Auditor's Report

PASM Power and Air Condition Solution Management
GmbH & Co. KG
München

Annual Financial Statements as of December 31, 2010

The English version of the report is a translation of the German version of the report. The German version of the report is legally binding.

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Annual Financial Statements as of December 31, 2010

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PASM Power and Air Condition Solution Management GmbH & Co. KG, Munich
Balance sheet as of December 31, 2010

Assets	EUR	EUR	Dec. 31, 2009 TEUR
A. Fixed assets			
I. Intangible assets			
1. Software	8.312,09		10
2. Advance payments	0,00		88
		8.312,09	98
II. Tangible assets			
1. Technical equipment, plant and machinery	423.636.746,10		430.406
2. Operational and office equipment	33.912,67		49
3. Construction in progress	27.349.808,66		30.040
		451.020.467,43	460.495
		451.028.779,52	460.593
B. Current assets			
I. Inventories			
1. Raw materials and supplies	6.433.826,53		6.434
2. Unfinished products, unfinished services	6.373.480,59		0
		12.807.307,12	6.434
II. Receivables			
1. Trade accounts receivable	178.268,91		1.621
2. Accounts due from affiliated companies	32.845.978,48		16.065
3. Accouts due from partners	13.793.283,78		67.407
4. Other assets	11.195.477,15		106.593
		58.013.008,32	191.686
III. Cash at banks		0,00	19
		70.820.315,44	198.139
C. Deferred charges and prepaid expenses		727.430,54	0
		522.576.525,50	658.732

Equity and liabilities	EUR	EUR	Dec. 31, 2009 TEUR
A. Equity			
I. Capital holdings			
1. Capital holdings of personally liable partner	0,00		0
2. Limited liability (Kommandit contributions)			
Fixed capital	10.025.000,00		10.025
Thereof: deducted losses	0,00		0
II. Additional paid-in capital	262.995.071,92		325.626
		273.020.071,92	335.651
B. Provisions			
1. Provisions for pensions and similar obligations	972.959,00		747
2. Tax provisions	1.366.846,80		572
3. Other provisions	90.180.825,82		115.761
		92.520.631,62	117.080
C. Liabilities			
1. Advance payments received on account of orders	5.739.136,08		0
2. Trade accounts payable	39.742.758,23		43.166
3. Accounts due to affiliated companies	101.093.140,69		154.938
4. Accounts due to partners	375.666,59		4.118
5. Other liabilities	5.113.245,08		3.779
Thereof: for taxes EUR 5,113,245.08 (prior year TEUR 3,778)			
Thereof: for social security EUR 0.00 (prior year TEUR 1)			
		152.063.946,67	206.001
D. Deferred income		4.971.875,29	0
		522.576.525,50	658.732

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PASM Power and Air Condition Solution Management GmbH & Co. KG, Munich
Income statement for 2010

	EUR	EUR	2009 TEUR
1. Revenues	718.142.096,84		673.710
2. Cost of sales	664.906.018,49		627.298
3. Gross profit		**53.236.078,35**	**46.412**
4. Selling costs	2.181.911,27		2.061
5. General administrative expenses	21.243.094,70		20.439
6. Other operating income	31.250.460,95		34.352
7. Other operating expenses	115.074.593,28		32.701
		107.249.138,30	20.849
8. Operating result		**-54.013.059,95**	**25.563**
9. Other interest and similar income Thereof: from affiliated companies EUR 16,908.53 (prior year TEUR 156)	17.124,75		710
10. Interest and similar expenses Thereof: to affiliated companies EUR 6,452,811.88 (prior year TEUR 7,903)	8.064.893,45		8.009
		-8.047.768,70	-7.299
11. Result from ordinary operations		**-62.060.828,65**	**18.264**
12. Exceptional income Thereof: income from the application of Art. 66 and 67 (1) to (5) EGHGB (transitional regulations for the BilMoG) EUR 71,047.10 (prior year TEUR 0)	71.047,10		0
13. Exceptional expenses Thereof: expenses from the application of Art. 66 and 67 (1) to (5) EGHGB (transitional regulations for the BilMoG) EUR 32,917.00 (prior year TEUR 0)	32.917,00		0
14. Exceptional result		38.130,10	0
15. Taxes on income Thereof: income/expense from the change in recognized deferred taxes EUR 0.00 (prior year TEUR 0)		608.484,60	1.702
16. Net loss / net income		**-62.631.183,15**	**16.562**
17. Debit / credit in the reserve account		62.631.183,15	-16.562
18. Result after approbiation statement / cumulative profit		**0,00**	**0**

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PASM Power and Air Condition Solution Management GmbH & Co. KG, Munich

Notes to the Financial Statements for the Financial Year 2010

Principles and methods.

Description of the business activities.

