Annual report

for the year ended December 31, 2007

Deutsche Telekom International Finance B.V.

Amsterdam

Table of contents

Annual report of the directors
Annual report of the directors 2

Financial statements
Balance sheet as at December 31, 2007 5
Profit and loss account 2007 6
Cash flow statement 2007 7
Notes to the balance sheet and profit and loss account 8

Other information
Profit appropriation according to the Articles of Association 25
Proposed appropriation of profit 25
Post balance sheet events 25
Auditor's report 26

Annual report of the directors

Annual report of the directors

1.1. Directors' report

The Board of Management is pleased to present the annual report and financial statements of Deutsche Telekom International Finance B.V. (the Company) for the financial year ended December 31, 2007.

1.1.1 Review of financial position and result

The state of affairs of the Company at the closing of the financial year is adequately presented in the balance sheet and the profit and loss account. The course of business of the Company went in line with expectations of the management.

1.1.2 Business activities

On April 26, 2007, the Company has increased the maximum issuance amount of the Debt Issuance Programme (DIP) from previously EUR 20,000,000,000 to EUR 25,000,000,000.

On March 28, 2007, the Company issued a Medium Term Note (MTN) of EUR 500,000,000 under the DIP.

The Company did not issue any bonds nor took up any new bank loans in 2007.

One tranche of the Company's Global Bond 2002 was redeemed on May 29, 2007 representing an amount of EUR 2,500,000,000. Moreover two MTNs amounting to EUR 500,000,000 each were repaid on January 22 and on December 4, 2007, respectively.

During 2007 the Company granted new loans to group companies for the amounts of EUR 1,730,000,000, CHF 38,000,000, HUF 89,000,000,000 and GBP 538,408,905. In addition, an amount of GBP 215, 591,095 was granted and repaid during the year.
Moreover the Company granted a new loan of EUR 500,000,000 to DTAG.

On September 26, 2007 DTIF´s parent company DTAG entered into amendment agreements relating to its committed revolving credit facilities dated August 19, 2005. These amendment agreements entitle the Company to make draw-downs on credit facilities granted by four different banks.

Compared to last year, the net result of the Company increased by 0.9% to EUR 10,915,665.

1.1.3 Post balance sheet events

On February 12, 2008, the Company repaid one MTN (EUR 1,000,000,000).

1.1.4 Future business developments and financing

The management does not anticipate any major changes during the current financial year and expects to continue with its financing activities.

Amsterdam, February 15, 2008

The Managing Directors,

Stephan Wiemann

Robin Sheridan

Financial statements

Balance sheet as at December 31, 2007

(Before proposed appropriation of result)

		December 31, 2007		December 31, 2006	
Assets	Ref.	EUR´000	EUR´000	EUR´000	EUR´000
Fixed assets					
Tangible fixed assets	5	7		14	
Financial fixed assets	6	27,851,160		32,753,609	
			27,851,167		32,753,623
Current assets					
Receivables and other current assets	7		5,254,310		4,663,499
			33,105,477		37,417,122

		December 31, 2007		December 31, 2006	
Shareholder's equity and liabilities	Ref.	EUR´000	EUR´000	EUR´000	EUR´000
Shareholder´s equity					
Issued share capital and other reserves	8	2,000		2,000	
Result current year		10,916		10,824	
			12,916		12,824
Long-term liabilities	9		27,687,937		32,552,960
Current liabilities	10		5,404,624		4,851,338
			33,105,477		37,417,122

Profit and loss account 2007

For the year ended December 31,

	Ref.	2007		2006	
		EUR´000	EUR´000	EUR´000	EUR´000
Income from financing activities		2,793,619			2,728,850
Direct costs for financing activities		(2,778,378)			(2,712,707)
Added value			15,241		16,143
General and administrative expenses		(592)		(769)	
Total costs			(592)		(769)
Result on ordinary activities before taxation			14,649		15,374
Taxation on result on ordinary activities	14		(3,733)		(4,550)
Net result after taxation			10,916		10,824

