

**DeTeFleetServices GmbH
Bonn**

**Copy of the Audit Certificate
Annual financial statements and management report
December 31, 2009**

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

 **ERNST & YOUNG**

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General Commissioning Terms

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We have prepared the following auditors' report in compliance with statutory and professional requirements and regulations in accordance with the conditions described in the Appendix "Commissioning Terms, Liability and Conditions of Use."

If this document is used in electronic form for purposes of **publication** in the electronic Federal Gazette, only the files relating to accounting and, in the case of a legal audit requirement, the auditors' report and / or the audit certificate awarded are to be used for this purpose.

Auditors' report

We have audited the annual financial statements, consisting of the balance sheet, the statement of income, and the notes to the financial statements, together with the bookkeeping system, and the management report of DeTeFleetServices GmbH, Bonn, for the financial year from January 1 to December 31, 2009. The bookkeeping and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the Company's legal representatives. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB and the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position, and results of operations in the annual financial statements in conformity with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements, and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's legal representatives, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on our findings from our audit, the annual financial statements are in line with statutory requirements and give a true and fair view of the net assets, financial position, and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Düsseldorf, February 12, 2010

**Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft**

**Hasenklever
Wirtschaftsprüfer**

**Huppertz
Wirtschaftsprüfer**

DeTeFleetServices GmbH, Bonn
Balance sheet as of December 31, 2009

Assets	Dec. 31, 2009	Dec. 31, 2008	Shareholders' equity and liabilities	Dec. 31, 2009	Dec. 31, 2008
	EUR	EUR		EUR	EUR
A. Noncurrent assets			A. Shareholders' equity		
I. Intangible assets			I. Capital stock	5.000.000,00	5.000.000,00
1. Concessions, industrial and similar rights and licenses in such rights and assets	2.630.404,00	3.648.601,00	II. Additional paid-in capital	<u>215.262.852,81</u>	<u>215.262.852,81</u>
2. Advance payments	<u>164.028,80</u>	<u>353.535,00</u>		<u>220.262.852,81</u>	<u>220.262.852,81</u>
	2.794.432,80	4.002.136,00	B. Accruals		
II. Property, plant and equipment			1. Pensions and similar obligations	1.902.894,00	1.589.232,00
1. Other equipment, plant and office equipment	<u>378.703.795,31</u>	<u>439.004.068,68</u>	2. Other accruals	<u>20.860.705,18</u>	<u>26.253.126,06</u>
	<u>381.498.228,11</u>	<u>443.006.204,68</u>		<u>22.763.599,18</u>	<u>27.842.358,06</u>
B. Current assets			C. Liabilities		
I. Receivables and other assets			1. Trade accounts payable	14.743.213,05	58.393.563,30
1. Trade accounts receivable	3.344.732,62	5.615.325,38	2. Payables to subsidiaries	142.192.734,03	162.363.398,33
2. Receivables from subsidiaries	9.716.132,77	14.210.270,73	3. Other liabilities	<u>193.866,62</u>	<u>111.508,38</u>
3. Other assets	<u>1.052.968,55</u>	<u>1.244.126,57</u>	of which from taxes: EUR 155,255.89 (prior year: EUR 96,908.36)		
	14.113.833,94	21.069.722,68		<u>157.129.813,70</u>	<u>220.868.470,01</u>
II. Marketable securities			D. Deferred income	0,00	29.750,00
1. Other marketable securities	236.700,00	236.700,00			
III. Bank balances	17.327,76	7.382,46			
	<u>14.367.861,70</u>	<u>21.313.805,14</u>			
C. Prepaid expenses and deferred charges	4.290.175,88	4.683.421,06			
	<u>400.156.265,69</u>	<u>469.003.430,88</u>		<u>400.156.265,69</u>	<u>469.003.430,88</u>

