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Start statement René Obermann

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**Speech at the extraordinary shareholders' meeting
in Hanover on November 19, 2009**

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

Good morning ladies and gentlemen,
dear shareholders,

This is the second time this year that I have the opportunity to welcome you to a Deutsche Telekom shareholders' meeting. A warm welcome to you all.

We are meeting today to lay important foundation stones for the future: We aim to pave the way for setting up an integrated company for Germany – and so take the next step towards creating the New Deutsche Telekom.

In February, we explained our plans for combining the fixed-network and mobile segments – and, at the same time, for central management of corporate functions such as technology, product development, innovation, and procurement.

We also presented a new Board of Management structure back in February with clear responsibilities for the countries or regions, as well as for central functions. When we presented the positive figures for the third quarter, we reported on the new structure for the first time.

Now we are asking you to facilitate the merger of the T-Home and T-Mobile business areas in Germany into a single company – namely what is currently T-Mobile Deutschland GmbH.

The merger of the two business areas is not the only element, but certainly a key element in our response to the most important challenge facing our industry: How can we operate effectively in our fiercely competitive domestic market while developing growth initiatives at the same time? I am sure of the answer: Only with a better customer service, more innovation and at the same time more efficiency.

We have improved significantly in terms of our customer service. And innovations are crucial for our business, as the only way of developing new business models and generating growth. Take for instance the issue of converging networks and services – which has long been fertile ground for mostly theoretical debates that often lacked real relevance to the actual business. That is increasingly changing: We are seeing that the separate environments of services for phones, PCs, TV sets, games consoles, netbooks, and smartphones are increasingly merging thanks to IP technology.

Our customers demand products that add to their connected life. They want to access digital content or services easily and seamlessly with decent quality via a range of different devices, like with a personal phonebook that is managed centrally in the network. Or with our media center that enables users to manage their pictures, music, and videos conveniently – irrespective of whether they do so via a PC, on the move using a cell phone or on the TV at home.

The basis inevitably entails closer integration of broadband mobile and fixed networks. The technology supported by the various infrastructures needs to interact seamlessly and be constantly upgraded to keep pace with the increasing demand for bandwidth and the huge quantities of data.

To do that we need investment and innovation. And that in turn requires all the business areas to cooperate closely – not just in Germany, but also internationally. In the future, our emphasis will be even more squarely on joint product development and network management.

This is just one important side of the coin. On the other side, we must work efficiently to remain competitive. Customers won't pay excessive prices – they want services that are worth the money they cost. Almost everyone compares prices minutely. And that's why we have to keep our costs under control – for example, with our Save for Service program. To date we have saved well in excess of EUR 5 billion, taking 2005 as the base year. That has given us the scope to invest in better quality of service as well as in important sales and marketing initiatives. The program is a success story – and that's something we cannot repeat often enough.

Another important step has been the simplification of our technology and wholesale products. The key words are NGIT and NGN – Next Generation IT and Next Generation Networks; and the idea is to work throughout the Group with a handful of standardized processes and platforms. Currently we still use some 3,800 different applications within the Group in Germany. We aim to almost halve that number to 2,000. That will cut costs enormously – and make work much easier for everybody.

Yet, efficiency also entails fully using all the market opportunities that occur in our core markets. As a company we need to put in place the organizational

conditions to serve our customers optimally from a single source. With a uniform market and advertising presence – but also by leveraging the opportunity of offering every fixed-network customer additional mobile services. Here, we have not yet managed to fully tap our opportunities.

The potential is enormous: Customers with a mobile and fixed-network contract are much more loyal and the cancellation rate is far lower than for customers with single contracts. What's more, our experience has shown that these customers generate considerably more revenue.

Just one in five of our 29 million customer households currently has fixed-network and mobile contracts with Deutsche Telekom. If we were to sign up just one percent of the remaining customers for a second contract, our revenue could increase by up to EUR 100 million per year.

