

**Erste DFMG Deutsche Funkturm
Vermögens-GmbH & Co. KG
Münster**

**Annual Financial Statements and
Management Report
December 31, 2007**

- Copy of the Audit Certificate -

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General Commissioning Terms

Notes:

We have prepared with 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 Erste DFMG Deutsche Funkturm Vermögens-GmbH & Co. KG, Münster, for the financial year from January 1 to December 31, 2007. 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.

Leipzig, January, 18 2008

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Mandler
Wirtschaftsprüfer

Schurk
Wirtschaftsprüfer

Erste DFMG Deutsche Funkturm Vermögens-GmbH & Co. KG, Münster
Balance sheet as of December 31, 2007

ASSETS			Dec. 31, 2006	SHAREHOLDERS' EQUITY AND LIABILITIES			Dec. 31, 2006
	EUR	EUR	EUR '000		EUR	EUR	EUR '000
A. NONCURRENT ASSETS				A. SHAREHOLDERS' EQUITY			
Property, plant and equipment				I Equity interests			
1. Land-equivalent rights, and buildings including installations on land owned by third parties	164,679,648.78		176,888	Equity interests of the limited partners	100,000.00		100
2. Technical equipment	<u>115,031,491.10</u>		<u>131,492</u>				
		279,711,139.88	<u>308,380</u>	II Reserves	<u>195,172,892.57</u>		<u>195,173</u>
					<u>195,272,982.57</u>		<u>195,273</u>
B CURRENT ASSETS				B. ACCRUALS			
Receivables and other assets				I Taxes			
1. Receivables from subsidiaries	148,752,069.16		85,690	1. Taxes	4,603,803.00		4,811
2. Other assets	<u>112,356.59</u>		<u>2,897</u>	2. Other	<u>109,708,640.02</u>		<u>97,231</u>
		148,864,425.75	<u>88,587</u>			114,312,443.02	<u>102,042</u>
				C. LIABILITIES			
				1 Payables to subsidiaries			
				118,012,767.80			99,509
				2 Other liabilities			
				977,462.24			143
				of which from taxes EUR 974,514.83 (prior year EUR 143,000)			
					<u>118,990,230.04</u>		<u>99,652</u>
					<u>428,575,565.63</u>		<u>396,967</u>
					<u>428,575,565.63</u>		<u>396,967</u>

This translation is for courtesy purposes only. The German original prevails.

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Erste DFMG Deutsche Funkturm Vermögens-GmbH & Co. KG, Münster
Statement of income for the 2007 financial year

	EUR	EUR	2006 EUR '000
1. Net revenue	119,143,429.48		123,371
2. Cost of sales	97,464,484.52		97,150
3. Gross profit (loss)		21,678,944.96	26,221
4. General and administrative costs	95,470.80		248
5. Other operating income	3,970,954.07		29
6. Other operating expenses	605,665.44		2,092
		-3,269,817.83	2,311
7. Other interest and similar income of which from subsidiaries: EUR 5,179,903.67 (prior year EUR 7,841,000)	5,208,878.67		7,841
8. Interest and similar expense of which to subsidiaries: EUR 5,249,761.37 (prior year EUR 2,868,000)	5,252,708.77		2,868
		-43,830.10	4,973
9. Results from ordinary business activities		24,904,932.69	28,883
10. Income taxes		5,853,339.41	11,957
11. Income after taxes		19,051,593.28	16,926
12. Credit to shareholder accounts		19,051,593.28	16,926
		0.00	0

Erste DFMG Deutsche Funkturm Vermögens-GmbH & Co. KG Münster

Notes to the annual financial statements for the 2007 financial year

General

Erste DFMG Deutsche Funkturm Vermögens-GmbH & Co. KG commenced operations effective October 1, 2002. The articles of association of Erste DFMG Deutsche Funkturm Vermögens-GmbH & Co KG (hereinafter Erste Funkturm KG) were signed on November 14, 2002. The Company was entered in the Commercial Register on December 27, 2002.