PASM Power and Air Condition Solution Management GmbH & Co. KG (referred to in the following as PASM KG or the Company) provides electrical products within the Deutsche Telekom Group which are required by the divisions and individual companies of Deutsche Telekom AG (referred to in the following as DTAG) for operating their technical facilities. At the same time, PASM KG is responsible for supplying all domestic Group entities with electrical power and other energy types, or for arranging such power and energy types to be delivered. DTAG transferred all facilities of secure energy supply (Gesicherte Energieversorgung (GEV)) and air conditioning technology (Raumlufttechnik (RLT)), which are designed to supply technical premises, to PASM KG by way of singular succession in accordance with the terms of the contribution agreement of December 30, 2004.

On the basis of the application of September 16, 2004, the Hauptzollamt (Main Customs Office) Munich provided the Company with corresponding permission with letters dated October 22, 2004 for supplying power as a utility in accordance with Section 4 (1) and (2) Stromsteuergesetz (Electricity Tax Act) as well as the tax-privileged consumption of electricity as a manufacturing company in accordance with Section 9 Stromsteuergesetz.

When the compressed air monitoring facilities were transferred from DTAG to PASM KG in 2008, PASM KG assumed operator responsibility for these facilities and thus extended its product portfolio. In addition, with the expansion of its business objective in 2008, and in its capacity as a competent principal, the Company places orders with STRABAG Property and Facility Services GmbH for technical facility management services for further technical facilities from the portfolio of the Deutsche Telekom Group.

The Company belongs to the DTAG Group as a result of the partner position which existed as of the balance sheet date. DTAG and DeTe Immobilie, Deutsche Telekom Immobilie und Service GmbH (referred to in the following as DTI) founded the Company as of August 02, 2004. With the notarial purchase and assignation agreement of December 18, 2007 and with effect from the same date, DTI transferred its 100 %-holding in the general partner (Komplementärin) PASM GmbH to DTAG. In addition to this indirect participation via the general partner, DTAG has also held a direct participation as a limited partner (Kommanditistin) since the original establishment of PASM KG.

The subscribed capital of the general partner PASM GmbH is stated as T€ 25. The registered offices of PASM GmbH are in Bonn.

Comparability with prior year figures as a result of organizational changes and the first-time adoption of the Bilanzrechtsmodernisierungsgesetz (Accounting Law Modernization Act - BilMoG).

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In accordance with Section 265 (2) Clause 1 HGB, the figures of the prior financial year of the Company have been disclosed for the balance sheet as of December 31, 2010 and the income statement for the period from January 1 to December 31, 2010.

The Accounting Law Modernization Act was fully adopted for the first time in the year under review (in accordance with Art. 66 EGHGB). The prior-year figures have not been adjusted in accordance with Art. 67 (8) Clause 2 EGHGB.

If the effects of the first-time adoption of the Accounting Law Modernization Act are of a material nature and if they are necessary for a better understanding of the business figures, they are detailed in the notes to the individual balance sheet and income statement items.

Accounting principles.

The annual financial statements of PASM KG are prepared in accordance with the regulations of the German Commercial Code (HGB) and in the version of the BilMoG applicable for large corporations in accordance with Section 267 (3) HGB and the current version of the articles of incorporation.

The balance sheet and income statement comply with the structure regulations of Sections 266 and 275 HGB, whereby the income statement is structured using the cost of sales method in accordance with Section 275 (2) HGB. All figures are stated in Euros (€) unless otherwise specified. The financial year is defined as the calendar year.

If individual items in the balance sheet and income statement have been pooled in order to improve overall clarity and transparency, a separate explanation or a detailed description has been included in the notes to the financial statements. In line with standard international practice, reporting commences with the income statement.

The annual financial statements of PASM KG are included in the consolidated financial statements of Deutsche Telekom AG, Bonn, as the ultimate parent company. In accordance with Section 315a HGB, the consolidated financial statements and the Group management report of Deutsche Telekom AG, Bonn, (also referred to in the following as DTAG) are prepared using EU-compliant IFRS. The consolidated financial statements and the Group management report are published in the federal gazette and can also be accessed via the website of the corporate register of DTAG.

Accounting policies.

The revenues which are disclosed comprise all revenues that are generated in connection with the rendering of typical services for the Company and from the sale of products that are typical for the Company, and which thus result from the ordinary business activities of PASM KG. This essentially comprises revenues from providing availability products and delivering power in the DTAG Group.

The revenues are stated exclusive of turnover tax and are reduced by revenue reductions. In line with the principle of realization, revenues are recognized in the relevant period to which they relate.

The retirement benefit costs comprise costs incurred in connection with payments into the pension provisions for the employees. The pension obligations are established in accordance with the projected unit credit method (following modification by the BilMoG). The Company exercises the option provided in Art. 67 (1) Clause (1) EGHGB by accumulating at least 1/15th of the shortfall of the pension obligations resulting from the revaluation or reclassification in each financial year until no later than December 31, 2024.

The costs of taxes on income comprise the taxes on income which have to be paid directly, i.e. trade tax. PASM KG does not exercise its option for creating deferred tax assets in accordance with Section 274 (1) HGB (following modification by the BilMoG).

Purchased intangible assets are measured with their cost of purchase and are depreciated over their respective useful lives.

PASM KG does not exercise the option of capitalizing self-created intangible assets (Section 248 (2) HGB).