Cash flow statement 2007

For the year ended December 31,

	Ref.	2007 EUR '000	2007 EUR '000	2006 EUR '000	2006 EUR '000
Cash flows from operating activities					
Result on ordinary activities before taxation			14,649		15,374
Adjustments in respect of:					
Depreciation of tangible fixed assets	5		7		8
Corporate income tax not yet paid			(191)		0
Changes in working capital:					
Receivables		(737,062)		3,723,948	
Current liabilities		740,719		(3,455,176)	
Corporate income tax paid		(3,542)		(4,753)	
			115		264,019
Net cash (used in) / from operating activities			14,580		279,401
Cash flows from investment activities					
Investments in:					
- Tangible fixed assets		0		(1)	
- Financial fixed assets	6	3,885,223		(3,668,024)	
Net cash (used in) / from investment activities			3,885,223		(3,668,025)
			3,899,803		(3,388,624)
Cash flows from financing activities					
Changes in long-term liabilities		(3,900,931)		3,897,444	
Dividend paid	8	(10,824)		(10,696)	
Net cash (used in) / from financing activities			(3,911,755)		3,886,748
Increase/(decrease) in cash and cash equivalents			(11,952)		498,124
Movement in cash and cash equivalents					
Cash and cash equivalents as at January 1			0		0
Increase/(decrease) in cash and cash equivalents			(11,952)		498,124
Revaluation			11,952		(498,124)
Cash and cash equivalents as at December 31			0		0

Notes to the balance sheet and profit and loss account

1 General

1.1 Activities

The principal activity of the Company consists of external funding and intercompany lending.

1.2 Group Structure

Deutsche Telekom International Finance B. V. with its statutory seat at Strawinskylaan 1243, 1077 XX Amsterdam, is a 100% subsidiary of Deutsche Telekom AG. The Company's financial statements are included in the consolidated financial statements of Deutsche Telekom AG.

1.3 Accounting policies

The financial statements were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

1.4 Changes in accounting policies

In 2007 there were no changes in accounting policies which were effective for the Company.

1.5 Notes to the cash flow statement

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet items cash at banks and in hand and the bank overdraft forming part of the current liabilities.

Cash flows in foreign currencies have been translated at the exchange rate of the respective transaction date. Receipts and payments of interest, dividends received and corporate income tax are included in the cash flow from operating activities. Dividends paid have been included in the cash flow from financing activities.

2 Principles of valuation of assets and liabilities

2.1 General

The assets and liabilities are stated at the amounts at which they were acquired or incurred if not specifically stated otherwise. The balance sheet and profit and loss account include references to the notes.

2.2 Comparison with prior year

The principles of valuation and determination of result remain unchanged compared to the prior year.

2.3 Foreign currencies

Transactions denominated in foreign currencies during the reporting period are recognised in the annual accounts at the exchange rate ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange results are included in the profit and loss account.

The following exchange rates have been used as at December 31, 2007:

- GBP 100 = EUR 136.13
- USD 100 = EUR 67.9071
- CHF 100 = EUR 60.41
- CZK 100 = EUR 3.76364
- HUF 100 = EUR 0.396178

2.4 Tangible fixed assets

Tangible fixed assets are valued at acquisition cost including directly attributable expenses, less straight-line depreciation over the estimated useful economic life, or market value if lower.

2.5 Financial fixed assets

The financial fixed assets consist entirely of loans to group companies and are stated at the nominal value of the amount owed, which normally consists of its face value net of any provisions considered necessary.

2.6 Impairment of fixed assets

On each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications are present, the recoverable amount of the asset is determined.

2.7 *Receivables*

The receivables consist of receivables from affiliated companies with a maturity of less than one year as well as receivables from intercompany clearing accounts and other receivables. They are stated at the nominal value of the amount owed, which normally consists of its face value net of any provisions considered necessary.

2.8 *Long-term liabilities*

Long-term liabilities are valued at amounts incurred.

2.9 *Disagio / Agio*

The (dis)agio as discount / premium on the proceeds from the nominal amount of the financial instrument received is disclosed separately on the balance sheet. Upon recognition, the (dis)agio is translated into euros, using the foreign currency exchange rate at the transaction date. Subsequently the (dis)agio is amortized over the lifetime of the related financial instrument.

Any (dis)agio included in the issuance of a financial instrument is also incorporated in the internal loan granted from the proceeds of this financial instrument.

2.10 *Financial instruments*

All on-balance sheet financial instruments are valued at cost, usually face value, unless stated otherwise. For the disclosure of the fair values of the financial instruments valued at cost, we refer to note 11.

Derivative financial instruments (especially forward exchange contracts and interest rate swaps) are initially not recognized nor valued on the balance sheet. The financial effects of these instruments are recognized after expiry of the contract, or upon settlement of the hedged position.