The limited partner in Erste Funkturm KG is Deutsche Telekom AG with fixed equity interest of EUR 100,000. General partners are DFMG Deutsche Funkturm GmbH, Münster and Tamburo Telekommunikationsdienste GmbH, Bonn. They make no contribution and have no equity interest.

The purpose of the Company is the acquisition of antenna supports (towers, masts and mounting tubes) and ownership of the antenna supports and associated operations buildings, as well as leasing land, sections of land and building space where antenna supports and associated operations buildings and other associated assets are located, for the purpose of marketing against payment.

These annual financial statements have been prepared in accordance with §§ 242 ff. and §§ 264 ff. HGB. The requirements of § 264a HGB in combination with § 267 (3) HGB that are applicable for large corporations apply.

The statement of income was prepared using the cost-of-sales accounting method.

I. Accounting policies

The following accounting policies were significant for the preparation of the annual financial statements.

Property, plant and equipment is recognized at acquisition or production cost and is reduced by depreciation where appropriate.

Straight-line depreciation is charged over the expected useful life of property, plant and equipment. Low-value assets up to a value of EUR 410 are depreciated in full in the year of their acquisition; their immediate disposal is assumed. Additions to property, plant and equipment are generally depreciated pro rata.

Receivables and other assets are carried at nominal value. Appropriate individual valuation allowances are made for all risky items.

Tax accruals and other accruals cover all uncertain liabilities and loss contingencies arising from pending transactions. These include accruals for restoration commitments in particular. They are recognized in the amount deemed necessary according to prudent commercial judgment.

Liabilities are carried at their repayment amount.

II. Notes to the balance sheet

Noncurrent assets

Changes in individual items of noncurrent assets are shown together with the depreciation and amortization in the statement of noncurrent assets.

Receivables and other assets

Receivables from subsidiaries includes the receivable from cash management amounting to EUR 103,574,000 from Deutsche Telekom AG, Bonn.

Refund claims relating to the take-over of restoration commitments from subsidiaries resulted in receivables from Deutsche Telekom AG, Bonn, amounting to EUR 40,688,000. The receivables are only due when the respective restoration obligation becomes effective and have a remaining maturity of more than one year.

Equity interests

The contributions entered in the commercial register in accordance with § 172 (1) HGB have been made in full.

Accruals

Other long-term accruals were mainly recognized for intercompany restoration commitments (EUR 57,212,000) and for restoration commitments outside the Group (EUR 52,409,000).

Liabilities

Of the payables to subsidiaries, EUR 14,000 related to trade accounts payable. Liabilities to shareholders of EUR 117,998,000 related to the crediting of income after taxes. The liabilities have a remaining maturity of one year or less and are not secured.

Other financial obligations

There are other financial liabilities to subsidiaries from leases in the amount of EUR 79,100,000. The reported liabilities cover the period up to the next opportunity for the Company to terminate the leases.

III. Notes to the statement of income

Net revenue

Revenues are from the provision of buildings and technical equipment for the operation of radio equipment. The revenues are generated exclusively with affiliated companies within Germany.

Cost of sales

The cost of sales (EUR 97,465,000) includes goods and services purchased amounting to EUR 62,349,000 (prior year EUR 66,945,000).

Depreciation, amortization and write-downs

Depreciation, amortization and write-downs (EUR 35,116,000) include write-downs of EUR 530,000 (prior year EUR 363,000).

Other operating expenses

Other operating expenses include losses from disposals amounting to EUR 605,000 (prior year EUR 982,000).

Other operating income

Other operating income includes income from the reversal of accruals amounting to EUR 3,557,000 (prior year EUR 25,000).

Income taxes

Income taxes have full impact on the results from ordinary business activities.