Tangible assets are measured at cost of purchase or cost of production less depreciation. The costs of production comprise the directly attributable costs as well as proportionate material and production overheads. Interest on borrowings is not capitalized. If any reduction in value is probably of a permanent nature, impairments are recognized to reduce the value of the asset to its lower fair value.

Depreciation is recognized using the straight-line method. The underlying standard useful lives are based on an assessment of the individual operation, taking account of technical as well as financial factors.

As a result of the Accounting Law Modernization Act coming into force, it will no longer be permissible for deprecation which is allowed solely under tax law to be recognized in the commercial law financial statements. PASM KG exercises the option of retaining the previous figures in accordance with Section 67 (4) Clause 1 EGHGB. The residual carrying amount attained as of December 31, 2009 will subsequently, namely from January 1, 2010 onwards, be written down over the remaining useful life using the straight-line method.

The additions to movable fixed assets are depreciated on a pro-rata basis starting in the year in which the assets are acquired.

Assets of minor value (for tax purposes: Minor value assets) were, until December 31, 2007, written off in full in the year of acquisition and shown as a disposal. Since January 1, 2008, assets with costs of purchase or costs of production which do not exceed € 150 have been written off immediately in the year of acquisition. If the costs of purchase or costs of production are more than € 150 but not more than € 1,000, the assets are capitalized in annual collective items which overall are of minor significance and depreciated over a period of five years. At the point at which these assets are completely written down, they are recorded as disposals in the schedule of assets.

Fixed assets, when they are sold or otherwise disposed of, are derecognized with their respective carrying amounts (costs of purchase or costs of production less cumulative depreciation). A profit or loss arising from an asset disposal is recognized in the income statement for the difference between the proceeds of the sale and the carrying amount of the asset.

Raw materials and supplies are recognized with a fixed value. The most recent physical inventory was carried out in 2009. The work-in-progress is measured at costs of production. The costs of production, on the basis of scheduled capacity utilization, comprise the directly attributable individual costs such as material and wage costs as well as special individual costs of production plus reasonable proportionate material and production overheads as well as depreciation. The general administrative expenses and selling costs, interest on borrowings as well as costs of social facilities of the operation, for voluntary social services and the company pension scheme are not recognized in the costs of production.

In accordance with Section 240 (3) HGB, equivalent inventory assets which are regularly replaced and the value of which is of minor importance for the Company are shown with a fixed value. The size, value and composition of the inventories are subject to only minor changes.

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Receivables, other assets, liquid assets, deferred charges and prepaid expenses are shown with their nominal amount. Appropriate allowances in relation to the receivables are recognized in order to take account of individual risks. A global allowance was not necessary.

For the sake of simplicity, foreign currency assets are converted using the spot mid-rate at the time at which the assets are acquired. The offer rate is used for conversion purposes only if the figure which results from the spot mid-rate being used for conversion purposes differs considerably from the figure which would result if the offer rate were to be used for conversion purposes. In accordance with Section 256 a HGB, subsequent measurement uses the spot mid-rate of the balance sheet reference date, with due consideration being given to the cost of purchase principle (Section 253 (1) Clause 1 HGB) and the principle of realization (Section 252 (1) No. 4 Semi Clause 2 HGB). Short-term items with a remaining term of less than one year are always measured using the spot mid-rate.

In accordance with Section 266 (2) Letter C HGB, the deferred charges and prepaid expenses are shown as a separate item. They are recalculated as of every closing date.

Provisions for pensions and similar obligations are attributable to obligations to employees. They are calculated in accordance with actuarial principles using the projected unit credit method, with due consideration being given to the 2005 G mortality tables of Prof. Dr. Klaus Heubeck. Anticipated future increases in salaries and pensions are also taken into consideration for this purpose. The interest rate for establishing the present value of the pension obligations is equivalent to the average market rate of the previous seven years which is published by the Deutsche Bundesbank and which is applicable for an assumed remaining term of 15 years (Section 253 (2) Clause 2 HGB).

The Company exercises the option provided in Art. 67 (1) Clause (1) EGHGB by accumulating at least $1/15^{th}$ of the shortfall of the pension obligations resulting from the revaluation or reclassification in each financial year until no later than December 31, 2024.

The semi-retirement provisions are measured with their present value in accordance with actuarial principles.

The tax provisions as well as the other provisions, including provisions for potential losses of pending transactions and provisions for environmental risks are shown with their settlement amount calculated in accordance with the principles of the judgment of a prudent businessman. Due consideration is given to all recognizable risks for determining the extent of these provisions. The price and cost increases which are likely to take place in the meantime are taken into consideration.

Provisions with a remaining term of more than one year are discounted as of the reference date using the rate announced by the Deutsche Bundesbank. The average market rate of the past seven financial years is used for this purpose.