3 Principles for determination of results

3.1 *General*

The result represents the difference between the value of the consideration rendered and the costs and other charges for the year. The results on transactions are recognised in the year they are realised.

3.2 *Revenue recognition*

Revenues and expenses are accounted for in the period to which these items relate.

3.3 *Income from financing activities*

Income from financing activities is determined as interest income received from intercompany financing activities.

3.4 *Direct costs for financing activities*

Costs from financing activities, mainly interest costs, are recognised in and allocated to the reporting year to which they relate. The difference between book value and ultimate redemption value, including interest payable, is linear recognised in the profit and loss account during the term of the loan.

3.5 *General and administrative expenses*

General and administrative expenses include the remuneration of the Management Board and the administration costs.

3.6 *Personnel remuneration*

Salaries and social security costs are charged to the profit and loss account when due, and in accordance with employment contracts and obligations.

3.7 *Depreciation*

Tangible fixed assets are depreciated over their expected useful life as from the inception of their use. Future depreciation is adjusted if there is a change in estimated useful life.

3.8 *Taxation*

Profit tax is calculated on the profit/loss before taxation in the profit and loss account, taking into account any losses carried forward from previous financial years (insofar as these are not included in deferred tax assets), tax-exempt items and non-deductible expenses, and using current tax rates.

4 Financial instruments

4.1 *Market risk*

4.1.1 *Currency risk*

The Company's currency risk mainly relates to positions and future transactions in GBP, USD, CHF, CZK and HUF. The currency risk is either hedged directly by entering into a swap agreement or naturally swapped by means of raising the funds in the same currency as the financing provided to the borrowers.

4.1.2 *Price risk*

The Company is not exposed to risks relating to the valuation of securities taken up under financial fixed assets. The company aims, in principle, to fund the financing provided to the borrowers by means of loans with identical maturities. Therefore the company does not incur any exposure due to differences in maturity between funding and financing and does not suffer from price differences.

4.2 *Interest rate risk*

The Company is exposed to interest rate risk on the interest-bearing receivables and interest-bearing long-term and current liabilities. However, the interest rates on the Company's funding do, in principle, match with the interest rates on the corresponding loans provided by the Company. Any interest rate exposure that does nevertheless arise at the level of the Company is hedged so there will effectively be no interest rate risk at the level of the Company.

4.3 *Credit risk*

The Company does not have any significant concentrations of credit risk. All funds obtained from the market by the Company are fully guaranteed towards the bank / investor by Deutsche Telekom AG, the Company's parent company. Loans are granted to intra-group companies only.

5 Tangible fixed assets

Movements in tangible fixed assets during the financial year were as follows:

	Other tangible fixed assets
	EUR'000
December 31, 2006 book value	14
Movements:	
- Addition	0
- Depreciation	(7)
	(7)
December 31, 2007 book value	7
Accumulated depreciation	(73)
Depreciation percentages	10.00 % to 33.33 %

6 Financial fixed assets

The financial fixed assets consist entirely of loans to affiliated companies. The loans are denominated in EUR, GBP, USD, CHF, CZK and HUF. The loans in foreign currencies are translated into EUR at the rates of exchange prevailing at the balance sheet date, except for the following loans:

- CHF 38,000,000
- CZK 300,000,000
- GBP 104,000,000
- GBP 120,000,000
- GBP 251,413,219
- HUF 5,000,000,000
- HUF 10,000,000,000
- HUF 20,000,000,000
- HUF 20,000,000,000
- HUF 25,000,000,000
- HUF 25,000,000,000
- HUF 28,000,000,000
- HUF 34,000,000,000
- HUF 40,000,000,000

For these loans the Company has entered into currency swaps. These derivative contracts have the same maturity as the corresponding loans.

Movements in the financial fixed assets during the financial year were as follows:

	Financial fixed assets
	EUR'000
December 31, 2006 book value	32,753,609
Movements:	
- Additions	2,966,229
- Prepayments & Reclassifications	(6,851,451)
- Valuation	(1,017,227)
	(4,902,449)
December 31, 2007 book value	27,851,160

Prepayments refer to early repayments of loans by Deutsche Telekom AG. Reclassifications were made to short term financial receivables.

The interest rates on the long-term loans as of December 31, 2007 vary from 3.08% to 9.68% (2006: 2.37% to 10.20%).

7 Receivables and other current assets

The position receivables and other current assets includes receivables from affiliated companies with a maturity of less than one year, interest receivables from affiliated companies, other receivables and prepaid expenses.