DeTeFleetServices GmbH, Bonn
Statement of income for 2009

	2009 EUR	2008 EUR
1. Net revenue	373.029.441,15	409.987.916,09
2. Cost of sales	<u>-328.321.539,10</u>	<u>-400.812.080,69</u>
3. Gross profit (loss)	44.707.902,05	<u>9.175.835,40</u>
4. Selling expenses	-7.748.357,81	-6.456.243,04
5. General and administrative expenses	-5.220.218,77	-3.723.470,37
6. Other operating income	10.316.418,62	16.575.396,10
7. Other operating expenses	<u>-1.619.840,61</u>	<u>-2.470.010,88</u>
	-4.271.998,57	<u>3.925.671,81</u>
8. Other interest and similar income of which from subsidiaries EUR 175,509.41 (prior year EUR 44,130.80)	175.551,38	95.313,64
9. Other interest and similar expenses of which to subsidiaries EUR 5,173,929.28 (prior year EUR 6,696,099.95)	-5.173.929,28	-6.696.099,95
	<u>-4.998.377,90</u>	<u>-6.600.786,31</u>
10. Results from ordinary business activities	35.437.525,58	6.500.720,90
11. Profit transferred on the basis of a profit/loss transfer agreement	<u>-35.437.525,58</u>	<u>-6.500.720,90</u>
12. Net income / loss	<u>0,00</u>	<u>0,00</u>

DeTeFleetServices GmbH, Bonn

Notes to the 2009 annual financial statements

I. General disclosures and remarks

1. Description of business activities

DeTeFleetServices GmbH is an affiliated company of Deutsche Telekom AG, Bonn (hereinafter DTAG), within the meaning of § 271 (2) German Commercial Code (*Handelsgesetzbuch* – HGB). DeTeFleetServices GmbH entered into a profit and loss transfer agreement and, since March 2005, also a control agreement with DTAG.

The purpose of the Company is to provide fleet management services, which involves the development, provision and operation of corporate fleet solutions, the supply of rental vehicles and services of all kinds for operational mobility, as well as dealing in vehicle-related articles of all kinds, especially used cars.

2. Basis of preparation

The annual financial statements of DeTeFleetServices GmbH are prepared in accordance with the provisions of German GAAP applicable to large corporations, as specified in § 267 (3) German Commercial Code (*Handelsgesetzbuch* – HGB), and the German Act on Limited Liability Companies (*GmbH-Gesetz*). The statement of income is prepared using the cost-of-sales method in accordance with § 275 (3) HGB. The financial year corresponds to the calendar year.

As of December 31, 2009, the Company is included in DTAG's consolidated financial statements, which are published in the electronic Federal Gazette and can be accessed on the website of DTAG's register of companies.

Two items were added to the catalog of financial services in § 1 (1a) sentence 2 of the German Banking Act (*Kreditwesengesetz* – KWG) as part of the 2009 Annual Tax Act dated December 19, 2008, and for that reason, DeTeFleetServices GmbH registered its business activities pro forma with the German Federal Financial Supervisory Authority (BaFin) in January 2009 in accordance with § 64j KWG; at the same time DeTeFleetServices GmbH filed a request for an individual exemption pursuant to § 2 (4) KWG.

As it has not yet been ultimately decided whether DeTeFleetServices GmbH will fall under the KWG provisions, in consultation with BaFin the annual financial statements as of

December 31, 2009 were prepared unchanged from the previous year in accordance with the pertinent provisions of the HGB and the GmbHG. Therefore the provisions pursuant to § 340 et seq. HGB in conjunction with the Regulation on the Accounting of Credit Institutions and Financial Services Institutions (*Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV*) were not applied.

3. Accounting policies

The annual financial statements include all assets, liabilities, prepaid expenses, deferred charges, deferred income, expenses and income. The Company's assets have not been offset against its liabilities and equity, and its expenses have not been offset against its income.

To the extent that mandatory disclosures may be made either on the face of the balance sheet and statement of income or in the notes, the preferred option is to disclose items in the notes.