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If the introduction of the BilMoG and the resultant valuation changes mean that it becomes necessary for provisions to be reversed, the Company utilizes the option to retain a higher value if the amount to be reversed would have to be paid back into provisions by December 31, 2024 (Art. 67 (1) Clause 2 EGHGB). On the other hand, if the changed valuation results in an increase in the value of the provision which has been created, this additional amount is recognized as exceptional expense in the income statement in the year in which the BilMoG is initially applied in accordance with Art. 67 (7) EGHGB.

Liabilities are shown as the higher of nominal value or settlement amount.

For the sake of simplicity, foreign currency liabilities are converted using the spot mid-rate at the time at which the liabilities are taken on. The bid rate is used for conversion purposes only if the value resulting from liabilities being converted using the spot mid-rate differs significantly from the value which would result from the liabilities being converted with the bid rate. In accordance with Section 256a HGB, subsequent valuation is based on the spot mid-rate of the balance sheet date with due consideration being given to the principle of imparity (Section 252 (1) No. 4 Semi-Clause 2 HGB). Short-term items with a remaining term of less than one year are always measured using the spot mid-rate of the balance sheet date.

Scope for discretion.

When it prepares the financial statements, the Company must make assessments and assumptions which affect the figures shown for assets and liabilities, the disclosure of risks and uncertainty with regard to the assets and liabilities which are recognized as of the closing date as well as the costs and income items for the reporting period. The actual results may differ from these assessments.

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Notes to the income statement.

1 Revenues

Revenues broken down according to area of activity.

T€	2010	2009
Revenue product availability with utilization ratio and order value	519 676	491 369
Revenue from office electricity and other electricity deliveries	155 311	144 915
Revenues of other technology products	24 095	16 963
Revenues from electricity tax	19 060	20 463
Revenues total	718 142	673 710

In the course of the financial year, the revenues increased by T€ 44,431 compared with the prior year. This was due mainly to the onward charging of electricity tax in the availability product in accordance with the decision of the Fiscal Court in Munich. The revenues are generated primarily within Germany.

Revenues broken down according to customers.

T€	2010	2009
Deutsche Telekom AG	2 645	0
Abroad		
Telekom Deutschland GmbH (formerly T-Home, organizational entity of DTAG)	512 285	490 491
Telekom Deutschland GmbH (formerly T-Mobile)	26 524	20 525
DFMG, Deutsche Funkturm GmbH	66 844	72 823
GMG, Generalmietgesellschaft mbH	42 387	40 954
T-Systems International GmbH	57 760	38 131
I.T.E.N.O.S. International Telecom Network Operation Services GmbH	6 123	2 201
T-Systems DDM GmbH	941	0
Other Group companies	1 002	628
Other third parties (mainly Media Broadcast GmbH)	1 631	7 957
	718 142	673 710

2 Changes in inventories and other capitalized own work.

T€	2010	2009
Changes in work-in-progress	6 373	0
Other capitalized own work	382	0
	6.755	0

The changes in work-in-progress mainly comprise building projects for data centers of T-Systems International GmbH.

Own work was capitalized for the first time in the financial year 2010.

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3 Cost of sales.

T€	2010	2009
Electricity costs incl. ancillary costs	393 764	357 895
Maintenance, repair and, in the broader sense of the term, operating facilities	180 295	141 210
Depreciation on tangible assets	86 932	116 789
Electricity controlling / energy management	6 203	6 970
Other	4 467	4 434
Less change in inventories (see 2.)	-6.755	0
	664.906	627 298

4 Selling costs.

T€	2010	2009
Personnel expenses, sales	1 703	1 671
Other selling costs	479	390
	2 182	2 061

5 General administrative expenses.

T€	2010	2009
Finance and controlling	9 909	7 162
Management and communication	2 910	2 997
Other costs of general administration	8 424	10 280
	21 243	20 439
Thereof:		
Service agreements, accounting/personnel	8 225	4 055
Inventory costs	392	1 672
Insurance policies	552	538
Auditor’s fees for preparing and auditing financial statements	445	546
Consultancy fees	129	358
Personnel expenses	3 075	1 978
IT expenses	7 403	9 863

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6 Other operating income.

T€	2010	2009
Income from the reversal of provisions	13 012	9 406
Income from adjustments to provisions for deconstructioning obligations	2 650	14 787
Income due to derecognition of electricity tax liabilities for prior years	2 278	1 717
Income from refund of electricity tax 2008	0	207
Income from refund of electricity tax 2009	793	0
Income from inventory	0	309
Income from purchasing services	349	363
Income from sales of facilities	1 164	174
Income from credit notes for electricity billing attributable to other periods	8 290	6 431
Income from insurance claims	317	138
Income from cost refunds	888	286
Gross profit STRABAG	861	0
Other operating income	648	534
	31 250	34 352

The income of T€ 12,309 from the reversal of provisions (2009: T€ 7,376) in the year under review mainly comprised income from the reversal of provisions for sourcing electricity.

The figure of T€ 753 shown for income from asset disposals mainly comprises income from an asset sale to Media Broadcast.

In the year under review, a figure of T€ 11,360 included in other operating income relates to other periods. This figure mainly comprises amounts attributable to other periods for credit notes for electricity sourcing and the derecognition of electricity tax liabilities or the refunding of electricity tax.