Income taxes (EUR 5,853,000) consist of trade tax in the reporting year amounting to EUR 5,917,000 and trade tax back payments for previous years amounting to EUR 63,000.

Expenses/income relating to other periods

Interest on trade tax for prior years amounting to EUR 3,000 was recording following a tax audit.

IV. Other disclosures

Board of Management

The Company is managed by the general partners, DFMG Deutsche Funkturm GmbH, Münster, and Tamburo Telekommunikationsdienste GmbH, Bonn. These are represented by:

- Dr. Rudolf Pospischil, Münster (DFMG)
- Andreas Boy, Münster (DFMG)
- Dr. Joachim Peckert, Bonn (Tamburo)

The capital stock of DFMG Deutsche Funkturm GmbH amounts to EUR 30,000 and the capital stock of Tamburo Telekommunikationsdienste GmbH EUR 25,000.

The Company incurred expenses totaling EUR 5,000 for performance of management activities in the 2007 financial year.

Employees

The Company has no employees of its own.

Relationship with the Group

The annual financial statements are included in the consolidated financial statements of Deutsche Telekom AG as the parent company. The latter prepares the consolidated financial statements for the largest group of companies in accordance with § 315 a HGB. The published consolidated financial statements are available at the Company's registered office.

Profit (loss) distribution

The shares of profits/losses are credit to the current account of the limited partner in accordance with § 167 (1) in combination with § 120 HGB.

Münster, January 17, 2008

Board of Management

DFMG Deutsche Funkturm GmbH

Tamburo Telekommunikationsdienste GmbH

Statement of noncurrent assets in the financial year from Jan. 1, 2007 to Dec. 31, 2007

	Acquisition costs					Cumulative depreciation and amortization					Net carrying amounts			
	Jan. 1, 2007	Additions from	Additions	Disposals	Reclassificatio	Dec. 31, 2007	Jan. 1, 2007	Additions from	Additions	Disposals	Reclassificatio	Dec. 31, 2007	31 12 2007	Dec. 31, 2006
	EUR	assets transfers	EUR	EUR	ns	EUR	EUR	assets transfers	EUR	EUR	ns	EUR	EUR	EUR '000
Property, plant and equipment														
1 Buildings including installations on land owned by third parties	479,196,680.64	0,00	603,417.41	1,639,087.23	710,600.59	478,871,611.41	302,308,652.82	0,00	12,775,418.88	1,572,360.39	680,251.32	314,191,962.63	164,679,648.78	176,888
2 Technical equipment	990,655,878.02	27,437.00	6,563,155.23	6,303,564.75	-710,600.59	990,232,304.91	859,163,900.28	16,800.58	22,340,152.91	5,639,788.64	-680,251.32	875,200,813.81	115,031,491.10	131,492
	<u>1,469,852,558.66</u>	<u>27,437.00</u>	<u>7,166,572.64</u>	<u>7,942,651.98</u>	<u>0,00</u>	<u>1,469,103,916.32</u>	<u>1,161,472,553.10</u>	<u>16,800.58</u>	<u>35,115,571.79</u>	<u>7,212,149.03</u>	<u>0,00</u>	<u>1,189,392,776.44</u>	<u>279,711,139.88</u>	<u>308,380</u>

Erste DFMG Deutsche Funkturm Vermögens-GmbH & Co. KG, 2007 management report

1. DEVELOPMENT OF BUSINESS

Jan. 1, Development of the Company

As in the prior year, a decrease was recorded in the main sales areas of Deutsche Funkturm GmbH, Münster, (DFMG), radio relay and radio aerial sites, which relates to the equipment of Erste DFMG Deutsche Funkturm Vermögens-GmbH & Co. KG, Münster (Erste Funkturm KG).

1.2. Net revenue

Net revenue of Erste Funkturm KG in the 2007 financial year amounted to EUR 119.1 million. In accordance with the lease agreement, these revenues were generated exclusively with DFMG. The lease agreement guarantees coverage of all significant expenses plus interest on assets.

