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Start statement René Obermann

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Thank you, René!

Let me add some detail to the T-Mobile USA financial figures.

Strict cost discipline allowed us to increase EBITDA slightly by 0.8 percent to USD 1.4 billion while the EBITDA margin increased by 0.7 percentage points to 26.4 percent. And all that despite the tough market environment.

Service revenues stood at USD 4.5 billion in the first quarter; a slight decrease of 2.5 percent on the 2009 figure. The marked increase in mobile data business already mentioned by René Obermann had a positive impact on this trend. On the other hand, monthly revenue per customer fell by USD 2 to USD 45 year-on-year. The proportion of low-revenue customers has increased.

That brings me to our business in Germany which consistently showed strong development throughout the first quarter.

We have considerably slowed the decline in revenue compared with the first quarter of 2009: In the first three months of 2009, revenues declined by roughly 4.6 percent year-on-year. On the other hand, revenue from fixed and mobile business in Germany overall decreased by just 2.2 percent in the first quarter of 2010.

Earnings remained virtually unchanged with an EBITDA margin of 37.1 percent. This is thanks to the continued progress we are making with our Save for Service initiative. Adjusted EBITDA for business in Germany decreased by 2.7 percent to EUR 2.3 billion.

Fixed-network revenues also developed much more favorably than in the prior year, decreasing by 4.1 percent. In the first quarter of 2009, this figure was 6.0 percent. Here too, we are definitely on the right track.

Adjusted EBITDA in the fixed-network segment decreased by around 9 percent. But that figure included a few one-time effects that have to be taken into consideration in a year-on-year comparison. Excluding these effects, the EBITDA margin would have remained virtually unchanged at 33.9 percent. The largest of these effects, totaling over EUR 40 million was the costs of variable payments made to all fixed-network staff for the excellent development in the 2009 financial year.

Our success in our DSL business and Entertain continued in the first quarter of 2010: In a broadband market impacted in general by significantly slower growth both in new customer business and in business with existing customers, we have kept our share at the 2009 level, in other words, 45 percent for DSL net adds and 46 percent for the customer base overall. We added around 188,000

new DSL customers in the first three months of 2010. And the number of Entertain packages sold rose by another 130,000 to 1.2 million.
On top of that, we lost far fewer customers; line losses were 38 percent lower than in the first quarter of 2009, decreasing considerably to 372,000. That's the lowest for almost five years.

And with that, I would now like to turn to the excellent development in our German mobile communications business: We posted a 2.5-percent increase in revenue to EUR 2 billion, and service revenues increased by as much as 3.3 percent. We have thus further expanded our market leadership – despite cuts in mobile termination charges that cost us around EUR 32 million in revenue. Continually rising iPhone sales made an important contribution to our pleasing development, feeding through into an increase in revenue from data services of a sizeable 39 percent in the first quarter.

Our goal of focusing on the continually growing mobile data business has proven to be absolutely right. This is the path we will consistently continue to follow.

The 8.8-percent increase in adjusted EBITDA in German mobile communications clearly outpaced revenue growth. The adjusted EBITDA margin increased by more than 2 percentage points to 41.4 percent. This is attributable to several factors:

- The significant growth in revenue
- The strong customer base with 17.3 million contract customers
- A churn rate among postpaid customers that we have reduced to 1.3 percent, and
- The much more efficient use of customer retention and customer acquisition tools

The first quarter saw 72,000 contract net adds. As such, the contract customer base increased in total by 321,000 year-on-year.

This now brings me to our business in Europe. Adjusted EBITDA increased 42 percent. You will remember, in Poland and the UK in particular, we reported notable decreases in adjusted EBITDA in the first quarter of 2009 as a result of the financial and economic crisis, coupled with high customer acquisition figures. In the first quarter of 2010 we are seeing a very different picture, also reflected in the EBITDA margin, which increased by more than 8 percentage points to almost 28 percent.

Just how well business developed overall is reflected in the fact that revenue only declined by 1 percent despite reductions in mobile termination charges and roaming rates alone having a negative impact to the tune of around 6.5 percentage points. Substantial reductions in mobile termination charges forced down service revenues in countries such as Austria, and Poland.

All national companies contributed to the profit increase, with the margin improvements in the Netherlands, Austria and Poland proving particularly striking.
At the same time, we expanded our contract customer base by 163,000 net adds in these countries, posting the largest growth in the Czech Republic, the Netherlands, and Poland.

In the SEE operating segment, i.e. Southern and Eastern Europe, earnings remained high thanks in part to strict cost control. Revenue was up 21.5 percent and adjusted EBITDA rose by 15.8 percent, which resulted in an excellent EBITDA margin of 39 percent.

This overall positive development is not diminished by positive exchange-rate effects in Hungary and Romania, or the Greek OTE group being consolidated for an additional month compared with 2009. We continue to see growing customer numbers in mobile communications, with the number of contract customers increasing by 84,000 in the first quarter. TV business in the region also posted substantial growth with 110,000 net adds in the first quarter.

This overall positive picture of the Group's development is rounded off with a look at T-Systems. We continued to drive up our net revenue and, in particular, international revenue. This is, as you know, an element of our further developed strategy.

With total revenue up 1.2 percent, revenues generated with customers outside of the Deutsche Telekom Group rose by 2.4 percent. Revenue from international business increased by as much as 5.7 percent. Given a 7.3-percent rise in incoming orders to almost EUR 2.2 billion, we are confident of our ability to continue this trend. In the first quarter of 2010, we secured major deals with the German Aerospace Center (DLR), Deutsche Post DHL, TUI Travel, and Swiss Railways (SBB).

The adjusted EBIT margin improved to 2.2 percent – this is compared with it only 1.6 percent in the first quarter of 2009. This partly reflects the stringent implementation of the efficiency program at T-Systems, which generated savings of around EUR 0.1 billion in the first quarter.

Ladies and Gentlemen,

Cost discipline is a key cornerstone that will help support Deutsche Telekom's strategic development. In 2010 through 2012, we aim to save approximately EUR 4.2 billion on top of the gross savings of EUR 5.9 billion achieved on the back of the extremely successful Save for Service program.

In the first quarter of 2010, we already cut costs by EUR 340 million. As a result, we improved the Group's EBITDA margin from 30.3 percent to 30.9 percent. Compared with the first quarter of 2009, we reduced our cost basis by around EUR 0.2 billion net, which equates to EUR 0.5 billion on an organic basis, i.e., excluding the effects of changes in the composition of the Group or exchange rate fluctuations.

This also helped us achieve strong free cash flow of EUR 1.4 billion in the first quarter. Other factors included lower investments, partly on account of delays resulting from the hard winter as mentioned, as well as improvements in working capital. We laid a solid foundation in the first quarter that will help us to meet our full year free cash flow target of EUR 6.2 billion.

Our balance sheet ratios remain sound. We are clearly and comfortably within our communicated ranges for all KPIs. The ratios are either at the prior-year level or even slightly better.
We leveraged the good market conditions in the first quarter and raised external capital of around EUR 1.3 billion.

That's all from me at this point – I now hand you back to **René Obermann**.