Assets and liabilities have been measured separately as of the balance sheet date. Income is only recognized to the extent that it is realized as of the balance sheet date.

Intangible assets and **property, plant and equipment** are measured at cost less amortization and depreciation. Write-downs to the lower of cost or market value are charged if an impairment of assets is assumed to be permanent.

Noncurrent assets are depreciated/amortized on a straight-line basis. The underlying depreciable life of each asset corresponds to its normal useful life. All movable items of property, plant and equipment are depreciated ratably.

This excludes the movable items added in the period from January 1, 2006 to December 31, 2007, which were depreciated in the financial accounts using the declining-balance method at the maximum rate permissible by tax law pursuant to § 7 (2) sentence 3 German Income Tax Act (*Einkommensteuergesetz – EStG*). The straight-line method is applied as soon as this results in greater depreciation.

As the declining-balance method is no longer permitted in the tax accounts following the 2008 Corporate Tax Reform Act (*Unternehmenssteuerreformgesetz*), all movable items of property, plant and equipment added after January 1, 2008 are again depreciated in the financial accounts over their normal useful lives using the straight-line method.

The German Act Implementing Tax Law Regulations of the Package of Measures Securing Jobs by Strengthening Growth (*Gesetz zur Umsetzung steuerrechtlicher Regelungen des Maßnahmenpakets Beschäftigungssicherung durch*

Wachstumsstärkung) now permits the declining-balance method of depreciation to be applied for tax purposes once again. As a result, all movable items of property, plant and equipment purchased after December 31, 2008 have been depreciated in the financial accounts using the declining-balance method at the maximum rate permitted by tax law; the straight-line method is applied as soon as this leads to higher depreciation amounts.

Additions to low-value assets with a net acquisition cost of up to EUR 150.00 are written off in full in the year of acquisition and their disposal is assumed. Additions to low-value assets with a net acquisition cost of between EUR 150.00 and EUR 1,000.00 are capitalized in an omnibus account and depreciated over five years using the straight-line method. In so doing, a full year's depreciation is recognized in the year of acquisition regardless of the exact acquisition date.

Noncurrent assets sold or otherwise disposed of are derecognized at their relevant carrying amount (cost less accumulated depreciation). A gain or loss is recognized in income for the difference between the proceeds from the sale and the carrying amount of the asset concerned.

Receivables and other assets as well as **cash and cash equivalents** are recognized at their nominal amount. The receivables from insurance reported under other assets are presented net of specific valuation allowances.

Marketable securities are recognized at cost or lower fair value as of the balance sheet date.

Expenditures prior to the balance sheet closing date are presented as **prepaid expenses** in assets if they represent an expense for a later period.

In accordance with the principles set out in § 6a EStG, **accruals for pension obligations** are stated at the current actuarial value using an assumed rate of interest of six percent. Indirect obligations are also accounted for in these accruals. If the value of the assets allocated is higher than the amount of the obligations for indirect commitments, the excess is not recognized.

The **accruals** cover all uncertain liabilities and loss contingencies arising from pending transactions. They are recognized in the amount deemed necessary according to prudent commercial judgment. The carrying amount for the accruals for vehicle claims is taken over from the reserve determined by the insurer HUK-COBURG-Allgemeine Versicherung AG.

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

Income prior to the balance sheet closing date is presented as **deferred income** in equity and liabilities to the extent it represents income for a certain period after that date.

II. Notes to the balance sheet

1. Noncurrent assets

Please see the attached statement of noncurrent assets for changes in individual items in **noncurrent assets**.