	Dec 31, 2007	Dec 31, 2006
	EUR´000	EUR´000
Receivables from affiliated companies	4,219,483	3,505,452
Interest receivables from affiliated companies	868,038	956,541
Other receivables	13	0
Prepaid expenses	166,776	201,506
	5,254,310	4,663,499

7.1 Receivables from affiliated companies

The position receivables from affiliated companies contains loans to group companies with a maturity of less than one year as well as receivables from intercompany clearing accounts. The receivables from affiliated companies split up as follows:

	Dec 31, 2007	Dec 31, 2006
	EUR´000	EUR´000
CHF	0	24,918
EUR	2,575,569	1,617,020
GBP	474,819	992,666
HUF	79,602	294,571
USD	1,089,493	576,277
	4,219,483	3,505,452

The loans in foreign currencies are translated into EUR at the rates of exchange prevailing at the balance sheet date, except for the following loans:

- GBP 182,995,685
- HUF 20,000,000,000
- USD 700,000,000

For these loans the Company has entered into currency swaps. These derivative contracts have the same maturity as the corresponding loans.

Interest receivables from affiliated companies

	Dec 31, 2007	Dec 31, 2006
	EUR´000	EUR´000
Receivables from shareholder	641,573	764,740
Receivables from group companies	226,465	191,801
	868,038	956,541

7.2 Other receivables

This position refers to a receivable from the Federal Financial Supervisory Authority in Germany (Bundesanstalt für Finanzdienstleistungsaufsicht).

7.3 Prepaid expenses

The breakdown of the prepaid expenses reads as follows:

	Dec 31, 2007	Dec 31, 2006
	EUR´000	EUR´000
Disagio on Bonds issued	131,630	157,388
Disagio on MTNs issued	32,662	40,183
Disagio on Bank loans taken up	39	66
Agio on loan granted	0	1,169
Shelf registration fee	2,406	2,672
Other prepaid expenses	39	28
	166,776	201,506

8 Shareholder´s equity

8.1 Share capital

The authorised share capital of the company as at December 31, 2007 amounts to EUR 2,268,901 and consists of 5,000 shares of common stock at a par value of EUR 453.78 each. There were no movements in the number of shares in 2007.

The movements in shareholders' equity over 2006 and 2007 are as follows:

	Issued share capital	Other reserves	Result for the year	Total
	EUR´000	EUR´000	EUR´000	EUR´000
Balance as at January 1, 2006	454	1,546	10,696	12,696
Ordinary dividend	0	0	(10,696)	(10,696)
Result current year	0	0	10,824	10,824
Balance as at December 31, 2006	454	1,546	10,824	**12,824**

	Issued share capital	Other reserves	Result for the year	Total
	EUR´000	EUR´000	EUR´000	EUR´000
Balance as at January 1, 2007	454	1,546	10,824	12,824
Ordinary dividend	0	0	(10,824)	(10,824)
Result current year	0	0	10,916	10,916
Balance as at December 31, 2007	454	1,546	10,916	**12,916**

8.2 Appropriation of result 2006

At the General Meeting of Shareholders held on April 13, 2007, the result of 2006 was adopted as follows:

	EUR´000
Distributed to holders of ordinary shares (EUR 0 already distributed as interim dividend)	10,824
Result after dividend payment	0

9 Long-term liabilities

The long-term liabilities consist of Bonds, MTNs and loans granted by credit institutions with a maturity of ≥ 1 year. The short-term liabilities are accounted with the current liabilities, specified in note 10.

	Dec 31, 2007	Dec 31, 2006
	EUR'000	EUR'000
Bonds	18,458,403	21,919,728
MTNs	8,837,425	9,997,875
Loans from credit institutions	392,109	635,357
	27,687,937	32,552,960

9.1 Bonds

The bonds can be specified as follows:

			Dec 31, 2007	Dec 31, 2006
	Term 1 – 5 years	Term ≥ 5 years	Total Bonds > 1 year 2007	Total Bonds > 1 year 2006
	EUR´000	EUR´000	EUR´000	EUR´000
EUR	7,500,000	3,250,000	10,750,000	12,750,000
GBP	0	408,390	408,390	446,898
USD	3,055,819	4,244,194	7,300,013	8,722,830
	10,555,819	7,902,584	18,458,403	21,919,728

In 2007 the interest rates on bonds are both fixed and floating. Fixed interest rates vary from 3.25 % to 9.25 %. In 2007 there is only one floating rate bond denominated in USD with an interest rate of Libor 3M+18bp. The same range of rates applied in 2006.