7 Other operating expenses.

T€	2010	2009
Costs resulting from derecognition of electricity tax receivable	85 021	0
Electricity tax expense attributable to other periods	20 847	0
Addition to provisions for electricity tax prior years	2 912	0
Addition to provisions for deconstructioning obligation	2 248	23 318
Addition to provision for other risks	2 655	7 880
Losses from asset disposals	1 284	1 202
Other expenses	108	301
	115 075	32 702

The other operating expenses increased by a total of T€ 82,373 compared with the prior year. This is mainly due to the fact that PASM KG was unsuccessful in the first instance in March 2010 before the Finance Court Munich in litigation with the main customs office Munich regarding a reclaim of overpaid electricity tax for the years 2006 to 2009. The assessment of the chances of success were then changed by management, following liaison with the external appraisal expert Dr. Friedrich, BDO, from "with the utmost probability" to "mainly positive". In consequence, the receivable of T€ 85,021 due from the Main Customs Office for the years 2006 to 2009 was derecognized, and a figure of T€ 20,112 was recognized for electricity tax claimed for the year 2005.

Based on the tax audit findings of the Main Customs Office, PASM KG expects to receive a demand for additional electricity tax for the years 2006 to 2010. This is the reason behind the addition of T€ 2,912 to provisions for electricity tax for prior years.

The addition to provisions for other risks consists entirely of potential losses resulting from an agreement “gross profit compensation” in the framework purchasing agreement DTAG/Strabag due to anticipated failure to meet budgeted targets for the years 2011 to 2013.

Of the figure shown for the other operating expenses attributable to other periods, the main amount (T€ 23,759) is attributable to additional demands or addition to provisions for electricity tax.

8 Cost of materials.

T€	2010	2009
Costs of raw materials and supplies and for purchased products	392 309	356 681
Costs of purchased services	187 953	148 627
	580 262	505 308

9 Personnel expenses/employees.

T€	2010	2009
Wages and salaries	6 855	5 918
Social security, pension and other benefit costs		
Social security	537	489
Pension benefit costs of employees	670	696
Other benefit costs	185	140
	8 247	7 243

Personnel expenses increased by a total of T€ 1,004 compared with the prior year. This was due to the increase in the number of persons employed in the course of 2009, a wage increase resulting from a collective bargaining agreement as well as an increase in variable compensation.

The average number of employees (excl. managing directors) has developed as follows:

Number	2010	2009
Employees (excl. managing directors)	93	90

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10 Depreciation on tangible assets and intangible assets.

T€	2010	2009
Depreciation		
Depreciation on intangible assets	6	2
Depreciation on tangible assets	86 928	117 556
	86 934	117 558

In the year under review, the depreciation on tangible assets mainly related to technical equipment, plant and machinery, namely T€ 86,912 (2009: T€ 117,533) (in particular secure energy supply and air conditioning technology).

11 Financial result.

T€	2010	2009
Other interest and similar income Thereof: From affiliated companies T€ 17 (2009: T€ 156)	17	710
Interest and similar expenses Thereof: To affiliated companies T€ 6,453 (2009: T€ 7,903)	8 065	8 009
Thereof: From discounting provisions T€ 584		
Net interest income	8 048	7 299

The negative net interest income was mainly attributable to interest expenses for financial liabilities (T€ 5,358) as well as the onward charging of guarantee commissions (T€ 403).

12 Exceptional result.

The exceptional result of € 71,047.10 is due to the reversal of provisions for deconstructioning obligations arising from the transitional regulation for the introduction of the BilMoG.

An additional amount of € 32,917.00 was also recognized in exceptional expenses in the financial year 2010 in accordance with the transitional regulation for the introduction of the BilMoG and the changed valuation of the provisions for pensions.

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13 Taxes.

T€	2010	2009
Taxes on income	608	1 702

The taxes on income of T€ 608 mainly comprise the trade tax from the year 2010.

14 Appropriation of result.

The result of the current financial year, which shows a loss of T€ 62,631, has been netted against additional paid-in capital.

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Notes to the balance sheet.

15 Fixed assets.

The decline of T€ 9,564 in fixed assets compared with December 31, 2009 is mainly attributable to asset disposals of T€ 5,263 and a reduced volume of investment.

Investments in fixed assets in the financial year 2010 amounted to a total of T€ 82,631 (2009: T€ 78,926). The increase is mainly attributable to the initial capitalization of main consumer lines. The investments focused particularly on the facilities of secure energy supply and the air conditioning technology.