Statement of noncurrent assets for 2009

	Acquisition costs					Accumulated amortization					Net carrying amounts		
	Jan. 1, 2009 EUR	Additions EUR	Disposals EUR	Disposals to subsidiaries EUR	Reclassifications EUR	Dec. 31, 2009 EUR	Jan. 1, 2009 EUR	Additions EUR	Disposals EUR	Disposals to subsidiaries EUR	Dec. 31, 2009 EUR	Dec. 31, 2009 EUR	Dec. 31, 2008 EUR
I. Intangible assets													
1. Concessions, industrial and similar rights and assets, and licenses in such rights and assets	6.820.302,87	344.173,43	0,00	0,00	353.535,00	7.518.011,30	3.171.701,87	1.715.905,43	0,00	0,00	4.887.607,30	2.630.404,00	3.648.601,00
2. Advance payments	353.535,00	164.028,80	0,00	0,00	-353.535,00	164.028,80	0,00	0,00	0,00	0,00	0,00	164.028,80	353.535,00
	<u>7.173.837,87</u>	<u>508.202,23</u>	<u>0,00</u>	<u>0,00</u>	<u>0,00</u>	<u>7.682.040,10</u>	<u>3.171.701,87</u>	<u>1.715.905,43</u>	<u>0,00</u>	<u>0,00</u>	<u>4.887.607,30</u>	<u>2.794.432,80</u>	<u>4.002.136,00</u>
II. Property, plant and equipment													
1. Other equipment, plant and office equipment	693.176.555,29	124.043.696,91	169.567.275,27	3.179.449,15	0,00	644.473.527,78	254.172.486,61	113.716.261,51	101.971.961,74	147.053,91	265.769.732,47	378.703.795,31	439.004.068,68
	<u>700.350.393,16</u>	<u>124.551.899,14</u>	<u>169.567.275,27</u>	<u>3.179.449,15</u>	<u>0,00</u>	<u>652.155.567,88</u>	<u>257.344.188,48</u>	<u>115.432.166,94</u>	<u>101.971.961,74</u>	<u>147.053,91</u>	<u>270.657.339,77</u>	<u>381.498.228,11</u>	<u>443.006.204,68</u>

2. Other equipment, plant and office equipment

Plant and office equipment includes EUR 377,929 thousand (prior year: EUR 438,420 thousand) for vehicles leased to customers under lease agreements.

3. Receivables and other assets

Of the trade receivables, EUR 3,327 thousand (prior year: EUR 5,589 thousand) concerned the settlement of mobility services for third parties and invoices due to vehicle sales.

Receivables from subsidiaries totaled EUR 9,716 thousand (prior year: EUR 14,210 thousand) resulting from the exchange of goods and services. This includes EUR 5,104 thousand (prior year: EUR 2,710 thousand) in receivables from finance leases.

Receivables from finance leases includes EUR 2,941 thousand in receivables with a residual maturity of more than one year (prior year: EUR 2,290 thousand). All other receivables have a remaining maturity of less than one year.

4. Marketable securities

The portfolio of other marketable securities comprises securities that had been transferred to a trustee as security for entitlements from partial retirement obligations under what is known as the contractual trust agreement (CTA). The amount of EUR 237 thousand (prior year: EUR 237 thousand) equals DeTeFleetServices GmbH's outstanding settlement amounts to employees on partial retirement arrangements as of December 31, 2009.

5. Prepaid expenses and deferred charges

Prepaid expenses and deferred charges totaled EUR 4,290 thousand (prior year: EUR 4,683 thousand), predominantly from the deferral of vehicle taxes.

6. Shareholders' equity

The Company's capital stock is EUR 5,000 thousand. A total of EUR 215,263 thousand is recognized in additional paid-in capital pursuant to § 272 (2) no. 4 HGB.

On the basis of the profit/loss transfer agreement concluded between Deutsche Telekom AG and DeTeFleetServices GmbH, DeTeFleetServices GmbH transferred its results from ordinary business activities for the year (EUR 35,438 thousand) to Deutsche Telekom AG in 2009.

7. Accruals

Accruals for pension obligations totaling EUR 1,903 thousand (prior year: EUR 1,589 thousand) were recognized in 2009. The amount of the accruals recognized as of the balance sheet date corresponds to the current tax value of the obligations (§ 6a EStG) calculated by an independent actuary using the 2005 Klaus Heubeck actuarial tables and a six percent discount rate.