Repayment of the principals of these bonds is guaranteed by Deutsche Telekom AG.

9.2 *MTNs*

The MTNs can be specified as follows

	Dec 31, 2007			Dec 31, 2006
	Term 1 – 5 years	**Term ≥ 5 years**	**Total MTNs > 1 year 2007**	**Total MTNs > 1 year 2006**
	EUR´000	EUR´000	EUR´000	EUR´000
EUR	5,270,800	1,500,000	6,770,800	7,770,800
GBP	1,045,650	1,020,975	2,066,625	2,227,075
	6,316,450	2,520,975	8,837,425	9,997,875

The interest rates on MTNs in 2007 are both fixed and floating. Fixed interest rates vary from 3.00 % to 7.50 % and the floating interest rates vary from Euribor 3M+10bp to Euribor 3M+44bp. The same range of rates applied in 2006.
One MTN with a nominal amount of 250,000,000 GBP, due in 2010, is swapped to EUR (365,000,000).

Repayment of the principals of the MTNs is guaranteed by Deutsche Telekom AG.

9.3 *Loans from credit institutions*

The loans granted by credit institutions are denominated in GBP and HUF. The breakdown is as follows:

	Dec 31, 2007			Dec 31, 2006
	Term 1 – 5 years	**Term ≥ 5 years**	**Total Bank Loans > 1 year (2007)**	**Total Bank Loans > 1 year (2006)**
	EUR´000	EUR´000	EUR´000	EUR´000
GBP	204,195	0	204,195	446,897
HUF	0	187,914	187,914	188,460
	204,195	187,914	392,109	635,357

	Bank loans EUR´000
GBP Loan, 6.775%, due 2010	204,195
HUF Loan, Bubor 3M + 10 bp	187,914
	392,109

Repayment of the principals of the loans from credit institutions is guaranteed by Deutsche Telekom AG.

10 Current liabilities

The position current liabilities consist of liabilities to affiliated companies, other liabilities and deferred income.

	Dec 31, 2007	Dec 31, 2006
	EUR'000	EUR'000
Liabilities to affiliated companies	7,215	8,029
Other liabilities	5,089,521	4,454,253
Deferred income	307,888	389,056
	5,404,624	4,851,338

10.1 Liabilities to affiliated companies

The liabilities to affiliated companies mainly consist out of guarantee fees.

10.2 Other Liabilities

The breakdown of the other liabilities is as follows:

	Dec 31, 2007	Dec 31, 2006
	EUR'000	EUR'000
Bonds and MTNs with maturity < 1 year	4,009,303	3,500,000
Bank loans with maturity < 1 year	204,195	0
Interest accruals derivatives	173,162	104,774
Interest payable on Bonds	478,125	597,636
Interest on MTNs	220,176	246,811
Interest on bank loans	4,264	4,702
Corporate income tax payable	191	210
Accrued expenses	89	84
Wage tax and other taxes payable	16	36
	5,089,521	4,454,253

The corporate income tax in the profit and loss account is calculated based on the Dutch corporate income tax rate of 20.0% - 25.5% (2006: 25.5% - 29.6%).

10.3 Deferred Income

The breakdown of the deferred income is as follows:

	Dec 31, 2007	Dec 31, 2006
	EUR'000	EUR'000
Agio on bonds issued	2,674	9,645
Disagio on loans granted	142,700	179,518
Interest compensation	162,514	199,893
	307,888	389,056

11 Financial instruments

Financial instruments valued at cost

The table below shows market values of financial liabilities. Financial assets are intercompany positions for which no external market value exists. These financial instruments are therefore not included in the table below.

	Dec 31, 2007		Dec 31, 2006	
	Market value	**Book value**	**Market value**	**Book value**
	EUR´000	EUR´000	EUR´000	EUR´000
Bonds < 1 year	2,507,716	2,509,303	2,532,675	2,500,000
MTNs < 1 year	1,501,268	1,500,000	1,009,339	1,000,000
Banks < 1 year	204,782	204,195	0	0
Other bonds	19,437,943	18,458,403	23,445,180	21,919,728
Other MTNs	8,961,523	8,837,425	10,330,785	9,997,875
Other Bank loans	397,599	392,109	646,866	635,357
Negative fair value derivatives - interest	(44,455)	0	(13,843)	0
Negative fair value derivatives - currency	(41,309)	0	(47,993)	0
Positive fair value derivatives - interest	468,602	0	635,731	0
Positive fair value derivatives - currency	163,823	0	94,976	0

12 Salaries and social security costs

	2007	2006
	EUR´000	EUR´000
Remuneration Management Board	128	117
Other salaries	114	149
Other social security costs	12	11
	254	277

Above-mentioned salaries and social security costs are taken up in the general and administrative expenses.