Schedule of assets

		Acquisition and production costs						
T€		As of Jan 1, 2010	Additions	Additions from transfers of group companies	Disposals	Disposals from transfer to group companies	Reclassifications	As of Dec 31, 2010
I.	Intangible assets							
1.	Software	15	3	0	0	0	0	18
2.	Advance payments	88	96	0	0	-184	0	0
		103	99	0	0	-184	0	18
II	Tangible assets							
1.	Technical equipment, plant and machinery	937 870	66 093	20	-11 110	-1 651	18 922	1 010 144
2.	Operational and office equipment	84	1	0	0	0	0	85
3.	Construction in progress	30 040	16 418	0	-187	0	-18 922	27 350
		967 994	82 512	20	-11 297	-1 651	0	1 037 579
Total fixed assets		968 097	82 611	20	-11 297	-1 835	0	1 037 597

Depreciation					Carrying amounts	
As of Jan 1, 2010	Additions	Disposals	Disposals from transfers to group companies	As of Dec 31, 2010	As of Dec 31, 2010	As of Dec 31, 2010
4	6	0	0	10	8	10
0	0	0	0	0	0	88
4	6	0	0	10	8	98
507 464	86 912	-7 088	-781	586 507	423 637	430 406
35	16	0	0	51	34	49
0	0	0	0	0	27 350	30 040
507 499	86 928	-7 088	-781	586 558	451 021	460 495
507 503	86 934	-7 088	-781	586 568	451 029	460 593

16 Inventories.

T€	Dec 31, 2010	Dec 31, 2009
Raw materials and supplies	6 434	6 434
Unfinished products, unfinished services	6 373	0
	12 807	6 434

The raw materials and supplies consist exclusively of diesel and heating oil inventories for emergency stand-by power systems.

The **unfinished services** mainly relate to building projects for data centers of T-Systems International GmbH.

17 Receivables.

T€	Dec 31, 2010	Dec 31, 2009
Trade account receivables Thereof: With a remaining term of more than one year € 0 (Dec 31, 2009: € 0)	178	1 620
Accounts due from affiliated companies Thereof: With a remaining term of more than one year € 0 (Dec 31, 2009: € 0)	32 846	16 066
Accounts due from partner Thereof: With a remaining term of more than one year € 0 (Dec 31, 2009:€ 0)	13 793	67 407
Other assets	11 196	106 593
	58 013	191 686

The accounts due from affiliated companies mainly comprised receivables of T€ 13,294 within the framework of internal cash pooling within the Group (December 31, 2009 T€ 66,719) as well as internal trade receivables of T€ 33,345 within the Group (December 31, 2009 T€ 16,754).

The accounts due from the partner amounted to T€ 13,793 (2009: T€ 67,407).

18 Other assets.

T€	Dec 31, 2010	Dec 31, 2009
Receivables from taxes	819	95 673
Miscellaneous other assets	10 377	10 920
	11 196	106 593

The decline in other assets compared with December 31, 2009 is mainly attributable to the derecognition of claims made against the Main Customs Office for the reimbursement of electricity tax payments made for the years 2006 to 2009 and the resultant interest payments. The other assets also include receivables from security deposits to third parties of T€ 1,584 (2009: T€ 3,412) as well as creditors with a debit balance of T€ 8,792 (2009: T€ 7,501).

The receivables of T€ 1,585 included in the other assets (December 31, 2009 T€ 3,419) all have a remaining term of less than one year.

19 Deferred charges and prepaid expenses.

This item of T€ 727 (2009: T€ 0) comprised costs accrued for structured procurement of electricity.

20 Equity.

T€	Dec 31, 2010	Dec 31, 2009
Fixed capital	10 025	10 025
Additional paid-in capital	262 995	325 626
Appropriation of profit/loss	(62 631)	16 562
Net loss/net income	(62 631)	16 562
Equity	273 020	335 651

The equity declined by T€ 62,631 compared with 2009. This change is due to the result of the current financial year, which shows a loss of T€ 62,631, which was netted against additional paid-in capital.

Fixed capital.

The fixed capital of PASM KG amounted to T€ 10,025 as of December 31, 2010, and corresponds to the limited partner’s capital contribution (Kommanditeinlage).

Additional paid-in capital.

This item results from contributions in kind in the form of assets of the partner Deutsche Telekom AG in the financial year 2005 (T€ 327,762) less the balance of profit/losses of prior years (T€ 2,136) as well as the loss of the current year.

21 Provisions for pensions and similar obligations.

A pension provision under commercial law was created in accordance with Section 6a EStG up to December 31, 2009. With the introduction of the Accounting Law Modernization Act as of January 1, 2010, the pension provisions have been measured since that time using the projected unit credit method. The additional amount resulting from the changed valuation of the pension provisions is spread over 15 years in accordance with the transitional regulations (Art. 67 (1) EGHGB) of the BilMoG.

The amount of pension provisions not shown in the balance sheet as a result of the transitional regulations of the BilMoG was T€ 461 as of December 31, 2010.

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The calculation was based on the following assumptions as of the respective reference date:

in %	Dec 31, 2010	Prior year comparison starting 2011
Discount rate	5.16	
Salary trend (outside collective bargaining / other)	3.5/3.25	
Pension trend	1.5	

The pension obligations are measured using the 2005 G Heubeck mortality tables.

The actuarial appraisals identified the following figures for the pension obligations shown in the balance sheet as of the respective closing date:

T€	Dec 31, 2010	Dec 31, 2009
Direct pension obligations	973	747
Indirect pension obligations	0	0
	973	747

The increase in the provisions compared with December 31, 2009 simply reflects the increased average age.