Accruals for other personnel costs totaled EUR 1,440 thousand (prior year: EUR 1,668 thousand) and comprise accruals for bonuses and other performance-based remuneration of EUR 1,005 thousand (prior year: EUR 950 thousand), accruals for obligations from partial retirement agreements of EUR 320 thousand (prior year: EUR 383 thousand), accruals for residual vacation of EUR 43 thousand (prior year: EUR 207 thousand), accruals for time-off entitlements of EUR 28 thousand (prior year: EUR 38 thousand), and additional share-based compensation granted totaling EUR 44 thousand (prior year: EUR 90 thousand).

Accruals for vehicle claims were recognized at EUR 12,604 thousand (prior year: EUR 13,714 thousand) and accruals for outstanding expenses billed of EUR 6,749 thousand (prior year: EUR 9,678 thousand) were recognized.

8. Liabilities

Trade accounts payable totaling EUR 14,743 thousand (prior year: EUR 58,394 thousand) arose from invoices for vehicle deliveries not yet settled as of December 31, 2009 as well as unsettled expenses billed.

Payables to subsidiaries as of the balance sheet date totaled EUR 142,193 thousand (prior year: EUR 162,363 thousand).

This includes liabilities to the shareholder, Deutsche Telekom AG, totaling EUR 39,044 thousand (prior year: EUR 60,139 thousand) resulting from the Group-wide cash management concentration system and the obligation from the profit and loss transfer agreement. An additional EUR 1,031 thousand (prior year: EUR 106 thousand) arose from the exchange of goods and services with subsidiaries.

In addition, EUR 102,119 thousand (prior year: EUR 102,119 thousand) resulted from the EUR 100 million loan taken out with Deutsche Telekom International Finance B.V. at the beginning of October 2006 and the accompanying interest accruals of EUR 2,119 thousand (prior year: EUR 2,119 thousand). The interest rate was 3.82% per year through June 2008 and was increased to 4.32% as of July 2008 in accordance with the agreement due to the downgraded credit rating for the parent, Deutsche Telekom AG.

Taxes totaling EUR 155 thousand (prior year: EUR 97 thousand) are presented under other liabilities.

All liabilities have a remaining maturity of less than one year.

9. Other financial obligations

	2009 thousands of €	2008 thousands of €
Obligations from lease agreements in next four years	5,137	4,045
Obligations from Group-internal rental and lease agreements (up to six years)	11,321	3,036
Purchase commitment from call-off orders from concluded contracts	34,985	27,341
Total	51,443	34,422

Of the total amount of EUR 51,443 thousand (prior year: EUR 34,422 thousand), EUR 11,321 thousand (prior year: EUR 3,036 thousand) was for obligations to subsidiaries.

III. Notes to the statement of income

1. Net revenue

Net revenue generated in the financial year totaled EUR 373,029 thousand (prior year: EUR 409,988 thousand) and resulted from the settlement of mobility services of EUR 287,679 thousand (prior year: EUR 295,730 thousand) and the sale of vehicles of EUR 85,350 thousand (prior year: EUR 114,258 thousand). This revenue was generated mainly in Germany.

2. Other operating income

Other operating income relates primarily to reimbursement from vehicle claims of EUR 7,371 thousand (prior year: EUR 7,423 thousand) and income from the reversal of accruals amounting to EUR 2,239 thousand (prior year: EUR 8,156 thousand).

3. Cost of sales

Cost of sales totaling EUR 328,322 thousand (prior year: EUR 400,812 thousand) is chiefly composed of depreciation/amortization of EUR 114,940 thousand (prior year: EUR 133,394 thousand), goods and services purchased of EUR 66,480 thousand

(prior year: EUR 84,793 thousand), cost of goods sold from the sale of vehicles of EUR 70,611 thousand (prior year: EUR 95,506 thousand), expenses for vehicle maintenance totaling EUR 44,135 thousand (prior year: EUR 47,978 thousand) and vehicle taxes of EUR 9,112 thousand (prior year: EUR 11,143 thousand). Goods and services purchased resulted primarily from the purchase of fuel.