The remuneration of the Supervisory Board in 2007 was nil (2006: nil).

13 Depreciation of tangible fixed assets

Depreciation

	2007	2006
	EUR'000	EUR'000
Tangible fixed assets (note 5)	7	8
	7	8

14 Taxation on result on ordinary activities

The taxation on result on ordinary activities can be specified as follows:

	2007	2006
	EUR'000	EUR'000
Result from ordinary activities before taxation	14,649	15,374
Taxation on result on ordinary activities	3,733	4,550
Effective tax rate	25.483 %	29.594 %
Applicable tax rate	25.500 %	29.600 %

15 Employees

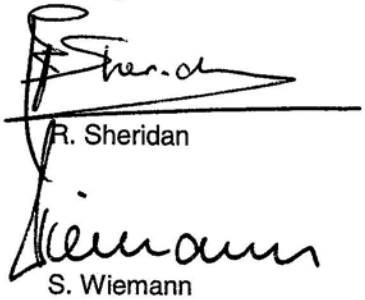
As at December 31, 2007 the Company employed 4 persons. (2006: 4)

16 Related parties

No other related party transactions have occurred other than those already disclosed.

Amsterdam, February 15, 2008

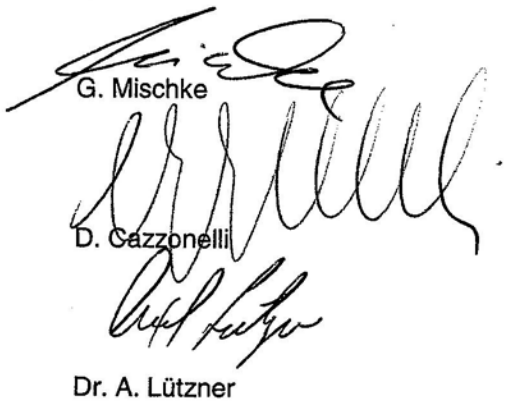
The Board of Management:



R. Sheridan

S. Wiemann

The Supervisory Board:



G. Mischke

D. Cazzonelli

Dr. A. Lützner

Deutsche Telekom International Finance B.V.
Strawinskylaan 1243
1077 XX Amsterdam

Other information

Deutsche Telekom International Finance B.V., Amsterdam

Profit appropriation according to the Articles of Association

According to article 19.1 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders for distributions, reservations or other options within the objects of the Company.

Proposed appropriation of profit

Following the proposed profit appropriation of the Board of Management, and pursuant to article 19 of the Articles of Association, an amount of EUR 10,915,665 will be distributed to the shareholder, awaiting approval of the General Meeting of Shareholders and the Supervisory Board.

Post balance sheet events

No other events occurred since December 31, 2007, which would make the present financial position substantially different from that shown in the balance sheet as that date, or which would require adjustment to or disclosure in the financial statements.

ERNST & YOUNG

Ernst & Young Accountants

Antonio Vivaldistraat 150
1083 HP Amsterdam
P.O. Box 7883
1008 AB Amsterdam
The Netherlands
Telephone 31-88-407 10 00
Fax 31-88-407 10 05
www.ey.nl

To: Meeting of Shareholders of Deutsche Telekom International Finance B.V.

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements for the year ended December 31, 2007of Deutsche Telekom International Finance B.V., Amsterdam, which comprise the balance sheet as at December 31, 2007, the profit and loss account and cash flow statement for the year then ended and the notes.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ERNST & YOUNG NOC*NSF partners in sport

125 JAAR EYDENTITY

Ernst & Young Accountants is a partnership of private limited liability companies ('professional corporations'), established in Rotterdam.
Our services are subject to general terms and conditions, which contain a limitation of liability clause.

03.001

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of Deutsche Telekom International Finance B.V. as at December 31, 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, February 15, 2008

for Ernst & Young Accountants

G.H.C. de Meris

10.001