22 Tax provisions.

T€	Dec 31, 2010	Dec 31,2009
Trade income tax	0	0
Other taxes	1 367	572
	1 367	572

The increase in the tax provisions compared with December 31, 2009 is mainly attributable to the additional payment into the provision for the tax and interest liabilities resulting from tax audits.

23 Other provisions.

T€	Dec 31, 2010	Dec 31, 2009
Personnel provisions		
Semi-retirement	126	105
Miscellaneous obligations	1 943	1 199
Other obligations		
Outstanding invoices for electricity costs	41 489	63 498
Deconstructioning obligations on non-owned land	39 296	39 302
Compensation obligation gross profit guarantee for STRABAG PFS	2 655	7 880
Risk provision electrical accident ÖTK	0	2 363
Failure to carry out maintenance, to be performed in Q1	171	397
Outstanding invoices building costs STRABAG PFS	557	262
Recalculation of electricity tax due to tax audit	3 421	0
Miscellaneous other provisions	523	755
	90 181	115 761

The fact that the provisions for other personnel obligations have increased compared with December 31, 2009 is mainly due to the increase in the provision for variable compensation.

The provisions for outstanding invoices for electricity costs have declined compared with the financial year 2009 mainly as a result of a reversal of the provisions for the years 2005 to 2008 (T€ 12,309).

The other obligations also mainly comprise provisions for deconstructioning obligations. PASM KG takes advantage of the option of retaining the higher value shown for provisions within the provisional regulations of the BilMoG. If this option to retain the higher figure had not been utilized, there would have been a reversal for the miscellaneous other provisions of T€ 15,152.

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24 Liabilities.

T€	Dec 31, 2010 Total	Dec 31, 2010 Thereof with a remaining term: Less than 1 year	Dec 31, 2010 Thereof with a remaining term: More than 1 year and up to 5 years	Dec 31, 2010 Thereof with a remaining term: More than 5 years	Dec 31, 2009 Total	Dec 31, 2009 Thereof with a remaining term: Less than 1 year	Dec 31, 2009 Thereof with a remaining term: More than 1 year and up to 5 years	Dec 31, 2009 Thereof with a remaining term: More than 5 years
Other liabilities								
Advance payments received on account of orders	5 739	5 739			0			
Trade accounts payable	39 743	39 743			43 167	43 167		
Accounts due to affiliated companies	101 093	1 093	100 000		154 938	154 938		
Accounts due to partners	376	376			4 118	4 118		
Other liabilities	5 113	5 113			3 779	3 779		
[Thereof: for taxes]	5 113	5 113			3 778	3 778		
Thereof: for social security	0	0			1	1		
Total amount of liabilities	152 064	52 064	100 000		206 000	206 000		

The accounts due to affiliated companies mainly comprise the liabilities due to DeTeFinance (T€ 100,852; December 31, 2009: T€ 153,817). The decline was mainly attributable to the repayment of the loan (T€ 150,000) and the raising of a new loan of only T€ 100,000.

The accounts due to partners amounted to T€ 376 (2009: T€ 4 118).

The liabilities due to other taxes mainly comprise VAT liabilities (T€ 1,443), electricity tax liabilities (T€ 3,585) and income tax liabilities (T€ 85). The increase of T€ 1,335 in tax liabilities compared with December 31, 2009 is mainly due to the fact that there was a VAT liability in 2010, whereas there had been an input tax overhang in 2009.

25 Deferred income.

A deferred income of T€ 4,972 has been shown for the first time. This consists entirely of a premium paid out in relation to the extended loan of DeTeFinance.

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26 Deferred taxes.

In 2010, there is an asset overhang in the case of the deferred taxes. The Company has not used the resultant option for recognizing the deferred taxes as provided for in Section 274 (1) HGB.

The deferred tax assets are attributable to the following:

T€	Difference Dec 31, 2010	Deferred tax	Difference Dec 31, 2009	Deferred tax
Figures shown in balance sheet for				
Liabilities from warranty retentions	47	7	91	14
Semi-retirement provisions (<= 1 year)	1	0	12	2
Provisions for failure to carry out maintenance	170	26	83	13
Provisions for pensions	74	12	7	1
Semi-retirement provisions (> 1 year)	10	2	22	3
Provisions for staff bonus programs	14	2	21	3
Provisions for deconstructioning obligations	18 001	2 824	11 493	1 803
Provisions for potential losses	2 655	417	0	0
Deferred tax assets relating to loss carry forwards				
Loss carry forwards from current tax calculation	57 569	9 033	14 974	2 349
Loss carry forwards for tax audit issues (tax audit risks)	9 239	1 450	5 431	852
Deferred tax assets, net	87 780	13 773	32 134	5 042

The calculation is based on a tax rate of 15.69 %. Deferred tax assets have been recognized in relation to trade tax loss carry forwards of T€ 57,569. Tax relief is expected within five years.

Other information.