4. Other operating expenses

Other operating expenses consist of distribution costs of EUR 7,748 thousand (prior year: EUR 6,456 thousand), general and administrative costs of EUR 5,220 thousand (prior year: EUR 3,723 thousand) and other operating expenses totaling EUR 1,620 thousand (prior year: EUR 2,470 thousand). The auditor's fee is not disclosed separately since this figure is contained in the consolidated financial statements of the parent company.

5. Personnel expenses

Personnel expenses to be borne by the company totaled EUR 13,220 thousand in the year under review (prior year: EUR 12,404 thousand) and are composed of wages and salaries totaling EUR 10,560 thousand (prior year: EUR 10,203 thousand) as well as social security contributions and expenses for pension plans and benefits totaling EUR 2,660 thousand (prior year: EUR 2,201 thousand), of which EUR 1,343 thousand (prior year: EUR 970 thousand) was for old-age pensions. As of the balance sheet date, DeTeFleetServices GmbH had 195 employees. The average number of employees in 2009 was 198.

6. Goods and services purchased

Goods and services purchased in the financial year totaled EUR 67,788 thousand (prior year: EUR 84,863 thousand) and consisted chiefly of expenses for raw materials, consumables and supplies, tires, fuel and natural gas.

7. Depreciation and amortization

Amortization of intangible assets and depreciation of property, plant and equipment totaled EUR 115,432 thousand (prior year: EUR 133,792 thousand).

8. Interest income and interest expense

Interest income and interest expenses relate to interest on receivables from and liabilities to Deutsche Telekom AG, interest on the liability from the Group-wide cash management concentration system and the loan with Deutsche Telekom International Finance B.V., interest income from dunning, from finance leases, and interest income from the contractual trust agreement (CTA). Interest income from the CTA results from

securities investments through Deutsche Telekom Trust e.V., which were made to secure assets from partial retirement against insolvency.

9. Income attributable to other accounting periods

Income attributable to other accounting periods amounted to EUR 2,239 thousand (prior year: EUR 8,156 thousand), primarily from the reversal of accruals.

IV. Other disclosures

1. Executive bodies

Supervisory Board

The following persons were members of the Supervisory Board in the financial year:

- Dieter Cazzonelli, Head of Taxes, Deutsche Telekom AG, Bonn (Chairman)
- Martin Böhne, Head of HR Business Partner Corporate Functions, Deutsche Telekom AG, Bonn (Vice Chairman)
- Dr. Ralph Rentschler, CFO and Head of Controlling, Deutsche Telekom AG, Bonn
- Kyra Orth, Head of Top Executive Management, Deutsche Telekom AG, Bonn

No compensation was paid to the Supervisory Board in the 2009 financial year.

Managing Board

The following persons were managing directors during the financial year:

- Horst Krastetter, Chairman of the Managing Board, Engineer, Bonn
- Wolfgang Kocybik, Finance Director, Economist, Bonn (from June 1, 2009)
- Dr. Oliver Lange, Finance Director, Economist, Bonn (until May 31, 2009)

Remuneration paid to the Managing Board totaled EUR 465 thousand in 2009.

Bonn, February 10, 2010

DeTeFleetServices GmbH

Horst Krastetter

Wolfgang Kocybik

DeTeFleetServices GmbH
An der Ziegelei 18, 53127 Bonn, Germany

Management report for the 2009 financial year

1. Business background

DeTeFleetServices GmbH's business purpose is to provide mobility services to Deutsche Telekom Group companies and selected external customers. Its fleet comprised around 38,000 serviced vehicles as of the end of the year and was reduced in the 2009 financial year. DeTeFleetServices GmbH is a wholly-owned subsidiary of Deutsche Telekom AG (DTAG), with whom it has concluded a control and profit and loss transfer agreement. No major internal reorganization took place in 2009. As of the year end, mobility services were provided by 195 permanent employees (previous year: 195).