Ladies and gentlemen,

Now is the right time to merge the mobile and fixed-network business – as one of the several initiatives in our One Company project. Over the past three years we have put in place the foundations to do this. First, we merged Sales and Service, while tidying up our brand landscape at the same time. Today a strong T is at the forefront of everything we do. We have stabilized our business, particularly in the all-important German market. The figures for the third quarter speak volumes. Deutsche Telekom is back to being very competitive. In Germany, we are the number one by far!

We have discussed the planned merger extensively with the employees' representatives. Together with the Group Works Council we have agreed on the reconciliation of interests, which guarantees the interests of our employees. And naturally we will also agree the next specific steps of implementation in

close consultation with the employees' representatives after this shareholders' meeting. What is particularly important to me is that the employees' representatives share our view that the merger of the fixed-network and mobile segments is necessary.

These measures are all about customers, our innovativeness, and competitive advantages. I am delighted that Waltraud Litzenberger, Lothar Schröder, and the other employees' representatives on the Supervisory Board see it that way and support our plans unanimously.

In short, it is the right step and Deutsche Telekom is ready to take it. Two healthy, competitive business areas will become even stronger by joining forces.

With One Company we have also been creating the foundations for the further development of Deutsche Telekom AG. For three years we have been pursuing our successful "Focus, fix and grow" strategy – One Company is a crucial interim stage in this.

We are taking this milestone as an opportunity to review how we are going to develop our strategy further. We intend to complete this review by the end of the first quarter 2010.

Ladies and gentlemen,
dear shareholders,

A few figures on the new company in Germany to illustrate the scale of what we are planning: We are talking about a total revenue of about EUR 26 billion and EBITDA of about EUR 10 billion in 2008. The new company would be responsible for what at present are almost 27 million fixed-network lines – of

which some 13 million support DSL – and more than 39 million mobile lines. In total, just under 85,000 employees work in this segment.

Let me conclude by reiterating what exactly you are being asked to decide today: The T-Home and T-Mobile business areas in Germany are to be merged into a single company – specifically by means of a Spin-off and Take-over Agreement between Deutsche Telekom AG and T-Mobile Deutschland GmbH. So when we talk about the new company in Germany, all we are talking about is the current T-Mobile Deutschland GmbH. Timotheus Höttges will go through the details of this agreement with you in a moment.

The Board of Management and Supervisory Board of Deutsche Telekom are convinced that this is the right way of fully leveraging the advantages of an integrated business in Germany. The merger of the mobile and fixed-network segments in T-Mobile Deutschland GmbH – as just described – is clearly the best solution from a legal, practical, and financial perspective.

Once you have approved the Spin-off and Take-over Agreement and it has been entered in the commercial register, the newly established company could be launched in the first half of 2010. Straight after this shareholders' meeting we would prepare its implementation in close consultation with the employees' representatives. Our customers should then be able to experience the advantages of the new company in Germany as soon as possible in 2010.

The most important personnel decision was already taken a few months ago. In July, Niek Jan van Damme assumed responsibility for our German business on the Board of Management. He is the Chairman of the T-Home Board of Management and also became Managing Director of T-Mobile Deutschland on October 1.

Ladies and gentlemen,

Today you will have the opportunity to decide whether to create the new company in Germany by approving the spin-off; this new company brings a host of tangible advantages: We will be reinforcing customer service, we will be safeguarding jobs, and we will be tapping the potential for additional revenue and cost synergies. We expect the spin-off to have a positive impact on earnings of around EUR 600 million per year in the medium term. At the same time, we will be avoiding unnecessary duplication in our work and overcoming the damaging silo mentality thanks to the shared responsibility for business in Germany.

Behind all this lies the firm conviction that only a single organization that reinforces innovativeness and efficiency in equal measure can ensure the company's success in the long term. Only if we manage to do both we can live up to our own aim of becoming an international market leader for connected life and work.

Ten days ago we celebrated the 20th anniversary of the Fall of the Berlin Wall. This momentous event brought together what has always belonged together. As shareholders, you also have the opportunity today to merge what belongs together: T-Home as the high-revenue number one in the fixed network and T-Mobile as the long-standing market leader in the German mobile communications segment. I am sure this is the right way to a successful future.

On behalf of the Board of Management of Deutsche Telekom I would therefore ask you to approve the resolution at hand.

Thank you!