.38).

4 Cash and cash equivalents.

Cash and cash equivalents relate to cash in banks amounting to EUR 24,765.30 (2009: EUR 25,060.95).

5 Shareholders' equity.

Capital stock.

The company's capital stock amounted to EUR 25,000.00 as of December 31, 2010. All shares are held by Deutsche Telekom AG.

Additional paid-in capital.

Additional paid-in capital consists of EUR 2,000.00 in other shareholder contributions to equity in accordance with § 272 (2) No. 4 HGB.

Net accumulated income/loss

The company's loss for the current financial year before loss transfers was EUR 254.00. The loss was absorbed by Deutsche Telekom AG, Bonn, in accordance with the profit and loss transfer agreement.

Other disclosures.

1 Executive bodies of the company.

Board of Directors.

Heike Porcher, since February 1, 2005

Dr. Susanne Martin, since March 15, 2008

The directors received no remuneration during the financial year.

Other.

No advances or loans were granted to current or former members of the Board of Directors, nor were any other financial obligations to the benefit of this group of people entered into (§ 285 No. 9 c HGB).

Bonn, (date)_____

Heike Porcher

Dr. Susanne Martin

Traviata Telekommunikationsdienste GmbH
Balance sheet as of December 31, 2010

Assets			Shareholders' equity and liabilities		
	Dec. 31, 2010	Dec. 31, 2009		Dec. 31, 2010	Dec. 31, 2009
	€	€		€	€
A. Current assets			A. Shareholders' equity		
I. Receivables and other assets			I. Capital stock	25.000,00	25.000,00
a) Receivables from subsidiaries	1.826,38	1.572,38	II. Additional paid-in capital	2.000,00	2.000,00
II. Bank balances	24.765,30	25.060,95	III. Net accumulated loss	-408,32	-408,32
<i>Total current assets</i>	26.591,68	26.633,33	<i>Total shareholders' equity</i>	26.591,68	26.591,68
			B. Accruals		
			I. Other accruals	0,00	41,65
	26.591,68	26.633,33		26.591,68	26.633,33

Traviata Telekommunikationsdienste GmbH

**Statement of income
for the period January 1 to December 31, 2010**

	Jan. 1-Dec. 31, 2010	Jan. 1-Dec. 31, 2009
	€	€
1. Other operating expenses		
a) Bank fees	24,00	24,00
b) Contributions	230,00	230,00
c) Other operating expenses	0,00	41,65
d) Expenses relating to other periods	0,00	47,60
2. Results from ordinary business activities	254,00	343,25
3. Loss transferred under the terms of a profit and loss transfer agreement	-254,00	-343,25
4. Net income	0,00	0,00