The realignment of DeTeFleetServices GmbH's activities to gain the international fleets of DTAG in connection with cross-border leasing continued in 2009 and was reflected at year's end by 752 fleet vehicles. DeTeFleetServices GmbH currently works for the DTAG Group in seven European countries. Generally, the vehicles in cross-border leases are provided under an operating lease model; only the vehicle fleet of PTC Poland is provided under a finance lease.

With the sale in 2008 of DeTeImmobilien Deutsche Telekom Immobilien und Service GmbH (DeTeImmo) to an external investor, DTAG completed the planned disposal of Group companies with major inventories of vehicles. DeTeFleetServices GmbH will continue to service DeTeImmo's fleet until the current arrangement expires, whereby the number of serviced vehicles will be reduced. Management of the vehicles held in the external company Nokia Siemens Networks Services GmbH (NSN) was governed by a separate contract, which stipulated the return of all vehicles leased from DeTeFleetServices GmbH by the end of 2009. Obligations under this contract were fulfilled.

The company does not operate its own research and development unit with regard to important aspects of vehicle engineering. Rather, technical and ecological innovations are taken up, tested and deployed. For example, DeTeFleetServices GmbH operates one of the largest natural gas vehicle fleets in Germany and participates in all significant test operations by the relevant manufacturers with regard to alternative drive systems.

DeTeFleetServices GmbH
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2. Results of operation

In 2009, DeTeFleetServices GmbH's revenue declined by EUR 37.0 million year-on-year to EUR 373.0 million. Group customers were not reimbursed for non-occurrence of fleet risks (prior year: EUR 14.1 million). Adjusted for the reimbursement in 2008, revenue decreased by EUR 51.1 million, comprising a EUR 28.9 million decrease in remarketing income, a EUR 6.7 million decrease in internal revenue accruals for service and company vehicles, a EUR 2.9 million decrease in revenue from mobility rates, a EUR 1.6 million increase in revenue from special services, a EUR 0.6 million increase in revenue from vehicle maintenance, a EUR 16.8 million decrease in fuel revenue, a EUR 1.5 million decrease in revenue from the return of vehicles, a EUR 4.7 million increase in revenue from other billing, and a EUR 1.2 million decrease in revenue from insurance/insurance deductibles. The operating result of EUR 35.4 million improved by EUR 28.9 million year-on-year and was transferred to DTAG pursuant to the profit and loss transfer agreement. The improvement in the operating result was primarily attributable to the fact that depreciation and amortization were significantly lower than in the previous year, no reimbursements were made for the non-occurrence of fleet risks, and running costs for the vehicle fleet, such as leasing, taxes and maintenance expenses, were lower. Additionally, gains on the sale of used vehicles again contributed to the positive result, which is attributable to the reversal of hidden reserves in noncurrent assets as a result of the sale. The hidden reserves had been reported using the declining-balance method of depreciation in 2006 and 2007.

3. Financial position

DeTeFleetServices GmbH is financed solely in euros through the DTAG Group. DTAG provides DeTeFleetServices GmbH with its short-term liquidity requirements as part of the cash pooling arrangement. Long-term lending requirements are provided through the Dutch subsidiary of DTAG, Deutsche Telekom International Finance B.V., the Netherlands. DTAG adjusts the interest rate on cash pooling monthly to meet market conditions; the interest rate for the long-term loan is tied to the development of DTAG's credit rating. DeTeFleetServices GmbH currently has a loan with a notional amount of EUR 100 million on the books, the four-year term of which ends in 2010. To repay the loan, we intend to take on a new loan in the same amount directly from DTAG and are currently in negotiations with our shareholder. The new loan is likely to have a three-year term.