1.3. Capital expenditure

Erste Funkturm KG recorded capital expenditure of EUR 7.2 million.

1.4. Financing

The Company participated in DTAG's cash concentration via DFMG.

1.5. Staff

Erste Funkturm KG employs no personnel of its own.

2. DEVELOPMENT OF THE COMPANY'S POSITION

2.1. Net worth, financial position and results

Erste Funkturm KG's balance sheet total amounted to EUR 428.6 million at December 31, 2007.

Noncurrent assets tied up in property, plant and equipment amounted to EUR 279.7 million. Long-term receivables from subsidiaries amounted to EUR 40.7 million while short-term receivables amounted to EUR 108.2 million.

With share capital of EUR 0.1 million and additional paid-in capital of EUR 195.2 million, the Company has shareholders' equity of EUR 195.3 million, resulting in an equity ratio of 45.6 percent.

Other accruals amounted to EUR 109.7 million for restoration commitments and EUR 0.1 million for costs for the preparation of the annual report and contributions to the Chamber of Industry and Commerce, bringing the total to EUR 109.7 million.

Payables to subsidiaries amounted to EUR 118.0 million.

With net revenue of EUR 119.1 million, total expenses of EUR 98.2 million and other operating income of EUR 4.0 million, income before taxes amounted to EUR 24.9 million. Income after taxes of EUR 19.1 million was credited to the shareholder account.

3. RISK REPORT

In view of the long-term business relationship with DFMG Deutsche Funkturm GmbH, Münster, no significant risks relating future developments have been identified.

4. FORECAST

4.1. Major events after the end of the financial year

The license agreement between DFMG Deutsche Funkturm GmbH and Erste DFMG Deutsche Funkturm Vermögens-GmbH & Co. KG is to be revised in the 2008 financial year. The usage fee to be paid by 1. KG to the GmbH in future will amount to EUR 1 from Jan. 1, 2008, initially for 5 years and until termination of the lease agreement at the latest.

In addition, the interest element in the lease agreement will be revised from the previous level of 7.8 percent to 7 percent effective the new financial year and fixed for a further 5 years.

4.2. Expected development of the Company

In view of the function of providing assets for DFMG and the agreements signed with DFMG, the Company expects its earnings to be stable in the 2008 and 2009 financial years with declining revenues.

Münster, January 17, 2008

Board of Management

DFMG Deutsche Funkturm GmbH

Tamburo Telekommunikationsdienste GmbH

COMMISSIONING TERMS, LIABILITY AND CONDITIONS OF USE

We, Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, have performed our audit of these accounts on behalf of the Company. In addition to the legal function of disclosure (§ 325 German Commercial Code) in the case of a legal audit requirement, the auditors' report is intended exclusively for the Company and was issued for the Company's internal use only, and not for any other purposes for third parties or as a basis for decision for third parties. As such, the results of voluntary audits as summarized in the auditors' report is not intended as the basis for third parties to reach any decisions, and is not to be used for any purposes other than that intended.

Our activities are governed by our commission confirmation letter for the audit of these accounts, the Special Commissioning Terms for Audits and Audit-Related Services published by Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft (dated July 1, 2007) and the "General Commissioning Terms for Independent Auditors and Auditing Companies" of January 1, 2002 issued by the Institut der Wirtschaftsprüfer.

For purposes of clarification, we emphasize that we accept no responsibility, liability or other obligations to third parties unless we have concluded a written agreement to the contrary with the third party or such a disclaimer is ineffective.

We explicitly emphasize that we shall not update the auditors' report to take into account any events or circumstances that may arise following its issue, unless there is a legal obligation to do so.

Whosoever may read and acknowledge the results of our activities as summarized in the above auditors' report decides under his/her own responsibility whether and in what form he/she considers these results useful and appropriate to his/her purposes and extends, verifies or updates them through investigation activities of his/her own.