27 Contingencies and other financial obligations.

T€	Dec 31, 2010	Dec 31, 2009
Contingencies	682 600	781 500
Thereof: Due to partners T€ 682,600 (Dec 31, 2009 T€ 781,500)		
Other financial obligations Therof: Due to affiliated companies T€ 461 (Dec 31, 2009: T€ 464)	382 999	430 859

Under **contingencies,** the Company discloses a miscellaneous contingency with regard to the partner DTAG in the amount of € 682.6 million. In the framework purchasing agreement DTAG – DTI (now STRABAG PFS), DTAG provided a gross profit guarantee which has to be settled internally within the Group on the basis of the agreement between DTAG and PASM KG.

Based on current planning, the risk of this gross profit guarantee being utilized for the years 2011 to 2013 is classified as being mostly likely. For this reason, a miscellaneous provision of T€ 2,655 has been created for these years. On the other hand, the risk for the following years is considered to be minor.

There are also **other financial obligations** in the form of contractual obligations with regard to clients in the amount of T€ 382,999. These are spread over a period of three years, and relate to obligations for electricity products (T€ 373,819), obligations for purchasing tangible assets (T€ 8,719) and rent payments in the Group (T€ 461).

PASM KG has also entered into contract fulfillment guarantees for liabilities arising from electricity purchasing for the purpose of securing the payment claim. Group guarantees of T€ 163,600 have been issued (2009: T€ 126,000). There is also a bank guarantee of T€ 310 (2009: T€ 310).

There are no off-balance-sheet transactions in accordance with Section 285 No. 3 HGB.

The Company has concluded **hedges** within the framework of structured electricity purchasing to cover its electricity requirement of subsequent years. Electricity products (forwards) concluded on the EEX (exchange) have been used as the basis for hedging a future purchasing value of T€ 324,263. In accordance with Section 285 No. 19 HGB, the fair value of the forwards on December 31, 2010 was calculated as T€ 284,163 on the basis of current market values.

28 Fees and services of the auditors.

In accordance with Section 285 No. 17 HGB, the total fee charged by the auditors for the financial year is included in the corresponding information in the notes to the consolidated financial statements.

29 Information concerning transactions with related parties.

Affiliated companies. PASM KG maintains business relations with numerous affiliated companies. The transactions are carried out on an arm’s length basis.

Related companies and natural related persons. No major transactions have taken place.

30 Executive bodies of the Company.

Management.

PASM GmbH, in its capacity as the general partner (Komplementärin), is the party which has full liability for PASM KG.

Management consists of the following persons:

Dipl-Ing Univ. Götz Wolf, Chairman of management since September 08, 2004, commercial activities.

Dipl.-Ing. Willi Hoffmann, Managing director since June 13, 2005, technical activities.

The general partner (Komplementärin) alone is authorized and obliged to represent the Company. Each personally liable partner is always authorized individually to represent the Kommanditgesellschaft (limited partnership).

Emoluments of management.

In the financial year, management received emoluments of T€ 498 (2009: T€ 408).

Supervisory Board.

The Company has a Supervisory Board consisting of four members, who waived any entitlement to emoluments for 2010.

The Supervisory Board consists of the following members:

Dr. Bruno Jacobfeuerborn, Chairman of the Supervisory Board since March 9, 2010, member of the Supervisory Board since October 29, 2009, Managing director Technik Telekom Deutschland GmbH

Albert Matheis, Deputy Chairman of the Supervisory Board since March 9, 2010, member of the Supervisory Board since October 29, 2009, head of Functional Controlling, commercial director DT Netzproduktion GmbH

Wolf-Thilo Junkes, Member of the Supervisory Board since March 16, 2006, head of Corporate Real Estate Management, management spokesman GFM

Dr. Volker Pyrtek, Member of the Supervisory Board since December 12, 2008, head procurement officer Deutsche Telekom AG

Miscellaneous.

No advances or loans have been extended to members of the executive bodies as well as former members of the executive bodies. The Company has also not taken on any contingencies for the benefit of this group of persons (Section 285 No. 9c HGB).

Munich, February 16, 2011

Management

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Auditors' Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system of the PASM Power and Air Condition Solution Management GmbH & Co. KG, München, for the business year from January 1 to December 31 2010. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law and supplementary articles of incorporation are the responsibility of the Company's Managing Directors of the managing corporate general partner. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB [Handelsgesetzbuch: German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (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 accordance with (German) principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to 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 and the annual financial statements 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 Managing Directors of the managing corporate general partner as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

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Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary articles of incorporation 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.

At the point at which our audit was concluded, it was not possible to assess definitively whether the exemptions in accordance with Section 264b HGB had been properly utilized because it was only possible for the criteria of No. 2 (inclusion in the consolidated financial statements of the parent company) and No. 3a (disclosure of the exemption in the notes to the consolidated financial statements prepared and disclosed by the parent company), of their very nature, to be satisfied at a later date.

Essen, February 16, 2011

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Haarmann Wirtschaftsprüfer (German Public Auditor)	Weichert Wirtschaftsprüfer (German Public Auditor)

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