4. Net worth

The number of vehicles serviced determines DeTeFleetServices GmbH's business. Capital expenditure on vehicles of EUR 123.6 million on 5,763 vehicles was made in

DeTeFleetServices GmbH
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2009. The number of vehicles sold was 9,464. Noncurrent assets declined from EUR 443.0 million to EUR 381.5 million. Overall, noncurrent assets comprised 95.3% of total assets, with 61.5% financed through equity and long-term debt capital. Current assets decreased by around EUR 6.9 million. This is attributable in particular to lower trade receivables and a decrease in receivables from subsidiaries.

Equity remained unchanged due to the profit and loss transfer agreement with DTAG. Accruals declined year-on-year (EUR -5.1 million) primarily as a result of a decrease in accruals for outstanding invoices, accruals for additional costs upon the return of leased vehicles, and accruals for claims. The internal investment freeze in the second half of the year resulted in a decrease in trade payables (EUR -43.7 million). The Group-internal investment freeze during H2 was also primarily responsible for the EUR 20.2 million decrease in liabilities to subsidiaries.

5. Events after the balance sheet date

There were no events of significance to the financial statements of DeTeFleetServices GmbH while the management report was being prepared.

6. Risk report

As a subsidiary of Deutsche Telekom AG, the Company is integrated into DTAG's existing risk management system. In accordance with Group guidelines, risk reports were prepared on a quarterly basis in 2009 and discussed by management. As of December 31, 2009, no risks exceeding the internal reporting threshold of EUR 15.0 million had been identified and reported to the Group.

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Two items were added to the catalog of financial services in § 1 (1a) sentence 2 of the German Banking Act (*Kreditwesengesetz* – KWG) as part of the 2009 Annual Tax Act dated December 19, 2008, and for that reason, DeTeFleetServices GmbH registered its business activities pro forma with the German Federal Financial Supervisory Authority (BaFin) in 2009 in accordance with § 64j KWG; at the same time DeTeFleetServices GmbH filed a request for an individual exemption in 2009 pursuant to § 2 (4) KWG. The application was still pending in 2009.

Drawing on the logic contained in the contracts of its predecessor organization, DeTeFleetServices GmbH uses a fleet insurance model that assumes claims buybacks for liability claims. This treatment was challenged for the first time in 2008 by the official auditor of HUK-Versicherung and our subsequent appeal was denied. The theoretic risk for DeTeFleetServices GmbH as the policyholder is approx. EUR 8.9 million up to 2009 if the legal dispute pending with HUK were to be lost. In addition, revised premises for 2010 and beyond would have to be assumed.

In this legal dispute, DeTeFleetServices GmbH shares the opinion of DTAG's tax department and that of the servicing broker, DeTeAssekuranz – based upon an existing positive ruling by the Lower Saxony Tax Court – that the probability of the risk occurring must be classified as very low. The initiation of arbitration proceedings by HUK at the end of December 2009 did not change the opinions of the interested parties. Thus, no accrual was recognized.

During 2010, DeTeFleetServices GmbH sees opportunities to gain additional Group fleets internationally and to add further vehicles of international companies already acquired.

7. Forecast

A positive result is generally to be expected for the 2010 financial year. There is, however, still a risk for DeTeFleetServices GmbH with respect to vehicle marketing as a result of the general economic crisis, although we believe that the economic crisis and hence the crisis on the used car market as well is likely to have already reached its low point. The reversal of hidden reserves upon the future sale of vehicles depreciated using the declining balance method in 2006 and 2007 will have a noticeable positive effect.

We also anticipate that the reversal of hidden reserves upon the future sale of vehicles depreciated using the declining balance method in 2006 and 2007 will contribute to a positive result in 2011, as well. Revenue for 2010 is forecast at around EUR 352 million and the same is expected for 2011. Capital expenditure in 2010 will total around

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EUR 140 million and is expected to increase slightly in 2011 to approximately EUR 160 million.

No significant changes in the business model are expected.

Bonn, February 10, 2010

The Managing Board